

STATE OF MARYLAND

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**MARYLAND HEALTH CARE COMMISSION**

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

November 19, 2019

**VIA E-MAIL AND REGULAR MAIL**

Thomas Dame, Esquire  
Gallagher Evelius & Jones, L.L.P.  
218 North Charles Street, Suite 400  
Baltimore, Maryland 21201

**Re: Request for Exemption from Certificate of Need Review  
Consolidation of University of Maryland Shore Medical  
Center at Dorchester and  
University of Maryland Shore Medical Center at  
Chestertown  
Acute Adult Psychiatric Services**

Dear Mr. Dame,

A key premise of the above-referenced request to exempt the proposed consolidation from CON review is that the public interest will be advanced, and the delivery of health care services will be made more efficient and effective, if the hospital at Chestertown is bolstered financially by the addition of a behavioral health service line. This point is made in the request for exemption at p. 31:

*The relocation of the UM SMC at Dorchester inpatient psychiatric beds to Chestertown is in the public interest because it will support the continued viability of UM SMC at Chestertown as an important health care facility serving residents in the northern portion of the mid-Shore region.*

The point is made further in your response to MHCC's first completeness letter, in your response to:

- Question 12, which states: ....*the proposed relocation of the inpatient psychiatric beds to Chestertown will result in improvements in efficiency and effectiveness of UM SRH's overall delivery of health care to the Mid-Shore by creating cost efficiencies for the new proposed regional medical center in Easton. In addition, the relocation will improve the*

*financial outlook for UM SMC at Chestertown by improving utilization of fixed costs by spreading the cost of numerous support services...over a broader patient and provider base.*

- Question 21, which states that *the proposed project...aims to meet two important regional health care needs: 1) providing continued access to the full continuum of behavioral health services for the Mid-Shore region, and 2) improving the financial outlook for UM SMC at Chestertown, which provides essential access to a multitude of medical services for residents of Kent County and northern Queen Anne's County.*

In order for MHCC staff to fully evaluate and explain the potential stabilizing effect that this project may have on UM SMC at Chestertown (as well as its impact on the Shore Regional Health system), please provide the following tables – in the modified, customized form described – from the hospital application tables package:

- Two versions of Table F (statistical projections), **for UM SMC at Chestertown alone;** one should be a status-quo projection for the hospital without the consolidation of the acute psychiatric beds, and a second, alternate version, that assumes the integration of these beds.
- Two versions of both Table G and H (revenue and expenses, uninflated and inflated, respectively); as above, one should be a “status quo” projection and the alternate version should assume integration of the acute psychiatric beds.
- The same six tables **for SMC-Easton alone,** i.e., a Table F, G and H assuming the psychiatric beds remain part of the hospital in Easton as approved by the Commission in April; and alternate versions of Tables F, G and H assuming that the psychiatric beds are relocated to Chestertown instead.

**Please be sure to include a thorough listing of your assumptions.**

Please submit four copies of the responses to these completeness questions and within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

All information supplementing the applicant 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, feel free to contact either me at (410) 764-5982.

Tom Dame, Esquire  
November 19, 2019  
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Sincerely,

A handwritten signature in black ink, appearing to read "Kevin McDonald". The signature is fluid and cursive, with the first name "Kevin" and last name "McDonald" clearly distinguishable.

Kevin McDonald  
Chief, Certificate of Need

cc: William H. Webb, Health Officer, Kent County  
Fredia J. Wadley, M.D., Health Officer, Talbot County  
Roger L. Harrell, M.H.A., Health Officer, Dorchester County  
Paul Parker, MHCC  
Jeanne Marie Gawel, MHCC