

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 7, 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: Request for Exemption from Certificate of Need Review
Conversion of Edward W. McCready Memorial Hospital to a
Freestanding Medical Facility – Matter No. 19-19-EX010

Dear Mr. Buck:

Maryland Health Care Commission staff has reviewed the October 24, 2019 modified request of Edward W. McCready Memorial Hospital (“McCready”) and Peninsula Regional Medical Center, Inc. (“PRMC”) for an exemption from Certificate of Need (“CON”) review for the proposed conversion of McCready, 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:

COMAR 10.24.19.04C(6) Charity Care Policy

1. The standard states that, “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.” Pages 7-8 of the responses to the first completeness questions states “ For all other requests, eligibility determinations are made based on documentation of income and family size, including interviews with the patient and/or family and/or prior year’s tax returns or other documentation of annual gross income.” As MHCC has made clear, charity care policy and/or procedures that require documentation for a

determination of probable eligibility will not pass muster with this standard.¹ Please make the necessary changes to the policy/procedures and resubmit a policy that complies, or otherwise provide clarification that the submission of tax returns or documents is not required for the preliminary determination of probable eligibility.

COMAR 10.24.10.04A(3) Quality of Care

2. In addition to the quality measures discussed in the application, the following measures were found to be below average in the most recent MHCC quality report. Please provide PRMC's corrective action plan for these measures.

Quality Measure	Corrective Action Plan
How long patients spent in the emergency department after the doctor decided the patient would stay in the hospital before leaving for their hospital room	
Patients who come to the hospital with low back pain who had an MRI without trying recommended treatments first, such as physical therapy	
Patients who had a low-risk surgery and received a heart-related test, such as an MRI, at least 30 days prior to their surgery though they do not have a heart condition	
Percentage of patients who received appropriate care for severe sepsis and septic shock	

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.

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.

COMAR 10.24.19.04C(8)(h) Construction Cost

3. Regarding the normal Site Preparation Costs on Table D, please explain why these costs are \$700,000 higher than in the original application?
4. The project's cost per square foot exceeds the MVS benchmark by 12.13%. In the original application the cost per square foot only exceeded the MVS benchmark by 3%. Since the actual building design has not changed, explain why the costs per square foot have increased by 9%.

COMAR 10.24.19.04C(8)(i) More Efficient Health Care Services

5. Please explain why development of an urgent care center that operates, for example, from 8 a.m. to 10 p.m. or 7 a.m. to 11 p.m. – and programmed to also serve as a primary care center – would not better meet the “public interest” and “more effective and efficient” delivery of health care services standards by meeting the vast majority of community needs at a substantially lower cost than would be the case with an FMF.
 - a. In order to analyze this scenario, please prepare an alternate Table F and G from the hospital CON application package.
 - b. ...and if the need for the subsidization provided by an FMF conversion is the rationale for this choice, specify what kind of subsidization would be necessary to make this alternative feasible.

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.”

James C. Buck, Esquire

November 7, 2019

Page 4

Should you have any questions regarding this matter, please contact me at (410) 764-3232.

Sincerely,

A handwritten signature in black ink, appearing to read 'Moira Lawson', with a long horizontal flourish extending to the right.

Moira Lawson
Program Manager

cc: Steve Leonard, President and CEO, Peninsula Regional Health System, Inc.
Kathleen Harrison, CEO McCready Foundation, Inc.
Emily H. Wein, Foley & Lardner LLP
Kevin McDonald
Lori Brewster, Health Officer, Somerset County Health Department