

April 26, 2024

**VIA EMAIL**

Ms. Ruby Potter  
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Health Facilities Coordination Officer  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

**Re: Responses to Additional Information Requests Dated April 4, 2024 -  
Conversion of Edward W. McCready Memorial Hospital to a Freestanding  
Medical Facility, Docket No. 19-19-EX010**

Dear Ms. Potter:

On behalf of joint TidalHealth Peninsula Regional (“Peninsula Regional”), enclosed please find responses to additional information requests dated April 4, 2024 regarding the Peninsula Regional’s Request for Post-Approval Project Change submitted on March 29, 2024.

We hereby certify that a copy of this submission has also been forwarded to the appropriate local health planning agency as noted below.

Please let us know if you have any questions.

Thank you,



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Mallory Regenbogen



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*Counsel for TidalHealth*

# GALLAGHER

GALLAGHER EVELIUS & JONES  
ATTORNEYS AT LAW

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Enclosures

cc: Ben Steffen, Executive Director  
Wynee Hawk, Director, Center for Health Care Facilities Planning & Development  
Jeanne Marie Gawel, Chief, Certificate of Need Program  
Alexa Bertinelli, Esquire, Assistant Attorney General  
Caitlin E. Tepe, Esquire, Assistant Attorney General  
Danielle Weber, R.N., Somerset County Health Officer  
Theodore Delbridge, M.D., Executive Director, Maryland Institute for Emergency Medical Services Systems  
Pat Gainer, J.D., MPA, Deputy Director, Maryland Institute for Emergency Medical Services Systems  
Steven Leonard, President and CEO, Tidal Health, Inc.  
Stephanie Gary, Vice President and CFO, Tidal Health, Inc.  
Christopher Hall, Vice President, Strategy and Business Development/Chief Business Officer, Tidal Health, Inc.

**CONVERSION OF EDWARD W. MCCREADY MEMORIAL HOSPITAL TO A  
FREESTANDING MEDICAL FACILITY**

**Docket No. 19-19-EX010**

**TidalHealth Peninsula Regional, Inc.'s Responses to Requests for Additional Information  
Dated April 4, 2024**

- 1. Describe all renovations completed at the existing facility during Phase 1. What was the final budget? And provide a detailed explanation and accounting for each component of Phase 1 that was not implemented as approved. (The original budget included \$5,000 in architects' fees and \$15,000 in permits.)**
  - a. The applicant stated that some of the renovations would include creating an airborne infection isolation room and modifying toilet facilities to remove barriers and ensure compliance with ADA standards. Are those renovations complete?**

**Holder's Response:**

As set forth in TidalHealth Peninsula Regional, Inc.'s ("Peninsula Regional") Request for Post-Approval Project Change dated March 29, 2024 and **Exhibit 1** thereto, Peninsula Regional expended \$97,260 in converting Edward W. McCready Memorial Hospital ("McCready Hospital") to a freestanding medical facility in Phase I of its Request for Exemption from CON Review approved on January 16, 2020. The renovations took place between March and October 2020, and included creation of an airborne infection isolation room in the Emergency Department of the freestanding medical facility located on the first floor. More specifically, this project included installing a fan to create negative pressure and relocating an isolation monitor from the second floor to the first floor. The renovations also included modifying toilet facilities to remove barriers to ensure compliance with the American with Disabilities Act. As explained in footnote one of its Request for Post-Approval Project Change, Peninsula Regional was able to manage the project in-house and did not incur any architectural, engineering, or permit fees.

- 2. Tidal Health stated in their original exemption request that they did not want to locate the FMF at the McCready hospital site due to rising water levels that threatened the physical plant, parking areas, and access to the facility. What has been done to protect access and what plans are in place to ensure that access to services at the FMF is not hindered by rising water levels in the future?**

**Holder's Response:**

The Federal Emergency Management Agency, the Maryland Department of the Environment, the City of Crisfield, and Somerset County are actively engaged in creating and implementing a flood risk mitigation plan for the City of Crisfield, which includes the existing site of TidalHealth McCready Health Pavilion. Peninsula Regional has participated in the plan development.

While the TidalHealth McCready Pavilion building itself has never flooded, a few times each year, the road to the peninsula on which the facility is located and the parking lot flood due

to high tides and wind. In these situations, Peninsula Regional arranges for transportation for its staff members and patients. On several occasions, Peninsula Regional was assisted in these transportation efforts by the Somerset County Sheriff's Office, the Crisfield Police Department, and the Maryland National Guard. The United States Coast Guard and Lifestar Response have assisted in at least one patient transfer from TidalHealth McCready Health Pavilion to Peninsula Regional during a flood event.

- 3. COMAR 10.24.19.04 requires an applicant to provide public notice regarding a proposed conversion of a general hospital to an FMF and hold a public informational hearing. MHCC found that Tidal Health complied with this standard when it held a public hearing on August 20, 2019. However, since the program has significantly changed, and the community will not have a new FMF building in the foreseeable future, as promised, describe and provide documentation of how the community has been informed of this change, including whether a public meeting has been held or will be held in the future. If there has been no such public notification, describe the efforts that will be made to engage and inform the community and the timeline for this action.**

**Holder's Response:**

As noted, Peninsula Regional complied with the requirements of COMAR 10.24.19.04 by holding a public informational hearing on August 20, 2019. Since the conversion of McCready Hospital to a freestanding medical facility, Peninsula Regional has engaged the community on five different occasions to seek input into the health needs of the community. In the fall of 2022, Peninsula Regional held separate discussions with EMS MedicStation 8 (Lower Somerset Ambulance & Rescue Squad) and the Mayor and City Council, regarding the status of the freestanding medical facility operations, the non-suitability of development of a replacement facility on the project site approved by the Commission for Phase II of the McCready Hospital conversion, community health care needs, and the volume and severity of emergency department visits. Peninsula Regional also held three one-hour community meetings in October 2022, which were open to the public to discuss the service area's health care needs and utilization. A flyer announcing those public meetings is attached as **Exhibit 2**. In addition, each year, Peninsula Regional sponsors space at the J. Millard Tawes Crab & Clam Bake where community members are able to visit a tent and invited to ask questions, which are answered by Peninsula Regional executives. At this time, no further public meetings are scheduled.

- 4. Provide any letters of support for this project change.**

**Holder's Response:**

As reflected in the article describing communication efforts with the community and community leaders about the freestanding medical facility attached as **Exhibit 3**, the Mayor of Crisfield, members of the City Council, and members of the community support Peninsula Regional continuing to operate TidalHealth McCready Health Pavilion as a freestanding medical facility. Peninsula Regional could not find a suitable site to relocate the freestanding medical facility during the performance requirements imposed by the Commission for Phase II of the project. To the extent necessary, Peninsula Regional will supplement this filing with letters

supporting the ability of TidalHealth McCready Health Pavilion to remain operating as a freestanding medical facility at its current location.

- 5. In the first notification of the project change submitted on February 15, 2024, Tidal Health stated that it “reserves the right to discontinue certain non-emergency, rate regulated services at Tidal Health McCready Pavilion subject to future discussions and approval by the Health Services Cost Review Commission”. Please describe the services that Tidal Health contemplates eliminating at the Tidal Health McCready Health Pavilion.**

**Holder’s Response:**

Peninsula Regional has no present plans to eliminate any services at TidalHealth McCready Health Pavilion. Peninsula Regional has considered whether relocating primary care, physical, occupational, and speech therapy, and behavioral health clinics to a non-rate-regulated facility in downtown Crisfield would promote increased access to these services for residents of the community.

- 6. Provide a revised revenue/expense table for the FMF including any HSCRC rate reduction due to the project change.**

**Holder’s Response:**

Peninsula Regional will supplement this response with revised revenue and expense table for the McCready Health Pavilion from its inception in March 2020 through the end of fiscal year 2024 (July 1, 2023 – June 30, 2024 annualized).

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Requests for Additional Information concerning the Request for Post-Approval Project Change and its attachments are true and correct to the best of my knowledge, information, and belief.

April 26, 2024

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Date



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Christopher Hall  
Vice President, Chief Business Officer  
Strategy and Business Development  
TidalHealth, Inc.

# **EXHIBIT 2**

# Reimagining Healthcare

TidalHealth is the trusted and committed regional healthcare provider for Crisfield. We ensured healthcare services were protected when McCready Memorial Hospital was not able to meet federal guidelines.

Community health and vitality are critically important to TidalHealth; we're dedicated to the care of our family, friends and neighbors.

We would like to better understand:

- How we can better partner with the community to provide healthcare
- What healthcare services are needed and how the community utilizes those services
- How we can improve workforce development
- How can we assist with the revitalization of Crisfield

Overall, a better understanding of the needs and utilization will inform our planning process. You're invited to join us for one of the following community meetings.

**5:30 to 6:30 pm**  
**Tuesday, Oct. 18**

**Crisfield Public Library**

100 Collins St., Crisfield, Md.

**5:30 to 6:30 pm**  
**Wednesday, Oct. 26**

**J. Millard Tawes Museum**

3 9th St., Crisfield, Md.

**5:30 to 6:30 pm**  
**Thursday, Oct. 27**

**J. Millard Tawes Museum**

3 9th St., Crisfield, Md.

**Light refreshments will be provided.**





# **EXHIBIT 3**



BAY TO BAY NEWS

**DAILY STATE NEWS**

# TidalHealth sets two meetings to 'Reimagine Healthcare' in Crisfield

Posted Thursday, October 13, 2022 10:44 pm

CRISFIELD — Leaders of TidalHealth, which acquired the former McCready Memorial Hospital in 2020, are on a “listening tour” to determine what services work best for the fiscal health of the institution and the physical health of residents who need the services.

The first session “Reimagining Healthcare” is 5:30 to 6:30 p.m. Tuesday, Oct. 18 at the Crisfield Public Library and the second is also at 5:30 p.m. on Wednesday, Oct. 26 at the Tawes Museum. Light refreshments will be provided.

Attracting the most attention during earlier discussions is the emergency department — which since 2011 has suffered a compounded annual decline in usage of 6% — and despite the ebb of the coronavirus pandemic is still not at utilization levels last seen in 2019.

“Everything’s on the table, I will be blunt honest about that,” said Chris Hall, chief business officer and vice president of Strategy & Business Development for TidalHealth.

“We’re looking at the data, trying to talk to the community on how they’re utilizing services, but we know services need to be here,” he said.

McCready was absorbed by TidalHealth on March 1, 2020 just two weeks before the COVID-19 outbreak. Plans then were for a freestanding medical facility (FMF) in Hopewell but utilization dropped, and while it’s bounced back somewhat it’s still 10 to 12 emergency visits per day when it was 14 per day in 2019.

Mr. Hall said the day of the week with the highest volume is Monday, followed by Sunday, Tuesday and Friday with most patients arriving between 7 a.m. and 9 p.m. As it was before the merger, over 80% of McCready’s business is from the Crisfield-Marion area.



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# DAILY STATE NEWS

For statistical purposes patients are categorized into five priorities. Five is the least urgent, which may include not feeling well or a prescription refill, while 4 ranges from a sprained ankle to sore throat to a toothache.

Priority 3 represents urgent care such as abdominal pain, shortness of breath or general weakness. Angie Brittingham, senior director of the emergency department for TidalHealth, said the levels represent “not just about how sick you are, but it’s about what kind of resources are needed to diagnose and treat you.”

In 2019 McCready’s emergency room saw 76 level 2 patients and five patients required resuscitation. For that year there were 4,967 total visits of which 1.63% were ill to the point that without treatment there was a high chance of extreme impairment.

To determine the health of the emergency department the analysis of service is not limited to patient acuity but reimbursement for those services, that is, whether insurers or federal government payors feel it was a “true emergency” and will pay the bill. “We have to have the volume to cover the fixed costs,” Mr. Hall said.

Cindy Lunsford, TidalHealth’s executive vice president and chief operating officer, acknowledged that the numbers are surprising, and might indicate there is more of a need to access primary care “like a family practice provider.”

In addition, the Crisfield-Marion area represents around 5,100 people of which 20% are under the age of 14. “That was a surprise for us,” especially when there are no pediatricians in the immediate area.

Although no decisions have been made, Mr. Hall suggested a reimagined facility could include a place for low-level emergency visits handled as walk-ins during the hours of 7 a.m. to 9 p.m. “Is it more primary care, is it telehealth, is it weight loss and wellness services, is it diabetic care, is it dialysis, what are all the services that can help the community become healthier....all these balls are in the air,” he said.

Mr. Hall said when he met with Dr. Mike Atkins, a former city councilman, Dr. Atkins suggested diabetic ophthalmology, and restarting a schedule for appointments in Crisfield with a cardiologist.

During TidalHealth’s update last month to the City Council Mayor Darlene Taylor said she would like to know what the numbers have to be to support the emergency department, or what it would look like if it was “reimagined.” She said the administration’s goal is to bring new residents to Crisfield and retirees are a target population which look favorably on having nearby access to emergency and medical care.



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For Councilwoman LaVerne Johnson it was more personal as she's had family members brought back to life in the emergency room, including her daughter "who would not be here today" were it not for McCready and its presence in Crisfield.

"We have an aging population," she said, "I just think the emergency room is a must," especially for residents coming from the islands. It is the only facility in Maryland with a dock opposite its emergency entrance.

Councilman Eric Banks said besides the economic advantage to Crisfield if the emergency department closed, then 5,000 people "get crammed where? Salisbury."

"Let's find ways to make it work," he said, with Councilman Casey Goldsborough suggesting more marketing to drive business from Westover or even Princess Anne which represents 58% of the county's total population compared to Crisfield and Marion at just 28%.

Ms. Johnson is a former McCready employee with 27-years service and recommended the empty second floor that was formerly the hospital be converted to provide dialysis services. Ironically that was a plan pursued some 20 years ago by a former CEO with a facility even built to house it, now used for physical therapy.

"It's important to us, the health care of Somerset County and particularly Crisfield," Ms. Lunsford said. "We may not be able to do everything, but we can work together in partnership with others to provide services that make the most impact on the community."

She said the listening tour so far has heard from politicians and EMS and is now moving forward to meet with more community members.

"We need to have that service available," Mayor Taylor said about the emergency department, "even if another service is brought in to help pay for it."

Added to the mix of things to consider are the results of a community-based health needs assessment, conducted every three years, with the latest showing major gaps in access and health equity, behavioral health (including substance abuse treatment), dental care, and disease management.

Diabetes is a number one concern in Somerset County, followed by weight/obesity, and wellness lifestyle, the survey found.

"One thing I can promise you, is TidalHealth is not going away," Mr. Hall said. "Their services are going to be offered, we just have to figure out what is the compliment of



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services that is commensurate with the population.” And emergency care, “is on the table.”

During public comments Tim Howlett said shutting down McCready’s ER “will devastate Crisfield” and the EMS system. He said the representatives from TidalHealth were telling the community, “The writing is on the wall....‘That hey folks, it’s not working,’ they don’t make enough money.”

At the upcoming meetings TidalHealth representatives want to hear how they can better partner with the community to provide healthcare, what services are needed, and how can TidalHealth improve workforce development and the revitalization of Crisfield.