



MARYLAND HEALTH CARE COMMISSION

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

September 13, 2017

VIA E-MAIL AND REGULAR MAIL

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

**Re: Request for Exemption from Certificate of Need Review
Change in Bed Capacity
Bon Secours Hospital Baltimore, Inc.
Northwest Hospital Center, Inc.
Sinai Hospital of Baltimore, Inc.**

Dear Ms. Harting:

Maryland Health Care Commission (“MHCC”) staff has reviewed the August 30, 2019 request of LifeBridge Health, Inc. (“LBH”), Sinai Hospital of Baltimore, Inc. (“Sinai”) and Northwest Hospital Center, Inc. (“Northwest”) to change the bed capacity of Sinai, Northwest, and Bon Secours Hospital Baltimore, Inc. (“Bon Secours”), pursuant to the consolidation or merger of two or more health care facilities. This request for exemption from Certificate of Need (“CON”) review states that Bon Secours “will become a part of the LBH health system on or about November 1, 2019” (notification of LBH’s intent to acquire Bon Secours was provided to MHCC on August 26, 2019) and that, post-transaction, the bed capacity of Bon Secours and the two LBH hospitals will change as follows:

- Bon Secours will eliminate all of its acute psychiatric bed capacity, thereby eliminating provision of acute psychiatric hospital services. Bon Secours is currently licensed to operate, at a maximum, 27 such beds. The request for an exemption from CON review describes the impact of this proposed project as a reduction of 36 beds at Bon Secours;
- Sinai will add 24 acute psychiatric beds. Sinai is currently licensed to operate, at a maximum, 24 such beds; and
- Northwest will add 12 acute psychiatric beds. Northwest is currently licensed, to operate, at a maximum, 37 such beds.

Renovation of existing building space at Northwest and Sinai will be required to implement these changes in bed capacity. The estimated capital expenditure of the Northwest

renovation is approximately \$2 million. The estimated capital expenditure of the Sinai renovation is \$5 million.

Based on its review of the information contained in this request, staff has the following questions and requests for additional information or clarification.

Background and Exemption Request

1. Bon Secours has only allocated, currently, 27 beds of its total licensed acute care bed capacity to acute psychiatric services but the request for exemption from CON review states that bed capacity at Bon Secours “will decrease by 36 beds” as a result of this proposed project. Does this mean that the physical bed capacity of the psychiatric unit at Bon Secours is 36 beds? Please clarify.
2. Why has Bon Secours only allocated 27 beds of its total licensed acute care bed capacity to acute psychiatric services in FY 2020 in light of the average daily census experienced in the first half of 2019? Is the hospital operating more than 27 psychiatric beds under a temporary increase approved by the Maryland Department of Health?
3. How many medical/surgical beds for Maryland Department of Corrections (“MDOC”) inpatients will Bon Secours operate post-transaction (i.e., post November 1, 2019). How many acute psychiatric beds will Bon Secours operate between November 1, 2019 and the anticipated termination of psychiatric hospital services approximately one year later?
4. When does the MDOC contract for hospital services with Bon Secours end?
5. Will Sinai and Northwest be able to locate the additional psychiatric beds so that the beds function as a single 48-bed adult unit at Sinai and a single 49-bed adult unit at Northwest? If not, please explain the context and the implications on efficiency of the decision to create separate psychiatric units.
6. Will there be renovation costs associated with relocating and replacing the hospice inpatient unit space within Sinai? If so, who will bear these costs, Sinai or Seasons Hospice and Palliative Care?
7. Provide additional information on the assumption that Sinai and Northwest will handle 95% of the demand for psychiatric hospitalization experienced by Bon Secours after the reallocation of bed capacity. A service area-level analysis would be useful in this regard. Define the service area of Bon Secours psychiatric hospital services and the market share of hospital psychiatric programs in that service area. Additionally, profile the overlap in the psychiatric hospital service areas of the three hospitals involved in this review. More detail on referral patterns and the role of physicians, psychologists, and other behavioral health providers in establishing these referral patterns may also be useful in supporting your assumptions.

Consistency with the State Health Plan

8. Standard AP 6 states, “All hospitals providing care in designated psychiatric units must have separate written quality assurance programs, program evaluations and treatment protocols for special populations, including children, adolescents, patients with secondary diagnosis of substance abuse, and geriatric patients, either through direct treatment or referral.”

In response, you have provided the overall general hospital “Quality, Risk Management, and Patient Safety Plan” for Sinai and the overall general hospital “Quality, Patient Safety, and Performance Improvement Plan” for Northwest. Do these hospitals have documentation of quality assurance programs, program evaluations and treatment protocols specifically developed for psychiatric hospital programming, as implied by the standard? If so, please provide this documentation.

9. Standard AP 7 states, “An acute general or private psychiatric hospital applying for a Certificate of Need for new or expanded acute psychiatric services may not deny admission to a designated psychiatric unit solely on the basis of the patient’s legal status rather than clinical criteria.”

Do both Sinai and Northwest admit patients under court-orders of involuntary commitment? If so, does Sinai’s “admission criteria” I.G (Attachment A) which states that, “patients who have active police warrants for their arrest may be refused service” limit the hospital’s role as a resource for patients without regard to the legal status?

10. Standard AP 8 states, “All acute general and private freestanding psychiatric hospitals must provide a percentage of uncompensated care for acute psychiatric patients which is equal to the average level of uncompensated care provided by all acute general hospitals located in the health service area where the hospital is located.”

Please provide information about the percentage of uncompensated care for acute psychiatric patients, specifically.

More Efficient and Effective Delivery of Health Care Services

11. The application states that consolidating the three psychiatric hospital programs currently operated by Bon Secours and the current LBH hospitals into two programs offered at the current LBH hospitals will increase efficiency of service delivery but no quantitative analysis of these efficiency gains is provided (e.g., reductions in direct and support staffing cost per admission or patient day, reductions in administrative and other overhead expenses, or other measures related to productivity gains or reductions in unit costs). Please quantify the positive impact of service delivery efficiency that will result from the proposed changes in bed capacity.
12. How will the delivery of psychiatric hospital services in the Baltimore area be more effective when reconfigured as proposed? Are there differences in effectiveness between the three existing hospital programs that can be documented?

13. Is there a dimension of effectiveness associated with the availability and accessibility of the facilities within the primary service area of Bon Secours in the west central neighborhoods of Baltimore City that may be compromised by eliminating that facility location, as proposed, and limiting the future sites of service to northwest Baltimore City (Sinai) and western Baltimore County (Northwest)?

Tables from the hospital CON application tables package

https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_hospital_application_table_package_20170501.xlsx

14. Please provide the following standard tables reflecting the project budgets and the changes in bed capacity, utilization, revenues and expenses resulting from this proposed project using the tables package at the link provided above.

Table A, Physical Bed Capacity Before and After Project, for all three hospitals.

Table E, Project Budget, for Sinai and Northwest (it is assumed that no approval for any capital expenditure at Bon Secours is being sought through this exemption request).

Table F, Statistical Projections, for all three hospitals

Table G, Revenues and Expenses, Uninflated-Entire Facility, for all three hospitals

Table H, Revenues and Expenses, Inflated-Entire Facility, all three hospitals

You may wish to submit Table L, Work Force Information, for the involved hospitals, as an aide in responding to Item 11 above.

Please submit four copies of the responses to above questions and requests for additional information within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov). If additional time is needed to prepare a response, please let me know at your earliest convenience.

As with the request itself, all information supplementing the request must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

Should you have any questions regarding this matter, please contact me at (410) 764-3261.

Sincerely,



Paul E. Parker, Director
Health Care Facilities Planning & Development

cc: Letitia T. Dzirasa, M.D., Commissioner of Health, Baltimore City
Gregory Wm. Branch, M.D., Health Officer, Baltimore County
Kevin McDonald, Chief, Division of CON

Marta D. Harting, Esquire

September 13, 2019

Page 5

Moira Lawson, Program Manager, Division of CON

Suellen Wideman, Assistant Attorney General

Renee Webster, Assistant Deputy Director, Office of Health Care Quality, MDH