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March 22, 2018

Via E-mail and U.S. Mail

Paul E. Parker
Director
Health Care Facilities Planning and Development
4160 Patterson Avenue
Baltimore, MD 21215

Re: Innovations Surgery Center, P.C.
Request for Exemption from Certificate of Need
to add Second Operating Room

Dear Mr. Parker:

I am writing on behalf of Innovations Surgery Center, P.C. ("Innovations") in response to your request for additional information dated March 7, 2018. Following are the responses to your questions.

1. **Address Clarification**

The correct address for Innovations is 3206 Tower Oaks Blvd., Suite 100, consistent with the facility license. The reference to Suite 101 was an error.

2. **Clarification of Ambulatory Surgery Centers at 3206 Tower Oaks Blvd**

A. Innovations and GYN Surgi-Center, P.C. (formerly Innovations Rockville, P.C) are both located at 3206 Tower Oaks Blvd., Suite 100. Suite 150 is an administrative office for GYN Surgi-Center. There is no Suite 101.

B. Innovations is seeking an exemption from CON review to add a second operating room to its existing operating room that would be used only by Innovations unless and until GYN Surgi-Center separately seeks and receives approval to use the second operating room. Although GYN Surgi-Center has been approved to operate two days per week in the same physical space as Innovations, GYN Surgi-Center has not been using the space to its full capacity and Innovations has been using the space up to 5 days per week. No surgical case has been scheduled by Innovations unless at least one hour has elapsed since operation of the space by GYN Surgi-Center, and vice versa.

As GYN Surgi-Center's volume increases, it will schedule its cases on a maximum of up to two days per week as approved, and Innovations will compress its scheduling into four or three days per week as necessary to accommodate GYN-Surgi-Center. No surgical case will be scheduled by Innovations unless at least one hour has elapsed since operation of the space by GSC and vice versa.

If Innovations' request to add a second operating room is approved, GYN Surgi-Center will continue to schedule cases only for the first operating room and not the second operating room unless and until GYN Surgi-Center seeks and receives approval to use the second operating room.

3. Response to CY 2016 MHCC Ambulatory Surgery Survey

Innovations provided a response to MHCC's ambulatory surgery survey for CY 2016 on March 20, 2018.

4. Case Volume & Utilization Rates

A. The utilization rate stated on pages 10 & 12 was based on an earlier draft application. Below is a summary of actual case volumes, hours, and utilization rates for 2015-2017, along with Innovations' projections for case volumes for 2018-2020, assuming that its request for a second operating room is granted.

YEAR	CASES	HOURS (cases x 1.5)	Utilization (2040 = full)
2015	1141	1711.5	83.8%
2016	1237	1855.5	90.9%
2017	1335	2002.5	98%
2018	1992	2988	73.2% (2 ORs)
2019	2092	3138	76.9% (2 ORs)
2020	2196	3294	80.7% (2 ORs)

B. The projections provided at Exhibit 15 (and repeated in the chart above) are for Innovations only and do not include any volume projections for GYN Surgi-Center. Because of its current volume, Innovations has had to use the physical space up to five days per week. Having a second operating room would enable Innovations to meet its current and projected demand and will also help facilitate GYN Surgi-Center's ability to grow. As GYN Surgi-Center increases its volume to fill up one or two days per week, Innovations intends to condense its surgeries into only four or three days per week as necessary to accommodate GYN Surgi-Center.

5. Factual Description of Innovations Surgery Center, P.C. and GYN Surgi-Center, P.C.

Innovations is the surgical arm of the Center for Innovative GYN Care, an office of one or more health care practitioners as defined in Md. Code Ann., Health Occupations § 1-301. Innovations is owned 100% by Dr. Paul MacKoul, a licensed physician board certified in Gynecology and Gynecologic Oncology. Dr. MacKoul provides gynecological and surgical

services along with Dr. Natalya Danilyants and Dr. Rupen Baxi. Please note that Innovations no longer anticipates that the other physicians listed at Item 11 of Exhibit 2 will provide surgical services.

GYN Surgi-Center is a separate surgery center currently 100% owned by Dr. MacKoul, but is intended to be wholly or partially sold to one or more other persons at some point in the future. This arrangement will allow different physicians to own and/or use a legally distinct ambulatory surgery entity without building new physical capacity, aiding the Commission's objective of reducing costs to the health care delivery system.

6. Post-Anesthesia Recovery Bays

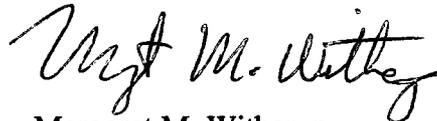
The drawing correctly shows six post-anesthesia recovery bays. The reference to seven recovery bays on Exhibit 2 was incorrect.

7. Charity Care Policy, General Standard (3):

We understand that as of 2016, the statewide charity care average for ASFs is 0.52% of total operating expenses. Innovations' total operating expenses for 2017 was \$9,956,608 and, therefore, Innovations will commit to providing surgical services valued at least \$51,774 to indigent patients. In order to meet this commitment and promote the program, Innovations will provide information regarding its charity care policy on its website and at its reception desk. Physicians and staff will assess patients' financial needs at the time the patients learn about the need for surgery and anticipated costs and will provide information regarding the availability of charitable care to patients who may have a need for such services. Innovations will also provide information regarding its charity care policy to the Montgomery County Department of Health and Human Services, Montgomery Cares program, which facilitates medical care for uninsured adults in Montgomery County, to help identify patients who may qualify for charitable services.

Thank you for your attention to this matter. Please let us know if you have any questions or need any additional information.

Very truly yours,



Margaret M. Witherup

cc: Kevin McDonald, Chief, Certificate of Need
Suellen Wideman, Assistant Attorney General