

Andrew N. Pollak, M.D.
CHAIR

STATE OF MARYLAND

Ben Steffen
EXECUTIVE DIRECTOR



MARYLAND HEALTH CARE COMMISSION

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

November 13, 2019

VIA E-MAIL AND REGULAR MAIL

James C. Buck, Esquire
Gallagher, Evelius & Jones, L.L.P.
218 North Charles Street, Suite 400
Baltimore, Maryland 21201

**Re: Modified Request for Exemption from Certificate of
Need Review Conversion of University of Maryland
Harford Memorial Hospital to a Freestanding Medical
Facility – Docket No. 17-12-EX004**

Dear Mr. Buck:

Maryland Health Care Commission staff has reviewed the October 21, 2019 Modified request of University of Maryland Upper Chesapeake Medical Center (“UCMC”) and University of Maryland Harford Memorial Hospital (“HMH”) for an exemption from Certificate of Need (“CON”) review for the proposed conversion of HMH, a general hospital, to a freestanding medical facility (“FMF”). Based on its review of the information contained in this request, staff has the following questions and requests for additional information or clarification:

Charity Care

1. Based on staff review of the Charity Care policy submitted, the UCHS charity care policy is ambiguous with regard to its compliance with the “Determination of Probable Eligibility” subpart of this standard, because it states that bank statements or other types of documentation “may be required” in order to render a “Determination of Probable Eligibility”. Charity care policy and/or procedures that require documentation for a determination of probable eligibility will not pass muster with this standard.¹

¹ Requiring a completed application with documentation does not comply with this standard, which is intended to ensure that a procedure is in place to inform a potential charity/reduced fee care recipient of his/her probable eligibility within two business days of initial inquiry or application for Medicaid based on a simple and expeditious process.

Please amend your policy and any related documents or forms to comply with this portion of the standard. See the attached guidance for applicants and staff, which is meant to clarify the requirements.

3. Please complete the table below so that MHCC staff can confirm compliance with each section of the charity care standard. For each of the following subparts of this standard, quote the language from the policy that meets each provision, and give a citation to the section of the policy where that language can be found.

Standard	Quote from the policy	Section citation
<p>10.24.19.04C Charity Care Policy. Each hospital shall have a written policy for the provision of charity care for indigent patients to ensure access to services regardless of an individual's ability to pay.</p> <p>(a) The policy shall provide:</p>		
<p>(i) Determination of Probable Eligibility. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospital must make a determination of probable eligibility.</p>		
<p>(ii) Minimum Required Notice of Charity Care Policy.</p>		
<p>1. Public notice of information regarding the hospital's charity care policy shall be distributed through methods designed to best reach the target population and in a format understandable by the target population on an annual basis;</p>		

A two-step process that allows for a probable determination to be communicated within two days based on an abridged set of information, followed by a final determination based on a completed application with the required documentation is permissible. But the policy must include the more easily navigated determination of probable eligibility.

2. Notices regarding the hospital's charity care policy shall be posted in the admissions office, business office, and emergency department areas within the hospital.		
3. Individual notice regarding the hospital's charity care policy shall be provided at the time of preadmission or admission to each person who seeks services in the hospital.		

Observation

- 3. Although Observation spaces were reduced in the FMF (from 24 to 17, or 29%) in the most recent modification of the exemption request, space was not reduced and the estimated project cost increased by \$3.9M (7.5%). Please explain:
 - a) Why this somewhat significant reduction in observation beds did not result in downsizing the building's footprint.
 - b) Why the project cost increased despite a downsized scope.

Utilization, Revenue, and Expense Projections

- 4. For which rate-regulated outpatient services is the applicant seeking authorization?
- 5. Provide documentation that the applicant has met the following subparts of COMAR 10.24.19.04C.
 - a) The applicants receive a determination from HSCRC, issued pursuant to COMAR 10.37.10.07-2D, regarding each outpatient service to be provided at the proposed FMF for which the applicants seek rate regulation. (COMAR 10.24.19.04C(3)(c)(v))
 - b) The applicants receive approved rates from HSCRC for each rate-regulated outpatient service at the proposed FMF. (COMAR 10.24.19.04C(3)(c)(vi))
 - c) The revenue estimates for emergency services and other outpatient services specified by the HSCRC under Health-General Article §19-201(d)(iv) and COMAR 10.37.10.07-2 are consistent with utilization projections and the most recent HSCRC payment policies for FMFs. (COMAR 10.24.19.04C(3)(f)(iii))
- 6. Please describe where UM UCH is in the process of negotiations with HSCRC regarding its GBR proposal.

James C. Buck, Esquire

November 13, 2019

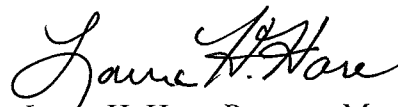
Page 4

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) and Laura Hare (laura.hare1@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) 764-5596.

Sincerely,

A handwritten signature in cursive script that reads "Laura H. Hare".

Laura H. Hare, Program Manager
Health Care Facilities Planning & Development

cc: Lyle E. Sheldon, President and CEO, UM Upper Chesapeake Health System
Kevin McDonald
Russell Moy, M.D., Acting Health Officer, Harford County

REQUIRED PROVISION	GUIDANCE FOR APPLICANTS, STAFF
<p>Each hospital shall have a written policy for the provision of charity care for indigent patients to ensure access to services regardless of an individual's ability to pay.</p> <p>(a) The policy shall provide:</p> <p>(i) Determination of Probable Eligibility. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospital must make a determination of probable eligibility.</p>	<p>Provide exact quote from the policy that covers this provision, and provide the section citation...in addition, provide the responses indicated in each cell below.</p> <p>Policy must guarantee a determination of probable eligibility within two business days of request for charity/reduced fee care or application for Medicaid</p> <p>Quote the specific language from the policy that describes the determination of <i>probable eligibility</i> (and give a citation to the location within the policy).</p> <p>Provide copies of any application and/or other forms involved in the process for making a determination of probable eligibility within two business days.</p> <p>Describe your procedure for making a final determination, including defining any documentation required.</p> <p><i>Note that requiring a completed application with documentation does not comply with this standard, which is intended to ensure that a procedure is in place to inform a potential charity/reduced fee care recipient of his/her probable eligibility within two business days of initial inquiry or application for Medicaid based on a simple and expeditious process.</i></p> <p><i>A two-step process that allows for a probable determination to be communicated within two days based on an abridged set of information, followed by a final determination based on a completed application with the required documentation is permissible. But the policy must include the more easily navigated determination of probable eligibility.</i></p>

<p>(ii) Minimum Required Notice of Charity Care Policy. 1. Public notice of information regarding the hospital's charity care policy shall be distributed through methods designed to best reach the target population and in a format understandable by the target population on an annual basis; 2. Notices regarding the hospital's charity care policy shall be posted in the admissions office, business office, and emergency department areas within the hospital. 3. Individual notice regarding the hospital's charity care policy shall be provided at the time of preadmission or admission to each person who seeks services in the hospital.</p>	<p>Quote the specific language from the policy that describes the method of implementing, and provide a sample for each communications vehicle(s). Provide examples of the public information tools.</p>
<p>2. Notices regarding the hospital's charity care policy shall be posted in the admissions office, business office, and emergency department areas within the hospital.</p>	<p>Provide copies of postings.</p>
<p>3. Individual notice regarding the hospital's charity care policy shall be provided at the time of preadmission or admission to each person who seeks services in the hospital.</p>	<p>Quote from policy with section citation</p>
<p>(b) A hospital with a level of charity care, defined as the percentage of total operating expenses that falls within the bottom quartile of all hospitals, as reported in the most recent Health Service Cost Review Commission Community Benefit Report, shall demonstrate that its level of charity care is appropriate to the needs of its service area population.</p>	<p>If level of charity care is in bottom quartile, provide rationale/explanation for this variance.</p>