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MARYLAND HEALTH CARE COMMISSION

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August 23, 2021

Via E-Mail and USPS

Rebecca A. Altman
Vice President and Chief Integration Officer
LifeBridge Health
2401 West Belvedere Avenue
Baltimore, Maryland 21205

Re: Sinai Hospital of Baltimore Inc. and Grace Medical Center, Inc.
Conversion of Grace Medical Center to a Freestanding Medical Facility
Matter # 21-24-EX013

Dear Ms. Altman:

Staff of the Maryland Health Care Commission (MHCC) has reviewed the joint application by Sinai Hospital of Baltimore Inc. (Sinai) and Grace Medical Center, Inc. (Grace) for an exemption from Certificate of Need review authorizing the conversion of Grace to a freestanding medical facility (FMF). We are requesting the following additional information.

Part I – Background, Project Description and General Information

1. The construction budget for Phase II is represented as \$12,600,000 on page 4 of the application, but \$12,640,000 on page 35 and in Exhibit 1, Table E and Exhibit 12 of the application. Please clarify.
2. The application contains inconsistencies in room description and number. Table A shows 19 emergency treatment spaces and eight observation bays, while the project drawings appear to identify 18 emergency treatment spaces and nine observation bays. Please clarify.
3. Please confirm whether the four psychiatric rooms mentioned on page 4 of the application are included in the count of emergency treatment spaces or are additional patient spaces. If the latter, how are these rooms classified.

4. Addressing Question 3 of the application, on pp. 6-8, items (v) and (vi) each require HSCRC approval. As indicated in (3)(c), [An FMF exemption shall...] only be accepted by the commission for filing after items (3)(c) (i through vii) are complete. Please provide proof of preliminary approval by HSCRC.

Part IV COMAR 10.24.19.04C(6) Charity Care Policy

5. Please respond to the following:
 - a. Quote the specific language from the policy, in Exhibit 8 of Sinai's Financial Assistance Policy, that describes the determination of probable eligibility for charity care and/or medical assistance, including the citation to the location within the policy.
 - b. Provide copies of any application and/or other forms involved in the process for a probable eligibility for charity care and/or medical assistance determination within two business days.

Note: The determination of probable eligibility for charity care should not require submission of documentation and is in place to inform an applicant of probable eligibility within two business days of initial inquiry or application for Medicaid based on a simple and expeditious process.

- c. Describe the final eligibility determination process, including identification of the documentation required.
6. Please provide a copy of the notice of the charity care policy that is posted in the admissions office, business office, and emergency department of the hospital.
7. Sinai Hospital is in the bottom quartile of all hospitals on the HSCRC Community Benefit Report. The application attributes this to a higher percentage of Medicaid in the service area population than in other hospital service areas.
 - a. Define the primary service area (using zip code areas) for Sinai Hospital.
 - b. Please provide data and analysis to support that the level of charity care provided is appropriate to the needs of the service area population.
 - c. Describe all outreach efforts, communications and methods being used to increase the level of charity care provided.

COMAR 10.24.19.04C(8)(a) Hospital Service Area Five Years of ED Visit Totals

8. Define the primary service area (using zip code areas) for Grace Medical Center.

COMAR 10.24.19.04C(8)(d) Number and Size of Emergency Treatment Spaces

9. ACEP guidelines prescribe 17 ED spaces for 23,500 visits as the low range estimate and 19 as a high range estimate. The new FMF will have 18 emergency treatment spaces, slightly higher than the low range estimate by ACEP.

COMAR 10.24.19.(8)(d) requires an applicant to “demonstrate that the proposed number of treatment spaces is consistent with the low range guidance [included in the most current edition of *Emergency Department Design: A Practical Guide to Planning for the Future*], unless, based on the particular characteristics of the population to be served, the applicant demonstrates the need for a greater number of treatment spaces.”

Explain why the population to be served by the FMF supports the higher number of emergency treatment spaces.

10. Given that higher acuity patients are likely to be redirected to hospital EDs by the proposed FMF, explain the reasoning and assumptions underlying the projection that the new FMF will see nearly the same number of patients as it did when part of a general hospital.
11. Tables 6a to 6d, show a decline in ED visits from the immediate area of nearly 2,500 between FY2016 and FY2019, and a larger drop of over 4,500 between FY2016 and FY2020. Given the declining trend in demand for ED visits, what assumptions or other factors support the utilization projection that ED visits will increase in the first three years of operations from 18,250 to 23,500?
12. Table C shows a 20,669 square foot renovation of the first floor of the building to be used for the FMF. The FMF will occupy 15,300 square feet. What is the planned use for the additional 5,369 square feet?

COMAR 10.24.19.04C(8)(e) Number of Observation Beds

13. Please submit the most recent five-year volumes for patient observation visits at Grace.
14. Grace observation patients average nearly 40 hours in observation status. This average is approximately twice the length of stay at other hospitals in the area. Explain what actions and initiatives will be implemented to reduce extended observation hours in the new facility.

COMAR 10.24.19.04C(8)(f) Utilization, Financial and Staffing Projections

15. The new FMF includes laboratory and imaging services and facilities. Will these services run 24 hours a day and seven days per week to support the emergency services provided by the FMF? Will they be solely for the use of patients presenting to the FMF with urgent or emergent conditions or will they be available for scheduled lab and imaging patients?
16. Explain why the level of staffing for many of the direct patient care and administration lines are unchanged after converting Grace from a general hospital to an FMF.

COMAR 10.24.19.04C(8)(g) Operating Room Use at an FMF

17. Describe the initiatives planned to increase the efficiency of the outpatient operating rooms at the facility. Provide a list of service lines that are currently provided, which services will be moved to Sinai, the services that will remain, and what additional services, if any, will be added.

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18. Describe the surgical staffing changes resulting from the conversion of the Grace Medical Center campus from a general hospital campus to an FMF campus with outpatient surgical capabilities.

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

19. How will the FMF encourage use of less costly urgent care centers as an alternative for non-emergent and low acuity patients whose needs can be met at an urgent care center?
20. Provide more detail to support the representation that the insured and a high percentage of the Medicaid population will best be served at the FMF rather than lower cost urgent care centers or other providers in the service area?

Table Updates

Table C

Submit a new Table C to include only the renovation areas for the FMF and outpatient surgical center.

Table E

Submit a new Table E with the project budget for only the FMF renovations and ambulatory surgery floors in the 1992 building. Provide the assumptions or basis for:

1. \$0 in fixed equipment, in costs for renovations
2. \$2.0 million in Contingency Allowance
3. \$0 in Financing and Other Cash requirements during construction; and
4. \$0 in Inflation Allowance

For section B provide the sources of funds.

Please submit four copies of the responses to completeness questions and the additional information requested in this letter 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 me at (410) 764-3324.

Sincerely,



Eric N. Baker
Program Manager, Certificate of Need

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cc: Marta Harting, Esquire
Wynee Hawk, Chief, Certificate of Need
Letitia Dzirasa, M.D., Commissioner of Health, Baltimore City