CMDS

FAYETTE HOUSE

6040 HARFORD RD.

May 05, 2020

Kevin McDonald
Chief - Certificate of Need Division
Center for Health Care Facilities Planning & Development
Maryland Health Care Commission

RE: Submission of Certificate of Need Application Track Two for CMDS Residential, LLC

Dear Mr. McDonald,

Please, accept this Certificate of Need application pursuant to the submission of the letter of intent by CMDS Residential, LLC published on the Maryland Register on March 13, 2020.

Please, address all communication pertaining to this application to my attention:

Email:	a.pelegrini@cmdsinc.com
Cell phone:	410-868-5638
Home Address:	722 Rock Creek Church Rd NW Unit 2 Washington, DC 20010

Sincerely,

Andre Pelegrini

VP for Finance & Business Development

ASPIRE to Excellence® carf ACCREDITED

Corporate Offices:
5570 Sterrett Place
Suite 300
Columbia, MD 21044
P. 443-864-4027 – F. 443-864-4285
cmdsinc.com

CMDS
FAYETTE HOUSE
6040 HARFORD RD.

February 11, 2020.

Kevin McDonald
Chief - Certificate of Need Division
Center for Health Care Facilities Planning & Development
Maryland Health Care Commission

RE: Intention to Apply for a Certificate of Need for Alcohol and Drug Abuse Treatment Intermediate Care Facility in Baltimore City

Dear Mr. McDonald,

My name is Kevin Pfeffer and I am the owner and president of CMDS Residential, LLC located at 6040 Harford Rd, Baltimore, MD 21234 (Central Maryland Region). I am a natural citizen of the US and live at 5307 Aerie Court, Clarksville, MD 21029. CMDS Residential, LLC is a substance abuse residential program and will start operating in mid-March approximately. When we start operations, we will be licensed by the Behavioral Health Administration to operate 104 beds to treat patients in ASAM levels 3.1, 3.3, and 3.5. We would like to apply for a CON to convert 59 of these beds into 3.7/3.7WM levels. We will be servicing Medicaid and the uninsured patients only.

We are very excited to provide such needed services to the population of the Central Maryland Region and we look forward to working with you on this endeavor.

Sincerely,

Kevin Pfeffer
President

Corporate Offices:
5570 Sterrett Place
Suite 300
Columbia, MD 21044
P. 443-864-4027 – F. 443-864-4285
cmdsinc.com

CMDS
FAYETTE HOUSE
6040 HARFORD RD.

CC: Dr. Letitia Dzirasa, M.D.
Commissioner of Health
Baltimore City Health Department

Dr. Nilesh Kalyanaraman, M.D.
Health Officer
Anne Arundel County Department of Health

Dr. Gregory Wm. Branch, M.D
Health Officer
Baltimore County Department of Health

Edwin F. Singer
Health Officer
Carroll County Health Department

Maura J. Rossman, M.D.
Health Officer
Howard County Health Department

Dr. Russell Moy, M.D.
Health Officer
Harford County Health Department

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STATE OF MARYLAND

MARYLAND HEALTH CARE COMMISSION

_____
MATTER/DOCKET NO.

_____
DATE DOCKETED

INSTRUCTIONS FOR APPLICATION FOR CERTIFICATE OF NEED: ALCOHOLISM AND DRUG ABUSE INTERMEDIATE CARE FACILITY TREATMENT SERVICES

ALL APPLICATIONS MUST FOLLOW THE FORMATTING REQUIREMENTS DESCRIBED IMMEDIATELY BELOW. NOT FOLLOWING THESE FORMATTING INSTRUCTIONS WILL RESULT IN THE APPLICATION BEING RETURNED.

Required Format:

Table of Contents. The application must include a Table of Contents referencing the location of application materials. Each section in the hard copy submission should be separated with tabbed dividers. Any exhibits, attachments, etc. should be similarly tabbed, and pages within each should be numbered independently and consecutively.

The Table of Contents must include:

- **Responses to PARTS I, II, III, and IV of this application form**
- **Responses to PART IV must include responses to the standards in the State Health Plan chapter that apply to the project being proposed.**
  - All Applicants must respond to the Review Criteria listed at 10.24.14.05(A) through 10.24.14.05(F) as detailed in the application form.
- **Identification of each Attachment, Exhibit, or Supplement**

Application pages must be consecutively numbered at the bottom of each page. Exhibits attached to subsequent correspondence during the completeness review process shall use a consecutive numbering scheme, continuing the sequencing from the original application. (For example, if the last exhibit in the application is Exhibit 5, any exhibits used in subsequent responses should begin with Exhibit 6. However, a replacement exhibit that merely replaces an exhibit to the application should have the same number as the exhibit it is replacing, noted as a replacement.

SUBMISSION FORMATS:

We require submission of application materials and the applicant's responses to completeness questions in three forms: hard copy; searchable PDF; and in Microsoft Word.

- **Hard copy:** Applicants must submit six (6) hard copies of the application to:
  Ruby Potter
  Health Facilities Coordinator
  Maryland Health Care Commission
  4160 Patterson Avenue
  Baltimore, Maryland 21215

- **PDF:** Applicants must also submit *searchable* PDF files of the application, supplements, attachments, and exhibits.[1] All subsequent correspondence should also be submitted both by paper copy and as *searchable PDFs*.

- **Microsoft Word:** Responses to the questions in the application and the applicant's responses to completeness questions should also be electronically submitted in Word. Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

PDFs and spreadsheets should be submitted to ruby.potter@maryland.gov and kevin.mcdonald@maryland.gov.

Note that there are certain actions that may be taken regarding either a health care facility or an entity that does not meet the definition of a health care facility where CON review and approval are not required. Most such instances are found in the Commission's procedural regulations at COMAR 10.24.01.03, .04, and .05. Instances listed in those regulations require the submission of specified information to the Commission and may require approval by the full Commission. Contact CON staff at (410) 764-3276 for more information.

[1] PDFs may be created by saving the original document directly to PDF on a computer or by using advanced scanning technology

A pre-application conference will be scheduled by Commission Staff to cover this and other topics. Applicants are encouraged to contact Staff with any questions regarding an application.

TABLE OF CONTENTS

The following Excel files accompany the electronic version submission of this CON application:

1. CON Tables Package
2. Needs Table
3. Tables Calculations

PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Facility: CMDS Residential LLC

Address:

6040 Harford Rd	Baltimore	21214	Baltimore City
Street	City	Zip	County

2. Name of Owner: Kevin Pfeffer

If Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the applicant and any related parent entities. Attach a chart that completely delineates this ownership structure.

Refer to Exhibit 1: Description of Ownership Structure, pg. 41.

3. APPLICANT. *If the application has a co-applicant, provide the following information in an attachment.*

Legal Name of Project Applicant (Licensee or Proposed Licensee):

N/a

Address:

Street	City	Zip	State	County
Telephone:				

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:

Same as applicant.

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check ☑ or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

Refer to Exhibit 2: Organizational Chart, Owners, pg. 42

A. Governmental ☐

B. Corporation

(1) Non-profit ☐

(2) For-profit ☒

(3) Close ☐ State & Date of Incorporation ☐

C. Partnership

General ☐

Limited ☐

Limited Liability Partnership ☐

Limited Liability Limited Partnership ☐

Other (Specify): _____

D. Limited Liability Company ☒

E. Other (Specify): _____

To be formed: ☐

Existing: ☐

6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED

A. Lead or primary contact:

Name and Title: Andre Pelegrini

Company Name CMDS Residential, LLC

Mailing Address:

Street	City	Zip	State
722 Rock Creek Church Rd NW, Unit 2	Washington	20010	DC

Telephone: 410 868 5638

E-mail Address (required): a.pelegrini@cmdsinc.com

Fax: 443 864 4285

If company name is different than applicant briefly describe the relationship N/a

B. Additional or alternate contact:

Name and Title: Kevin Pfeffer, Owner and President

Company Name Mailing Address:

Street	City	Zip	State
CMDS Residential, LLC 5570 Sterrett Pl. Suite 300	Columbia	21044	MD

Telephone: 240 205 2952

E-mail Address (required): kkpfefffer@cmdsinc.com

Fax: 443 864 4285

If company name is different than applicant briefly describe the relationship N/a

7. TYPE OF PROJECT

The following list includes all project categories that require a CON pursuant to COMAR 10.24.01.02(A). Please mark all that apply in the list below.

If approved, this CON would result in (check as many as apply):

(1) A new health care facility built, developed, or established ☐

(2) An existing health care facility moved to another site ☐

(3) A change in the bed capacity of a health care facility ☐

(4) A change in the type or scope of any health care service offered by a health care facility ☒

(5) A health care facility making a capital expenditure that exceeds the current threshold for capital expenditures found at: http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_capital_threshold_20140301.pdf ☐

8. PROJECT DESCRIPTION

A. Executive Summary of the Project: The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is, why you need to do it, and what it will cost. A one-page response will suffice. Please include:

(1) Brief Description of the project – what the applicant proposes to do
(2) Rationale for the project – the need and/or business case for the proposed project
(3) Cost – the total cost of implementing the proposed project

Throughout this application, the term "Residential Beds" is used to refer to beds for patients who meet the ASAM criteria for levels 3.1, 3.3, and 3.5. Similarly, the term "Detox Beds" is used to refer to beds for patients who meet the ASAM criteria for levels 3.7 and 3.7WM (withdrawal management). These terms may be used interchangeably.

Brief Description of the Project

CMDS Residential is a private, for-profit, 104-bed long-term care residential facility that provides inpatient substance abuse treatment for patients who meet the 3.1, 3.3, and 3.5 medical necessity criteria under the American Society of Addiction Medicine (ASAM). The ASAM criteria is used by Maryland Medicaid to determine appropriate placement for substance abuse treatment for Medicaid recipients. CMDS Residential proposes to convert 59 existing beds from level 3.1 to levels 3.7 and 3.7WM (30 beds for level 3.7 and 29 beds for level 3.7WM). (Refer to Exhibit 3: Current Facility's Plan, pg. 43. Refer to Exhibit 4: Proposed Facility's Plan, pg. 45).

The Need

By updating the 18-year-old bed need projections for ICF Track Two beds set forth in the State Health Plan for Facilities and Services for Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services with current data, we concluded that the Central Region of Maryland, where our facility is located, lacks as many as 730 Track Two beds. We were able to corroborate the dire need for Track Two beds in the Central Region by gathering letters of support from several substance abuse providers in the region, including existing Track Two ICFs. Detailed calculations are presented in Part B Need of this application.

The Cost

The total cost of implementing the proposed project is approximately $613,800/year, which is the cost of adding the additional staff needed to operate the program 24 hours a day for the entire year. There are neither pre-development nor capital expenditures costs associated with this project.

The specific staff and their corresponding costs will consist of:

Job Category	**FTEs**	**Average Salary per FTE**	**Total Cost** *(should be consistent with projections in Table D, if submitted).*
Counselors	3.0	$52,800	$158,400
Nurse Practitioner	0.25	$158,400	$39,600
RN	1.5	$79,200	$118,800
LPN	2.0	$46,200	$92,400
Mental Health Therapist	0.25	$105,600	$26,400
Psych Nurse Practitioner	0.25	$184,800	$46,200
Medical Director	0.5	$264,000	$132,000
TOTAL COST	***7.8***		***$613,800***

(Refer to Exhibit 48: Table G. Workforce Information, blue highlight, pg. 133).

B. Comprehensive Project Description: The description should include details regarding:

(1) Construction, renovation, and demolition plans
(2) Changes in square footage of departments and units
(3) Physical plant or location changes
(4) Changes to affected services following completion of the project

(5) Outline the project schedule.

CMDS Residential is seeking to start its first residential substance abuse program with the opening of a 104-bed facility at 6040 Harford Rd, Baltimore, MD 21214. CMDS Residential has already obtained accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF) as of October 24, 2019 to start providing services for ASAM levels of care 3.1, 3.3, 3.5, 3.7 and 3.7WM (Refer to Exhibit 5: CARF Accreditation Letter, pg. 47). Before CMDS Residential receives approval of this Certificate of Need to start providing ASAM levels 3.7 and 3.7WM, the program will use all its beds to serve patients who meet the criteria of treatment for levels 3.1, 3.3, and 3.5 (residential program).

(1) CMDS Residential proposes to establish a new Track Two Intermediate Care Facility in Baltimore City, Maryland. There will not be any new construction, renovation, or demolition to implement the 3.7 and 3.7WM services as these services will supplant existing 3.1 beds. The total square footage (both floors) of the building is 7,740 square feet. (2) Changes in square footage of department and units upon implementation of levels 3.7 and 3.7WM will take place as follows:

Floor	Current ASAM	Current SF	Number of Beds	Replace for ASAM	New SF	New Number of Beds
1st	3.1	3,223	59	3.7 & 3.7WM	3,223	59
2nd	No changes					

The repurposing of 3.1 beds to 3.7 and 3.7WM beds is comported within the licensing requirements set in COMAR. (3) The footprint of the building will not be changed, nor will there be any construction needed. (4) The reassignment of square footage to accommodate the 3.7 and 3.7WM levels of care will affect the offering of 3.1 beds as described in the table above. However, the availability of 3.1 beds in Maryland is much higher than the number of 3.7 and 3.7WM beds. Although the number of 3.1 beds at CMDS Residential will decrease, the program is pursuing close collaboration with other residential programs in an effort to facilitate access to treatment for patients that may be affected by this change.

(5) It is hoped that the CON application can be approved no later than December 2020. Upon approval of the CON we will apply for the Behavioral Health license and begin the recruitment process of the staff required to start level 3.7 and 3.7WM.

The permitting and implementation schedule is described in the table below:

Schedule	Date	Days to Complete	Finish	Status
CARF survey	10/18/19	30 days	11/18/19	Complete: Accreditation expires on 02/28/21
BHSB Agreement to Cooperate	12/13/19	10 days	12/23/19	Complete: Agreement to Cooperate issued on 12/23/19
Submission of the CON	05/10/20	180	11/10/20	Pending
BHA/OHCQ license	11/10/20	20 days	11/30/20	Pending
Medicaid Application	11/30/20	10 days	12/10/20	Pending
Hire and orientation 3.7 & 3.7WM staff	12/01/20	30 days	12/30/20	Pending
Credentialed with Optum Health	12/10/20	10 days	12/20/20	Pending
Starts admitting patients	01/01/21			

9. CURRENT CAPACITY AND PROPOSED CHANGES: Complete Table A (Physical Bed Capacity Before and After Project) from the CON Application Table package

Refer to Exhibit 39: Table A, pg. 116.

10. REQUIRED APPROVALS AND SITE CONTROL

Not applicable

A. Site size: _____ acres

B. Have all necessary State and local land use and environmental approvals, including zoning and site plan, for the project as proposed been obtained? YES__X___ NO _____ (If NO, describe below the current status and timetable for receiving each of the necessary approvals.)

C. Form of Site Control (Respond to the one that applies. If more than one, explain.):

(1) Owned by: _____

(2) Options to purchase held by: _____
Please provide a copy of the purchase option as an attachment.

(3) Land Lease held by: _____
Please provide a copy of the land lease as an attachment.

(4) Option to lease held by: _____
Please provide a copy of the option to lease as an attachment.

(5) Other: _____
Explain and provide legal documents as an attachment.

11. PROJECT SCHEDULE

(Instructions: In completing this section, please note applicable performance requirement time frames set forth in Commission Regulations, COMAR 10.24.01.12)

Not applicable

For new construction or renovation projects.

Project Implementation Target Dates

A. Obligation of Capital Expenditure _____ months from approval date.
B. Beginning Construction _____ months from capital obligation.
C. Pre-Licensure/First Use _____ months from capital obligation.
D. Full Utilization _____ months from first use.

For projects <u>not</u> involving construction or renovations.

Project Implementation Target Dates

A. Obligation or expenditure of 51% of Capital Expenditure _____ months from CON approval date.
B. Pre-Licensure/First Use _____ months from capital obligation.
C. Full Utilization _____ months from first use.

For projects <u>not</u> involving capital expenditures.

Project Implementation Target Dates

A. Obligation or expenditure of 51% Project Budget _____ months from CON approval date.
B. Pre-Licensure/First Use _____ months from CON approval.
C. Full Utilization _____ months from first use.

12. PROJECT DRAWINGS

This project does not involve new construction and/or renovations.

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least a 1/16" scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable:

A. Floor plans for each floor affected with all rooms labeled by purpose or function,

number of beds, location of bath rooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as “shell space”.

B. For projects involving new construction and/or site work a Plot Plan, showing the "footprint" and location of the facility before and after the project.

C. Specify dimensions and square footage of patient rooms.

13. AVAILABILITY AND ADEQUACY OF UTILITIES

Discuss the availability and adequacy of utilities (water, electricity, sewage, natural gas, etc.) for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.

There is availability and adequacy of utilities for the proposed project. The provider for each utility is as follows:

Water: The City of Baltimore
Electricity: Baltimore Gas and Electric Company
Sewage: The City of Baltimore
Natural Gas: Baltimore Gas and Electric Company

Since the facility is already fully operational, the utilities listed above have already been obtained.

PART II - PROJECT BUDGET

This application requests the conversion of existing beds into detox beds. This part of the application is not applicable.

Complete Table B (Project Budget) of the CON Application Table Package

Note: Applicant should include a list of all assumptions and specify what is included in each budget line, as well as the source of cost estimates and the manner in which all cost estimates are derived. Explain how the budgeted amount for contingencies was determined and why the amount budgeted is adequate for the project given the nature of the project and the current stage of design (i.e., schematic, working drawings, etc.).

PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE

1. List names and addresses of all owners and individuals responsible for the proposed project.

   Owner: Kevin Pfeffer CMDS Residential, LLC. 5307 Aerie Ct. Clarksville, MD 21029
   Responsible for project: Andre Pelegrini. 722 Rock Creek Church RD. Apt 2. Washington, DC 20010

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2. Is any applicant, owner, or responsible person listed above now involved, or has any such person ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of each such facility, including facility name, address, the relationship(s), and dates of involvement.

   Kevin Pfeffer
   Facility: Turning Point Clinic
   Type of facility: Opioid Treatment Program
   Address: 2401 E North Ave. Baltimore, MD 21213
   Relationship: CFO
   Dates of Involvement: 06/29/10 to 06/01/2015

   Kevin Pfeffer
   Facility: CMDS, Inc
   Type of facility: Substance abuse program, mental health practice, and management company
   Address: 1850 N Milton Ave. Baltimore, MD 21213
   Relationship: owner
   Dates of Involvement: 06/29/10 to present

   Andre Pelegrini
   Facility: Turning Point Clinic
   Type of facility: Opioid Treatment Program
   Address: 2401 E North Ave. Baltimore, MD 21213
   Relationship: employee
   Dates of involvement: 12/16/13 to 09/01/19

   Andre Pelegrini
   Facility: CMDS, Inc.
   Type of facility: Substance abuse program, mental health practice, and management company
   Address: 1850 N Milton Ave. Baltimore, MD 21213
   Relationship: employee
   Dates of involvement: 09/02/19 to present

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3. In the last 5 years, has the Maryland license or certification of the applicant facility, or the license or certification from any state or the District of Columbia of any of the facilities listed in response to Question 2, above, ever been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) ? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant(s), owners, or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

No.

4. Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) ever received inquiries from a federal or any state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with Maryland, another state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide, for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation including reports of non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.

No.

5. Has any applicant, owner, or responsible individual listed in response to Question 1, above, ever pled guilty to, received any type of diversionary disposition, or been convicted of a criminal offense in any way connected with the ownership, development, or management of the applicant facility or any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s).

No.

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the applicant regarding the project proposed in the application.
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.

05/05/20
Date

Signature of Owner or Board-designated Official

VP Finance & Business Development
Position/Title

Andre Pelegrini
Printed Name

PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR 10.24.01.08G(3):

INSTRUCTION: Each applicant must respond to all applicable criteria included in COMAR 10.24.01.08G. These criteria follow, 10.24.01.08G(3)(a) through 10.24.01.08G(3)(f).

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards and other review criteria.

If a particular standard or criteria is covered in the response to a previous standard or criteria, the applicant may cite the specific location of those discussions in order to avoid duplication. When doing so, the applicant should ensure that the previous material directly pertains to the requirement and to the directions included in this application form. Incomplete responses to any requirement will result in an information request from Commission Staff to ensure adequacy of the response, which will prolong the application's review period.

10.24.01.08G(3)(a). <u>The State Health Plan</u>.

Every applicant must address each applicable standard in the chapter of the State Health Plan for Facilities and Services[2]. Commission staff can help guide applicants to the chapter(s) that applies to a particular proposal.

Please provide a direct, concise response explaining the project's consistency with each standard. Some standards require specific documentation (e.g., policies, certifications) which should be included within the application as an exhibit.

<u>10.24.14.05 Certificate of Need Approval Rules and Review Standards for New Substance Abuse Treatment Facilities and for Expansions of Existing Facilities.</u>

.05A. Approval Rules Related To Facility Size. Unless the applicant demonstrates why a relevant standard should not apply, the following standards apply to applicants seeking to establish or to expand either a Track One or a Track Two intermediate care facility.

(1) The Commission will approve a Certificate of Need application for an intermediate care facility having less than 15 beds only if the applicant dedicates a special population as defined in Regulation .08.

CMDS Residential will not be dedicated to a special population.

[2] [1] Copies of all applicable State Health Plan chapters are available from the Commission and are available on the Commission's web site here: http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_shp/hcfs_shp

(2) The Commission will approve a Certificate of Need application for a new intermediate care facility only if the facility will have no more than 40 adolescent or 50 adult intermediate care facility beds, or a total of 90 beds, if the applicant is applying to serve both age groups.

We believe that the standard limiting the number of adult intermediate care beds to 50 is no longer applicable. We arrived at this conclusion by analyzing the net intermediate private bed need range in the Central Region from 2005 (the projected year when the State Health Plan was created) and 2020. The maximum number of beds in the Central Region in 2005 was 342 (Refer to Exhibit 6: Gross and Net Private Intermediate Care Facility (ICF) Bed Need Projections for Adults (Ages 18+), 2005, Table 2, yellow highlight, pg. 49). However, by using the same methodology as the Maryland Health Care Commission used to compute the number of beds needed in 2005 and applying current data to it, we deduced that the Central Region needs as many as 730 beds (Refer to Part B Need of this application). Since the current need of beds in the Central Region is more than twice that of 2005, we believe that standard 10.24.14.05A should be updated to allow for at least 100 adult intermediate care facility beds per application. CMDS Residential is seeking the approval of 59 beds to enable all beds in the first floor of our facility to be used as detox beds.

Aside from the need to allow for more than 50 beds due to the obsolescence of the State Health Plan, we resort to Maryland Code, Health General, §19-120(h)(2)(v), which exempts an intermediate care facility that offers residential or intensive substance-related disorder treatment services from seeking a certificate of need to change bed capacity (Text can be accessed on: https://govt.westlaw.com/mdc/Document/NDD801590A83611E98797CB2877EC79B9?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=(sc.Default)). CMDS Residential will provide residential and intensive substance-use treatment as soon as the Behavioral Health Administration issues us a license. We are currently in the process of applying for said license as we wait for the use and occupancy permit to be issued by the City of Baltimore. Unfortunately, we are experiencing delays due to the COVID-19 pandemic.

Furthermore, we firmly believe that the availability of as many ICF beds as possible in Maryland would provide an alternative to treating patients for withdrawal symptoms at hospitals, as hospitals concentrate their resources to caring for COVID-19 patients. We believe that the Maryland Health Care Commission could exercise its authority under COMAR 10.24.01 to grant a certificate of need to CMDS Residential for 59 beds due to the current COVID-19 pandemic affecting Maryland.

(3) The Commission will not approve a Certificate of Need application for expansion of an existing alcohol and drug abuse intermediate care facility if its approval would result in the facility exceeding a total of 40

adolescent or 100 adult intermediate care facility beds, or a total of 140 beds, if the applicant is applying to serve both age groups.

N/a

.05B. Identification of Intermediate Care Facility Alcohol and Drug Abuse Bed Need.

(1) An applicant seeking Certificate of Need approval to establish or expand an intermediate care facility for substance abuse treatment services must apply under one of the two categories of bed need under this Chapter:

(a) For Track One, the Commission projects maximum need for alcohol and drug abuse intermediate care beds in a region using the need projection methodology in Regulation .07 of this Chapter and updates published in the *Maryland Register*.

(b) For Track Two, as defined at Regulation .08, an applicant who proposes to provide 50 percent or more of its patient days annually to indigent and gray area patients may apply for:

(i) Publicly-funded beds, as defined in Regulation .08 of this Chapter, consistent with the level of funding provided by the Maryland Medical Assistance Programs (MMAP), Alcohol and Drug Abuse Administration, or a local jurisdiction or jurisdictions; and

CMDS Residential is applying for Track Two ICF as we propose to provide 50% or more of our patient days annually to indigent and gray area patients.

(ii) A number of beds to be used for private-pay patients in accordance with Regulation .08, in addition to the number of beds projected to be needed in Regulation .07 of this Chapter.

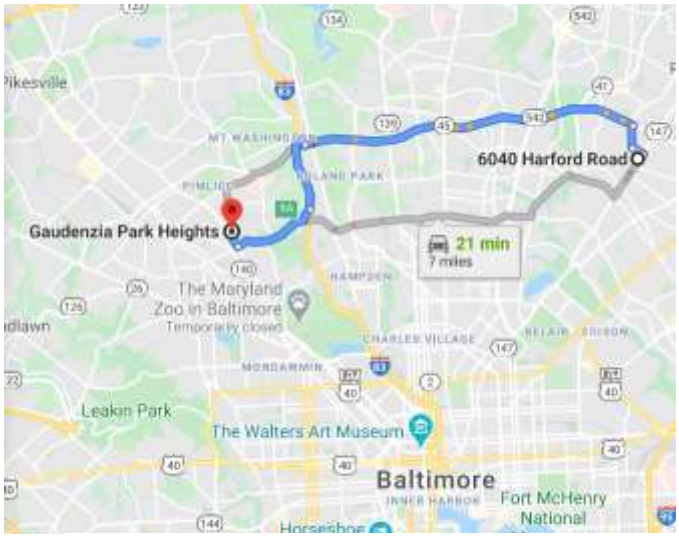
CMDS is open to accepting private-pay patients in accordance with Regulation .08. This population will not be a focus of our marketing efforts and our immediate catchment area does not have any significant number of patients within this category.

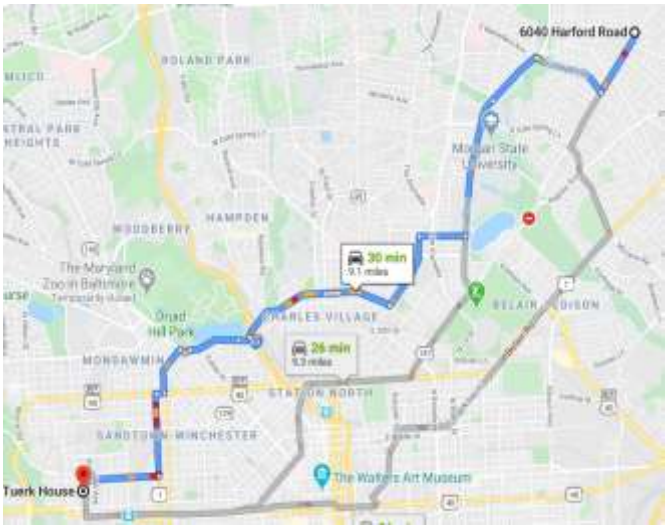
(2) To establish or to expand a Track Two intermediate care facility, an applicant must:

(a) Document the need for the number and types of beds being applied for;

By comparing the net intermediate private bed need range in the Central Region of Maryland from 2005 (the projected year when the State Health Plan was created) and

2020, we concluded that the region is in dire need of Track Two beds. Moreover, we analyzed public health data, locations of other 3.7 and 3.7WM programs to determine that the Hamilton neighborhood and East Baltimore lack adequate access to inpatient detox services. As identified in the images below, the nearest publicly funded 3.7 and 3.7WM programs that have target populations of indigent individuals are 7 and 9.1 miles away in West Baltimore (Gaudenzia Park Heights and Tuerk House respectively). The other treatment programs identified in the second image are outpatient or long-term residential beds that do not provide 3.7 and 3.7WM services. The images below demonstrate Harford Rd is a significant thorough fare that connects Baltimore City to Baltimore County. It is easily accessible to residents of Baltimore County as well, which currently does not have any community based 3.7 beds.





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(b) Agree to co-mingle publicly-funded and private-pay patients within the facility;

We agree to co-mingle publicly-funded and private-pay patients within the facility.

(c) Assure that indigents, including court-referrals, will receive preference for admission, and

We assure the Commission that indigents, including court-referrals, will receive preference for admission.

(d) Agree that, if either the Alcohol and Drug Abuse Administration, or a local jurisdiction terminates the contractual agreement and funding for the facility's clients, the facility will notify the Commission and the Office of Health Care Quality within 15 days that that the facility is relinquishing its certification to operate, and will not use either its publicly- or privately-funded intermediate care facility beds for private-pay patients without obtaining a new Certificate of Need.

CMDS Residential, LLC agrees that, if either the Behavioral Health Administration (former Alcohol and Drug Abuse Administration), or a local jurisdiction terminates the contractual agreement and funding for the facility's clients, the facility will notify the Commission and the Office of Health Care Quality within 15 days that the facility is relinquishing its certification to operate, and will not use either its publicly- or privately-funded intermediate care facility beds for private-pay patients without obtaining a new Certificate of Need.

.05C. Sliding Fee Scale. An applicant must establish a sliding fee scale for gray area patients consistent with the client's ability to pay.

Below is our sliding scale fee schedule that represents discount percentages. The discount is from the Medicaid base rates.

If Patient's income level is	<100% of Federal Poverty level (FPL)	75% discount
If Patient's income level is	<150% but >100% of FPL	50% discount
If Patient's income level is	<200% but >150% of FPL	25% discount

(Refer to Exhibit 37: Community-Based Substance Use Disorder Fee Schedule (Eff. July 1, 2019), pg. 114 for Medicaid rates).

.05D. Provision of Service to Indigent and Gray Area Patients.

(1) Unless an applicant demonstrates why one or more of the following standards should not apply or should be modified, an applicant seeking to establish or to expand a Track One intermediate care facility must:

CMDS Residential is applying for a Track Two ICF.

(a) Establish a sliding fee scale for gray area patients consistent with a client's ability to pay;

(b) Commit that it will provide 30 percent or more of its proposed annual adolescent intermediate care facility bed days to indigent and gray area patients; and

(c) Commit that it will provide 15 percent of more of its proposed annual adult intermediate care facility bed days to indigent or gray area patients.

(2) A existing Track One intermediate care facility may propose an alternative to the standards in Regulation D(1) that would increase the availability of alcoholism and drug abuse treatment to indigent or gray area patients in its health planning region.

(3) In evaluating an existing Track One intermediate care facility's proposal to provide a lower required minimum percentage of bed days committed to indigent or gray area patients in Regulation D(1) or an alternative proposal under Regulation D(2), the Commission shall consider:

(a) The needs of the population in the health planning region; and

(b) The financial feasibility of the applicant's meeting the requirements of Regulation D(1).

(4) An existing Track One intermediate care facility that seeks to increase beds shall provide information regarding the percentage of its annual patient days in the preceding 12 months that were generated by charity care, indigent, or gray area patients, including publicly-funded patients.

.05E. Information Regarding Charges. An applicant must agree to post information concerning charges for services, and the range and types of services provided, in a conspicuous place, and must document that this information is available to the public upon request.

We agree to post information concerning charges for services, and the range and types of services provided, in a conspicuous place, and will document that this information is

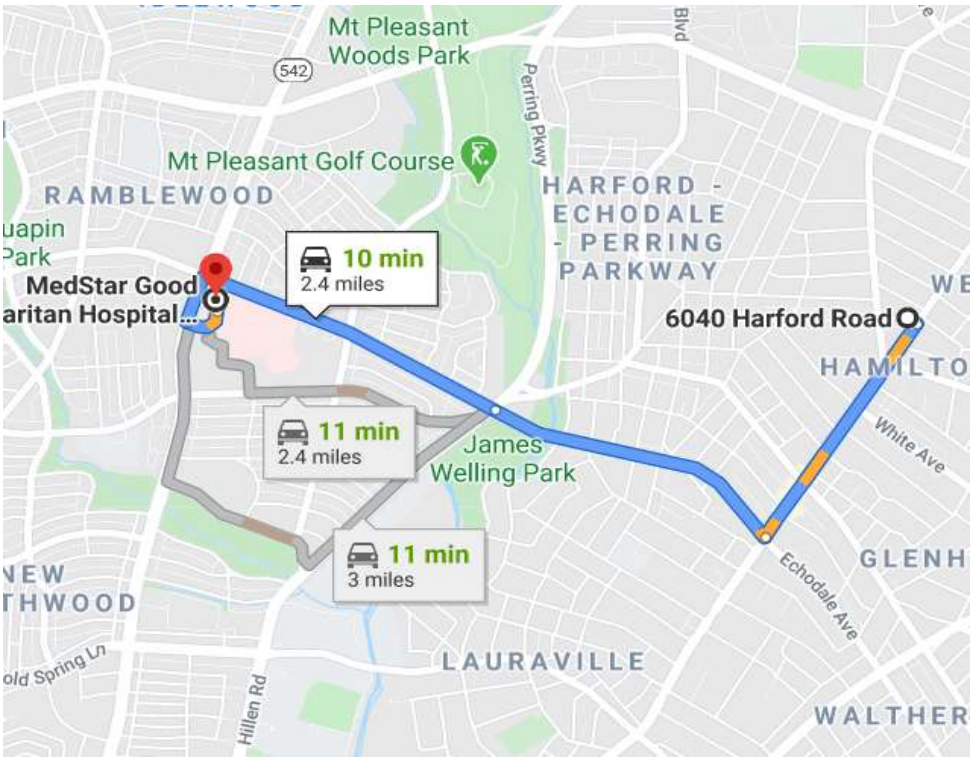
available to the public upon request

Charges are as follows:

SERVICE CHARGES	
Service	**Charge**
Assessment	$250.00
Level 3.1	Counseling/medical services: $120/day Room and board: $80/day Total: $200/day
Level 3.3 & Level 3.5	Counseling/medical services: 300/day Room and board: $80/day Total $380/day
Level 3.7	Counseling/medical services: $400/day Room and board: $80/day Total $480/day
Level 3.7WM	Counseling/medical services: 500/day Room and board: $80/day Total $580/day

.05F. Location. An applicant seeking to establish a new intermediate care facility must propose a location within a 30-minute one-way travel time by automobile to an acute care hospital.

Good Samaritan Hospital is an acute care hospital 2.4 miles away and is a 10-minute travel one way by automobile (see screen shot below).



.05G. Age Groups.

(1) An applicant must identify the number of adolescent and adult beds for which it is applying, and document age-specific treatment protocols for adolescents ages 12-17 and adults ages 18 and older.

All 59 Intermediate Care Facility beds we are applying for are designated for adults ages 18 and older. We will not be treating adolescents in the facility.
Age specific protocols are contained with the Policies and Procedures Manual. (Refer to Exhibit 7: Treatment Models, pg. 50.)

(2) If the applicant is proposing both adolescent and adult beds, it must document that it will provide a separate physical, therapeutic, and educational environment consistent with the treatment needs of each age group including, for adolescents, providing for continuation of formal education.

We are proposing adults-only beds.

(3) A facility proposing to convert existing adolescent intermediate care substance abuse treatment beds to adult beds, or to convert existing adult beds to adolescent beds, must obtain a Certificate of Need.

We are not proposing to convert adolescent beds to adult beds or vice-versa.

.05H. Quality Assurance.

(1) An applicant must seek accreditation by an appropriate entity, either the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), in accordance with CFR, Title 42, Part 440, Section 160, the CARF…The Rehabilitation Accreditation Commission, or any other accrediting body approved by the Department of Health and Mental Hygiene. The appropriate accreditation must be obtained before a Certificate of Need-approved ICF begins operation and must be maintained as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.

CMDS Residential is accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). (Refer to Exhibit 5: CARF Accreditation Letter, pg. 47).

(a) An applicant seeking to expand an existing ICF must document that its accreditation continues in good standing, and an applicant seeking to establish an ICF must agree to apply for, and obtain, accreditation prior to the first use review required under COMAR 10.24.01.18; and

This is a new application to establish ICF beds and not an expansion.

(b) An ICF that loses its accreditation must notify the Commission and the Office of Health Care Quality in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended.

If we lose our accreditation, we will notify BHA/OHCQ in writing within 15 days.

(c) An ICF that loses its accreditation may be permitted to continue operation on a provisional basis, pending remediation of any deficiency that caused its accreditation to be revoked, if the Office of Health Care Quality advises the Commission that its continued operation is in the public interest.

We understand that if we lose our accreditation, we may be permitted to continue operation on a provisional basis, pending remediation of any deficiency that caused its accreditation to be revoked, if the BHA/OHCQ advises the Commission that its continued operation is in the public interest.

(2) A Certificate of Need-approved ICF must be certified by the Office of Health Care Quality before it begins operation, and must maintain that certification as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.

We will obtain certification by BHA/OHCQ Quality before we begin operation and provide treatment services. We will maintain that certification as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.

(a) An applicant seeking to expand an existing ICF must document that its certification continues in good standing, and an applicant seeking to establish an ICF must agree to apply for certification by the time it requests that Commission staff perform the first use review required under COMAR 10.24.01.18.

We are not proposing an expansion.

(b) An ICF that loses its State certification must notify the Commission in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended, and must cease operation until the Office of Health Care Quality notifies the Commission that deficiencies have been corrected.

We understand that if CMDS Residential, LLC loses its State certification we must notify the Commission within 15 days after notice that its accreditation has been revoked or suspended and will cease operations until the deficiencies have been corrected.

(c) Effective on the date that the Office of Health Care Quality revokes State certification from an ICF, the regulations at COMAR 10.24.01.03C governing temporary delicensure of a health care facility apply to the affected ICF bed capacity.

CMDS Residential, LLC commits to cease operations effective on the date that the BHA/OHCQ revokes the State certification, if this occurs.

.05I. Utilization Review and Control Programs.

(1) An applicant must document the commitment to participate in utilization review and control programs, and have treatment protocols, including written policies governing admission, length of stay, discharge planning, and referral.

CMDS Residential, LLC is committed to participate in utilization review and control programs and has treatment protocols, including written policies governing admission, length of stay, discharge planning and referral. Attached to this application are the corresponding CMDS policies that govern these specific programs and protocols:

Exhibit 8: Utilization Review and Control Programs Policies & Procedures, pg. 53
Exhibit 9: General Treatment Protocols, pg. 57
Exhibit 10: Admission Criteria, pg. 59
Exhibit 11: Length of Stay Review, pg. 60
Exhibit 12: Discharge Planning and Referral Policies & Procedures, pg. 61

(2) **An applicant must document that each patient's treatment plan includes, or will include, at least one year of aftercare following discharge from the facility.**

We are committed that each treatment plan includes at least one year of aftercare following discharge from the facility. (Refer to Exhibit 13: Individual Treatment Plan Policies & Procedures, yellow highlight, pg. 64).

.05J. Transfer and Referral Agreements.

(1) An applicant must have written transfer and referral agreements with facilities capable of managing cases which exceed, extend, or complement its own capabilities, including facilities which provide inpatient, intensive and general outpatient programs, halfway house placement, long-term care, aftercare, and other types of appropriate follow-up treatment.

CMDS Residential, LLC has referral agreements with facilities capable of managing cases which exceed, extend, or complement its own capabilities, including facilities which provide inpatient, intensive and general outpatient programs, halfway house placement, long-term care, aftercare, and other types of appropriate follow-up treatment.

(2) The applicant must provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from the following types of facilities:

(a) Acute care hospitals;
(b) Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs;
(c) Local community mental health center or center(s);
(d) The jurisdiction's mental health and alcohol and drug abuse authorities;
(e) The Alcohol and Drug Abuse Administration and the Mental Hygiene Administration;
(f) The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services; and,
(g) The Department of Juvenile Justice and local juvenile justice authorities, if applying for beds to serve adolescents.

CATEGORY	AGREEMENT(S) WITH:	EXHIBIT
(a) Acute care hospitals	MedStar Good Samaritan Hospital	Exhibit 14, pg. 66
(b) Halfway houses, therapeutic	Change Healthcare Systems	Exhibit 15, pg. 78

communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs	• Outpatient Program • Therapeutic community	
	Healthy Lives • Outpatient Program • Intensive Outpatient Program	Exhibit 16, pg. 80
(c) Local community mental health center or center(s)	Change Healthcare Systems • Mental health practice (therapy and medication management)	Exhibit 15, pg. 78
	Change Healthcare Systems • Psychiatric urgent care	Exhibit 15, pg. 78
(d) The jurisdiction's mental health and alcohol and drug abuse authorities	Behavioral Health System Baltimore	Exhibit 17, pg. 82
(e) The Alcohol and Drug Abuse Administration and the Mental Hygiene Administration	License issued by the Behavioral Health Administration (BHA)	Licensing pending
(f) The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services	Change Healthcare Systems • Outpatient Program Therapeutic community	Exhibit 15, pg. 78
	Healthy Lives • Outpatient Program Intensive Outpatient Program	Exhibit 16, pg. 80

.05K. Sources of Referral.

(1) An applicant proposing to establish a new Track Two facility must document to demonstrate that 50 percent of the facility's annual patient days, consistent with Regulation .08 of this Chapter, will be generated by the indigent or gray area population, including days paid under a contract with the Alcohol and Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority.

We agree to demonstrate that 50 percent of the facility's annual patient days, consistent with Regulation .08 of this Chapter, will be generated by the indigent or gray area population, including days paid under a contract with the Behavioral Health Administration (former Alcohol and Drug Abuse Administration) or a jurisdictional alcohol or drug abuse authority. Since the facility has not yet opened, we are unable to provide data to support this assertion. However, we commit to provide data for the first six months of operation in order to comply with this requirement.

(2) An applicant proposing to establish a new Track One facility must document referral agreements to demonstrate that 15 percent of the facility's annual patient days required by Regulation .08 of this Chapter will be incurred by the indigent or gray area populations, including days paid under a contract with the Alcohol or Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority, or the Medical Assistance program.

We are proposing a Track Two ICF.

.05L. In-Service Education. An applicant must document that it will institute or, if an existing facility, maintain a standardized in-service orientation and continuing education program for all categories of direct service personnel, whether paid or volunteer.

CMDS Residential, LLC will ensure that the mission of the organization is met by providing appropriately qualified staff to deliver services to patients and by ensuring that ongoing education and training needs are identified and provided. CMDS Residential will manage the ongoing educational and training needs specific to various roles, positions and tasks to assure the highest level of competence and compliance with all federal, state licensure and certification level requirements are maintained. Auxiliary training across complementary disciplines will grant greater flexibility in patient service provision.

Refer to Exhibit 18: Orientation and Continuing Education Policies & Procedures, pg. 84.
Refer to Exhibit 19: Required Personnel Training, pg. 87

.05M. Sub-Acute Detoxification. An applicant must demonstrate its capacity to admit and treat alcohol or drug abusers requiring sub-acute detoxification by documenting appropriate admission standards, treatment protocols, staffing standards, and physical plant configuration.

CMDS Residential, LLC has appropriate admission standards, treatment protocols, staffing standards and physical plant configuration to admit and to treat alcohol or drug users requiring sub-acute detoxification. The beds that are to be converted to 3.7 and 3.7WM beds upon approval of this CON are located in the same floor as the medical staff's offices. This physical configuration allows for the provision of 24/7 services more easily as well as for the quick intervention of medical staff there should be an emergency.

Refer to Exhibit 9: General Treatment Protocols, pg. 57
Refer to Exhibit 10: Admission Criteria, pg. 59
Refer to Exhibit 20: Staffing Standards for Sub-Acute Detox, pg. 93

.05N. Voluntary Counseling, Testing, and Treatment Protocols for Human Immunodeficiency Virus (HIV). An applicant must demonstrate that it has

procedures to train staff in appropriate methods of infection control and specialized counseling for HIV-positive persons and active AIDS patients.

CMDS Residential, LLC has procedures in place to address methods of infection control and specialized counseling for HIV-positive persons and active AIDS patients.

Refer to Exhibit 21: Infection Control Policies & Procedures, pg. 94.
Refer to Exhibit 22: Infection Control Overview Policies & Procedures, pg. 95.
Refer to Exhibit 23: Hand Hygiene Policies & Procedures, pg. 96
Refer to Exhibit 24: Respiratory Hygiene and Etiquette Policies & Procedures, pg. 98.
Refer to Exhibit 25: PPE Policies & Procedures, pg. 99
Refer to Exhibit 26: Decontamination of Surfaces Policies & Procedures, pg. 101.
Refer to Exhibit 27: Management of Hazardous Waste Policies & Procedures, pg. 103.
Refer to Exhibit 28: Reporting Exposure of Infections Disease Policies & Procedures, pg. 105.
Refer to Exhibit 29: Sanitation Policies & Procedures, pg. 106.
Refer to Exhibit 30: Specialized Counseling for HIV-positive and Active AIDS Patients Policies & Procedures, pg. 107.

.05O. Outpatient Alcohol & Drug Abuse Programs.

(1) An applicant must develop and document an outpatient program to provide, at a minimum: individual needs assessment and evaluation; individual, family, and group counseling; aftercare; and information and referral for at least one year after each patient's discharge from the intermediate care facility.

CMDS Residential, LLC has agreements with the following outpatient programs for information and referral for at least one year after each patient's discharge from the intermediate care facility:

AGREEMENT(S) WITH:	EXHIBIT
Change Healthcare Systems	Exhibit 15, pg. 78.
Healthy Lives	Exhibit 16, pg. 80.

(2) An applicant must document continuity of care and appropriate staffing at off-site outpatient programs.

The outpatient programs that CMDS Residential, LLC has signed a MOU with adhere to all applicable standards and regulations concerning continuity of care and appropriateness of staffing. Prior to referring patients to that provider, we do a site inspection, meet with their clinical leadership and have their Executive Director sign a referral MOU with CMDS Residential, LLC.

(3) Outpatient programs must identify special populations as defined in Regulation .08, in their service areas and provide outreach and outpatient services to meet their needs.

All outpatient programs that we have partnered with serve special populations, such as HIV+, pregnant women, criminal justice involved, mental health diagnosed and geriatric patients.

(4) Outpatient programs must demonstrate the ability to provide services in the evening and on weekends.

Prior to CMDS Residential, LLC signing a referral MOU with an outpatient program, we verify whether they provide services on the evenings and weekends.

(5) An applicant may demonstrate that outpatient programs are available to its patients, or proposed patient population, through written referral agreements that meet the requirements of (1) through (4) of this standard with existing outpatient programs.

CMDS Residential, LLC has agreements with the following outpatient programs for information and referral for at least one year after each patient's discharge from the intermediate care facility:

AGREEMENT(S) WITH:	EXHIBIT
Change Healthcare Systems	Exhibit 15, pg. 78.
Healthy Lives	Exhibit 16, pg. 80.

.05P. Program Reporting. Applicants must agree to report, on a monthly basis, utilization data and other required information to the Alcohol and Drug Abuse Administration's Substance Abuse Management Information System (SAMIS) program, and participate in any comparable data collection program specified by the Department of Health and Mental Hygiene.

CMDS Residential, LLC will collect its own aggregate utilization data and other information required by the Behavioral Health Administration. This data is being collected by the Administrative Service Organization, Optum Health. The organization administers an Outcome Measuring System that only requires participation from publicly funded programs. In an effort to share valuable data with the state and to evaluate its own effectiveness, CMDS Residential, LLC will participate in comparable data collection

systems developed internally within our electronic health record and management system. .

.06 Preferences for Certificate of Need approval.

A. In a comparative review of applicants for private bed capacity in Track One, the Commission will give preference expand an intermediate care facility if the project's sponsor will commit to:

CMDS Residential, LLC is proposing a Track Two ICF.

(1) Increase access to care for indigent and gray area patients by reserving more bed capacity than required in Regulation .08 of this Chapter;

(3) Treat special populations as defined in Regulation .08 of this Chapter or, if an existing alcohol or drug abuse treatment facility, treat special populations it has historically not treated;

(4) Include in its range of services alternative treatment settings such as intensive outpatient programs, halfway houses, therapeutic foster care, and long-term residential or shelter care;

(5) Provide specialized programs to treat an addicted person with co-existing mental illness, including appropriate consultation with a psychiatrist; or,

(6) In a proposed intermediate care facility that will provide a treatment program for women, offer child care and other related services for the dependent children of these patients.

B. If a proposed project has received a preference in a Certificate of Need review pursuant to this regulation, but the project sponsor subsequently determines that providing the identified type or scope of service is beyond the facility's clinical or financial resources:

(1) The project sponsor must notify the Commission in writing before beginning to operate the facility, and seek Commission approval for any change in its array of services pursuant to COMAR 10.24.01.17.

CMDS Residential, LLC affirms that we will notify the Commission in writing before beginning to operate the 3.7 and 3.7WM level services and seek Commission approval for any change in its array of services pursuant to COMAR 10.24.01.17.

(2) The project sponsor must show good cause why it will not provide the identified service, and why the effectiveness of its treatment program will not be compromised in the absence of the service for which a preference was awarded; and

CMDS Residential, LLC affirms that we will show good cause why CMDS Residential, LLC will not provide the identified service, and why the effectiveness of its treatment program will not be compromised in the absence of the service for which a preference was awarded.

(3) The Commission, in its sole discretion, may determine that the change constitutes an impermissible modification, pursuant to COMAR 10.24.01.17C(1).

CMDS Residential, LLC accepts that the Commission, in its sole discretion, may determine that the change constitutes an impermissible modification, pursuant to COMAR 10.24.01.17C(1).

B. NEED

COMAR 10.24.01.08G(3)(b) Need. The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served and established that the proposed project meets those needs.

INSTRUCTIONS: Please discuss the need of the population served or to be served by the Project.

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. If the relevant chapter of the State Health Plan includes a need standard or need projection methodology, please reference/address it in your response. For applications proposing to address the need of special population groups, please specifically identify those populations that are underserved and describe how this Project will address their needs.

If the project involves modernization of an existing facility through renovation and/or expansion, provide a detailed explanation of why such modernization is needed by the service area population. Identify and discuss relevant building or life safety code issues, age of physical plant issues, or standard of care issues that support the need for the proposed modernization.

Please assure that all sources of information used in the need analysis are identified. List all assumptions made in the need analysis regarding demand for services, utilization rate(s), and the relevant population, and provide information supporting the validity of the assumptions.

Complete Table C (Statistical Projections – Entire Facility) from the CON Application Table Package.

By using the same approach used by the State Health Plan to determine beds need in Maryland in 2002 and updating it with current data, we concluded that there is currently unmet needs for detox beds to treat indigent population in the Central Region of the state.

According to table 2 of the *State Health Plan for Facilities and Services: Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services*, the need for ICF Track Two beds in the Central Region of Maryland in 2005 ranged from 287 to 342 (Refer to Exhibit 6: Gross and Net Private Intermediate Care Facility (ICF) Bed Need Projections For Adults (Ages 18+), 2005. Relevant Excerpt [pg. A-2 of the original document], yellow highlight, pg. 49 on this application. Full Plan can be accessed on: http://www.dsd.state.md.us/artwork/10241401.pdf). However, since the State Plan was created, at least two factors have changed that require an updated count of Track Two beds in the Central Region. The first element that changed was the population of Maryland, which increased from 4,568,305 in 2005 to 6,045,680 in 2019 (Refer to Exhibit 31: Population of Maryland, 2019, yellow highlight, pg. 108. Information can be accessed on: https://www.census.gov/quickfacts/MD). Assuming that the population distribution in Maryland has remained the same since 2005 (50.53% in the Central Region), the population in the Central Region is roughly 3,054,882 people. However, the most contrasting difference since the State Plan was created is the Average Length of Stay (ALOS) of detox treatment in Maryland. Due to the complexity and lethality of new drugs being abused since the Plan was created, the ALOS increased from 14 days to 24.9 days (3.7 + 3.7WM) in 2014, according to the last data made available by the Maryland Behavioral Health Administration. (Refer to Exhibit 32: Outlook and Outcomes in Substance-Related Disorder Treatment FY 14, Relevant Excerpt [pg. 5 of the original document], green highlight, pg. 109 on this application. Full Report can be access on: https://bha.health.maryland.gov/Documents/Publications/FY14OandO_6edited2.pdf). If we assume that the percentage of the indigent population (5.55%), the rate of substance users (8.64%), the annual target population (25%), and the range requiring treatment (95%) in Maryland have remained the same since 2005, the estimated range of required intermediate care beds currently range from 653 to 784. Taking into consideration the number of current Track Two beds in the Central Region (309), we estimate that the Track Two net intermediate private bed need in the Central Region ranges from 344 to 475 (Refer to tables below for details).

Total Maryland Population	6,045,680.00

Central Maryland Stats

Population (50.53%)	3,054,882
Indigent Population (5.55%)	171,073
Non-indigenet Population	2,883,809
Estimated Number of Substance Abusers (8.64%)	249,161
Estimated Annual Target Population (25%)	62,290
Estimate Range Requiring Treatment (95%)	59,176
Estimated Range Requiring Intermediate Care	
Minimum (12.5%)	7,397
Maximum (15%)	8,876
Estimated Range Requiring Readmission (10%)	740
	888
Range Requiring Intermediate Care	
Minimum	8,137
Maximum	9,764
Gross Private Bed Need Range	
(24.9ALOS - 85% Occupancy)	
Minimum	653
Maximum	784
Existing Private ICF Inventory (Track 2)	309
Net Intermediate Private Bed Need Range Track 2	
Minimum	344
Maximum	475

Estimated Net Intermediate Private Bed Need Rage Track Two Central Region ALOS 24.9 days

Refer to Excel File "Needs Table" Tab: Central Region (ALOS 24.9 Days) submitted along with this application for calculations.

County	Facility_Name	ASAM Level of Care	Beds	Track
Anne Arundel	Pathways	Level 3.7 & 3.7D	40	2
Anne Arundel	Gaudenzia - Crownsville	Level 3.7 & 3.7D	27	2
Anne Arundel	Hope House Treatment Center	Level 3.7 & 3.7D	49	2
Baltimore City	Baltimore Crisis Response, Inc.	Level 3.7	7	2
Baltimore City	Gaudenzia At Park Heights	Level 3.7 & 3.7D	89	2
Baltimore City	Mountain Manor-Baltimore	Level 3.7 & 3.7D	68	2
Baltimore City	Tuerk House, Inc.	Level 3.7 & 3.7D	29	2
		Total	**309**	

Inventory of Existing and Approved Alcohol and Drug Abuse Treatment Intermediate Care Facilities and ASAM Level 3.7 Bed Capacity in the Central Region as of October 2019

Although the shortage of ICF Track Two beds is evident when using the latest data made available by the Behavioral Health Administration in 2014, if we take into consideration the current number of days that Medicaid pays for 3.7 and 3.7WM treatment (refer to table below for details), which is an indication of how long treatment should be, as well as the yearly increase on ALOS from 2005 to 2014 (refer to table below for details), the ALOS in Maryland would be 33 days (we used ALOS of 33 days in our calculations of numbers of discharges and revenue calculations on the tables package..

Level of Care	Length of Stay Reimbursed by Medicaid
3.7	28 days
3.7WM	7 days
Total	35 days

Length of Stay Reimbursed by Medicaid

Year	ALOS
2005	14 days
2014	24.9 days
Increase from 2005 to 2014	10.9 days
Yearly Increase	1.21 days/year
ALOS increase from 2014 to 2020	7.26 days (1.21 days/year x 6 years)
ALOS in 2020	**32.16 days ~ 33 days (24.9 in 2014 + 7.26 from 2014 to 2020)**

ALOS Increase from 2005 to 2020

Again, if we assume that the percent of the indigent population (5.55%), the rate of substance users (8.64%), the annual target population (25%), and the range requiring treatment (95%) in the Central Region have remained the same, the estimated range of required intermediate care Track Two beds using the information described above goes from 865 to 1,039. Taking into consideration the number of current Track Two beds in the Central Region (309), we estimate that the Track Two net intermediate private bed need in the Central Region ranges from 556 to 730 (Refer to table below for details).

Total Maryland Population	6,045,680.00

Central Maryland Stats

Population (50.53%)	3,054,882
Indigent Population (5.55%)	171,073
Non-indigenet Population	2,883,809
Estimated Number of Substance Abusers (8.64%)	249,161
Estimated Annual Target Population (25%)	62,290
Estimate Range Requiring Treatment (95%)	59,176

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Minimum (12.5%)	7,397
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	888

Range Requiring Intermediate Care	
Minimum	8,137
Maximum	9,764

Gross Private Bed Need Range	
(33ALOS - 85% Occupancy)	
Minimum	865
Maximum	1,039

Existing Private ICF Inventory (Track 2)	309

Net Intermediate Private Bed Need Range Track 2	
Minimum	556
Maximum	730

Estimated Net Intermediate Private Bed Need Rage Track Two Central Region ALSO 33 days

Refer to Excel File "Needs Table" Tab: Central Region (ALOS 33 Days) submitted along with this application for calculations.

Aside from the evident need of more detox beds in the Central Region of Maryland as described in the two scenarios above, we gathered letters of support from several substance abuse providers, including two Track Two ICFs in the Central Region of Maryland, that corroborate the need of more detox beds in the proposed region.

Letter of Support from	Provider Type	Exhibit
Gaudenzia	• ICF Track Two • Residential	Exhibit 33, pg. 110.
Hope House Treatment Center	• ICF Track Two • Residential	Exhibit 34, pg. 111.

Change Healthcare Systems	• Outpatient Program • Therapeutic community • Mental health practice • Psychiatric urgent care	Exhibit 35, pg. 112.
Turning Point Clinic	• Opioid Treatment Program	Exhibit 36, pg. 113.

C. AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES

COMAR 10.24.01.08G(3)(c) Availability of More Cost-Effective Alternatives. The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

INSTRUCTIONS: Please describe the planning process that was used to develop the proposed project. This should include a full explanation of the primary goals or objectives of the project or the problem(s) being addressed by the project. It should also identify the alternative approaches to achieving those goals or objectives or solving those problem(s) that were considered during the project planning process, including the alternative of the services being provided by existing facilities.

For all alternative approaches, provide information on the level of effectiveness in goal or objective achievement or problem resolution that each alternative would be likely to achieve and the costs of each alternative. The cost analysis should go beyond development cost to consider life cycle costs of project alternatives. This narrative should clearly convey the analytical findings and reasoning that supported the project choices made. It should demonstrate why the proposed project provides the most effective goal and objective achievement or the most effective solution to the identified problem(s) for the level of cost required to implement the project, when compared to the effectiveness and cost of alternatives including the alternative of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Planning Process, Goals or Objectives or The Problem(s) Being Addressed by The Project

CMDS Residential, LLC contemplated opening detox beds by realizing the dire need of such services in the Central Region of Maryland, as described in Part B and evidenced by the letters of support that accompany this application. The goals that this project try to address are twofold: (1) the expansion of the number of detox beds in the Central Region as well as (2) the addition of detox beds to the current existing residential program (3.1 through 3.5 levels) as an effort to increase the likelihood that patients will engage in continuing treatment upon discharge of 3.7 and 3.7WM levels of care.

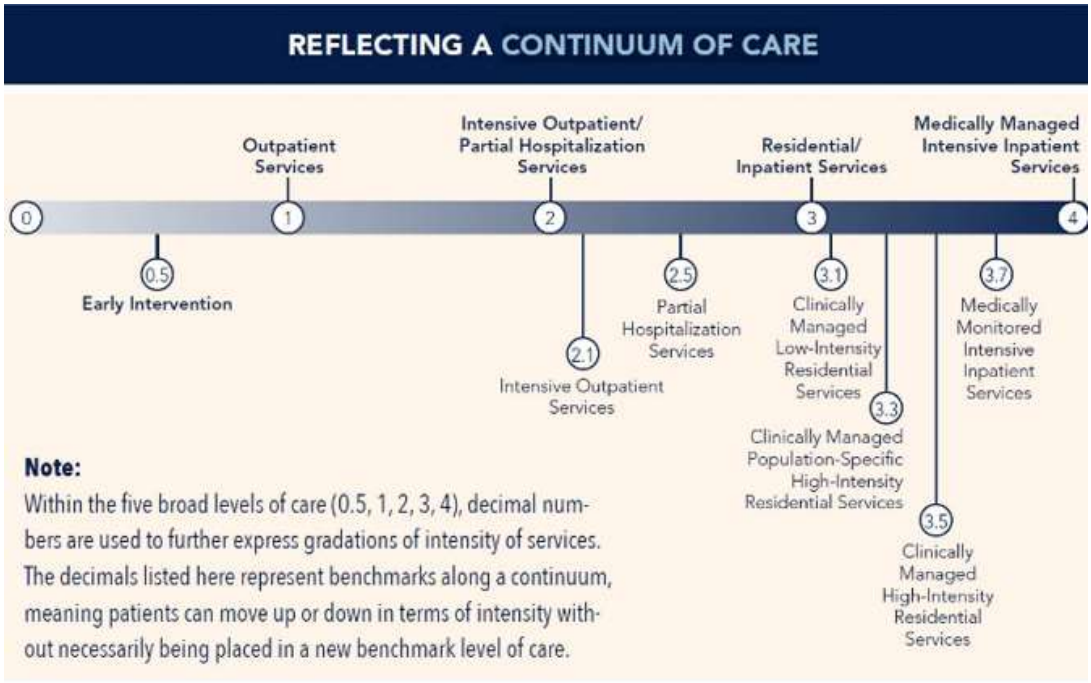
Alternative Approaches

Alternative to the (1) the expansion of the number of detox beds in the Central Region

The first alternative to increasing the number of beds in the Central Region of Maryland is by providing detox services in a hospital setting. However, this alternative is costlier to the State. As an illustration of the unfeasibility of the aforementioned approach, the daily Medicaid rate of a patient admitted to a 3.7 program is $291.65 (Refer to Exhibit 37: Community-Base Substance User Disorder Fee Schedule (eff. July 1, 2019), [pg. 8 of the original document], yellow highlight, pg. 114 on this application. Retrieved from: https://maryland.optum.com./content/dam/ops-maryland/documents/provider/information/pbhs/SUD%20Fee%20Schedule%20(Eff-07-01-19).pdf). The initial ER visit (CPT code 99285) for the same patient experiencing withdrawal symptoms would cost Medicaid $172.65 alone not including costs of ambulance, labs, overnight stay, and observation (Refer to Exhibit 38, 2020 Professional Services Fee Schedule Effective 1/1/20 Updated 2/28/20, Excerpt, yellow highlight., pg. 115. Retrieved from: https://mmcp.health.maryland.gov/Pages/Provider-Information.aspx >2020 Professional Services Fee Schedule Effective 1/1/20 Updated 2/28/20)

Alternative to (2) the addition of detox beds to the existing residential program (3.1 through 3.5 levels)

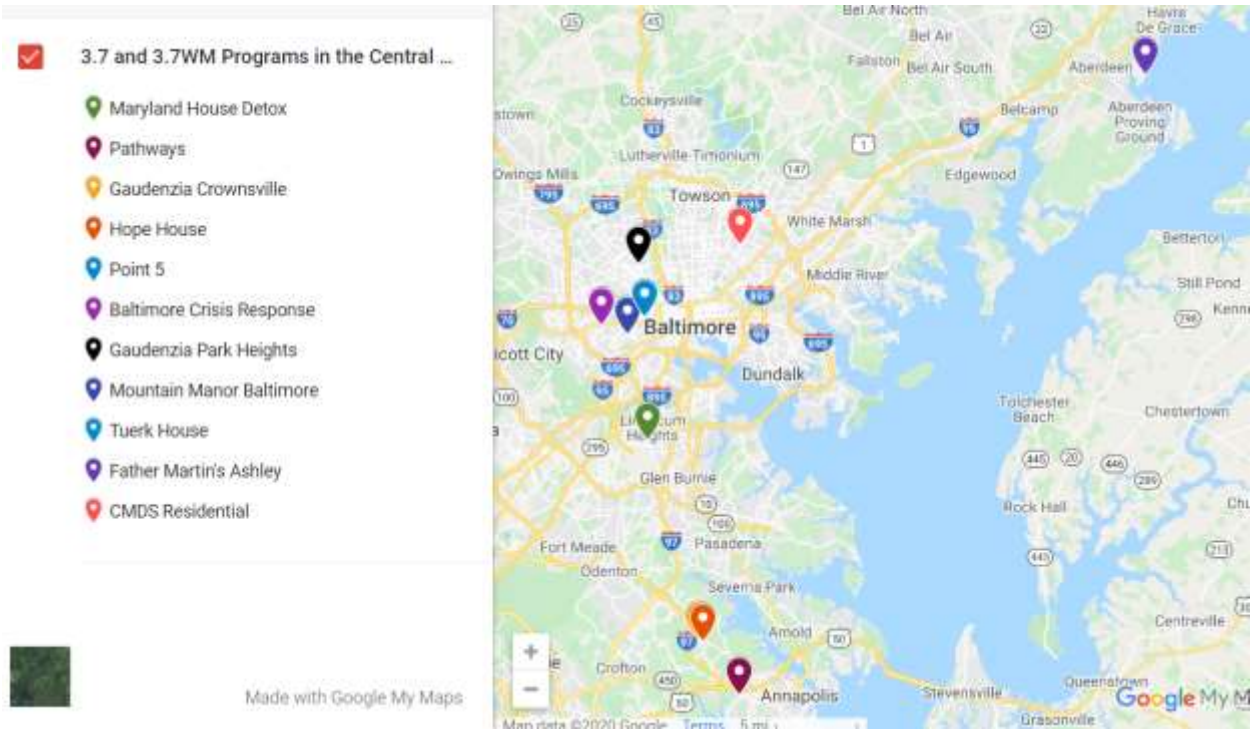
The alternative to providing detoxification services (ASAM levels 3.7 and 3.7WM) in a program that already offers residential services (ASAM levels 3.1, 3.3 and 3.5) is to offer the same services at lower levels of care (ASAM levels 1, 2.1, and 2.5) (Refer to ASAM Levels of Care figure below for reference). However, it is well accepted in the substance use disorder treatment field that detoxification of patients in higher levels of care is far more successful. The reason behind this relies on the 24/7 medically monitored treatment as well as the ability of patients to be discharged to a lower level of care within the facility, such as 3.5, 3.3. and 3.1. Upon discharge from the facility after completion of level 3.1, the patient should be stable enough to continue treatment at an outpatient program (ASAM Outpatient Services Level 1).



ASAM Levels of Care. Retrieved from: https://www.asam.org/asam-criteria/level-of-care-certification

Alternative of Providing the Service Through Alternative Existing Facilities, or Through an Alternative Facility That Has Submitted A Competitive Application as Part of a Comparative Review

As demonstrated in the Existing 3.7 and 3.7WM Programs in the Central Region of Maryland figure below, CMDS Residential, LLC is the only program in East Baltimore and the closest program to Baltimore County. Moreover, as also evidenced in Part B Need, the Central Region substantially lacks Track Two beds and not even the recent addition of Track Two beds granted to Hope House and to Gaudenzia has alleviated the dire need of such services in the aforementioned area. Furthermore, the letter of support from Track Two programs in the Central Region further reiterates the difficulty in considering existing facilities as feasible alternative approaches to our project.



Existing 3.7 and 3.7WM Programs in the Central Region of Maryland

D. VIABILITY OF THE PROPOSAL

COMAR 10.24.01.08G(3)(d) Viability of the Proposal. The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

INSTRUCTIONS: Please provide a complete description of the funding plan for the project, documenting the availability of equity, grant(s), or philanthropic sources of funds and demonstrating, to the extent possible, the ability of the applicant to obtain the debt financing proposed. Describe the alternative financing mechanisms considered in project planning and provide an explanation of why the proposed mix of funding sources was chosen.

We are not seeking funding for the project. We are simply requesting the Certificate of Need to convert 59 existing 3.1 beds into 3.7 and 3.7WM beds. No extra beds will be added.

- Complete Tables D (Revenues & Expenses, Uninflated – Entire Facility) and F (Revenues & Expenses, Uninflated – New Facility or Service) from the CON Application Table Package.

- Complete Table G (Work Force Information) from the CON Application Table Package.

- Audited financial statements for the past two years should be provided by all applicant entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution. If audited financial statements are not available for the entity or individuals that will provide the equity contribution, submit documentation of the financial condition of the entities and/or individuals providing the funds and the availability of such funds. Acceptable documentation is a letter signed by an independent Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.

- If debt financing is required and/or grants or fund raising is proposed, detail the experience of the entities and/or individuals involved in obtaining such financing and grants and in raising funds for similar projects. If grant funding is proposed, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant.

Neither debt financing nor grants or fund raising is being proposed in this project.

- Describe and document relevant community support for the proposed project.

Letter for Support from:

- Gaudenzia: Exhibit 33, pg. 110
- Hope House Treatment Center: Exhibit 34, pg. 111.
- Change Healthcare Systems: Exhibit 35, pg. 112.
- Turning Point Clinic: Exhibit 36. Pg. 113.

- Identify the performance requirements applicable to the proposed project (see question 12, "Project Schedule") and explain how the applicant will be able to implement the project in compliance with those performance requirements. Explain the process for completing the project design, obtaining State and local land use, environmental, and design approvals, contracting and obligating the funds within the prescribed time frame. Describe the construction process or refer to a description elsewhere in the application that demonstrates that the project can be completed within the applicable time frame(s).

We are currently in the processing of obtaining the Certificate of Occupancy in order to apply for the license from the Behavioral Health Administration to start offering levels 3.1, 3.3. and 3.5 (Residential Program). Assuming that the process to obtain the Certificate of Occupancy and the BHA license takes 60 days, we expect to open the Residential Program around July 1, 2020.

Upon approval of this CON, we will apply for the appropriate license with the Behavioral Health Administration.

E. COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED

COMAR 10.24.01.08G(3)(e) Compliance with Conditions of Previous Certificates of Need. An applicant shall demonstrate compliance with all terms and conditions of

each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

We currently do not hold any Certificates of Need.

INSTRUCTIONS: List all of the Maryland Certificates of Need that have been issued to the project applicant, its parent, or its affiliates or subsidiaries over the prior 15 years, including their terms and conditions, and any changes to approved Certificates that needed to be obtained. Document that these projects were or are being implemented in compliance with all of their terms and conditions or explain why this was not the case.

F. IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM

COMAR 10.24.01.08G(3)(f) Impact on Existing Providers and the Health Care Delivery System. An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

INSTRUCTIONS: Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payer mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;

We anticipate very minimal impact on existing Track Two ICFs in the Central Region. As evidenced by the endorsement of other Track Two providers in the Central Region of Maryland, the increase in the number of beds is essential to providing detox services to patients in need. The likely impact of the opening of detox beds in our program is that hospitals in East Baltimore, North Baltimore, Baltimore County, and parts of Harford County may refer patients to our program, since we are closer to such geographic locations. Furthermore, there are currently no Track Two ICFs in east Baltimore City or Baltimore County.

b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must

identify the likely source of any expected increase in patients by payer.

The most probable impact on the payer mix that other programs may experience due to the approval of this CON is that they will seek contracts with commercial carriers. As other programs experience a slight decrease in the number of Medicaid patients due to the opening of detox beds in our program, they may replace the lost revenue by admitting patients who have private insurances, such as Aetna, Care First, United HealthCare, and the like.

c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);

The immediate impact of the approval of our project is the increase in health care services for patients in need of withdrawal management. As previously described in this application, our program is located in a detox-beds desert. As demonstrated in the Existing 3.7 and 3.7WM Programs in the Central Region of Maryland figure in Part C of this application, detox programs are concentrated in Western Baltimore City and Anne Arundel County.

d) On costs to the health care delivery system.

We do not expect the cost to the Maryland health care delivery system to increase with the approval of this CON. The increment in the number of detox beds will not increase demand for services, but will be an effort to match supply of beds and demand for detox services. As evidenced in previous CON applications approved by MHCC, such as Gaudenzia, Hope House, and the current application of Pyramid Health, patients wait to be admitted to an inpatient detox program. It is very likely that patients who cannot wait simply call 911 and are admitted to the hospital for withdrawal management. In fact, we foresee a decrease in costs to the State health care delivery system as patients who experience withdrawal symptoms are rerouted from the ER to our program.

If the applicant is an existing facility or program, provide a summary description of the impact of the proposed project on the applicant's costs and charges, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

Not applicable as we are applicant to become a new ICF.

REMEMBER TO SUBMIT THE COMPANION TABLE SET FEATURING PROJECT BUDGET, STATISTICAL PROJECTIONS, REVENUE AND EXPENSE PROJECTIONS, AND WORKFORCE INFORMATION

Created March 24, 2017

EXHIBIT 1
DESCRIPTION OF OWNERSHIP STRUCTURE

CMDS Residential, LLC is an S-Corporation. The entity has only one owner, Kevin Pfeffer, with 100% of ownership in the company.

EXHIBIT 2
ORGANIZATIONAL CHART
OWNERS

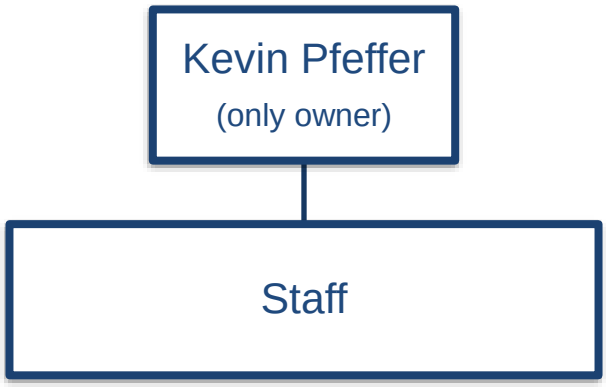
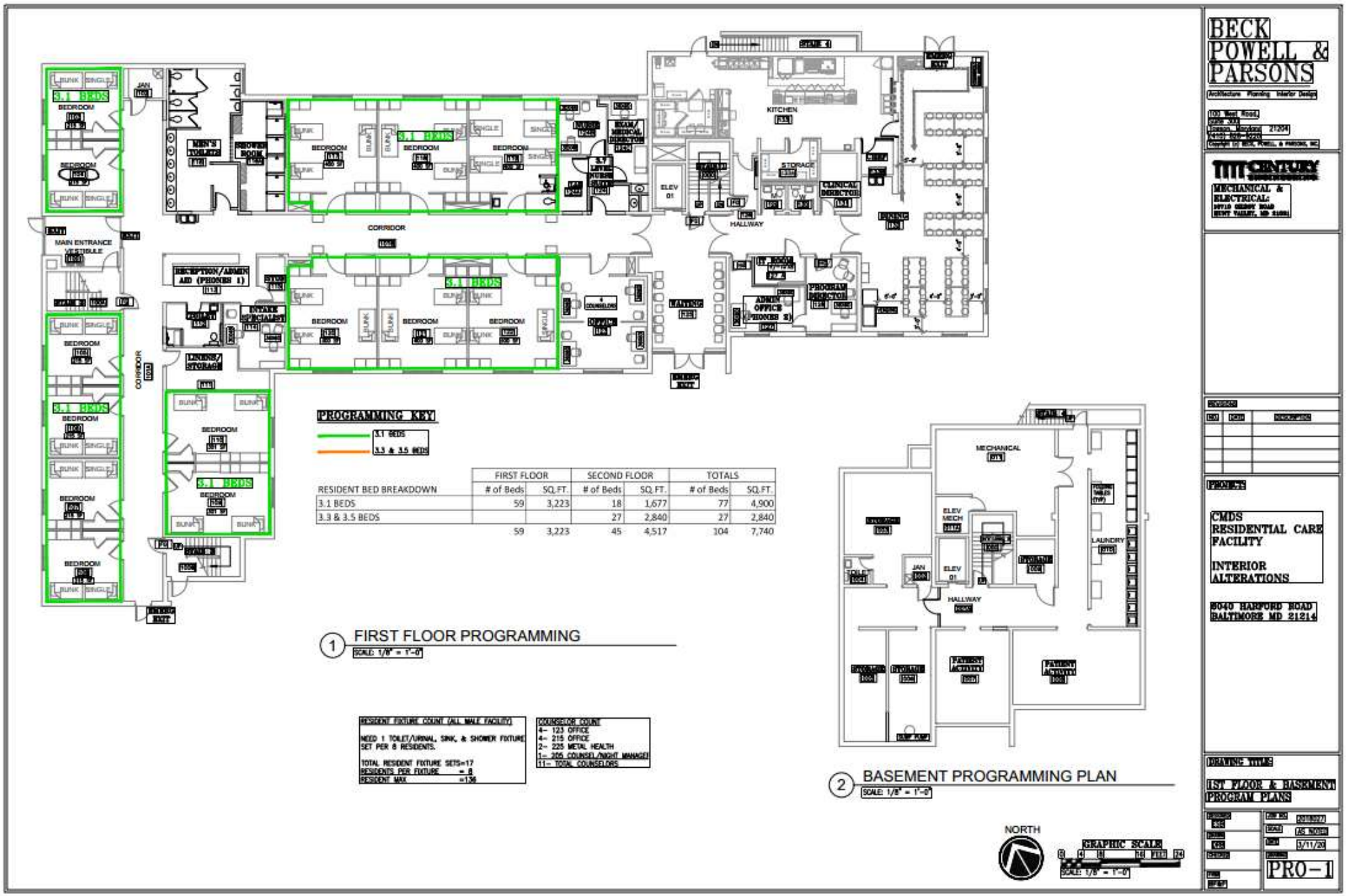
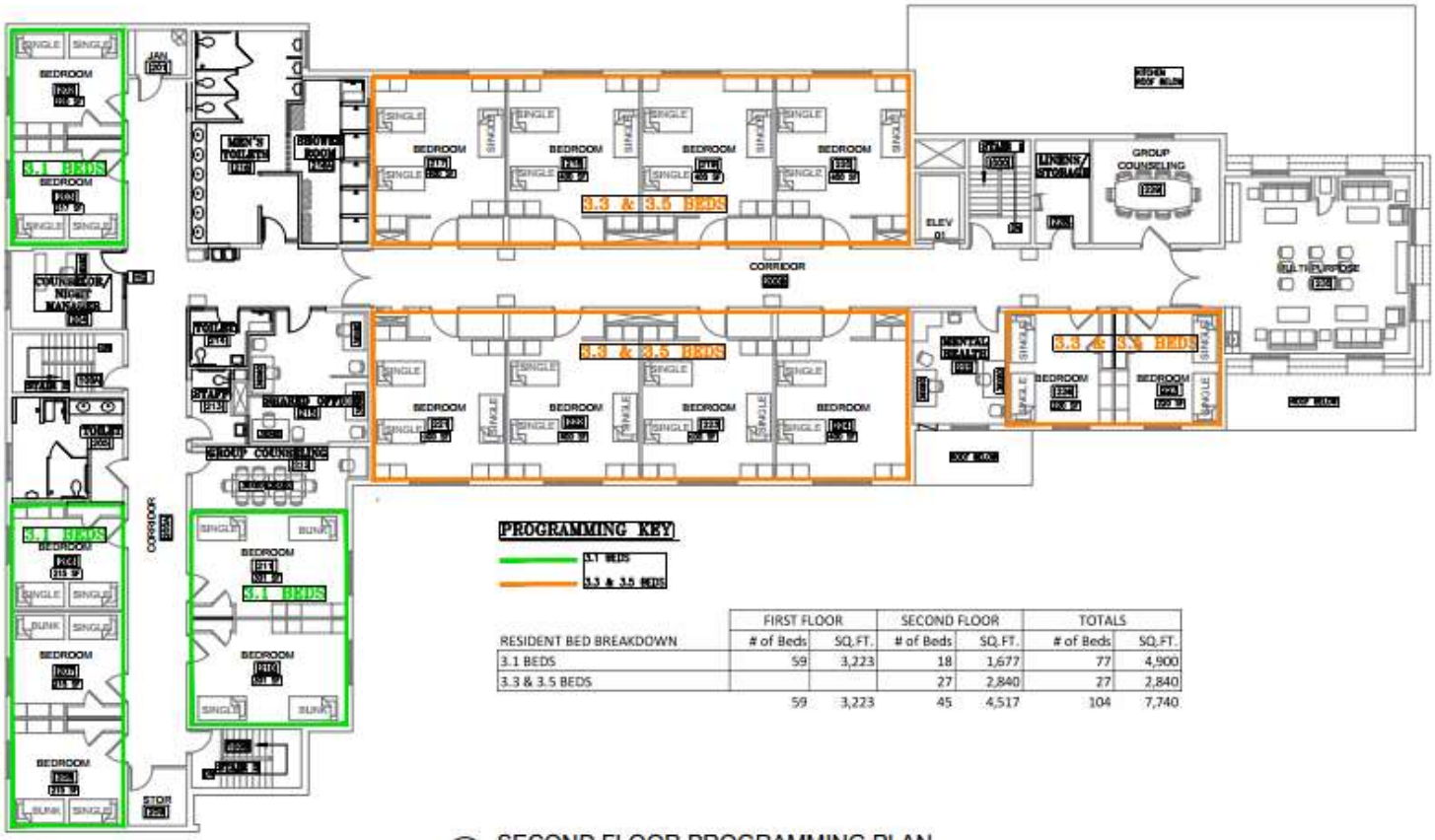


EXHIBIT 3
CURRENT FACILITY'S PLAN





PROGRAMMING KEY

- 3.1 BEDS
- 3.3 & 3.5 BEDS

RESIDENT BED BREAKDOWN	FIRST FLOOR		SECOND FLOOR		TOTALS	
	# of Beds	SQ.FT.	# of Beds	SQ.FT.	# of Beds	SQ.FT.
3.1 BEDS	59	3,223	18	1,677	77	4,900
3.3 & 3.5 BEDS			27	2,840	27	2,840
	59	3,223	45	4,517	104	7,740

1 SECOND FLOOR PROGRAMMING PLAN

SCALE: 1/8" = 1'-0"

RESIDENT FIXTURE COUNT (ALL MALE FACILITY)

NEED 1 TOILET/URINAL, SINK, & SHOWER FIXTURE SET PER 8 RESIDENTS.

TOTAL RESIDENT FIXTURE SETS=17
RESIDENTS PER FIXTURE = 8
RESIDENT MAX =136

COUNSELOR COUNT

4– 123 OFFICE
4– 215 OFFICE
2– 225 METAL HEALTH
1– 205 COUNSEL/NIGHT MANAGER
11– TOTAL COUNSELORS

NORTH

GRAPHIC SCALE

SCALE: 1/8" = 1'-0"

BECK POWELL & PARSONS

Architecture Planning Interior Design

MECHANICAL & ELECTRICAL:

PROJECT:

CMDS RESIDENTIAL CARE FACILITY

INTERIOR ALTERATIONS

8040 HARFORD ROAD BALTIMORE MD 21214

DRAWING TITLE:

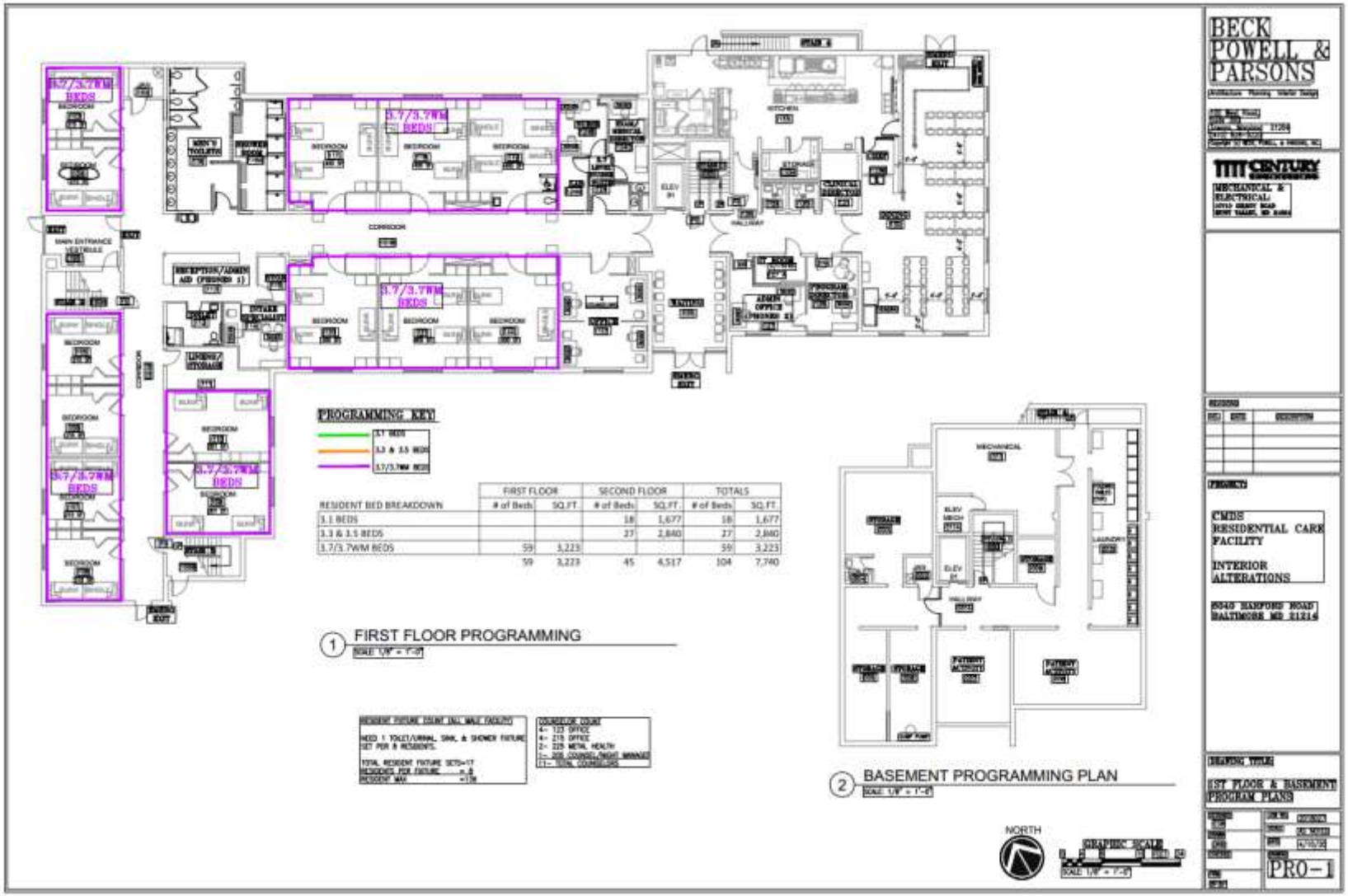
2ND FLOOR PROGRAM PLAN

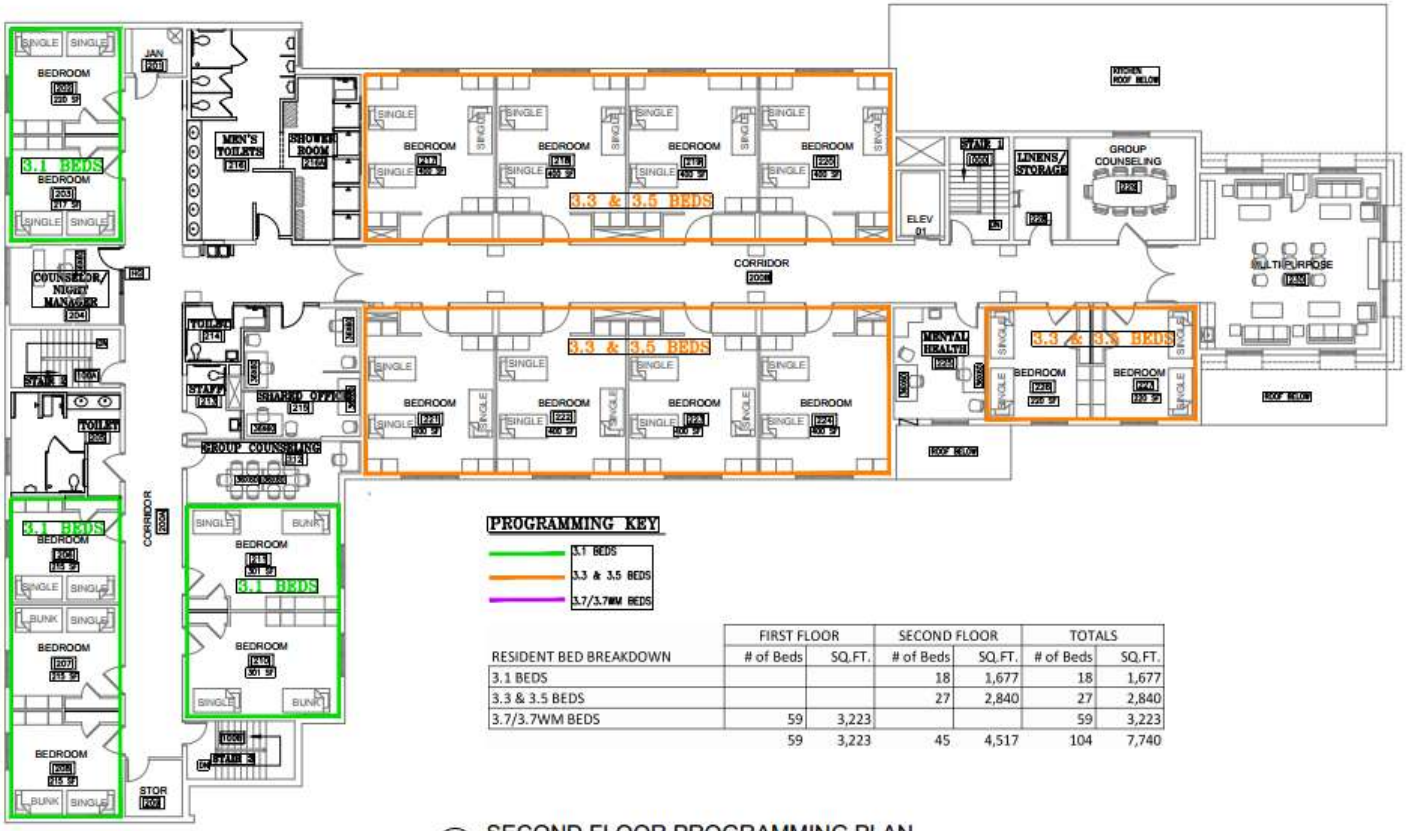
DRAWN: AS NOTED

DATE: 3/11/2020

PRO-2

EXHIBIT 4
PROPOSED FACILITY'S PLAN





PROGRAMMING KEY

- 3.1 BEDS
- 3.3 & 3.5 BEDS
- 3.7/3.7WM BEDS

RESIDENT BED BREAKDOWN	FIRST FLOOR # of Beds	FIRST FLOOR SQ.FT.	SECOND FLOOR # of Beds	SECOND FLOOR SQ.FT.	TOTALS # of Beds	TOTALS SQ.FT.
3.1 BEDS			18	1,677	18	1,677
3.3 & 3.5 BEDS			27	2,840	27	2,840
3.7/3.7WM BEDS	59	3,223			59	3,223
	59	3,223	45	4,517	104	7,740

1 SECOND FLOOR PROGRAMMING PLAN

SCALE: 1/8" = 1'-0"

RESIDENT FIXTURE COUNT (ALL MALE FACILITY)

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TOTAL RESIDENT FIXTURE SETS=17
RESIDENTS PER FIXTURE = 8
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COUNSELOR COUNT

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4– 215 OFFICE
2– 225 METAL HEALTH
1– 205 COUNSEL/NIGHT MANAGER
11– TOTAL COUNSELORS

NORTH

GRAPHIC SCALE
SCALE: 1/8" = 1'-0"

BECK POWELL & PARSONS
Architecture Planning Interior Design
100 West Road, Suite 303
Towson, Maryland 21204
(410) 825-8220

CENTURY ENGINEERING
MECHANICAL & ELECTRICAL:
10710 GILROY ROAD
HUNT VALLEY, MD 21031

REVISIONS

NO.	DATE	DESCRIPTION

PROJECT

CMDS RESIDENTIAL CARE FACILITY

INTERIOR ALTERATIONS

6040 HARFORD ROAD
BALTIMORE MD 21214

DRAWING TITLE:

2ND FLOOR PROGRAM PLAN

DESIGNED: BJS
DRAWN: DMS
CHECKED:
PM: BP&P

JOB NO: 20180927
SCALE: AS NOTED
DATE: 4/10/2020
DRAWING: PRO-2

EXHIBIT 5
CARF ACCREDITATION LETTER

carf INTERNATIONAL

October 24, 2019

Andre Pelegrini, MBA
CMDS Residential LLC
6040 Harford Road
Baltimore, MD 21214

Dear Mr. Pelegrini:

It is my pleasure to inform you that CMDS Residential LLC has been issued CARF accreditation based on its recent survey. The Preliminary Accreditation applies to the following program(s)/service(s):

Community Housing: Alcohol and Other Drugs/Addictions (Adults)
Detoxification/Withdrawal Management - Inpatient: Alcohol and Other Drugs/Addictions (Adults)
Inpatient Treatment: Alcohol and Other Drugs/Addictions (Adults)
Outpatient Treatment: Alcohol and Other Drugs/Addictions (Adults)
Residential Treatment: Alcohol and Other Drugs/Addictions (Adults)

Your organization will remain accredited until CARF notifies it of the outcome of the full survey that will occur approximately six months after the currently anticipated commencement of service delivery (unless the full survey does not occur at that time for reasons beyond CARF's control).

This achievement is an indication of your organization's dedication and commitment to improving the quality of life of persons to be served. The condition of the physical location, program and staffing plans, and other documentation indicates the willingness and ability to maintain accreditation.

The accreditation report is intended to support a continuation of the quality improvement of your organization's program(s)/service(s). It contains comments on your organization's strengths as well as any consultation and recommendations. A quality improvement plan (QIP) demonstrating your organization's efforts to implement the survey recommendation(s) must be submitted within the next 45 days to retain accreditation. The QIP form is posted on Customer Connect *(customerconnect.carf.org)*, CARF's secure, dedicated website for accredited organizations and organizations seeking accreditation. Please log on to Customer Connect and follow the guidelines contained in the QIP form.

Your organization should take pride in achieving accreditation. CARF will recognize this accomplishment in its listing of organizations with accreditation and encourages your organization to make its accreditation known throughout the community. Enclosed are some materials that will help you publicize this achievement.

Your organization's complimentary accreditation certificate will be sent separately. You may use the enclosed form to order additional certificates.

CARF International Headquarters
6951 E. Southpoint Road
Tucson, AZ 85756-9407, USA

www.carf.org

Please note that a new standards manual is issued July 1 of each year, so please ensure that your organization is utilizing the correct manual when its full survey occurs. If you have any questions regarding your organization's accreditation or the QIP, you are encouraged to seek support from Kathy Lauerman by email at klauerman@carf.org or telephone at (888) 281-6531, extension 7168.

CARF encourages your organization to continue fully and productively using the CARF standards as part of its ongoing commitment to accreditation. CARF commends your organization's commitment and consistent efforts to improve the quality of its program(s)/service(s) and looks forward to working with your organization in its ongoing pursuit of excellence.

Sincerely,

Brian J. Boon, Ph.D.

Brian J. Boon, Ph.D.
President/CEO

Enclosures

EXHIBIT 6
GROSS AND NET PRIVATE INTERMEDIATE CARE FACILITY (ICF) BED NEED PROJECTIONS FOR ADULTS (AGES 18+), 2005, TABLE 2

Table 2
Gross and Net Private Intermediate Care Facility (ICF) Bed Need Projections
For Adults (Ages 18+), 2005

	Western Maryland (1,2)	Montgomery County	Southern Maryland	Central Maryland	Eastern Shore (4)	Total
Projected Population- 2005	445,321	682,209	834,128	2,308,229	298,418	4,568,305
Indigent Population	23,501	23,523	41,187	129,424	21,642	239,277
Non-Indigent Population	421,820	658,686	792,941	2,178,805	276,776	4,329,028
Est. No. of Substance Abusers (8.64%)	36,445	56,910	68,510	188,249	23,913	649,354
Estimated Annual Target Population (25%)	9,111	14,228	17,128	47,062	5,978	162,339
Estimated No. Requiring Treatment (95%)	8,656	13,516	16,271	44,709	5,679	154,222
Estimated Range Requiring Inter. Care (12.5%-15%)						
Minimum	1,082	1,690	2,034	5,589	1,420	19,278
Maximum	1,298	2,027	2,441	6,706	1,988	23,133
Estimated Range Requiring Readmission (10%)						
Minimum	108	169	203	559	142	1,928
Maximum	130	203	244	671	199	2,313
Total Discharges from Out-of-State	10	0	4	204	12	230
Range Requiring Intermediate Care						
Minimum	1,200	1,858	2,241	6,351	1,574	21,435
Maximum	1,438	2,230	2,689	7,581	2,199	25,677
Gross Priv. Bed Need Range (14 ALOS - 85% Occupy.)						
Minimum	54	84	101	287	71	968
Maximum	65	101	121	342	99	1,160
Existing Private ICF Inventory (3)	111	10	0	80	42	243
Net Intermediate Private Bed Need Range						
Minimum	(0)	74	101	207	29	411
Maximum	(0)	91	121	262	57	531

Notes:
(1) Western Maryland includes Carroll County
(2) Negative bed need is tabulated as zero (0)
(3) Does not include ICFs in the adult justice system
(4) At the request of ADAA, assumptions for the Eastern Shore are that 25%-35% will require ICF care.

EXHIBIT 7
TREATMENT MODELS

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Treatment- Age Specific Methodologies

TREATMENT MODELS USED WITHIN THE CMDS RESIDENTIAL PROGRAMS

Within the context of the Therapeutic Community (TC) (or modified TC used by CMDS Residential's co-occurring programs) the principles and methods of other treatment models may be applied. While the Therapeutic Community is a comprehensive treatment model in its own right, it was developed during a historical period (1950-1960) that saw the development of a number of innovative treatment models. Included among these treatment models are Gestalt Therapy, Reality Therapy, Behavior Modification, Psychosocial Rehabilitation, and Psychodrama. The Therapeutic Community welcomes the contributions of professionals trained in these models. During the 1970's the Modified Therapeutic Community was influenced by the rise of the family therapy movement. This approach to behavioral change is a treatment protocol ideally suited for adults. The program uses a combination of the following treatment models:

Psychosocial Rehabilitation

The Psychosocial rehabilitation model is a model that was developed mainly by providers of behavioral health services. It is based on the belief that much of the symptomatic behavior of the behaviorally ill is the result of poor social learning. Psychosocial rehabilitation focuses on re-educating the client in areas of everyday living. Behavioral Health professionals have backgrounds in psychosocial rehabilitation.

Cognitive Behavioral Therapeutic Techniques

CBT is a therapeutic approach that seeks to modify negative or self-defeating thoughts and behaviors. CBT combines elements of behavioral theory, cognitive theory, cognitive social learning theory and therapy into a distinctive therapeutic approach that helps the client recognize situations where they are likely to relapse, find ways/alternatives to those situations, and learn better ways to cope with feelings and situations that might in the past led to relapse.

*Gestalt Therapy

Another area of concern with our clients is the inability of clients to direct their own lives. Quite often clients look to society at large to be responsible for them and to "tell" them what to do. Gestalt Therapy challenges the client to move from an "environmental support" to "self-support". The aim of therapy is to make the client not depend upon others, but to make the client discover from the very first moment that he can do many things, much more than he thinks he can do.

Gestalt therapy enables the client to deal more effectively with the here and now. It focuses on the client's messages, and blocks to awareness.

Prior to a Counselor using this approach, it is recommended that they be trained in many of the techniques and have supervision. This approach can be utilized when a client is ready to explore their feelings and thoughts in the present. This can be difficult and this is suggested that a rapport needs to

develop first between the Counselor and the client before this approach can be utilized.

Family Education/Counseling Sessions (Residential)

The program places strong emphasis on the integration many of the concepts and principles of family therapy, therefore family assessment, participation and support are viewed as critical. A family association is maintained under the supervision of the clinical team. Family's reactions to a member being clean and sober and often times having a co-occurring disorder are explored. The processes of addiction/behavioral health education and recovery are explored.

Medical/Psychiatric Services (Residential)

CMDS Residential recognizes that the psychiatric profession and chemotherapy should be included in any comprehensive service for people with co-occurring disorders. Psychiatric services are available to the programs addressing co-occurring disorders. The Psychiatrist is viewed as a vital member of the team and reviews the person's treatment and/or recovery plan. When the psychiatrist is not a CMDS Residential consultant, a letter of agreement outlining the clinical relationship with CMDS Residential and the proper request for confidential information (obtain and release) will be completed to assist in the coordination of services.

Case Management System Approach

Individuals with behavioral health disorders often need to receive services which are coordinated with a network of other services to insure that gill of their needs are adequately addressed. A case management system is available for each client to support their recovery process.

Client Centered Therapy

Once treatment begins it is important for the client and the addiction counselor to develop a rapport. In an attempt to do this Rogerian Therapy is used to a great extent. With the person centered approach, therapeutic changed depends on the client's perception both of their own experience in therapy and of the Counselor's basic attitudes. During the beginning stages of therapy a client's behaviors and feelings might be characterized by extremely rigid beliefs and attitudes, a lack of centeredness, a sense unwillingness to communicate deeper levels of the self, a fear of intimacy, just to mention a few. The addiction counselor's own realness, unconditional acceptance of their feelings and ability to assume their internal frame of reference allow them gradually to peel away layers of defenses and come to terms with what is behind the facades.

Since the potential of significant positive personality change does not occur except in a relationship, the client needs to experience the realness of the addiction counselor. As they find the counselor caring for and valuing them (even the aspects that have been hidden and regarded as negative), they begin to see worth and value in themselves. It is important that the counselor Program three personal characteristics, or attitudes in order to form a central part of the therapeutic relationship. They are congruence or genuine along with unconditional positive regard and acceptance along with accurate empathic understanding. If these attitudes are Programed and the client responds one can assume a therapeutic relationship has begun and therefore other therapeutic goals can be addressed. In other words, therapy can now progress.

Rational-Emotive Therapy

Is based on the assumption that human beings are born with a potential for both rational, straight thinking and irrational, crooked thinking. Our clients quite often have irrational thinking which seems to go hand and hand with the drug culture. The main therapeutic activity is to help the client get free of illogical ideas and learn to substitute logical ideas in their place. The aim is to get the client to internalize a rational philosophy of life, just as he or she internalized a set of dogmatic, irrational, and superstitious beliefs from both parents and culture. This approach is used as the client progresses in the beginning stages of treatment and is utilized when needed throughout treatment.

Reality Therapy

Many of our clients due to the abusive use of drugs somewhere along the line loose their sense of identity. Reality therapy is based on the premise that there is a single psychological need present throughout life, the need for identity. This includes a need to feel a sense of uniqueness, separateness, and distinctiveness.

The characteristics of Reality Therapy are as follows:

1. It assumes that specific behavior disorders are the result of irresponsibility, and it equates behavioral health with responsible behavior.
2. Reality behavior focuses on behavior rather than on feelings and attitudes.
3. It focuses on the present, not on the past.
4. It emphasizes value judgments. It holds that change is unlikely unless clients make some determination of the constructiveness or destructiveness of their behavior.
5. Reality Therapy calls for Counselors to be themselves, not play the role of the client's mother or father.
6. It stresses the conscious, not the unconscious, aspects of personality. Reality Therapy emphasizes what clients are doing wrong, how their present behavior is not getting them what they want.
7. Reality Therapy emphasizes responsibility which is defined as the ability to fulfill one's needs and to do it in such a way that does not deprive others of the ability to fulfill their needs. This is at the core of Reality Therapy. It also emphasizes the Counselor's teaching functions. The Counselor teaches the client better ways to fulfill their needs by exploring the specifics of their daily lives and by making directive statements and suggestions ways to solve problems more effectively.

Many of our clients need to learn the above mentioned characteristics and this is an ongoing process which begins when the client first comes to treatment and continues throughout the treatment experience

EXHIBIT 8
UTILIZATION REVIEW AND CONTROL PROGRAMS POLICIES & PROCEDURES

POLICY, PROCEDURE & PLAN **SUBJECT:** Program Performance

UTILIZATION REVIEW

PHILOSOPHY AND MISSION

The Board of Directors CMDS Residential is dedicated to the view that Performance (Utilization) Review (PR) is a quality-protective and quality-improvement-oriented function, and that the proper goal of Performance Review is to provide each client with the level, frequency and intensity of service appropriate to his/her identified needs and requirements. Hence, each client is to receive no more and no less than the type and amount of treatment necessary to meet his/her needs.

CMDS Residential holds the unnecessary cost that can accrue from over-utilization of program services to the facilities and clients. Conversely, suboptimal care and the inefficient use of a facility's resources can occur whenever there is an under-utilization of 'services of treatment activities'. With these considerations in mind, the Board of Directors of CMDS Residential, has the PR program to focus its efforts upon four major areas,

1. Admissions
2. The intensity of care provided
3. The duration of care provided
4. The use of supportive ancillary services, i.e., testing, psychiatric evaluation, nutritional and medical record services.

It, therefore, follows that the objectives of the PR program are:

I. To assure the proper utilization of the facilities' resources, particularly as they apply to client care and outcome;
2. To maintain the quality of client care;
3. To ensure that residential services are timely and necessary;
4. To assure proper utilization of consultative and ancillary services and that these services are delivered in an efficient, effective and timely manner.

THE UTILIZATION REVIEW PLAN

A. AUTHORITY

CMDS Residential's PR program falls under the authority and responsibility of the Continuous Quality Improvement committee. The Performance Review functions are overseen by the Performance Review Committee.

B. COMMITTEE COMPOSITION

The PR Committee is composed of these representatives of the Quality Improvement Committee from each facility/program:

I. Executive Director - a permanent (i.e., non-rotating) chairperson and a voting member of this committee. He/she is responsible for overseeing regular reports from the Clinical to the general staff, processing recommendations made by the PR Committee and for returning appropriate action reports to the PR Committee.

2. Clinical Supervisor - a direct care clinician officer of the Committee; a voting member who serves with or in the absence of the chair to review cases and who supervises the Performance Review Coordinator.

Utilization Review Coordinator (URC) -the permanent client record's administrator, without voting privileges; is responsible for carrying out instructions from the chairperson vis-a-vis PR activities.

C. ORGANIZATION

I. The committee shall convene at least monthly. The chairperson shall call special meetings whenever necessary.

2. The PR Committee shall work in close alliance with the Quality Improvement, Clinical Director and administrative staff.
3. The chairperson of the PR Committee receives his/her authority directly from the CEO who appoints the chairperson -and members of the Committee.

4. Only members of the Committee shall have voting privileges.

5. Minutes of all committee meetings will be kept and will include the following:
   a. Date, opening and closing times, names of members and others present
   b. A review of statistical information and client profiles to identify conditions associated with excessive utilization, either over or under-utilization.
   c. Plans of actions to improve client care and procedures, as well as reports of improvements made and the outcomes.
   d. Formal reports are submitted at monthly meetings of the PR Committee's of the Committee. When the members and are assessed by member concur with the UR recommendations, appropriate individuals or departments are notified that records have- been reviewed and that actions relative to length of stay (LOS), alternative disposition, Improvements needed documentation, incomplete records, etc., are indicated. An assigned time interval for completion of the activity is given.
   e. The records are reviewed again at the expiration of the assigned time interval and further recommendations may be made; the report of appropriate action may be accepted and documented in the minutes or disciplinary action may be recommended to the Committee.
   f. The PR Committee also notes patterns of deficiencies in record keeping, admission, length of stay, discharges and relapses, and designs appropriate audits or studies of these patterns to change staff patterns and/or change review procedures to amend the PR plan, etc.
   g. The PR Committee also reviews and updates the LOS criteria. LOS will be consistent with accepted diagnostic definitions but, essentially, based upon CMDS Residential's own empirical findings. Toward this end, results will be based upon the length of stays demonstrated by

sub-populations in terms of various clinical variables including severity of presenting problems, nature, intensity and duration of substance abused, etc.

7. The administrative staff will provide necessary information and assistance to PR Committee for its review activities and studies. Furthermore, administrative staff will take prompt action on recommendations of the PR Committee and provide reports of improvements made.

8. The Committee may amend any portion of this plan with the approval of the Director, CQI committee and the Board of Directors. Amendments, however, require a two thirds vote of the members in attendance.

9. The URG is responsible for conducting retrospective reviews on focused topics in accordance with special requests of the UR Committee or as a result of specific quality improvement finds that necessitate follow-up monitoring reports.

10. Copies of Utilization Reports are to be submitted monthly to the Quality Improvement Committee for
review and response.

D. CONFIDENTIALITY

The deliberations and findings of the Performance Review Committee are confidential. Statistical analyses are not to include the names of specific patients and/or clinicians. Disclosure of PR findings is the responsibility of the CEO and Senior leadership.

E. CONFLICT OF INTEREST

No member of the UR Committee is to participate in the deliberations of a specific patient if said individual has any financial or personal (non-professional) investment in a given patient.

F. PROCEDURE

The Board of Directors has adopted the recommendation that the PR program is to focus on “length of -stay" type issues, which have a direct impact on chemical-dependency treatment services. The UR program is to determine whether the efforts and resources of this facility are being spent as judiciously as they might, and that excellence in the quality of client care is, in no manner, jeopardized or threatened.

PR is based on whether or not a 'match" is found between client characteristics and the clinical criteria and standards. Thus, for example, to determine whether- a case meets admission criteria. The UR Committee is to peruse the following case record, materials:

1. Admission intake and findings;
2. History of drinking and drug usage;
3. Clinical history;
4. Physical examination;
5. Client's clinical condition;
6. All clinical assessments and

consultative findings.

Reviews and reviewers are to focus upon the appropriateness of admission, length of stay, intensity or frequency of services rendered and the timeliness of the discharge plan. Such reviews will be either of the retrospective or concurrent type.

EXHIBIT 9
GENERAL TREATMENT PROTOCOLS

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Services/Activities

TREATMENT REHABILITATION SERVICES & ACTIVITIES

A. PHILOSOPHY

The basic commitment of any CMDS Residential program staff is the rehabilitation of persons who are suffering from substance use disorders. Because of this fact, it is critical that the program:

1. Utilize an effective therapeutic approach to ameliorate the individual's behavioral health symptoms
2. Change the individual's ability to care for and/or cope with their behavioral health symptoms in order that their quality of life is demonstrable better.

Plan therapeutic intervention strategies in each area of the individual's life that is affected by their behavioral health issues.

It is because of this that the staff chooses to implement an activity service to meet the physical, social, cultural, recreational, health/maintenance and rehabilitation needs of the clients. Activity services shall be part of and integrated into the overall treatment program for each client, both as a diagnostic tool and a treatment approach.

These services provide activities which are planned, developed and implemented to promote the individual client's growth, development and in aiding good health in human relations. The programs are planned utilizing the facility setting and community resources, along with the human relations of the staff and clients.

Programs are developed from knowledge shared by the clients and from inter-disciplinary team meetings. Programs are modified and new ones developed based on the recreation experience of the clients, as well as by interest and needs expressed by the clients while in treatment at the program. The focus of the program is on the needs of the clients, not the needs of the staff.

Based on information gathered from the client, family members, the referral source, the legal system, behavioral health professionals, and any other involved parties, the intake interviewer shall determine whether or not the client demonstrates appropriate placement criteria for admission to the program. The interviewer will refer to establish the ASAM admission criteria to determine the need for long term residential treatment. The documentation of either of these assessment tools will be incorporated into the client's medical/clinical file.

For those clients who do not meet admission criteria a referral will be made to an appropriate level of care.

The client's treatment progress will be reviewed during clinical staff meetings. The primary Counselor shall present data **relevant** to the client's treatment progress for staff review. The ASAM crosswalk to determine continued stay criteria will be completed by the addiction counselor and the documentation of either of these assessment tools will be incorporated into the client's medical/clinical file.

In cases where clients do not meet continued stay criteria, discharge plan is finalized by the primary nurse/addiction counselor. Referrals for continued care are also based on ASAM criteria.

EXHIBIT 10
ADMISSION CRITERIA

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Admission Criteria for 3.7 and 3.7WM Levels

Admission Criteria

Services are available to male (18 years and older) experiencing a problem with chemical dependency and/or co-occurring disorders.

1. Every prospective client will undergo a clinical interview conducted by trained staff.
2. Clients must meet the ASAM criteria for 3.7 or 3.7WM substance use residential services described below:
    1. Patient requires medication and has a recent history of withdrawal management
    2. Past and current inability to complete withdrawal management and to enter continuing addiction treatment
    3. Patient presents with subacute biomedical and emotional, behavioral, or cognitive problems so severe that require that can only be treated in an inpatient setting
3. The interview staff will share with the client the following aspects of treatment:
    (a) CMDS Residential Philosophy.
    (b) The two cardinal rules:
        - No physical violence or threats of same
        - No usage or dealing of alcohol and/or drugs.
4. Clients having a history of current psychosis or displaying psychotic behavior may be referred for additional evaluation prior to admission to outpatient services
5. Have no medical conditions that would preclude his/her ability to attend treatment sessions.

Admission Criteria (Co-occurring) in addition to the above criteria:

1. Has a persistent behavioral illness and chemical dependency
2. Be functioning at a level that the client can comprehend and participant in groups.

EXHIBIT 11
LENGTH OF STAY REVIEW

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Treatment- Age Specific Methodologies

LENGTH OF STAY REVIEW

One of CMDS Residential Residential's main utilization review efforts focuses on "length of stay". Under this category, issues that have a direct impact on chemical dependency treatment services are analyzed. CMDS Residential Residential's leadership is to determine whether the efforts and resources of our program are being spent as judiciously as they might and that excellence in the quality of client care is, in no manner, jeopardized or threatened. In order to determine appropriate length of stay, CMDS Residential makes an effort to match a client's unique treatment needs with ASAM medical necessity criteria and placement standards. Therefore, we use the following parameters to determine appropriate length of stay in our programs:

- Admission intake and findings;
- History of drinking and drug usage;
- Clinical history;
- Physical examination;
- Client's clinical conditions;
- All clinical assessments and consultative findings.

Reviews are to focus upon the appropriateness of admission, length of stay, intensity or frequency of services rendered and the timeliness of the discharge plan. Such reviews will be either of the retrospective or concurrent type. Furthermore, length of stay is compared to industry-wide standards as follows:

LEVEL	INDUSTRY-WIDE STANDARD LENGTH OF STAY
3.1	90 days
3.3 and 3.5	90 days
3.7	26 – 28 days
3.7WM	6 – 7 days

EXHIBIT 12
DISCHARGE PLANNING AND REFERRAL POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** D/C Summary

POLICY FOR DISCHARGE SUMMARY

Within one week after discharge, there should be entered into the client's chart a discharge summary describing the reasons for treatment, services offered, response to treatment and the client's status or condition upon discharge. The client's strengths, needs, abilities and preferences shall be reviewed at this time**.** A discharge summary shall be completed on all clients who have been officially admitted to the program, regardless of the length of the treatment episode or the status of the discharge.

The Primary Counselor, or designee shall be responsible for completing the discharge summary within one week of discharge. The discharge summary shall be reviewed and signed by the Clinical Director and Nurse Practitioner/Physician (when applicable). A discharge summary progress note shall be written detailing the type of discharge, the living location or treatment program the client is entering, the clients emotional state and behavioral status, how the client feels about leaving the program. And when applicable, the person transporting the client.

The discharge summary shall be maintained in the client record.

Each discharge summary shall contain the following elements:

Client Identification Data
Dates of Treatment
Discharge Status
Services Provided
Diagnosis (DSM VI)
Client History
Presenting Problem
Treatment Goals
Progress in Treatment
Physical & Psychological Condition on Discharge
Prognosis
Aftercare Plans
Continuing Treatment Needs
Notification of Referral, P.O., and Family Members
Signatures of Nurse/Counselor, Supervisor, and Physician (when applicable)

POLICY & PROCEDURES FOR REFERRALS

A. POLICY

CMDS Residential staff shall provide continuity of care justice by cooperating with other community social, health, welfare, behavioral health and criminal justice agencies to each provide appropriate services. Due to the wide area being serviced, sources of referrals will be varied. Clients may originate from courts, prisons, hospitals, etc. The staff have established and maintained referral agreements with

a wide variety of human service agencies to provide ancillary services to clients once in treatment.

B. PHILOSOPHY

The program is part of the total continuum of services. The responsibility of the staff is to cooperate with other community social, health and criminal justice agencies to provide continuity of quality care to the alcoholic person. The key to the cooperation is for each organization or agency to provide and to refer to other organizations for services staff are not qualified to provide.

Treatment of individuals with substance use disorders, substance abuse and mental health disorders (Co-occurring), or Women with Children require that the treatment plan contain physical, social and medical objectives. Where possible, the relationship to other agencies shall be defined in writing in the form of a contract or agreement.

Examples of use of the referral process are:

1. Examinations, assessments and consultations that are not within the domain of expertise of the staff.

2. Special treatment services

3. Assistance of other resources that can contribute to the client's well-being; i.e., literacy, parenting skills, vocational rehabilitation, child development, behavioral health etc.

C. PROCEDURE

When making a referral to other services or programs, the staff shall appropriately notify the receiving service or program of the desire for transfer, the physical and behavioral status of the patient, any unusual circumstances of the case, and the elements of the aftercare plan. This conversation shall take place in person or by telephone and shall be documented in the patient record. Prior to referral to or from services or programs outside of CMDS Residential, the proper release of information form shall be completed. The information consent shall include the following federally approved elements:

1. Name of the program that will make the disclosure
2. Name of the organization or person to which the disclosure is made
3. Name of the patient or participant
4. Purpose or need for the disclosure
5. Nature of the information to be disclosed
6. Date of condition upon which the consent will expire and a statement that the consent may be renewed
7. Date the consent is signed
8. Signature of the client or participant

D. Outgoing referrals

If a client is not appropriate for admission (residential), then he/she may be referred to another agency. This is documented on the intake interview form. If a residential client is in his/her 30-days of treatment and it is perceived that he/she is in need of additional services, this is discussed in staff meeting and

documented on a Case Consultation form. When a client completes treatment and is referred elsewhere for aftercare services, this is done by telephone, as well as by letter. The referral is also documented on the Aftercare Plan and Discontinuance of Service Summary, which are forwarded to the referral.

E. Incoming

Incoming referrals are made by the referral agency or individual contacting any of the staff, either by telephone or letter. When contact is made, a time is set for an intake interview. Admission to the program is based on the information received during the interview. The referral source is documented on the intake interview form. All referrals are made by the counselors with approval of the Clinical Director.

F. Client-initiated

If a client feels that there are services she needs that are not being met by the program, he/she may request a referral to another service provider. The request is not to be made to the client's primary Counselor. The Counselor will communicate the request to the counseling supervisor who, in turn, will follow the procedures outlined above under "Outgoing Referrals".

G. Medically related referrals

In all cases of referrals to the program from a medical professional, the call will be forwarded to the nurse on duty. When possible, the nurse will gather all pertinent information relevant to the general physical condition and needs of the client being transferred, This information will include, but is not limited to: medications, concomitant physical condition, special procedures, appointment dates (medical), drug abuse (if known).

H. Follow-up reporting on medically related referrals

The nursing staff (when applicable to the program) is responsible to notify the appropriate referring medical professional:

1. Within 3 days after a client's admission. The purpose of this contact will center on providing information relating to the client's physical status, as well as to gather pertinent information from the referral source.

2. At least one week prior to discharge. The purpose of this contact will center on providing information relating to the client's physical status and aftercare plan information necessary to assure continuity of care for the client with that health professional.

EXHIBIT 13
INDIVIDUAL TREATMENT PLAN POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL	**SUBJECT:**	Individual Treatment Plan

Policy

It is the policy of the programs for the counselor to develop an individualized written treatment plan with the participation of the patient. The primary individualized plan defining the patient's goals, objectives, and expected outcomes is be completed within 7 days of the patient's admission. The treatment plan is reviewed and/or updated quarterly, at a minimum, with the patient's participation. Any restrictive interventions must be documented in the treatment plan.

Procedure:

When developing the treatment plan, the counselor takes into consideration the needs, and preferences of the patient, incorporating information collected during the initial psychosocial and interpretative summary. This is completed with the active participation of the patient.

The treatment plan focuses on the patient's individualized issues/needs such as socialization, substance abuse or dependence, psychological, vocational, educational, physical health, legal and family matters.

The plan incorporates all services and specifies the services by the program.

The plan identifies any needs beyond the scope of the program and specifies referrals for additional services.

The plan involves input from families when permitted and applicable.

The plan is communicated to the patient in a manner that is understandable and a copy is provided to the patient, if desired.

The treatment plan includes one year of aftercare following discharge from the facility.

THE INDIVIDUALIZED TREATMENT PLAN:

The treatment plan format addresses individualized interventions including:

Long-range and short-range goals and objectives

Strategy for implementation of treatment plan goals and objectives

Target dates for completion of treatment plan goals and objectives

A schedule of clinical services, including individual, group and family counseling, if appropriate

Criteria for successful completion of treatment

Referrals to ancillary services, if needed

Referrals to self-help groups, if recommended

Treatment plans for patients are reviewed and updated at least once every 7 days.

Treatment plan reviews assess the patient's progress of treatment.

EXHIBIT 14
MOU WITH MEDSTAR GOOD SAMARITAN HOSPITAL

DRUG AND ALCOHOL REFERRAL AND SUPPORTIVE SERVICE AGREEMENT

BETWEEN

CMDS Residential LLC
6040 Harford Road
Baltimore, Maryland 21214

AND

Medstar Good Samaritan Hospital
Bradley S. Chambers President

To facilitate continuity of care, aftercare and follow-up and the timely transfer of clients and records, CMDS Residential LLC ("Facility") and The Good Samaritan Hospital of Maryland, Inc., d/b/a MedStar Good Samaritan Hospital ("Hospital"), as of the date of the last signature below, agree as follows:

Now, therefore, in consideration of the mutual covenants and agreements contained in this Agreement, and for other valuable consideration, the receipt and sufficiency of which is acknowledged, Hospital and Facility agree as follows:

1. Each provider maintains the freedom to operate independently. Both parties are independent contractors. Neither party is authorized or permitted to act as an agent or employee of the other.

2. The need for the transfer of a patient from the sending Provider to the receiving Hospital shall be determined by the patient's treating/attending physician in his/her independent professional judgment. When a client's need for transfer or referral from the above institution to the other has been determined by the authorized person, the institution to which transfer or referral is to be made agrees to admit the client as promptly as possible, provided customary admission requirements of the receiving institution are met. Prior to transferring the patient, the sending Provider must receive confirmation from the receiving Hospital that it can accept the patient.

3. The name and/or logos of one institution and/or any of its affiliates shall not be used for any form of publicity or advertising by the other institution without the express written consent of that institution.

4. Each institution shall have the right to enter into referral and transfer agreements with other institutions. Both parties acknowledge and agree that this Agreement is not intended to induce referrals between the parties, and no remuneration of any kind will be made for patient referrals. Nothing in this Agreement shall be construed as limiting the rights of either party to affiliate or contract with any other hospital or organization while this Agreement is in effect.

5. The referring institution will send with each client at the time of transfer such

the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection or training, including apprenticeship.

27. Each party hereby expressly represents and warrants to the other party that neither it nor any member of its corporation, has been debarred or placed on the sanctions list issued by the Office of the Inspector General of the Department of Health and Human Services (HHS) pursuant to provisions of 42USC 1320 a.7 or been excluded from government contracts by the General Services Administration (GSA). If during the term of this Agreement, either party or any members are placed on the sanctions list that party shall immediately notify the other party in writing of the event and such notice shall contain reasonably sufficient information to allow the other party to determine the nature of the sanction. The other party shall have the right to terminate this Agreement immediately by written notice to that party if that party or any member is debarred, placed on the sanctions list of HHS or excluded from government contracts by GSA.

28. The terms and conditions of this agreement are confidential. Each Party agrees not to disclose any documentation or information of any kind or nature with individuals outside of this Agreement without the express written consent of the other Party.

29. The parties agree to utilize appropriate and mutually acceptable forms to inventory a patient's personal effects and valuables, which form shall accompany the patient during transfer. Each party also agrees to appropriately safeguard the patient's property in accordance with its policies.

30. Any notice, or notices, required, permitted, necessary or convenient to be given pursuant to this Agreement will be sent by certified mail, return receipt requested, to the following addresses, which may be revised by the Parties by written notice:

If to Facility:
If to Hospital:
MedStar Good Samaritan Hospital
5601 Loch Raven Blvd
Baltimore, MD 21239

With a copy, that shall not constitute Notice, to:

MedStar Health, Inc. / Legal Department
10980 Grantchester Way, 8th Floor
Columbia, MD 21044
Attn: General Counsel

Signature: [signature] Date: 1-16-20

Title: Executive Director

The Good Samaritan Hospital of Maryland, Inc., d/b/a MedStar Good Samaritan Hospital

Signature: [signature] Date: 1/15/20

Title: Bradley S. Chambers, President

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this "Agreement") [redacted] (the "Effective Date"), by and between The Good Samaritan Hospital of Maryland, Inc., d/b/a MedStar Good Samaritan Hospital on behalf of itself and its subsidiary entities ("MedStar Entity") and CMDS Residential LLC on behalf of itself and its subsidiary entities ("Business Associate"). This Agreement shall be applicable only in the event Business Associate meets, with respect to MedStar Entity, the definition of Business Associate set forth at 45 C.F.R. §160.103, or applicable successor provisions.

RECITALS

A. Business Associate provides certain services ("Services") to MedStar Entity pursuant to the Drug and Alcohol Referral and Supportive Service Agreement, executed on [redacted] (the "Underlying Agreement").

B. MedStar Entity is a "covered entity" as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (as amended, and including 45 C.F.R. Part 160, Part 162 and Part 164 and any other regulations promulgated thereunder, all as of the effective date of this Agreement, "HIPAA").

C. In connection with Business Associate providing Services to MedStar Entity, Business Associate may, on behalf of MedStar Entity, create, receive, maintain, and/or transmit certain Protected Health Information (as defined below) of patients, residents, or customers of MedStar Entity that is protected under HIPAA.

D. Business Associate, to the extent that it creates, receives, maintains, and/or transmits Protected Health Information on behalf of MedStar Entity, is a "Business Associate" of MedStar Entity as that term is defined under HIPAA.

E. In order to ensure that MedStar Entity, and, to the extent applicable, Business Associate, are in compliance with their respective obligations under HIPAA, the parties have agreed to enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

Definitions. Unless otherwise defined in this Agreement, capitalized terms shall have the same meanings as set forth in HIPAA, as applicable.

Breach. For purposes of Section 3(g)(ii) of this Agreement only, "Breach" shall have the meaning set forth in §164.402 (including all of its subsections) of HIPAA; with respect to all other uses of the word "breach" in this Agreement (e.g., Section 5), the word "breach" shall have its ordinary contract meaning.

Designated Record Set. "Designated Record Set" shall have the same meaning as the term "designated record set" in §164.501 of HIPAA.

Individual. "Individual" shall have the same meaning as the term "individual" in §160.103 of HIPAA and shall include a person who qualifies as a personal representative in accordance with §164.502(g) of HIPAA.

Protected Health Information. "Protected Health Information" (or "PHI") shall have the same meaning as the term "protected health information" in §160.103 of HIPAA, limited to the information that Business Associate creates, receives, maintains and/or transmits on behalf of, MedStar Entity.

Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in §164.103 of HIPAA.

Secretary. "Secretary" means the Secretary of the Department of Health and Human Services or his/her designee.

Security Incident. "Security Incident" shall have the same meaning as the term "security incident" in §164.304 of HIPAA.

Subcontractor. "Subcontractor" shall have the same meaning as the term "subcontractor" in §160.103 of HIPAA.

Authorized Uses and Disclosures of PHI. Business Associate shall use or disclose PHI only:

As permitted or required by this Agreement and the Underlying Agreement to perform functions, activities or services for, or on behalf of MedStar Entity, provided such use or disclosure would not violate Subpart E of 45 C.F.R. Part 164 (including the minimum necessary standard set forth in §164.502(b) of HIPAA) or any applicable state law if done by MedStar Entity, except for the specific uses and disclosures set forth below in this Section 2(b), (c) and (e); or

Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

Business Associate may disclose PHI if such disclosure is necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to such person, and the person agrees to notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached; or

As required by law, provided to the extent permitted by law, upon a receipt of subpoena requesting PHI, inform MedStar Entity of such subpoena and afford MedStar Entity with an opportunity to move to quash such subpoena before disclosing such PHI; or

If requested by MedStar Entity in writing, Business Associate may use Protected Health Information to provide Data Aggregation services to MedStar Entity as permitted by §164.504(e)(2)(i)(B) of HIPAA; or

Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with §164.502(j)(1) of HIPAA.

Obligations of Business Associate regarding Uses or Disclosures of PHI.

Compliance with HIPAA. Business Associate shall perform and comply with all the applicable obligations and requirements imposed upon Business Associates under HIPAA.

Agreements with Subcontractors. Business Associate may permit Subcontractor to create, receive, maintain or transmit PHI in order to allow that Subcontractor to perform a function, activity, or service on behalf of Business Associate; provided that Business Associate shall enter into a written agreement with such Subcontractor that provides satisfactory assurances that the Subcontractor shall appropriately safeguard that information and that complies with HIPAA's requirements for such agreements between Business Associates and Subcontractors that create, receive, maintain, and/or transmit PHI pursuant to which such Subcontractor agrees to comply with the requirements of HIPAA. Any such agreement shall also require that Subcontractor shall comply with the same restrictions, conditions, and requirements that apply under this Agreement to Business Associate with respect to such PHI. If Business Associate becomes aware of a pattern or practice of activity of a Subcontractor that would constitute a material breach or violation of the written agreement between Business Associate and such Subcontractor, Business Associate shall take reasonable steps to cure such breach or terminate such written agreement with such Subcontractor and will promptly report such material breach by the Subcontractor to MedStar Entity in writing.

Mitigation of Harmful Effects. Business Associate shall mitigate, to the extent reasonably practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

(a) Safeguards for Protecting PHI.

Business Associate shall not use or disclose PHI other than as permitted or required by the Agreement or as Required by Law.

Business Associate shall use appropriate safeguards and comply, where applicable, with Subpart C of 45 C.F.R. Part 164 of HIPAA to prevent unauthorized use or disclosure of the PHI, including but not limited to, appropriate policies and procedures, as are necessary to prevent the unauthorized use, disclosure, modification or destruction of PHI.

Business Associate shall implement appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity, and availability of any electronic PHI that it creates,

receives, maintains or transmits to or on behalf of MedStar Entity as required by HIPAA, including compliance with the standards set forth in §§164.308, 164.310, 164.312 and 164.316 of HIPAA.

Business Associate agrees not to electronically transmit or permit access to PHI unless such transmission or access is authorized by this Agreement and the Underlying Agreement and further agrees that it shall only transmit or permit such access if such information is secured in a manner that is consistent with applicable law, including the Security Rule.

(e) Recordkeeping and Access Requirements

Business Associate agrees to provide access, at the request of MedStar Entity, to PHI in a Designated Record Set, to MedStar Entity to ensure MedStar Entity's ability to comply with its obligations to provide Individuals access to and copies of PHI in accordance with §164.524 of HIPAA.

Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the MedStar Entity directs or agrees to pursuant to §164.526 of HIPAA, or take other measures as necessary to satisfy MedStar Entity's obligations under §164.526 of HIPAA.

Business Associate shall make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary in a time and manner designated by the Secretary, for purposes of the Secretary determining MedStar Entity's compliance with HIPAA.

(f) Accounting of Disclosures.

Business Associate shall document disclosures by Business Associate of Protected Health Information and information related to such disclosures as would be required for MedStar Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with §164.528 of HIPAA.

Business Associate shall provide to MedStar Entity, within five (5) business days of a request by MedStar Entity, information collected in accordance with Section 3(e)(i) of this Agreement, to permit MedStar Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with §164.528 of HIPAA.

Notifications. Business Associate shall report to MedStar Entity any use or disclosure of PHI not provided for by this Agreement of which it becomes aware as follows.

Security Incidents. In the event of a Security Incident, Business Associate shall notify MedStar Entity in writing within ten (10) business days after Business Associate becomes aware of such Security Incident.

Breaches of Unsecured Protected Health Information.

Business Associate shall establish reasonable systems to detect Breaches of Unsecured PHI and to provide appropriate training to its workforce regarding Business Associate's policies and procedures pertaining to use and disclosure of PHI and the detection and reporting of Breaches of Unsecured PHI.

In the event of an unauthorized disclosure of PHI or following Business Associate's discovery (as described in §164.410(a)(2) of HIPAA) of a Breach of Unsecured PHI, Business Associate shall notify MedStar Entity in writing within ten (10) business days of such Breach of the date of the Breach, and provide MedStar Entity with a report substantially similar to the format in Exhibit A, or as otherwise agreed between the Parties.

Other Incidents. Promptly report in writing any use or disclosure of PHI not subject to reporting under the preceding Sections of which Business Associate becomes aware that is not permitted or required by this Agreement.

(h) Indemnification. Business Associate shall indemnify MedStar Entity for any and all costs related to notification and mitigation of harmful effects to individuals or next of kin (if the individual is deceased) of any security or privacy breach reported by Business Associate to MedStar Entity and Business Associate shall without limit, indemnify, hold harmless, and, at MedStar Entity's election, defend MedStar Entity with respect to any and all claims, damages, judgments, actions, and causes of action, arising out of any breach of security, intrusion or unauthorized disclosure of PHI by Business Associate's officers, agents, Subcontractors, and employees providing services pursuant to the Agreement, including all costs, expenses and attorney's fees incurred in the defense of any and all claims and/or litigation. The obligations set forth herein shall survive termination of this Agreement.

(i) Minimum Necessary Standard. For purposes of compliance with § 164.502(b) of HIPAA, in the case of the disclosure of Protected Health Information, the party (MedStar Entity or Business Associate) disclosing such information shall determine what constitutes the minimum necessary to accomplish the intended purpose of such disclosure.

(j) De-Identified Information. Business Associate is not permitted to de-identify PHI and use it, unless specified by MedStar Entity in writing.

(k) Other Obligations. To the extent that Business Associate is, pursuant to this Agreement or the Underlying Agreement, responsible to carry out an obligation of the MedStar Entity under HIPAA, Business Associate shall comply with the requirements of HIPAA that apply to the MedStar Entity in the performance of that obligation.

Obligations of MedStar Entity.

MedStar Entity represents and warrants to Business Associate that it: (1) has included, and will include, in MedStar Entity's Notice of Privacy Practices that MedStar Entity may disclose Protected Health Information for health care operations purposes; and (2) has obtained, and will obtain, from Individuals, any required consents, authorizations and other permissions necessary under applicable laws to enable MedStar Entity and Business Associate to fulfill their obligations under this Agreement and the Underlying Agreement.

MedStar Entity shall promptly notify Business Associate in writing of any restrictions on the use and disclosure of PHI or changes in, revocation of, or permission by an Individual to use or disclose PHI about Individuals that MedStar Entity has agreed to, that could reasonably be expected to affect Business Associate's ability to perform its obligations under this Agreement or the Underlying Agreement.

Term and Termination

Term. This Agreement shall become effective as of the Effective Date and terminate upon the earlier of (1) termination of all the Underlying Agreement or (2) termination of this Agreement.

Termination. In the event of either party's material breach of this Agreement, the non-breaching party may terminate this Agreement upon ten (10) days prior written notice to the breaching party in the event the breaching party does not cure such breach to the reasonable satisfaction of the non-breaching party within such ten (10) day period. In the event that cure of a breach under this Section 5(b) is not reasonably possible, the non-breaching party may immediately terminate this Agreement; or if neither termination nor cure is feasible, the non-breaching party may report the violation to the Secretary.

Effect of Termination. Upon termination of this Agreement, Business Associate shall return or destroy, at MedStar Entity's election, all PHI received from or on behalf of MedStar Entity then maintained by Business Associate, and shall retain no copies of such PHI. If the return or destruction of all PHI is not feasible (as determined by MedStar Entity), Business Associate shall:

Retain only that PHI that is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

Return or destroy, at MedStar Entity's election, to MedStar Entity the remaining PHI that Business Associate still maintains in any form;

Continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;

Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set forth in Section 2(b) and (c) of this Agreement that applied prior to termination; and

Return or destroy, at MedStar Entity's election, the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out is legal responsibilities.

Miscellaneous.

Ownership of Data. Business Associate acknowledges and agrees that neither it, nor its agents or Subcontractors, shall assert any ownership claims relating to any and all PHI obtained or created by Business Associate, its agents or its Subcontractors, on behalf of MedStar Entity.

Changes to Laws. If HIPAA is amended, or if new laws and/or regulations affecting the terms required to be included in business associate agreements between covered entities and business associates are promulgated, and either party determines that modifications to the terms of this Agreement are required as a result, then promptly following a party's request, the parties shall engage in good faith negotiations in an effort to arrive at mutually acceptable changes to the terms set forth in this Agreement that address such amended or new law and/or regulation. If the parties are unable to agree on such modifications following a reasonable period of such good faith negotiations, which shall in no case extend beyond the effective date of such amended or new law and/or regulations, then any party that would become noncompliant in the absence of such modifications shall have the right to terminate this Agreement, and the provisions of Section 5(c) shall then apply.

Notices. Any notice required or permitted under this Agreement shall be given in writing:

to MedStar Entity at:

MedStar Health, Inc.
10980 Grantchester Way
Columbia, MD 21044
Attn: Privacy Director

or by secure email to:

privacyofficer@medstar.net
Attn: Privacy Director

to Business Associate at:

CMDS Residential LLC
6040 Harford Road
Baltimore, Maryland 21214

Notices will be deemed to have been received upon actual receipt, one (1) business day after being sent by overnight courier service or facsimile, or three (3) business days after mailing by first-class mail, whichever occurs first.

Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Maryland.

Survival. The obligations of Business Associate under Sections 3 and 5 of this Agreement shall survive any termination of this Agreement.

Amendments. This Agreement may not be modified in any respect other than by a written instrument signed by both parties.

Assignment. This Agreement is not assignable by either party without the other party's written consent.

Interpretation. Any ambiguity in this Agreement shall be resolved to permit compliance by the parties with HIPAA.

No Third Party Beneficiary. Nothing in this Agreement is intended, nor shall be deemed, to confer any benefits on any third party.

(j) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one original Agreement. Facsimile signatures shall be accepted and enforceable in lieu of original signatures.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CMDS RESIDENTIAL LLC

By: Bilal Ali
Name: Bilal Ali
Title: Executive Director

THE GOOD SAMARITAN HOSPITAL OF MARYLAND, INC., D/B/A MEDSTAR GOOD SAMARITAN HOSPITAL

By: _____
Name: Bradley S. Chambers
Title: President

EXHIBIT A
NOTIFICATION TO MEDSTAR ENTITY
BREACH OF UNSECURED PROTECTED HEALTH INFORMATION

This notification is made pursuant to the Business Associate Agreement between:

- **MEDSTAR ENTITY and**
- **BUSINESS ASSOCIATE.**

Business Associate hereby notifies MedStar Entity that there has been a breach or loss (or suspected breach or loss) of unsecured protected health information (PHI) that Business Associate has received, created, maintained or transmitted under the terms of the Business Associate Agreement.

Date of the breach: _____ **Date of discovery of the breach:** _____

Description of the breach, including risk assessment as required under § 164.402 of HIPAA. Attach additional pages as necessary to give full description.

_____

_____

_____

_____

_____

_____

Does the breach involve 500 or more individuals? Yes/No

If yes, do the people live in multiple states? Yes/No

Number of individuals affected by the breach:

_____

_____

Names of individuals affected by the breach:

_____

_____

The types of unsecured PHI that were involved in the breach or loss (such as full name, Social Security number, date of birth, home address, account number, or disability code):

_____

_____

_____

_____

Description of what Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches:

Contact information to ask questions or learn additional information:

Name:

Title:

Address:

Email Address:

Phone Number:

EXHIBIT 15
MOU WITH CHANGE HEALTHCARE SYSTEMS

DRUG AND ALCOHOL REFERRAL AND SUPPORTIVE SERVICE AGREEMENT

BETWEEN

CMDS Residential LLC
6040 Harford Road
Baltimore, Maryland 21214

AND

Change Healthcare system
2401 Liberty Heights Avenue
Baltimore MD 21215

To facilitate continuity of care, aftercare and follow-up and the timely transfer of clients and records, the two institutions identified above agree as follows:

1. Each provider maintains the freedom to operate independently.

2. When a client's need for transfer or referral from the above institution to the other has been determined by the referring staff, administration, or authorized person, the institution to which transfer or referral is to be made agrees to admit the client as promptly as possible, provided customary admission requirements of the receiving institution are met.

3. The name of one institution shall not be used for any form of publicity or advertising by the other institution without the written consent.

4. Each institution shall have the right to enter into referral and transfer agreements with other institutions.

5. The referring institution will send with each client at the time of transfer such information mutually agreed upon to provide the client care and administrative information necessary to determine the appropriateness of treatment and to enable continuing care to the client. Proper consent forms must be signed before the transfer of records, including information such as diagnosis, prognosis, recovery potential, a summary of the course of treatment followed in the referring institution, available medical information, and pertinent administrative and social information.

6. Procedures for affecting the transfer of the client shall be developed by the institutions and shall be adhered to by both parties.

7. The client shall agree to the referral. If indicated, the client's relatives or persons or agencies responsible for the client shall be given adequate notice by the institution referring the client prior to the transfer.

8. The referral source will be notified immediately if the client fails to complete treatment.

9. Facilities will share significant information generated via follow-up studies and evaluating processes.

10. Facilities will comply with the County, State, Federal and CARF/JCAHO regulations regarding the confidentiality of alcohol and drug abuse client records.

11. The client or third party payer, not the referring institution, shall be responsible for the client charges incurred in each institution.

12. Charges for services rendered to the client shall be collected by the facility rendering such services directly from the client, third party payer, or other sources normally responsible; neither facility shall have liability to the other for such services.

13. Neither institution shall assume liability to the other or to the client by virtue of this agreement for debts, responsibilities or other obligations incurred by the other party of this agreement.

14. All records of each institution remain the property of that institution.

15. This agreement shall be in effect for two years from the date of signature and it may be terminated by either facility upon thirty (30) days written notice and shall be automatically terminated should either fail to maintain its present authority or standards. This agreement may be modified or amended periodically by mutual agreement of the institutions. Any such modification or amendment shall be attached to and become part of this agreement.

Signature: Bilal Ali Date: 10-9-19

Title: Executive Director

Signature: Date: 10-9-19.

Title: CEO

EXHIBIT 16
MOU WITH HEALTHY LIVES

DRUG AND ALCOHOL REFERRAL AND SUPPORTIVE SERVICE AGREEMENT

BETWEEN

CMDS Residential LLC
6040 Harford Road
Baltimore, Maryland 21214

AND

HEALTHY LIVES
1504 Job Avenue Suite 120
Hazelthorpe MD 21227

To facilitate continuity of care, aftercare and follow-up and the timely transfer of clients and records, the two institutions identified above agree as follows:

1. Each provider maintains the freedom to operate independently.

2. When a client's need for transfer or referral from the above institution to the other has been determined by the referring staff, administration, or authorized person, the institution to which transfer or referral is to be made agrees to admit the client as promptly as possible, provided customary admission requirements of the receiving institution are met.

3. The name of one institution shall not be used for any form of publicity or advertising by the other institution without the written consent.

4. Each institution shall have the right to enter into referral and transfer agreements with other institutions.

5. The referring institution will send with each client at the time of transfer such information mutually agreed upon to provide the client care and administrative information necessary to determine the appropriateness of treatment and to enable continuing care to the client. Proper consent forms must be signed before the transfer of records, including information such as diagnosis, prognosis, recovery potential, a summary of the course of treatment followed in the referring institution, available medical information, and pertinent administrative and social information.

6. Procedures for affecting the transfer of the client shall be developed by the institutions and shall be adhered to by both parties.

7. The client shall agree to the referral. If indicated, the client's relatives or persons or agencies responsible for the client shall be given adequate notice by the institution referring the client prior to the transfer.

8. The referral source will be notified immediately if the client fails to complete treatment.

9. Facilities will share significant information generated via follow-up studies and evaluating processes.

10. Facilities will comply with the County, State, Federal and CARF/JCAHO regulations regarding the confidentiality of alcohol and drug abuse client records.

11. The client or third party payer, not the referring institution, shall be responsible for the client charges incurred in each institution.

12. Charges for services rendered to the client shall be collected by the facility rendering such services directly from the client, third party payer, or other sources normally responsible; neither facility shall have liability to the other for such services.

13. Neither institution shall assume liability to the other or to the client by virtue of this agreement for debts, responsibilities or other obligations incurred by the other party of this agreement.

14. All records of each institution remain the property of that institution.

15. This agreement shall be in effect for two years from the date of signature and it may be terminated by either facility upon thirty (30) days written notice and shall be automatically terminated should either fail to maintain its present authority or standards. This agreement may be modified or amended periodically by mutual agreement of the institutions. Any such modification or amendment shall be attached to and become part of this agreement.

Signature: _____ Date: 10/8/19

Title: Executive Director

Signature: Bilal Ali Date: 10-8-19

Title: EXECUTIVE DIRECTOR

EXHIBIT 17
AGREEMENT TO COOPERATE WITH THE LOCAL CORE SERVICE AGENCY, BEHAVIORAL HEALTH SYSTEMS BALTIMORE

MARYLAND
Department of Health

BEHAVIORAL HEALTH ADMINISTRATION
Catonsville, MD 21228

AGREEMENT TO COOPERATE

Before applying for licensure under Subtitle 10.63 - *Community-Based Behavioral Health Programs and Services*, behavioral health programs in Maryland must enter into an Agreement to Cooperate with the CSA, LAA, or LBHA in each of the relevant counties or Baltimore City in which the program operates. Agreements are required when submitting an initial application, renewal application, or when a change to a program's license is requested (e.g., change in service array or locations). When submitting this agreement for signature, please attach page 2, all applicable pages 3-4, and proof of accreditation, if applicable, of the "Application for Licensure Under COMAR 10.63" packet. Please note that separate agreements are not required per site, unless there is a change to the program's existing license, such as adding a new location.

Program Information

Program Name (should match the corporate/business name included on the application for licensure):
CMDS Residential, LLC
Primary Program Address: **6040 Harford Road, Baltimore, MD 21214**
Primary Contact Name: **Andre Pelegrini, MBA**
Primary Contact Phone: **410-868-5638**
Primary Contact Email: **a.pelegrini@cmdsinc.com**

Local Behavioral Health Authority Information

Local Jurisdiction: **Behavioral Health System Baltimore**
Primary Contact Name: **Barry L. Waters, P-MC, MHS, LCADC**
Primary Contact Phone: **410-735-8570**
Primary Contact Email: **barry.waters@bhsbaltimore.org**

Type of Program

Non-Accredited Program Types	
☐ DUI Education	☐ Substance-Related Disorder Assessment and Referral
☐ Early Intervention Level 0.5	

Accredited Program Types	
☐ Group Homes for Adults with Mental Illness	☐ Psychiatric Rehabilitation Program for Minors (PRP-M)
☐ Integrated Behavioral Health	☐ Residential Crisis Services (RCS)
☐ Intensive Outpatient Treatment Level 2.1	☒ Residential: Low Intensity Level 3.1
☐ Mobile Treatment Services (MTS)	☒ Residential: Medium Intensity Level 3.3
☐ Outpatient Mental Health Center (OMHC)	☒ Residential: High Intensity Level 3.5
☒ Outpatient Treatment Level 1	☒ Residential: Intensive Level 3.7
☐ Partial Hospitalization Treatment Level 2.5	☐ Residential Rehabilitation Program (RRP)
☐ Psychiatric Day Treatment Program (PDTP)	☐ Respite Care Services (RPCS)
☐ Psychiatric Rehabilitation Program for Adults (PRP-A)	☐ Supported Employment Program (SEP)

1 of 2

DHMH #4781 (Revised June 29, 2017)

Accredited Services	
☐ Opioid Treatment	☒ Withdrawal Management

As required under COMAR 10.63.01.05, CMDS Residential, LLC enters into the following agreement with Behavioral Health System Baltimore to provide for coordination and cooperation between the parties in carrying out behavioral health activities in the jurisdiction, including complaint investigation and the transition of services if the program closes.

Behavioral Health Program

Signature — Date: 12/23/2019

Andre Pelegrini, MBA
Print Name

Local Behavioral Health Authority

Barry L Waters
Signature — Date: 12/23/2019

Barry L. Waters, P-MC, MHS, LCADC
Print Name

Regulatory Authority

COMAR 10.63.01.02B(5)

B. Terms Defined.

(5) "Agreement to cooperate" means a written agreement between the program and a core service agency, local addictions authority, or local behavioral health authority that provides for coordination and cooperation in carrying out behavioral health activities in a given jurisdiction.

COMAR 10.63.01.05E

E. Agreement to Cooperate.

(1) Before applying for licensure, a program shall enter into an agreement to cooperate with the CSA, LAA, or LBHA that operates in the relevant county or Baltimore City.

(2) The agreement to cooperate shall provide for coordination and cooperation between the parties in carrying out behavioral health activities in the jurisdiction, including but not limited to facilitating:

(a) A complaint investigation; and

(b) The transition of services if the program closes.

(3) The agreement to cooperate may not include a provision that authorizes the CSA, LAA, or LBHA to prohibit a program from offering services at any location

EXHIBIT 18
ORIENTATION AND CONTINUING EDUCATION POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL	**SUBJECT:** Staff Orientation, Supervision and Education

Policy

It is the program's policy to provide consistent program supervision and ongoing education through the use of staff meetings, training, and chart audits and reviews.

Procedure:

Within the first month of hire, all CMDS Residential employees receive staff orientation. Staff are oriented on CMDS Residential policies and procedures, and rules and educated on a variety of essential topics.

Trainees seeking licensure/certification (CSC-AD, CAC-AD, LGPC, LCPC, LGSW) have a supervision plan with the identified credentialed person providing the supervision. Group meetings are face-to-face, one hour long and to take place at CMDS Residential Residential's premises on a weekly basis under the supervision of a licensed clinical alcohol and drug approved supervisor. Clinicians are provided with a minimum of two hours of supervision per month.

The supervisor maintains records of supervision provided. If provided during staff meetings as a group, the meeting minutes suffice as record of supervision provided. All other supervision is documented and secured in the employee file.

If an individual is receiving supervision from a credentialed person that is not an employee of CMDS Residential, the employee signs a release of information permitting disclosure between the CMDS Residential supervisor of record to discuss issues pertaining to program supervision and practice. In addition, the supervisor of record is obligated to disclose concerns and issues regarding the employee to management.

Aside from clinical supervision, CMDS Residential provides ongoing education on topics such as cultural competence, deescalation techniques, health and safety practices, among others required by CARF and as deemed necessary by the Program Director.

CLINICAL SUPERVISION AND PROFESSIONAL DEVELOPMENT

The intent of this policy is to provide certified addiction counselors, certified supervised addiction counselors and counselor trainees with continuous quality training and supervision to promote proficiency and professional development. Quality training enhances the delivery of alcohol and drug counseling services and strengthens individual counseling skills, benefiting CMDS Residential and its patients.

Interdisciplinary training is facilitated to address CMDS Residential Residential's diverse client population. Clinical supervision and training assists in the attainment of client and program goals. This training process is a vital component of the program's Quality Assurance Plan to foster continuous improvement in the delivery of client services.

CLINICAL SUPERVISOR RESPONSIBILITIES:

Initial, Quarterly, and Annual assessments of counselors and trainees' strengths and weaknesses are conducted by the Clinical Supervisor. Data collected from the assessment guides the Clinical Supervisor's decision in prioritizing training topics and targeting staff training needs.

Individual training and progress folders are created and maintained for all counselors. The Clinical Supervisor is responsible for collecting training summaries from the Human Resources Manager, who comments on participation and progress level of all counselors. Supervisory training notes are not to be placed in the counselor's personnel files. Counselors may review training files upon request.

SUPERVISORY AND PROFESSIONAL DEVELOPMENT TECHNIQUES:

The Clinical Supervisor is responsible for providing ongoing interactive supervision of all clinical staff. Supervision techniques include:

Written/File Review--conducts chart audits (as described above) to ensure proper case recording; reviews audit reports on all charts.

Case Management Supervision--facilitates group peer presentations to promote team building and sharing of resources.

Direct Observation--assists in treatment planning and management of difficult clients.

Individual Supervision--improves competency of individual counselors.

ONGOING TRAINING, SUPERVISION AND PURPOSE:

Clinical Supervisor--Conducts individual case management supervision; conducts individual supervisory sessions; serves on Quality Assurance Committee; facilitate staff trainings.

Internal & External Presenters: Facilitate training sessions, monthly.

Schedules professionals with expertise in counseling, pharmacology, substance abuse, HIV/AIDS, domestic violence, employment, counseling techniques, case management, community resources, criminal justice, etc. to provide all-staff presentations.

EXHIBIT 19
REQUIRED PERSONNEL TRAINING

CMDS RESIDENTIAL

PERSONNEL TRAININGS

Training	Provided To
Education on ethical codes of conduct	Personnel and other stakeholders
Training on corporate compliance	Personnel
Education to stay current in the field	Personnel
Training related to fundraising written procedures, if applicable	Personnel
Training related to fiscal policies and written procedures	Appropriate personnel
Education designed to reduce identified physical risks	Persons served
Training in health and safety practices	Personnel

Training in identification of unsafe environmental factors	Personnel
Training in emergency procedures	Personnel
Training in evacuation procedures, if appropriate	Personnel
Training in identification of critical incidents	Personnel
Training in reporting of critical incidents	Personnel
Training in medication management, if appropriate	Personnel
Training in reducing physical risks	Personnel
Training regarding workplace violence	Personnel
Necessary education and training of personnel regarding emergency procedures	Personnel

Necessary education and training of personnel regarding critical incidents	Personnel
Training regarding infections and communicable diseases	Personnel, persons served, and other stakeholders
Training of drivers regarding the organization's transportation procedures and unique needs of persons served	Personnel with driving responsibilities
On-the-job training included in onboarding and engagement activities	Personnel
Education and training included in workforce development activities	Personnel
Necessary education and training of personnel regarding business continuity/disaster recovery procedures	Personnel
Training on cybersecurity	Personnel
Training on the technology used in performance of job duties	Personnel

Training in equipment features, set up, use, maintenance, safety considerations, infection control, and troubleshooting	Personnel who deliver services via information and communication technologies
Instruction and training in equipment features, set up, use, and troubleshooting	Persons served, families/support systems, and others, as appropriate
Information and education relevant to the needs of the persons served	Persons served
Training that includes areas that reflect the specific needs of the persons served	Personnel providing direct services
Training that includes clinical skills that are appropriate for the position	Personnel providing direct services
Training that includes person-centered plan development	Personnel providing direct services
Training that includes interviewing skills	Personnel providing direct services
Training that includes program-related research-based treatment approaches	Personnel providing direct services

Training that includes identification of clinical risk factors, including suicide, violence, and other risky behaviors	Personnel providing direct services
Training on the role of peer support specialists	Personnel
Documented competency-based training	Peer support specialists
Education regarding advance directives	Persons served
Training and education regarding medications	Direct service personnel
Training and education regarding medications	Persons served and, when applicable, family members or others identified by the person served, in accordance with identified needs
Training that addresses prevention of unsafe behaviors and includes all areas identified in the standard	All direct service personnel

Training that addresses use of seclusion and restraint and includes all areas identified in the standard	All personnel involved in the direct administration of seclusion or restraint
Training in first aid, CPR, and use of emergency equipment	Personnel providing direct services
Training that includes risk assessment, detoxification/withdrawal management protocols, and withdrawal syndromes	Personnel providing direct services
Education on drug-screening practices	Persons served, families/ support systems, and personnel
Training in first aid, CPR, and the use of emergency equipment	Direct service personnel
Training in de-escalation techniques, risk assessment, and trauma-informed approaches	Direct service personnel
Training in first aid, CPR, and the use of emergency equipment	Direct service personnel
Training in de-escalation techniques, risk assessment, and trauma-informed approaches	Direct service personnel

EXHIBIT 20
STAFFING STANDARDS FOR SUB-ACUTE DETOX

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Staffing Standards for Sub-Acute Detox

Policy
It is the policy of CMDS Residential to provide appropriate staff to serve patients in each level of care.

Procedure:
To ensure compliance with staffing requirements for levels 3.7 and 3.7WM set forth on COMAR, CMDS Residential will keep at a minimum the following staff:

POSITION	FTE
Counselors	3.0
Nurse Practitioner	0.25
Registered Nurses	1.5
Licensed Practical Nurses	2.0
Mental Health Therapist	0.25
Psychiatric Nurse Practitioner	0.25
Medical Director	0.5

EXHIBIT 21
INFECTION CONTROL POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Infection Control

POLICY:
CMDS Residential shall adhere to universal precaution guidelines.

PURPOSE:
To protect staff, patients, and visitors from exposure to diseases spread by blood and certain body fluids.

PROCEDURE:

Universal precautions do not necessarily apply to feces, nasal secretions, sputum, sweat, tears, saliva, urine and vomitus unless they contain visible blood. However, **all** bodily fluids should be considered potentially infectious. The risk of transmission of HIV and HBV from these fluids and materials is extremely low or non-existent.

1. Always use personal protective equipment as a precaution to prevent exposure to blood and/or bodily fluids. Personal protective equipment can include gloves, aprons, gowns, eye goggles, or masks. The type of protective barrier should be appropriate for the activity being performed and the type of exposure anticipated.

2. Always immediately wash hands and other skin surfaces, according to proper hand washing guidelines, after any contact with any types of bodily fluids.

3. Surfaces must be cleaned and disinfected with bleach solution (one-part bleach with 10 parts water) or alternative cleaning agent daily and immediately after any exposure to bodily fluids.

4. Plastic bags must be used and closed tightly when disposing of soiled tissues, bandages and soiled gloves.

5. All dishes must be washed in hot soapy water after each use.

6. Telephones that are used by multiple people should be disinfected between users and sanitized regularly.

EXHIBIT 22
INFECTION CONTROL OVERVIEW POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Infection Control Overview

POLICY: It is the policy of CMDS Residential to utilize standard precautions as specified by the United States Centers for Disease Control and Prevention "2007 Guideline for Isolation Precautions: Preventing Transmission of Infectious Agents in Healthcare Settings."

PURPOSE: To maintain adherence with infection prevention practices in order to ensure the health and safety of staff, clients, and visitors.

PROCEDURE:
CMDS Residential shall maintain written policies and provide training specifying standard precaution procedures pertaining to the following categories:

1. Hand hygiene
2. Respiratory hygiene and cough etiquette
3. Personal protective equipment
4. Handling potentially contaminated equipment and surfaces
5. Management of clients with infectious or contagious diseases or illnesses
6. Handling, storage, transportation and disposal of those items identified as infectious waste in accordance with regulatory requirements.
7. Reporting of infectious and communicable diseases
8. Maintenance of a sanitary physical environment

EXHIBIT 23
HAND HYGIENE POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** Hand Hygiene

POLICY:
It is the policy of CMDS Residential to have acceptable and proper hand washing guidelines posted by each hand washing station within the facility. All staff and patients will be encouraged to follow such guidelines.

PURPOSE:
To promote hygiene and prevent the spread of bacteria, viruses and other infectious diseases.

PROCEDURE:

1. Staff will be required to wash hands according to proper guidelines, at the following times:

   (a) When hands are visibly dirty

   (b) Before any physical contact with another individual even if gloves are being worn

   (c) Before preparing food and prior to eating

   (d) After coughing, sneezing or blowing one's nose

   (e) After using the restroom

   (f) After any exposure to blood, any bodily fluids, excretions or wound dressings

   (g) After performing a patient search

   (h) After removal of gloves

2. Patients will be encouraged to wash hands according to proper guidelines at any of the aforementioned times that pertain to them.

3. Hand sanitizer may only be used as a temporary replacement for hand washing in the event that soap and water are not immediately available. Hand sanitizer cannot be a regular substitute for proper hand washing techniques.

4. Proper Hand Washing Guidelines

   (a) Wet Your Hands

      1) Turn on warm water and leave it running. Thoroughly wet your hands under the running water.

   (b) Apply Soap

1) Squirt and rub antibacterial soap into palms. Massage the soap into the front and back of hands, making lather. Make sure to get between fingers, underneath fingernails and wrists.

(c) Rub for 20 Seconds

1) Continue to rub your soapy palms together for about 20 seconds.

(d) Rinse

1) Rinse your hands completely under the warm running water, making sure that all soap and dirt is removed from the skin. Leave the water running.

(e) Dry

1) Dry hands with single use disposal paper towels.

2) Turn off the water using a paper towel to avoid contaminating your clean hands.

(f) Discard the Towel

1) Throw away the paper towel in the trashcan. Use the towel to lift the lid on the trashcan, if necessary, to avoid germs that may be present on it.

EXHIBIT 24
RESPIRATORY HYGIENE AND ETIQUETTE POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** **Hand Hygiene**

POLICY: CMDS Residential shall incorporate infection control practices as one component of standard precautions regarding infection and communicable diseases.

PURPOSE: To prevent transmission of respiratory infection within the facility.

PROCEDURE:

1. The facility will provide an adequate supply of tissues, non-touch receptacles, anti-bacterial soaps and disposable towels in appropriate areas such as bathrooms, and common areas.

2. All staff will implement the following preventive measures and encourage all patient to practice these measures in order to contain respiratory secretion.

   (a) Cover mouth and nose with a tissue when coughing or sneezing

   (b) Dispose of used tissues and disposable towels in the nearest receptacle available.

   (c) Employ proper hand washing techniques after tissue disposal.

EXHIBIT 25
PPE POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** **PPE**

POLICY: CMDS Residential requires all staff to wear gloves at any time there could be possible contact with another individual's skin or bodily fluids.

PURPOSE: To protect against contamination and spread of disease.

PROCEDURE:

1. Disposable single use gloves must be worn by staff members whenever there is possible exposure to blood, open wounds, infectious materials, mucous membranes and/or chemicals.

2. Gloves must be worn by staff when conducting patient searches.

3. All cuts must be bandaged prior to putting on gloves.

4. Gloves may never be reused and must be replaced immediately if contaminated, torn, punctured or damaged in any way.

5. To prevent widespread contamination, staff must remove gloves before touching such objects as doorknobs, light switches, and telephones and before leaving the work site.

6. When putting gloves on, staff should select the correct size, insert a hand in each glove and extend the glove to cover the wrist area.

7. Staff will follow the following instructions when removing gloves:

   (a) Hold your right hand out with your palm facing up.

   (b) Pinch a portion of the glove that covers the inside of your wrist on your right hand. Use the thumb and index finger of your left hand.

   (c) Gently pull the glove down about half way over your palm, revealing the inside of the glove. Do not completely remove the glove. Let go of the glove after you pull it down over the palm.

   (d) Use your right thumb and index finger to repeat these steps on your left hand. This time, you will pinch the outside of glove above the inner portion of your left wrist and completely remove the glove on the left hand. Continue holding the left glove with your right thumb and index finger.

   (e) Pull up a portion of the right glove with your bare left thumb and index finger. Touch only the inside portion of the glove that has already been revealed.

   (f) Remove the right glove by pulling down with your left thumb and index finger. As you pull down, the left glove that has already been removed should fold up inside the right hand glove.

(g) Dispose of the rubber gloves in a proper container. Gloves that were in contact with certain substances like chemicals and bodily fluids cannot be thrown away in public trash receptacles.

EXHIBIT 26
DECONTAMINATION OF SURFACES POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT: Decontamination of Surfaces**

POLICY: It is the policy of CMDS Residential to inform all staff members of procedural guidelines for sanitary practices for potentially contaminated surfaces.

PURPOSE: To establish, at a minimum, sanitary practices relating to the proper decontamination treatment for surfaces, so as to minimize exposure of employees, patients and the environment to disease-causing agents.

PROCEDURE:

1. Prior to any clean up procedure that involves potentially contaminated surfaces **proper personal protective equipment** must be worn. Gloves must be worn when cleaning up small contained areas or materials. Clean up of large areas or materials where there is a possibility of contamination to the face or other areas of the body require professional services to meet clean up requirements.

2. The following items can be used in performing sanitary practices with potentially contaminated equipment, surfaces and/or biohazard materials.

   (a) 10% bleach solution

   (b) Lysol disinfectant all purpose cleaner or spray

   (c) Latex or rubber gloves

   (d) Clear plastic bags

   (e) Single use paper towels and/or disposable absorbent pads

   (f) Biohazard labels

   (g) Leak proof sharps containers

   (h) Brush, dustpan or tongs for handling any sharps objects

   (i) Disinfectant wipes

   (j) Disposable scrub brush, if applicable

3. The following **decontamination procedure** shall be followed in the event that a surface has been exposed to potentially contaminated biohazard materials.

   (a) Cover the area with single use paper towels and pour 10% bleach and water solution onto the contaminated area, starting from the outside edges working inward of the area. Allow solution to soak in.

(b) Wearing gloves, wipe the bleached area with paper towels or absorbent pads. It may be necessary to use a scrub brush to remove the material if it impacted a porous surface. If a fabric surface has been contaminated, it may be necessary for an outside vendor to professionally clean the area.

(c) Always follow proper glove removal guidelines and hand washing guidelines following any decontamination procedure.

EXHIBIT 27
MANAGEMENT OF HAZARDOUS WASTE POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** **Management of Hazardous Waste**

POLICY: CMDS Residential shall adhere to proper handling, storage, and disposal of items identified as hazardous waste.

PURPOSE: To minimize risks to the environment and public health by assuring proper management and disposal of solid waste.

PROCEDURE:

1. The hazardous waste designation applies to chemicals that REHS (Registered Environmental Health Specialists) does not authorize for disposal in regular trash. The hazardous waste designation generally includes but is not limited to:

   (a) Aerosol cans, that are full to partially full

   (b) Flammable chemicals

   (c) Solvents

   (d) Corrosive or toxic liquids

   (e) Expired pharmaceuticals/chemicals

   (f) Rechargeable batteries containing alkaline

   (g) Toner cartridges

   (h) Pesticides

2. Staff will use and store products containing hazardous substances according to instructions listed on the label.

3. Staff will never store hazardous products in food containers, instead keeping them in their original containers with original labels.

4. Staff will never combine separate hazardous materials together.

5. Staff will follow all instructions on the label of the product.

6. If uncertain of **(a)** proper handling, **(b)** storage or **(c)** disposal of a potentially hazardous material, staff will contact the local hazardous waste disposal center.

7. All staff are educated on the location and use of the MSDS binder. The binder is updated when needed for newly used products.

8. Used copier toner is recycled

9. Rechargeable batteries, computer monitors, and CFL's (compact florescent lights) contain mercury and toxins, so staff are required to use gloves when handling them and to dispose of them at approved sites.

10. Clean up steps for broken CFL's:

    (a) Do not use a vacuum or broom.

    (b) Wearing gloves, carefully scoop up the broken glass and powder using stiff paper such as stock, cardboard, or paperboard.

    (c) Place broken pieces and powder in a plastic bag that can be sealed.

    (d) Use duct tape to pick up any leftover glass fragments and/or powder.

    (e) Wipe the area clean with disposable wet wipes and place wet wipes in bag.

    (f) Take plastic bag to approved disposal site.

    (g) Wash your hands with soap and water after containments.

    (h) Air out room and keep central air turned off for at least an hour.

EXHIBIT 28
REPORTING EXPOSURE OF INFECTIOUS DISEASE POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL	SUBJECT:	Reporting Exposure of Infections Disease

POLICY: It is the policy of CMDS Residential to document and to respond to any exposure to potentially infectious or communicable diseases.

PURPOSE: To ensure an appropriate response to any exposure to infectious or communicable disease that may pose a threat due to transmission of infection among staff, patients and visitors.

PROCEDURE:

Infectious or communicable diseases include but are not limited to: HIV (the virus which causes AIDS), ARC (AIDS Related Condition), AIDS (Acquired Immune Deficiency Syndrome), tuberculosis (TB), Meningitis, Severe Acute Respiratory Syndrome (SARS), Herpes Simplex Virus (HSV Types I and II), and HSV related diseases such as Chicken Pox, Shingles, Infectious Mononucleosis, and Hepatitis.

It is safe to share restroom facilities with any of the aforementioned diseases/illnesses when proper sanitary measures have been adhered to. In the event there is evidence of any type of bodily fluids in these areas, they must be immediately sanitized following proper decontamination procedures.

1. In the event any individual has been exposed to any of the above mentioned or other known infectious/communicable diseases the Program Administrator will be notified immediately.

2. If deemed appropriate, the individual who has been exposed to any possible infectious/communicable disease will seek medical attention.

3. Any individual exposed to any possible infectious/communicable disease as previously mentioned will complete an Exposure to Infectious/Communicable Disease Report. A copy of the completed report will be kept by the individual and will be submitted to the Safety Committee Officer. In the event that staff members are exposed, copies of the report will also be kept in their Personnel files.

EXHIBIT 29
SANITATION POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT:** **Sanitation**

POLICY: It is the policy of CMDS Residential to maintain a clean, safe and sanitary environment both inside and outside.

PURPOSE: To ensure sanitary conditions are maintained throughout the inside and outside of facility.

PROCEDURE:

1. The furniture, floors, ceilings, walls and fixtures shall be clean, sanitary and in good repair.
2. A supply of hot and cold running water shall be available at all times for human consumption and food preparation.
3. All patient toileting facilities shall be cleaned and disinfected as often as necessary to prevent illness or contamination.
4. Cleaning solutions, compounds and substances considered hazardous or toxic materials shall be labeled, legibly marked and have a material safety data sheet identifying the contents.
5. In house trash receptacles shall be emptied in a timely manner and lined, cleaned and disinfected after emptying when visibly soiled.
6. Solid waste, garbage and trash shall be stored in a manner to make it inaccessible to insects or rodents.
7. Sterile or clean supplies shall be stored in dust and moisture-free storage areas.

EXHIBIT 30
SPECIALIZED COUNSELING FOR HIV-POSITIVE AND ACTIVE AIDS PATIENTS POLICIES & PROCEDURES

POLICY, PROCEDURE, & PLAN MANUAL **SUBJECT: Specialized Counseling for HIV-positive and Active AIDS Patients**

Policy

Infectious Disease Education:

Within the first 30 days of admission, each patient is educated on HIV, Hepatitis, Sexually Transmitted Diseases, and tuberculosis. The counselor completes a risk assessment with the patient and educates the patient on risk reduction. If appropriate, the patient is referred for additional counseling and testing.

Procedure:

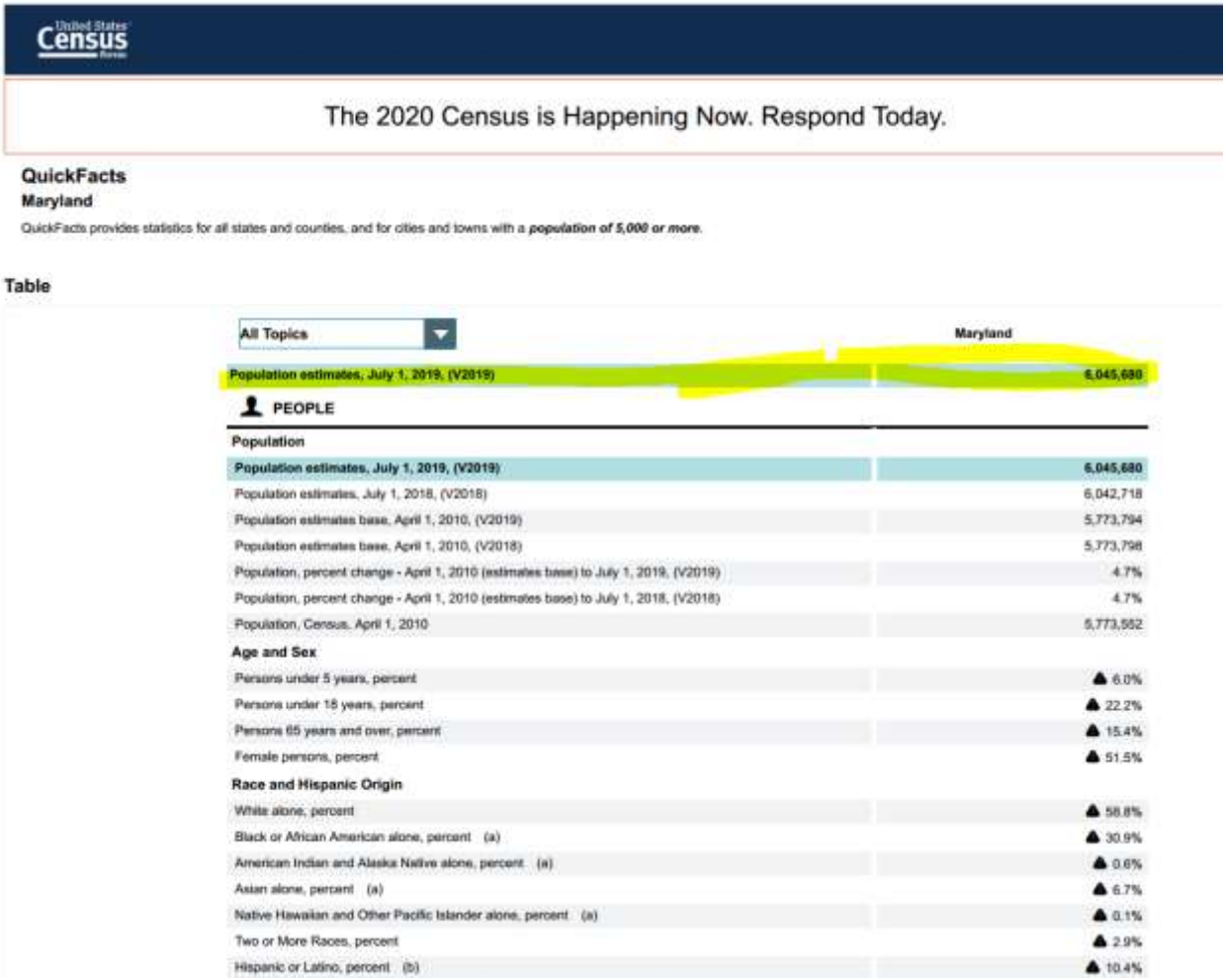
Patient receives a risk assessment.

Patient is counseled on risk reduction.

If the patient is willing, then a referral to the Baltimore City Health Department or other approved program for counseling or testing is provided.

If patient tests positive for HIV, patient is connected to an infectious disease specialist for ongoing treatment. Specialized counseling for patients who are HIV-positive and active AIDS patients is provided in-house by counselors and medical staff.

EXHIBIT 31
POPULATION OF MARYLAND, 2019



United States Census

The 2020 Census is Happening Now. Respond Today.

QuickFacts

Maryland

QuickFacts provides statistics for all states and counties, and for cities and towns with a ***population of 5,000 or more***.

Table

All Topics	Maryland
Population estimates, July 1, 2019, (V2019)	**6,045,680**
PEOPLE	
Population	
Population estimates, July 1, 2019, (V2019)	**6,045,680**
Population estimates, July 1, 2018, (V2018)	6,042,718
Population estimates base, April 1, 2010, (V2019)	5,773,794
Population estimates base, April 1, 2010, (V2018)	5,773,798
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	4.7%
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018, (V2018)	4.7%
Population, Census, April 1, 2010	5,773,552
Age and Sex	
Persons under 5 years, percent	▲ 6.0%
Persons under 18 years, percent	▲ 22.2%
Persons 65 years and over, percent	▲ 15.4%
Female persons, percent	▲ 51.5%
Race and Hispanic Origin	
White alone, percent	▲ 58.8%
Black or African American alone, percent (a)	▲ 30.9%
American Indian and Alaska Native alone, percent (a)	▲ 0.6%
Asian alone, percent (a)	▲ 6.7%
Native Hawaiian and Other Pacific Islander alone, percent (a)	▲ 0.1%
Two or More Races, percent	▲ 2.9%
Hispanic or Latino, percent (b)	▲ 10.4%

EXHIBIT 32
OUTLOOK AND OUTCOMES IN SUBSTANCE-RELATED DISORDER TREATMENT FY 14

Table 5
Dis-enrollments from Levels of Care in State-Supported Substance-Related Disorder Treatment Programs
Reporting Data by Length of Stay
FY 2009 - FY 2014

ASAM Level of Care	FY 2009			FY 2010			FY 2011			FY 2012			FY 2013			FY 2014		
	N	Mean	Median	N	Mean	Median	N	Mean	Median	N	Mean	Median	N	Mean	Median	N	Mean	Median
Level 0.5	572	78.8	71.0	1017	77.8	56.0	1996	60.4	48.0	1978	64.7	50.0	1783	64.3	50.0	1801	68.2	54.0
Level I	19656	134.1	113.0	20509	132.8	112.0	20701	124.2	102.0	19734	126.8	101.0	18491	122.4	98.0	16286	123.7	98.0
Level I.D	311	12.7	5.0	335	26.6	5.0	71	23.4	5.0	47	44.9	9.0	51	22.2	5.0	11	67.4	28.0
Level II.1	7320	76.6	50.0	8103	76.7	51.0	8889	70.5	49.0	8898	68.7	49.0	8605	68.4	49.0	7165	69.1	50.0
Level II.5	1020	12.9	10.0	1415	15.6	10.0	1807	23.9	11.0	1595	27.1	13.0	1762	26.9	13.0	2119	22.0	13.0
Level II.D	90	42.2	5.0	110	39.9	8.0	131	27.9	5.0	59	18.4	6.0	37	20.2	6.0	16	31.1	20.0
Level III.1	1734	103.4	88.0	1684	109.5	94.5	1546	113.0	95.0	1325	108.9	95.0	1142	100.8	87.5	835	106.6	99.0
Level III.3	796	110.4	94.0	1558	87.9	52.0	1590	84.2	50.0	1545	92.3	58.0	1364	98.2	67.0	923	119.7	88.0
Level III.5	1202	91.7	65.0	1346	97.4	90.0	1087	103.0	107.0	1149	98.1	93.0	818	97.9	98.5	448	109.9	121.5
Level III.7	6750	20.3	20.0	7965	21.0	16.0	7977	18.5	16.0	8023	18.3	16.0	7087	18.2	15.0	6413	18.0	15.0
Level III.7.D	4545	7.5	6.0	5370	6.7	6.0	5057	6.3	6.0	5058	6.4	6.0	4738	7.0	6.0	4401	6.9	6.0
OTP	2615	753.1	251.0	2567	528.0	207.0	2505	310.0	174.0	3287	359.4	165.0	3405	378.4	172.0	2927	440.8	197.0

EXHIBIT 33
LETTER OF SUPPORT FROM GAUDENZIA

GAUDENZIA, INC.

Corporate Offices
106 West Main Street
Norristown, PA 19401
(610) 239-9600
Fax: (610) 278-1658

Phillip Jordan, AIA
Chairman of the Board
Gaudenzia, Inc.

Dale Klatzker, Ph.D
President/CEO

April 8, 2020

Mr. Kevin McDonald
Chief – Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Ave.
Baltimore, MD 21215

Dear Mr. McDonald,

I am writing to support the proposed application of CMDS Residential LLC to open detox beds in Baltimore City.

Gaudenzia Inc. also operates a "Track Two" 3.7Wm and 3.7 facility in Maryland and we see first-hand on a daily basis the increasing need to expand the number of detox beds to accommodate the high demand for such services. CMDS Residential is located in a pivotal area of Baltimore City where there are no detox programs. CMDS Residential will fulfill an increasing gap between patients in need of detox and availability of detox beds and will be a valuable partner to providing detox services to Medicaid patients.

Please feel free to contact me with any further questions at my contact information below.

Respectfully,

Kristy E. Blalock

Kristy E. Blalock, LCPC, LCADAS, MAC, NCC, BCPC, CADS
Regional Director
Gaudenzia, Inc.- Chesapeake Region
410.357.5501, x 8103
Kblalock@gaudenzia.org
www.gaudenzia.org

EXHIBIT 34
LETTER OF SUPPORT FROM HOPE HOUSE TREATMENT CENTER

Hope House Treatment Center
P.O. BOX 546
Crownsville, MD
Main: (410) 923-6700
Fax: (410) 923-6213

4/3/2020

Kevin McDonald
Chief – Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Ave.
Baltimore, MD 21215

Dear Mr. McDonald,

I am writing to support the proposed application of CMDS Residential LLC to open detox beds in Baltimore City.

Hope House Treatment Centers recently went through a Certification of Need process to expand the number of detox beds in our program due to our increasing waiting list. We are also a Track Two ICF and we appreciate the efforts of CMDS Residential to add more detox beds to serve indigent patients in the Central Region of Maryland. The worsening of the opioid epidemic in the state has exacerbated the need for detox beds. Moreover, the current public health emergency due to COVID-19 demands that all hospital beds be used to treat potential cases of the coronavirus making the expansion of detox beds even more important in Maryland. CMDS Residential will provide much needed services and we are enthusiastic to start collaborating with them. Although we have currently increased our detox bed capacity, we are still experiencing waiting list for our detox program.

The addition of detox beds in the Central Region will shorten our waiting list as we enter in a fruitful partnership with CMDS Residential.

Peter D'Souza
Executive Director

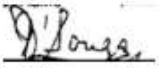


EXHIBIT 35
LETTER OF SUPPORT FROM CHANGE HEALTHCARE SYSTEMS

CHANGE
HEALTH SYSTEMS

April 9, 2020

Kevin McDonald
Chief – Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Ave.
Baltimore, MD 21215

Dear Mr. McDonald,

I am writing to support the proposed application of CMDS Residential LLC to open detox beds in Baltimore City.

Change Health Care System is located in Baltimore City and offers behavioral health services, psychiatric urgent care, outpatient substance abuse treatment, primary care, wellness care, and psychiatric rehabilitation services. We are thrilled to see the increase in the number of detox beds that CMDS Residential will bring to Baltimore City and surrounding counties. As a provider of outpatient services, we often serve patients who are in need of withdrawal management and we welcome CMDS Residential as a new partner to providing such needed services. It is not uncommon that our patients in need of withdrawal management need to wait to be admitted to detox programs because programs are full.

Sincerely,

Israel Ojo, MSW

Chief Executive officer.

Baltimore (Mondawmin Mall): 2401 Liberty Heights Avenue, Ste. 4670, Baltimore, MD 21215 • phone: 410.233.1088 • fax: 410.233.1087
Hagerstown: 44 N Potomac St., Ste. 101, Hagerstown, MD 21740 • phone: 240.420.1850 • fax: 240.420.1852

"Changing Lives, Restoring Hope"

EXHIBIT 36
LETTER OF SUPPORT FROM TURNING POINT CLINIC

TURNING POINT CLINIC

www.turningpointclinic.org
2401 E. North Ave
Baltimore, MD 21213
410 675-2113

"The Way Back Starts Here"

April 8, 2020

Kevin McDonald
Chief – Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Ave.
Baltimore, MD 21215

Dear Mr. McDonald,

Turning Point Clinic is an Opioid Treatment Program (OTP) located in East Baltimore City. We offer outpatient Medication Assisted Treatment (MAT) for patients with substance abuse disorders. A considerable number of our patients opt to go through detox management to treat their opioid addiction. This treatment approach is more successful in an inpatient setting and we welcome CMDS Residential as a provider of detox beds in East Baltimore City. It is well accepted that drug treatment is more efficient when provided in the community where a patient lives and CMDS Residential will help address the need of detox beds in our part of town.

Sincerely,

Rev. Milton Williams, CEO

2401 E. North Avenue, Baltimore, Maryland 21213
Phone: (410)675-2113 Fax: (410)675-2117, 2118, 2707

EXHIBIT 37
COMMUNITY-BASED SUBSTANCE USE DISORDER FEE SCHEDULE (EFF. JULY 1, 2019)

Provider Type 54: IMD Residential SUD for Adults Effective 1-1-19					
Procedure Code	Service Description	Rate	Unit	Service Limits	Combination of Service Rules
H0001	Alcohol and/or Drug Assessment	$ 158.26	Per assessment	Can only be billed if the patient is NOT assessed to meet ASAM Residential Levels of Care 3.3, 3.5, 3.7, or 3.7WM.	Cannot be billed within 7 days of W7330, W7350, W7370, or W7375
W7310	ASAM Level 3.1	$ 85.00	Per diem	Cannot be billed with any inpatient hospital based codes. Cannot be billed with any drug screen/test codes.	Cannot be billed with H0015 and H2036.
W7330	ASAM Level 3.3	$ 189.44	Per diem		Cannot be billed with any community based SUD codes on this fee schedule with the exception of H0020 and H0047. Cannot be billed with any mental health community based services except for date of admission or for services rendered by a community based psychiatrist. Cannot be billed with any drug screen/ test codes.
W7350	ASAM Level 3.5	$ 189.44	Per diem		
W7370	ASAM Level 3.7	$ 291.65	Per diem		
W7375	ASAM Level 3.7WM	$ 354.67	Per diem		
RESRB	Room and Board	$ 45.84	Per diem		

Administrative Days for Residential SUD for Adults Effective 1-1-19				
Procedure Code	Service Description	Rate	Unit	Service Limits
W7310-HG	ASAM Level 3.1 Admin Day for Consumer Awaiting Community Services	$ 85.00	Per diem	Provider to use this service code/ modifier combination for a short-term, clinically indicated bed hold if the consumer is awaiting community services.
W7330-HG	ASAM Level 3.3 Admin Day for Consumer Awaiting Community Services	$ 189.44	Per diem	Provider to use this service code/ modifier combination for a short-term, clinically indicated bed hold if the consumer is awaiting community services.

Note: The Program will pay a provider's normal and customary rate charged to non-Medicaid recipients, or the Medicaid established reimbursable rate, whichever is lower.

EXHIBIT 38
2020 PROFESSIONAL SERVICES FEE SCHEDULE MARYLAD MEDICAID

CODE	NOTE	NFACFEE	FACFEE	MOD26FEE	MODTCFEE
99251		N/A	48.64		
99252		N/A	74.43		
99253		N/A	114.74		
99254		N/A	166.63		
99255		N/A	200.43		
99281		N/A	21.20		
99282		N/A	41.35		
99283		N/A	61.80		
99284		N/A	117.21		
99285		N/A	172.65		
99288		N/A	7.50		
99291		N/A	222.85		
99292		N/A	111.76		
99304		N/A	91.48		

EXHIBIT 39
TABLE A

TABLE A. PHYSICAL BED CAPACITY BEFORE AND AFTER PROJECT

INSTRUCTIONS: Identify the location of each nursing unit (add or delete rows if necessary) and specify the room and bed count before and after the project in accordance with the definition of physical capacity noted below. Applicants should add columns and recalculate formulas to address rooms with 3 and 4 bed capacity. NOTE: Physical capacity is the total number of beds that could be physically set up in space without significant renovations. This should be the maximum operating capacity under normal, non-emergency circumstances and is a physical count of bed capacity, rather than a measure of staffing capacity. A room with two headwalls and two sets of gasses should be counted as having capacity for two beds, even if it is typically set up and operated with only one bed. A room with one headwall and one set of gasses is counted as a private room, even if it is large enough from a square footage perspective to be used as a semi-private room, since renovation/construction would be required to convert it to semi-private use. If the hospital operates patient rooms that contain no headwalls or a single headwall, but are normally used to accommodate one or more than one patient (e.g., for psychiatric patients), the physical capacity of such rooms should be counted as they are currently used.

Before the Project						After Project Completion					
Service Location (Floor/Wing)	Current Licensed Beds	Based on Physical Capacity				Service Location (Floor/Wing)	Location (Floor/ Wing)*	Based on Physical Capacity			
		Room Count			Bed Count			Room Count			Bed Count
		Private	Semi-Private	Total Rooms	Physical Capacity			Private	Semi-Private	Total Rooms	Physical Capacity
III.7 AND III.7D						III.7 AND III.7D					
	0	0	0	0	0	1st Floor	1st floor	0	14	14	59
				0	0					0	0
				0	0					0	0
				0	0					0	0
				0	0					0	0
Subtotal III.7 AND III.7D	0	0	0	0	0	Subtotal III.7 and III.7 D		0	14	14	59
3.1, 3.3 and 3.5 (Residential)						RESIDENTIAL					
1st floor (only 3.1 beds 1st floor)	59	0	14	14	59						
2nd floor (3.1)	18	0	7	7	18	2nd floor (3.1)	18	0	7	7	18
2nd floor (3.3 + 3.5)	27	0	10	10	27	2nd floor (3.3 + 3.5)	27	0	10	10	27
Subtotal Residential	104	0	31	31	104	Subtotal Residential		0	17	17	45
TOTAL	104	0	31	31	104	TOTAL		0	31	31	104
Other *(Specify/add rows as needed)*				0	0	Other *(Specify/add rows as needed)*				0	0
TOTAL OTHER	0	0	0	0	0	TOTAL NON-ACUTE		0	0	0	0
FACILITY TOTAL	104	0	31	31	104	FACILITY TOTAL		0	31	31	104

EXHIBIT 40

TABLE B

TABLE B. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application. If the project involves services other than level III.7 and III.7D explain the allocation of costs between the levels. NOTE: Inflation should only be included in the Inflation allowance line A1.e. The value of donated land for the project should be included on Line A1.d as a use of funds and on line B.8 as a source of funds

	III.7 and III.7D	RESIDENTIAL	TOTAL
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building			$0
(2) Fixed Equipment			$0
(3) Site and Infrastructure			$0
(4) Architect/Engineering Fees			$0
(5) Permits (Building, Utilities, Etc.)			$0
SUBTOTAL	$0	$0	$0
b. Renovations			
(1) Building			$0
(2) Fixed Equipment (not included in construction)			$0
(3) Architect/Engineering Fees			$0
(4) Permits (Building, Utilities, Etc.)			$0
SUBTOTAL	$0	$0	$0
c. Other Capital Costs			
(1) Movable Equipment			$0
(2) Contingency Allowance			$0
(3) Gross interest during construction period			$0
(4) Other *(Specify/add rows if needed)*			$0
SUBTOTAL	$0	$0	$0
TOTAL CURRENT CAPITAL COSTS	$0	$0	$0
d. *Land Purchase*			
e. Inflation Allowance			$0
TOTAL CAPITAL COSTS	$0	$0	$0
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			$0
b. Bond Discount			$0
c CON Application Assistance			
c1. Legal Fees			$0
c2. Other (Specify/add rows if needed)			
d. Non-CON Consulting Fees			
d1. Legal Fees			$0
d2. Other (Specify/add rows if needed)			$0
e. Debt Service Reserve Fund			$0
i. Other *(Specify/add rows if needed)*			$0
SUBTOTAL	$0	$0	$0
3. Working Capital Startup Costs			$0
TOTAL USES OF FUNDS	$0	$0	$0
B. Sources of Funds			
1. Cash			$0
2. Philanthropy (to date and expected)			$0
3. Authorized Bonds			$0
4. Interest Income from bond proceeds listed in #3			$0
5. Mortgage			$0
6. Working Capital Loans			$0
7. Grants or Appropriations			
a. Federal			$0
b. State			$0
c. Local			$0
8. Other *(Specify/add rows if needed)*			$0
TOTAL SOURCES OF FUNDS			$0
	III.7 and III.7D	RESIDENTIAL	TOTAL
Annual Lease Costs (if applicable)			
1. Land			$0
2. Building			$0
3. Major Movable Equipment			$0
4. Minor Movable Equipment			$0
5. Other *(Specify/add rows if needed)*			$0

* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.

EXHIBIT 41
TABLE C

TABLE C. STATISTICAL PROJECTIONS - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.		
Indicate CY or FY	**CY 18**	**CY 19**	**CY 20**	**CY 21**	**CY 22**	**CY 23**
1. DISCHARGES						
a. Residential	0	0	380.64	182.50	182.50	182.50
b. III.7 and III.7D	0	0	0	652.57	652.57	652.57
c. Other (Specify/add rows of needed)	0	0	0	0	0	0
TOTAL DISCHARGES	***0***	***0***	***380.64***	***835.07***	***835.07***	***835.07***
2. PATIENT DAYS						
a. Residential	0	0	34,527.60	16,425	16,425	16,425
b. III.7 and III.7D	0	0	0	21,535	21,535	21,535
c. Other (Specify/add rows of needed)	0	0	0	0	0	0
TOTAL PATIENT DAYS	***0***	***0***	***34,527.6***	***37,960***	***37,960***	***37,960***
3. AVERAGE LENGTH OF STAY (patient days divided by discharges)						
a. Residential	0	0	90.7	90	90	90
b. III.7 and III.7D	0	0	0.0	33	33.0	33.0
c. Other (Specify/add rows of needed)	0	0	0.0	0.0	0.0	0.0
TOTAL AVERAGE LENGTH OF STAY	0.0	0.0	91	45.5	45.5	45.5
4. NUMBER OF LICENSED BEDS						
f. Residential	0	0	104	45	45	45
g. III.7 and III7D	0	0	0	59	59	59
	0	0	0	0	0	0
TOTAL LICENSED BEDS	***0***	***0***	***104***	***104***	***104***	***104***
5. OCCUPANCY PERCENTAGE ***IMPORTANT NOTE:** Leap year formulas should be changed by applicant to reflect 366 days per year.*						
a. Residential	0	0	91%	100%	100%	100%
b. III.7 and III.7D	0	0	0.0%	100%	100%	100%
c. Other (Specify/add rows of needed)	0	0	0.0%	0.0%	0.0%	0.0%
TOTAL OCCUPANCY %	**0.0%**	**0.0%**	**90.96%**	**100%**	**100%**	**100%**
6. OUTPATIENT VISITS						
a. Residential	0	0	0	0	0	0
b. III.7 and III.7D	0	0	0	0	0	0
c. Other (Specify/add rows of needed)	0	0	0	0	0	0
TOTAL OUTPATIENT VISITS	***0***	***0***	***0***	***0***	***0***	***0***

* Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

EXHIBIT 42

TABLE C ASSUMPTIONS AND EXPLANATIONS

Refer to Excel File "Tables Calculations" Tab: Table C and Table E submitted along with this application for calculations.

DISCHARGES CURRENT YEAR PROJECTED CY 20

Line 1a Current Year Projected CY 20

Assumptions:
We assume that we will operate only Residential beds (ASAM levels 3.1, 3.3, and 3.5) in 2020 since the CON process can be lengthy.

- Total residential beds= 104
- 90% occupancy
    - 93.6 patients/beds at any time
- Average length of stay for residential= 90 days
- Therefore, for the year 2020, the number of discharges is calculated as follows (2020 is a leap year)
    - 93.6 patients/beds x 4.07 (366/90)= 380.64

To put in context, the average length of stay for residential care (ASAM levels 3.1, 3.3. and 3.5) ranged from 106.6 to 109.9 days in 2014 when the last data was made available by the Behavioral Health Administration. Refer to Exhibit 32: Outlook and Outcomes in Substance-Related Disorder Treatment FY 14, Relevant Excerpt [pg. 5 of the original document], yellow highlight, pg. 109 on this application. Retrieved from: https://bha.health.maryland.gov/Pages/Outlook-and-Outcomes.aspx). Since then, the length of stay for residential levels has followed new reimbursement structures as well as length of treatment reimbursed by Medicaid. As such, the average length of stay for residential levels has decreased to 90 days.

Line 2a Current Year Projected CY 20

- At 90% occupancy with an average length of stay of 90 days and with 4.06 (366/90) 90-days in 2020, the number of day equals= 34,257.6

The table below provides details of the numbers reported on Table C.

2020 is a leap year
(366 days)

LEVEL	BEDS	OCCUPANCY	BEDS OCCUPIED	ALOS	NUMBER OF ALOS IN CY 20	# DAYS
3.1	77	90%	69.30	90	4.07	25363.8
3.3 + 3.5	27	90%	24.30	90	4.07	8893.8
TOTAL BEDS	**104**			**TOTAL DAYS Residential**		34527.6

Table C Line 2a CY 20

DISCHARGES PROJECTED CY 21, CY 22, AND CY 23

Line 1a Projected CY 21, CY 22, AND CY 23

Assumptions:

- We expect this CON to be approved by December 2020, so we can start providing detox services in January 2021. By the time this CON is approved, we expect that 100% of the residential beds and 100% of the 3.7 and 3.7WM beds will be occupied. We draw this conclusion by analyzing recent CON applications approved by the MHCC in which applicants in the Central Region of Maryland, such as Gaudenzia Crownsville and Hope House Treatment Center, documented a wait list for detox beds. Moreover, more recent CON applications, such as Pyramid Health Walden, also show that their detox beds are at full capacity.
- With the approval of 59 beds, only 45 beds will be dedicated to residential
- 100% occupancy of:
    - Residential= 45 beds
    - 3.7 and 3.7WM= 59 beds
- Average length of stay for residential= 90 days
- Average length of stay for 3.7 and 3.7WM= 33 days
- Therefore, for CY 21, CY 22, and CY 23 the number of discharges is calculated as follows:
    - Residential: 45 patients x 4.06 (365/90)= 182.5
    - 3.7 and 3.7WM: 59 x 4.06 (365/33)= 652.57

To put in context, the average length of stay of ASAM levels 3.7 and 3.7WM combined was 24.9 days in 2014 when the last data was made available. Refer to Exhibit 32: Outlook and Outcomes in Substance-Related Disorder Treatment FY 14, Relevant Excerpt [pg. 5 of the original document], yellow highlight, pg. 109 on this application. Retrieved from: https://bha.health.maryland.gov/Pages/Outlook-and-Outcomes.aspx). Similar to the length of stay of residential levels (ASAM levels 3.1, 3.3, and 3.5), the length of stay for 3.7 and 3.7WM levels has followed new reimbursement structures established in an effort to provide treatment for complex drugs being abused, such as fentanyl. As such, the average length of stay for 3.7 and 3.7WM levels has increased to 33 days.

Line 2a Projected CY 21, CY 22, AND CY 23

- At 100% capacity with an average length of stay of 90 days for residential and average length of stay of 33 days for 3.7 and 3.7WM, the number of patient days equals 16,425 for residential and 21,535 for 3.7 and 3.7WM.

The table below provides details of the numbers reported on Table C.

LEVEL	BEDS	OCCUPANCY	BEDS OCCUPIED	ALOS	NUMBER OF ALOS IN CY 21, CY 22, AND CY 23	# DAYS
3.1	18	100%	18.00	90	4.06	6570.0
3.3 + 3.5	27	100%	27.00	90	4.06	9855.0
	45					
				TOTAL DAYS Residential		**16425.0**

Table C Line 2a CY 21, CY 22, CY 23

LEVEL	BEDS	OCCUPANCY	BEDS OCCUPIED	ALOS	NUMBER OF ALOS IN CY 21, CY 22, AND CY 23	# DAYS
3.7	30	100%	30.00	26	14.04	10950.0
3.7WM	29	100%	29.00	7	52.14	10585.0
	59					
TOTAL BEDS	**104**			**TOTAL DAYS (3.7 + 3.7WM)**		**21535.0**

Table C Line 2b CY 22, CY 22, CY 23

EXHIBIT 43

TABLE D

TABLE D. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table D should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table C and with the costs of Manpower listed in Table G. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.		
Indicate CY or FY			**CY 20**	**CY 21**	**CY 22**	**CY 23**
1. REVENUE						
a. Inpatient Services			$ 5,471,272	$ 11,173,356	$ 11,620,290	$ 12,027,000
b. Outpatient Services			$ -	$ -		
Gross Patient Service Revenues	***$ -***	***$ -***	***$ 5,471,272***	***$ 11,173,356***	***$ 11,620,290***	***$ 12,027,000***
c. Allowance For Bad Debt			$ 273,564	$ 558,668	$ 581,015	$ 601,350
d. Contractual Allowance						
e. Charity Care			$ 273,564	$ 558,668	$ 581,015	$ 601,350
Net Patient Services Revenue	***$ -***	***$ -***	***$ 4,924,144***	***$ 10,056,020***	***$ 10,458,261***	***$ 10,824,300***
f. Other Operating Revenues (Specify/add rows if needed)						
NET OPERATING REVENUE	***$ -***	***$ -***	***$ 4,924,144***	***$ 10,056,020***	***$ 10,458,261***	***$ 10,824,300***
2. EXPENSES						
a. Salaries & Wages (including benefits)			$ 1,387,320	$ 1,796,520	$ 1,850,416	$ 1,905,928
b. Contractual Services			$ 72,600	$ 277,200	$ 285,516	$ 294,081
c. Interest on Current Debt						
d. Interest on Project Debt						
e. Current Depreciation						
f. Project Depreciation						
g. Current Amortization						
h. Project Amortization						

i. Supplies			$ 600,000	$ 710,000	$ 720,000	$ 725,000
j. Other Expenses (Specify/add rows if needed)			$ 150,000	$ 210,000	$ 230,000	$ 230,000
TOTAL OPERATING EXPENSES	**$ -**	**$ -**	**$ 2,209,920**	**$ 2,993,720**	**$ 3,085,932**	**$ 3,155,010**
3. INCOME						
a. Income From Operation	**$ -**	**$ -**	**$ 2,714,224**	**$ 7,062,300**	**$ 7,372,329**	**$ 7,669,291**
b. Non-Operating Income						
SUBTOTAL	***$ -***	***$ -***	***$ 2,714,224***	***$ 7,062,300***	***$ 7,372,329***	***$ 7,669,291***
c. Income Taxes			$ -			
NET INCOME (LOSS)	***$ -***	***$ -***	***$ 2,714,224***	***$ 7,062,300***	***$ 7,372,329***	***$ 7,669,291***
4. PATIENT MIX						
a. Percent of Total Revenue						
1) Medicare						
2) Medicaid			90.0%	92.0%	94.0%	95.0%
3) Blue Cross						
4) Commercial Insurance						
5) Self-pay						
6) Uninsured			10.0%	8.0%	6.0%	5.0%
TOTAL	***0.0%***	***0.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
b. Percent of Equivalent Inpatient Days						
1) Medicare						
2) Medicaid			90.0%	92.0%	94.0%	95.0%
3) Blue Cross						
4) Commercial Insurance						
5) Self-pay						
6) Uninsured			10.0%	8.0%	6.0%	5.0%
TOTAL	***0.0%***	***0.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***

EXHIBIT 44

TABLE D ASSUMPTIONS AND EXPLANATIONS

Refer to Excel File "Tables Calculations" Tab: Table D submitted along with this application for calculations.

REVENUE CY 20

CODE	DESCRIPTION	REIMBURSEMENT
H0001	INTAKE	$ 158.26
RESRB	ROOM AND BOARD	$ 45.84
W7310	ASAM LEVEL 3.1	$ 85.00
W7330	ASAM LEVEL 3.3	$ 189.44
W7370	ASAM LEVEL 3.5	$ 189.44
W7370	ASAM LEVEL 3.7	$ 291.65
W7375	ASAM LEVEL 3.7WM	$ 354.67

(Refer to Exhibit 37: Community-Base Substance User Disorder Fee Schedule (eff. July 1, 2019), [pg. 8 of the original document], yellow highlight, pg. 114 on this application. Retrieved from: : https://maryland.optum.com./content/dam/ops-maryland/documents/provider/information/pbhs/SUD%20Fee%20Schedule%20(Eff-07-01-19).pdf

CURRENT YEAR PROJECTED CY 20

Assumptions:

- The revenue calculations for CY 20 (Residential) assume that the bed occupancy rate for the first year of operation is 90%. We believe this is a reasonable estimate because we have secured MOUs with several organizations and have approached several potential referring sources.

The table below provides details of the revenue calculation reported on Table D.

CODE	NUMBERS OF INTAKES	RATE	REVENUE FROM INTAKES
H0001	380	$158.26	**$60,138.80 (1)**

2020 is a leap year

LEVEL	BEDS	OCCUPANCY	BEDS OCCUPIED	RATE (ROOM&BOARD + TREATMENT RATE)	ALOS	NUMBER OF ALOS IN CY 20	# DAYS	REVENUE
3.1 + ROOM & BOARD	77	90%	69.30	$130.84	90	4.07	25363.8	**$3,318,599.59 (2)**
3.3 + 3.5 + ROOM & BOARD	27	90%	24.30	$235.28	90	4.07	8893.8	**$2,092,533.26 (3)**
TOTAL BEDS	**104**							
							TOTAL REVENUE	**$5,471,271.66 (1+2+3)**

Table D Line 1a CY 20

PROJECTED YEARS CY 21, CY 22, AND CY 23

Assumptions:

- The revenue calculations for CY 21, CY 22, and CY 23 assume the approval of this CON and the opening of the detox beds in January 2021. Therefore, the calculations take into account the Residential beds as well as the 3.7 and 3.7WM beds. Furthermore, as explained earlier, we assume that the bed occupancy rate from CY21 onward is 100% for Residential and 3.7 and 3.7WM beds.

REVENUE CY 22 AND CY 23

Assumptions:

- We assume an increase in revenue of 4% from CY 21 to CY 22 and of 3.5% from CY 22 to CY 23, as part of Maryland House Bill 166/Senate Bill 280 chapters 10 and 11, which approved the increases. Refer to https://legiscan.com/MD/text/HB166/2019 for full text.
- We assume an increase in salaries & wages (line 2a) and contractual services (line 2b) of 3% from CY 21 onward to reflect increasing cost of living and to attract qualified staff.

Observations:

- CMDS Residential is a Subchapter S of Chapter 1 of the Internal Revenue Code and therefore is not taxed at the company level. S corporations are classified as “pass-through” organizations. The corporation's income and losses are divided among and passed through to its shareholders. The shareholders must then report the income or loss on their own individual income tax returns. CMDS Residential has only one shareholder at this point, Mr. Kevin Pfeffer.

The table below provides details of the numbers reported on Table D.

CODE	NUMBERS OF INTAKES			RATE				TOTAL
H0001	380			$158.26				$60,138.80 (1)
LEVEL	**BEDS**	**OCCUPANCY**	**BEDS OCCUPIED**	**RATE (ROOM&BOARD + TREATMENT RATE)**	**ALOS**	**NUMBER OF ALSO IN CY 21, CY 22, AND CY 23**	**# DAYS**	**REVENUE**
3.1 + ROOM AND BOARD	18	100%	18.00	$130.84	90	4.06	6570.0	**$859,618.80 (2)**
3.3 + 3.5 + ROOM & BOARD	27	100%	27.00	$235.28	90	4.06	9855.0	**$2,318,684.40 (3)**
3.7 + ROOM & BOARD	30	100%	30.00	$337.49	26	14.04	10950.0	**$3,695,515.50 (4)**
3.7 WM + ROOM & BOARD	29	100%	29.00	$400.51	7	52.14	10585.0	**$4,239,398.35 (5)**
TOTAL BEDS	**104**							
							TOTAL REVENUE	**$11,173,356.00 (1+2+3+4+5)**

Table D, Line 1a CY 21, CY 22, CY 23

EXHIBIT 45
TABLE E

TABLE E. STATISTICAL PROJECTIONS - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.		
Indicate CY or FY	**CY 18**	**CY 19**	**CY 20**	**CY 21**	**CY 22**	**CY 23**
1. DISCHARGES						
a. Residential	0	0				
b. III.7 and III.7D	0	0	0	652.57	652.57	652.57
c. Other (Specify/add rows of needed)	0	0	0	0	0	0
TOTAL DISCHARGES	***0***	***0***	***0.00***	***652.57***	***652.57***	***652.57***
2. PATIENT DAYS						
a. Residential	0	0				
b. III.7 and III.7D	0	0	0	21,535	21,535	21,535
c. Other (Specify/add rows of needed)	0	0	0	0	0	0
TOTAL PATIENT DAYS	***0***	***0***	***0.0***	***21,535***	***21,535***	***21,535***
3. AVERAGE LENGTH OF STAY (patient days divided by discharges)						
a. Residential	0	0				
b. III.7 and III.7D	0	0	0.0	33	33.0	33.0
c. Other (Specify/add rows of needed)	0	0	0.0	0.0	0.0	0.0
TOTAL AVERAGE LENGTH OF STAY	0.0	0.0	0.0	33.0	33.0	33.0
4. NUMBER OF LICENSED BEDS						
f. Residential	0	0				
g. III.7 and III7D	0	0	0	59	59	59
	0	0	0	0	0	0
TOTAL LICENSED BEDS	***0***	***0***	***0***	***59***	***59***	***59***
5. OCCUPANCY PERCENTAGE ***IMPORTANT NOTE:** Leap year formulas should be changed by applicant to reflect 366 days per year.*						
a. Residential	0	0				
b. III.7 and III.7D	0	0	0.0%	100%	100%	100%
c. Other (Specify/add rows of needed)	0	0	0.0%	0.0%	0.0%	0.0%
TOTAL OCCUPANCY %	**0**	**0**	**0.0%**	**100%**	**100%**	**100%**
6. OUTPATIENT VISITS						
a. Residential	0	0	0	0	0	0
b. III.7 and III.7D	0	0	0	0	0	0
c. Other (Specify/add rows of needed)	0	0	0	0	0	0
TOTAL OUTPATIENT VISITS	***0***	***0***	***0***	***0***	***0***	***0***

* Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

EXHIBIT 46

TABLE F

TABLE F. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table F should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table E and with the costs of Manpower listed in Table G. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income.

Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.

Indicate CY or FY			**CY 20**	**CY 21**	**CY 22**	**CY 23**
1. REVENUE						
a. Inpatient Services				$ 7,934,914	$ 8,252,310	$ 8,541,141
b. Outpatient Services			$ -	$ -		
Gross Patient Service Revenues	***$ -***	***$ -***	***$ -***	***$ 7,934,914***	***$ 8,252,310***	***$ 8,541,141***
c. Allowance For Bad Debt			$ -	$ 396,746	$ 412,616	$ 427,057
d. Contractual Allowance						
e. Charity Care			$ -	$ 396,746	$ 412,616	$ 427,057
Net Patient Services Revenue	***$ -***	***$ -***	***$ -***	***$ 7,141,422***	***$ 7,427,079***	***$ 7,687,027***
f. Other Operating Revenues (Specify/add rows if needed)						
NET OPERATING REVENUE	***$ -***	***$ -***	***$ -***	***$ 7,141,422***	***$ 7,427,079***	***$ 7,687,027***
2. EXPENSES						
a. Salaries & Wages (including benefits)				$ 409,200	$ 421,476	$ 434,120
b. Contractual Services				$ 204,600	$ 210,738	$ 217,060
c. Interest on Current Debt						
d. Interest on Project Debt						
e. Current Depreciation						
f. Project Depreciation						
g. Current Amortization						
h. Project Amortization						
i. Supplies				$ 400,000	$ 450,000	$ 460,000
j. Other Expenses (Specify/add rows if needed)				$ 110,000	$ 150,000	$ 160,000
TOTAL OPERATING EXPENSES	***$ -***	***$ -***	***$ -***	***$ 1,123,800***	***$ 1,232,214***	***$ 1,271,180***
3. INCOME						
a. Income From Operation	**$ -**	**$ -**	**$ -**	**$ 6,017,622**	**$ 6,194,865**	**$ 6,415,847**
b. Non-Operating Income						
SUBTOTAL	***$ -***	***$ -***	***$ -***	***$ 6,017,622***	***$ 6,194,865***	***$ 6,415,847***
c. Income Taxes			$ -			
NET INCOME (LOSS)	***$ -***	***$ -***	***$ -***	***$ 6,017,622***	***$ 6,194,865***	***$ 6,415,847***

4. PATIENT MIX						
a. Percent of Total Revenue						
1) Medicare						
2) Medicaid				92.0%	94.0%	95.0%
3) Blue Cross						
4) Commercial Insurance						
5) Self-pay						
6) Uninsured				8.0%	6.0%	5.0%
TOTAL	***0.0%***	***0.0%***	***0.0%***	***100.0%***	***100.0%***	***100.0%***
b. Percent of Equivalent Inpatient Days						
1) Medicare						
2) Medicaid				92.0%	94.0%	95.0%
3) Blue Cross						
4) Commercial Insurance						
5) Self-pay						
6) Uninsured				8.0%	6.0%	5.0%
TOTAL	***0.0%***	***0.0%***	***0.0%***	***100.0%***	***100.0%***	***100.0%***
TOTAL	***0.0%***	***0.0%***	***0.0%***	***100.0%***	***100.0%***	***100.0%***

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TABLE F CALCULATIONS

LEVEL	BEDS	OCCUPANCY	BEDS OCCUPIED	RATE (ROOM&BOARD + TREATMENT RATE)	ALOS	NUMBER OF ALOS IN CY 21, CY 22, AND C23	# DAYS	REVENUE
3.7 + ROOM & BOARD	30	100%	30.00	$337.49	26	14.04	10950.0	**$ 3,695,515.50**
3.7 WM + ROOM & BOARD	29	100%	29.00	$400.51	7	52.14	10585.0	**$4,239,398.35**
TOTAL BEDS	**59**					**TOTAL DAYS (3.7 + 3.7WM)**	**21535.0**	Table C Line 2b CY 22, CY 22, CY 23
							TOTAL REVENUE	**$ 7,934,913.85 TABLE F Line 1a CY 21**

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TABLE G

TABLE G. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G.

	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
Job Category	**Current Year FTEs**	**Average Salary per FTE**	**Current Year Total Cost**	**FTEs**	**Average Salary per FTE**	**Total Cost** *(should be consistent with projections in Table D, if submitted).*	**FTEs**	**Average Salary per FTE**	**Total Cost**	**FTEs**	**Total Cost** *(should be consistent with projections in Table D)*
1. Regular Employees											
Administration *(List general categories, add rows if needed)*											
Executive Director	1.0	$114,840	$114,840							1.0	$114,840
Front Office Manager	1.0	$52,800	$52,800							1.0	$52,800
Intake Specialist	1.0	$46,200	$46,200							1.0	$46,200
Director of Operations	1.0	$79,200	$79,200							1.0	$79,200
Total Administration	4.0	293,040.0	293,040.0							4.0	293,040.0
Direct Care Staff *(List general categories, add rows if needed)*											
Clinical Supervisor	0.50	$79,200	$39,600							0.5	$39,600
Counselors	7.00	$52,800	$369,600	3.0	$52,800	$158,400				10.0	$528,000
Nurse Practitioner	0.25	$158,400	$39,600	0.25	$158,400	$39,600				0.5	$79,200
RN	0.50	$79,200	$39,600	1.5	$79,200	$118,800				2.0	$158,400
LPN	1.00	$46,200	$46,200	2.0	$46,200	$92,400				3.0	$138,600
Total Direct Care	9.3	415,800.0	534,600.0	6.8	336,600.0	409,200.0				16.0	943,800.0
Support Staff *(List general categories, add rows if needed)*											
Head Cook	1.0	$52,800	$52,800							1.0	$52,800
Cook Help	2.0	$55,440	$110,880							2.0	$110,880
House Manager	10.0	$39,600	$396,000							10.0	$396,000
Total Support	13.0	147,840.0	559,680.0							13.0	559,680.0
REGULAR EMPLOYEES TOTAL	***26.3***	***856,680.0***	***1,387,320.0***	***6.8***	***336,600.0***	***409,200.0***				***33.0***	***1,796,520.0***

2. Contractual Employees											
Administration *(List general categories, add rows if needed)*											
Total Administration											
Direct Care Staff *(List general categories, add rows if needed)*											
Mental Health Therapist	0.25	$105,600	$26,400	0.25	$105,600	$26,400				0.5	$52,800
Psych Nurse Practitioner	0.25	$184,800	$46,200	0.25	$184,800	$46,200				0.5	$92,400
Medical Director				0.5	$264,000	$132,000				0.5	$132,000
Total Direct Care Staff	0.5	290,400.0	72,600.0	1.0	554,400.0	204,600.0				1.5	277,200.0
Support Staff *(List general categories, add rows if needed)*											
Total Support Staff											
CONTRACTUAL EMPLOYEES TOTAL	***0.5***	***290,400.0***	***72,600.0***	***1.0***	***554,400.0***	***204,600.0***	***0.0***	***0.0***	***0.0***	***1.5***	***277,200.0***
Benefits *(State method of calculating benefits below)**:***											
TOTAL COST	***26.8***		***$1,459,920***	***7.8***		***$613,800***	***0.0***		***$0***		***$2,073,720***