

STATE OF MARYLAND



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MARYLAND HEALTH CARE COMMISSION

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

April 12, 2021

VIA E-MAIL

Mr. Yinka Fadiora
Hope Health Systems
1726 Whitehead Road
Woodlawn, Maryland 21207

Re: Application for Certificate of Need to Establish a Freestanding Inpatient Psychiatric Hospital for Children and Adolescents, Matter No. 20-03-2444

Dear Mr. Fadiora:

Commission staff has reviewed the above-referenced modified application for a Certificate of Need (CON). We have a number of completeness questions which will require a response.

1. The In the response to question two in completeness questions dated 11/22/2020 the response stated the approval of zoning for the use of a psychiatric hospital had not been finalized. In addition, you confirmed that the zoning for the land is for “manufacturing- light.” Please update the response to this completeness question about zoning approval.
2. As has been pointed out by questions from HSCRC, the applicant seems to have mixed and mingled its assignment of assets, expenses, and revenues between and among various entities it controls. For example:

- a) Page 5 of the CON application states that HHS owns the building in Woodlawn.
- b) Directly contradicting the statement immediately above, page 7 of the CON application states that HHS leases the building.
- c) Exhibit 3 in the application – a copy of a lease between Hope Health Properties, LLC (landlord) & Hope Health Hospital (tenant) – further confuses the issue, i.e., does this mean Properties owns the building, contradicting what is stated in a)?
- d) Page 10 of the completeness responses dated 01/07/2021 states that HHS owns 100% of HHP...which this could explain the apparently contradictory statements re: ownership made in a) and c)?

Please provide an organization chart for your company showing the relationships between the applicant and the other entities, defining them as either subsidiary corporate entities or operating divisions. At minimum, the chart should include Hope Health Systems, Hope Health Properties and Hope Health Hospital. Supplement that chart with a written description of each involved entity and its role within the organizational structure.

COMAR 10.24.07, State Health Plan for Facilities and Services: Psychiatric Services

Standard AP 11

3.. In your modified application you state that your proposed rates include ancillary charges, while other providers such as Sheppard Pratt do not include ancillary charges.

- a. Is there a similar concern for the providers listed in Figure 2.1 with University of Maryland, Johns Hopkins, Medstar Franklin Square and Carroll Hospital Center?

b. Did you calculate the cost per discharge by all discharges with selected DRGs, or just those discharges with length of stay under 30 days?

Other Criteria from COMAR 10.24.01.08G

Viability

4. The modification lowers the projected rate from \$1,658 to \$1,585.

- a) What assumptions were made to drive this result?
- b). This rate is still above the average number reported by Sheppard Pratt for FY2021 (\$1,257 for themselves and \$1,137 for Brook Lane) for freestanding psychiatric specialty hospitals. Explain why this difference exists.

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Tables

5. Please explain your assumptions when calculating your occupancy rate.
6. Describe in more detail the factors used to figure out the \$634,000 for contractual services. Define and describe the items included in the contractual services.
8. You increased the FTE count from 59.7 to 65.1, an increase of 5.4. What informed the changes to the staffing projections? What resources or staffing guidelines were employed to determine the staffing needs as presented in the table?
7. How did you determine the projected cost for dietary, housekeeping, laundry/linen, infection control and patient safety, IT services and medical records, patient accounting and business office, pharmacy and supplies, and physical plant maintenance?
8. There is no adjustment for benefits in addition to salary totals at the bottom of Table L. The instructions in Table L tell the applicant to include the benefit calculation. Please submit a corrected Table L or explain this omission.

Please submit four copies of the responses to completeness questions and the additional information requested in this letter within ten working day of receipt. Also submit a response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

All information supplementing the application must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

Should you have any questions regarding this matter, feel free to contact me at (410) 764-5982.

Sincerely,



Eric Baker
Program Manager/CON Analyst

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cc: Niles Kalyanaraman, M.D., Health Officer, Anne Arundel County
Letitia Dzirasa, M.D., Health Officer, Baltimore City
Gregory W. Branch, M.D., Health Officer, Baltimore County
Edwin F. Singer, Health Officer, Carroll County
Russell Moy, M.D., Health Officer, Harford County
Maura J Rossman, M.D., Health Officer, Howard County
James C. Buck, Esq., Gallagher Evelius & Jones LLP
Ella R. Aiken, Esq., Gallagher Evelius & Jones LLP
Dana Farrakhan, University of Maryland Medical Center
Bryan Niehaus
Patricia Nay, M.D., Executive Director, Office of Health Care Quality, MDH
Suellen Wideman, Assistant Attorney General
Kevin McDonald, Chief, CON
Jeanne Marie Gawel, Program Manage