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October 14, 2021

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***Via Electronic Mail***

Ruby Potter
Health Facilities Coordinator
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Re: Hope Health Systems, Inc.
Application for Certificate of Need
Docket No. 20-03-2444

Dear Ms. Potter:

Enclosed for filing in this review is the Applicant's Response to Sheppard Pratt Health System's Interested Party Comments on Hope Health System's April 26, 2021 and August 19, 2021 Additional Information Filings.

Please let me know if you have any questions. Thank you for your attention to this matter.

Sincerely,

DocuSigned by:
Marta Harting
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Marta D. Harting

MDH/dll
Enclosure

cc: James C. Buck, Esquire
Dana Farrakhan, Senior Vice President, University of Maryland Medical Center, Inc.
Bryan Niehaus, JD, CHC
Nilesh Kalyanaraman, M.D., Health Officer, Anne Arundel County
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Wynee Hawk, Chief, Certificate of Need
Jeanne Marie Gawel, Program Manager
Eric Baker, Program Manager

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| IN THE MATTER OF | * | |
| | * | BEFORE THE |
| HOPE HEALTH SYSTEMS APPLICATION | * | |
| | * | MARYLAND HEALTH |
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| Docket No. 20-03-2444 | * | CARE COMMISSION |
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**APPLICANT'S RESPONSE TO SHEPPARD PRATT HEALTH SYSTEM'S INTERESTED PARTY COMMENTS ON HOPE HEALTH SYSTEM'S APRIL 26, 2021 AND AUGUST 19, 2021 ADDITIONAL INFORMATION FILINGS**

The Applicant, Hope Health Systems, Inc. ("HHS"), responds to the interested party comments by Sheppard Pratt Health System, Inc. ("Sheppard Pratt") on HHS's April 26, 2021 and August 19, 2021 additional information filings as set forth below.

## INTRODUCTION

HHS filed this certificate of need (CON) application to establish a new 16-bed inpatient psychiatric special hospital (Hope Health Hospital) serving adolescents and children to complete the wide continuum of outpatient mental health services it has been providing for more than twenty years in the state. HHS believes that the number of inpatient beds in Maryland for children and adolescents is wholly inadequate with devastating consequences, particularly for underserved racial and other minorities, as detailed in its Application and other filings by HHS. HHS also believes that as a certified minority business enterprise that has provided culturally competent outpatient mental health care to these communities for more than twenty years throughout Central Maryland and beyond as described in the Application, it is uniquely well qualified to fill the void left by existing programs and meet the demonstrated need.

Although HHS is an experienced provider of mental health and substance use outpatient and residential programs in the state, it had never filed a CON application before this one. Further, since it is not an existing hospital, HHS faced hurdles in obtaining data and other information to

support its application that is available to existing hospitals, and had to rely on information that Sheppard Pratt – which opposes the project – chose to provide in its various comments. HHS recognizes that these issues and its lack of a complete understanding of the process resulted in its filing modifications and changes to its supporting information beyond what perhaps an experienced CON applicant would have filed.

HHS believes that the record in this review supports the issuance of the CON to HHS to establish Hope Health Hospital and that Sheppard Pratt's October 4 comments are without merit for the reasons discussed below.

## ARGUMENT

### 1. INPATIENT PSYCHIATRIC HOSPITAL EXPERIENCE

Sheppard Pratt's assertion that HHS's "principals" do not have any experience owning, operating or working for a psychiatric hospital obscures the wealth of psychiatric inpatient services experience within HHS's leadership and key staff. HHS's only principal – Mr. Oladipo Fadiora – is a seasoned and experienced administrator of mental health facilities and programs, including managing adult residential services, and outpatient mental health services. While he does not personally have experience operating or working in an inpatient psychiatric hospital, HHS's leadership and key staff have decades of combined experience working in the inpatient psychiatric hospital setting, including child and adolescent inpatient settings.

HHS's medical director, Dr. Jonathan Shepherd, M.D., is a child and adolescent psychiatrist who has provided mental health services to children and adolescents for over 15 years in outpatient as well as inpatient settings, including working as an attending physician at Sheppard Pratt Hospital. Dr. Shepherd received the distinguished Fellow by the American Academy of Child and Adolescent Psychiatry in July 2019 for representing excellence and his significant

contributions to the field of psychiatry. Dr. Shepherd is a graduate of the University of Illinois at Chicago Medical School and Adult psychiatry program and a resident of the Johns Hopkins School of Medicine. Dr. Shepherd has served and provided treatment for clients in a variety of areas including, among others, Attention Deficit Hyperactivity Disorder, Mood Disorders, Anxiety Disorders, Obsessive-Compulsive Disorders, Post-Traumatic Stress Disorders.

Dr. Akinwande Akintola, M.D., a child and adolescent psychiatrist who is a consultant to HHS and serves as its quality assurance specialist, completed his residency at Johns Hopkins Medical School | New Jersey Medical School - UMDNJ. Dr. Akintola is a Double Board- Certified Executive Medical Director with more than 25 years of clinical and leadership experience improving and implementing system-wide organizations. Dr. Akintola has over eight years' experience working in inpatient psychiatric units.

Dr. Annelle B. Primm, M.D., MPH, has been with HHS since 2016 as a senior psychiatrist advisor providing strategic consultation to the CEO and Medical Director and clinical services to adults. She earned her medical degree from Howard University. After completing her residency in psychiatry at Johns Hopkins in Baltimore, she earned her MPH degree from Johns Hopkins School of Public Health in 1985. She has 16 years of experience in providing inpatient mental health services and approximately 30 years of experience in providing mental health services. Dr. Primm worked at Johns Hopkins Hospital from 1980 until 2004. She held a variety of positions at Hopkins including, staff psychiatrist, associate professor, and the Director of Community Psychiatry.

Dr. Primm also worked as the Deputy Medical Director and as the Director of the Division of Diversity and Health Equity for the American Psychiatric Association.

Florence Fadiora, R.N., serves as HHS's Treatment Coordinator. She obtained her bachelor's degree in health administration from St. Joseph College, Brooklyn, NY. She has been a

practicing nurse for over 40 years and worked as a Psychiatric Nurse in various positions, including Nurse Manager and Supervisor for over 30 years, including inpatient settings at Walter P. Carter psychiatric hospital in Maryland and Ward Island psychiatric hospital in Manhattan, NY.

Further, although he has not worked in an inpatient psychiatric hospital setting previously, Yinka Fadiora, MMS, M. ED., CCHP, HHS's Executive Director, has extensive experience in managing the provision of mental health services in institutional settings. This includes HHS's services to the State Department of Juvenile Services (DJS) under its longstanding contract to provide mental health services within major DJS facilities in the State, including the Baltimore City Juvenile Justice Center, the Charles Hickey School, the Thomas J. S. Water Center, Cheltenham Youth Detention Center, and the Alfred D. Noyes Children's Center. HHS's services to DJS include assistance in securing inpatient psychiatric placements for youths in DJS custody when necessary. Under Mr. Fadiora's leadership, HHS's reforms in the provision of mental health services to youth in DJS custody after taking over the contract in 2006 resulted in the removal of all the Civil Rights of Institutionalized Persons Act (CRIPA) deficiencies in DJS facilities that were in place when HHS commenced services. Mr. Fadiora has a master's in human services and a master's in education in rehabilitation counseling. He also has a managing healthcare certificate from Harvard University.

Contrary to Sheppard Pratt's argument, HHS's architect extensive healthcare facility experience in Maryland. Please refer to Exhibit 1[1].

Accordingly, Sheppard Pratt's argument that HHS lacks relevant experience to establish and operate an inpatient psychiatric hospital should be rejected.

## 2. FINANCIAL VIABILITY

### A. Expenses

[1] Since the exhibits to and tables in the filings by HHS after the Application was filed, were not consecutively numbered, numbering in this filing will start with 1.

Sheppard Pratt's argument that HHS has underestimated its operating expenses is largely based on its claim that HHS "could never" retain the services of psychiatrists and psychologists, clinical director and an infection control/health safety professional without paying them benefits. Sheppard Pratt provides no support for this sweeping claim, instead relying on the HSCRC's comment that the marketplace is very competitive for medical and clinical professionals. It suggests that HHS cannot credibly project to retain these positions on a contractual basis, repeating its claim that HHS's "principals" have no experience owning operating or working for or at a psychiatric hospital. Sheppard Pratt then presents a revised CON Table K (Revenues and Expenses, Inflated, New Facility or Service) adding 20% employee benefits to these positions, based on which it claims HHS would lose money every year and suffer a $1.7 Million cumulative loss through Year 5 of operations.

Sheppard Pratt's argument (and addition of benefits expense) should be rejected. HHS has been providing mental health services to adults, adolescents and children in Maryland for more than 20 years. It has extensive experience in retaining the services of these types of professionals to support work in its programs, including partial hospitalization, intensive outpatient programs, outpatient clinics, psychiatric rehabilitation, school based mental health programs and institutional mental health programs. Further, as shown above, HHS has a wealth of experience in its existing leadership and key staff in the inpatient psychiatric setting, including children and adolescent settings, from which to draw in operating the proposed Hope Health Hospital.

In HHS's experience, it is not uncommon to engage these types of positions as independent contractors. Indeed, HHS's current staff includes nine psychiatrists specializing in children and adolescents who are independent contractors and are not paid benefits. HHS does not dispute that the market for medical and clinical professionals is competitive, but that fact has little or no

bearing on how these professionals are engaged. A psychiatrist may decide for a variety of reasons that s/he would rather have the flexibility of being an independent contractor rather than an employee, recognizing that s/he will bear the responsibility for benefits, but negotiating for higher contractual compensation than the salary that would be paid to an employee to account for the fact that no benefits are provided, and HHS's projection for contractual expense accounted for this.

Even if it turns out that HHS needs to retain some of these positions as employees with benefits rather than independent contracts once the hiring process begins, HHS's net operating revenue projection is based on a very conservative projection of bad debt in comparison to other providers providing a significant cushion to maintain financial viability.

**TABLE 1**

| Filing | Year | Bad Debt Allowance | Contractual Allowance | Charity Care Allowance | Total Adjustments |
|---|---|---|---|---|---|
| Hope Health System | 2021 | 11% | 6% | 4.11% | 21% |
| University of Maryland Psych (Docket #18-24-2429) | 2018 | 14.5% | | | 14.5% |
| Brook Lane (FY 2019 Cost Report) | 2019 | 3.71% | 8.63% | 2.05% | 14.39% |
| Sheppard Pratt (FY 2019 Cost Report) | 2019 | 0.12% | 8.83% | 3.27% | 12.22% |

The closest analogy to Hope Health Hospital is the recently approved University of Maryland psychiatric unit (Docket # 18-24-2429), which projected to serve 85% Medicaid. See Table K in that Application. (Lower bad debt is to be expected with Medicaid than with

commercial payors since there is no patient cost sharing.[2]). That project used a combined allowance of 14.5% (see Comprehensive Statement of Assumptions used to Complete Tables F-L), as compared to HHS's total allowance of 21% incorporating an 11% bad debt allowance. Brook Lane's Medicaid percentage of net revenue in FY19 was 44.15%[3] and 47.44% in FY20[4] and it a bad debt allowance of only 3.71% in FY19 for regulated services according to its cost report.

Even using Sheppard Pratt's unsupported suggestion that HHS will be unable to fill any of these positions with independent contractors (which is contrary to HHS's experience) and adding those benefit expenses to HHS's expenses as presented by Sheppard Pratt in its Table 8, using a bad debt percentage of 5% (which would still leave HHS higher than other programs) makes the program profitable.

**TABLE 2**

| | Year | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|
| *Sheppard Pratt Table 8 Figures* | *NET OPERATING REVENUE* | $5,844,590 | $6,352,704 | $6,495,531 | $6,638,359 | $6,781,186 | $6,924,013 | $7,066,840 |
| | *TOTAL OPERATING EXPENSES* | $6,401,627 | $6,586,253 | $6,710,071 | $6,835,726 | $6,963,255 | $7,092,689 | $7,224,067 |
| | *NET INCOME (LOSS)* | *($557,037)* | *($233,549)* | *($214,540)* | *($197,367)* | *($182,069)* | *($168,676)* | *($157,227)* |
| | *Cumulative Loss* | | | | | | | *($1,710,465)* |
| *Sheppard Pratt Table 8 with Net Operating Revenue @ 5% bad debt* | *NET OPERATING REVENUE** | $6,289,101 | $6,835,861 | $6,989,550 | $7,143,241 | $7,296,931 | $7,450,621 | $7,604,310 |
| | *TOTAL OPERATING EXPENSES*** | $6,401,627 | $6,586,253 | $6,710,071 | $6,835,726 | $6,963,255 | $7,092,689 | $7,224,067 |
| | *NET INCOME (LOSS)* | ($112,526) | $249,608 | $279,479 | $307,515 | $333,676 | $357,932 | $380,243 |
| | *Cumulative Profit* | | | | | | | *$1,795,927* |

[2] See COMAR 10.09.95.07 for payment regulations and the Maryland State Medicaid Plan documenting no cost sharing for inpatient services.

[3] https://hscrc.maryland.gov/Documents/Hospitals/ReportsFinancial/Audited/FY-2019/Brook%20Lane.pdf

[4] https://hscrc.maryland.gov/Documents/Hospitals/ReportsFinancial/Audited/FY%202020/Brook%20Lane%20Health%20Services%20Financial%20Statements%202020.pdf

Sheppard Pratt also suggests that HHS did not include the costs of its admission services (physical health assessments and physical and medical history examinations and educational assessments) in its projections. It bases this claim on that fact that HHS did not mention these services in response to Question 7 in the additional information requests to which HHS responded on April 26, 2021. This is incorrect. HHS included these medical examination and education assessment expenses in Tables J and K, specifically as part of the miscellaneous expenses reported on Line j in those tables. Question 7 did not inquire about these expenses. That question asked HHS to explain how it determined its 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, and HHS's response addressed those particular items. Likewise, Sheppard Pratt incorrectly claims that HHS did not include laboratory services vendor costs or laboratory service supplies. These expenses are included in Supplies (Line i) in Tables J and K.[5]

Sheppard Pratt suggests that HHS's projection that it will pay 21% of salaries to employees in benefit costs is "well below" the market rate, but it refers to benefit costs that were accepted in other approved projects that are virtually identical (21.7%, 20% and 22%). Far from demonstrating that HHS's projection is "well below" the market, those approved projects demonstrate that its projection is well within the market. In any event, it is based on HHS's experience with its existing employees.

[5]This line item includes both supplies and services because it is based on a composite figure of Sheppard Pratt's ancillary service cost departments (as reported within the Medicare cost report line items) published by a third party vendor (Definitive Healthcare https://www.defhc.com/home ) which includes all direct costs associated with laboratory services. HHS increased its projection amount by 25% as compared to Sheppard Pratt's to reflect any economies of scale that it may not benefit from as a smaller facility.

Sheppard Pratt also claims that the wage inflation projected by HHS (1.9%) is too low, and that wage inflation for clinical staff has been increasing 5-7% a year. First, HHS used 2% not 1.9% to forecast expense inflation. Further, the most recent inpatient psychiatric CON approved by the MHCC (Luminis Health Doctors Community Medical Center Adult Inpatient Psychiatric Unit, Docket No. 21-16-2448, approved on September 23, 2021), was based on a wage inflation rate of 2%, identical to that used by HHS. Wage inflation of 2% is based on HHS's experience as an employer in the recent years prior to the filing of the application.[6]

Sheppard Pratt refers to the absence of the real property tax pass through expense under the lease and depreciation on HHS's major moveable equipment in Tables J and K. The first time that this this deficiency was identified in this review was in the HSCRC's August 9, 2021 Memorandum, but HHS has been denied the opportunity to update these Tables to include this information. The amount in question is part of the record, however, in the HSCRC's August 9 Memorandum, totaling $97,475 annually. Including this amount with no other changes would put the project at nearly breakeven by the end of Year 5 on an inflated basis. However, the HSCRC also noted in its Memorandum that principal repayment must be removed from the amortization expense, another correction that HHS has not been permitted to make that would show profitability. Further, if actual bad debt turns out to be below HHS's extremely conservative assumption of 11%, which is very likely given the Medicaid percentage and the experience of other providers discussed above, it would also counteract the additional $97,475. HHS also notes that the vast majority of the additional expense ($87,500) is depreciation expense which is not a cash item so it doesn't affect HHS's ability to pay its bills and payroll.

[6] While the US Bureau of Labor Statistics reports 3% wage inflation for the 12 months ended June, 2021 with the impact of COVID, HHS notes that it assumed a 2.3% inflation factor in rates from the HSCRC, which has already been exceeded by a 2.57% increase in FY22 rates in part to reflect the higher costs of labor.

**B. Revenues**

Sheppard Pratt points out that HHS has not filed a rate application with the HSCRC yet (which it cannot file since it is not yet a hospital), and then proclaims that it is "inconceivable" that the per diem rate used by HHS for adolescents would be authorized by the HSCRC because it is higher than Sheppard Pratt's rate which treats a higher acuity population.

Although it argues that HHS projects a higher rate than Sheppard Pratt's approved rates, Sheppard Pratt is silent about what its rates actually are (and what is included in those rates) in its October 4 comments, so it is difficult to respond to whether HHS's projected rate is higher. However, HHS notes that, as explained in its April 26, 2021 additional information response, Hope Health Systems per-day rate is before its bad debt, charity care, and contractual adjustments, while it is unclear whether Sheppard Pratt's self-reported rate includes adjustments or what such adjustment were for Sheppard Pratt. Further, Sheppard Pratt previously provided inconsistent information regarding its rates as discussed in that response. In its March 31, 2021 Interested Party Comments, Sheppard Pratt reported an average inclusive per day rate for children and adolescents of $1,522 in FY20, but Hope Health System's projected rate of $1,585 is for CY 2022. Applying the HSCRC's update factors since FY20, Sheppard Pratt's average rate would be higher (at $1,604.35) than the rate projected by HHS rate for CY2022.

**C. Resources for the Project**

Sheppard Pratt argues that the total rent to be paid by HHS to HHP under the existing lease for the outpatient programs and the amendment to the lease for the hospital is insufficient to cover HHP's combined mortgage as shown in Figure 1 to HHS's April 26 additional information filing. The total annual rent to be paid by HHS is $353,269 ($192,540 annually for the outpatient space and $160,728 annually for the hospital space), $8,500 less than total annual mortgage payment by

HHP of $361,837 shown in Figure 1 in that filing. HHS is not HHP's only tenant in that building. Approximately 20% of the building is leased to an unrelated third party at a market rent. The remainder of the mortgage payment not covered by HHS is only $8,500 annually or $700 per month.

Sheppard Pratt points out the HHS will be paying less per square foot for the converted hospital space than it pays for the outpatient space and that this is less than a market rent. HHS is getting the benefit of the lower interest rate that HHP will secure for the new mortgage in the rental rate for the hospital space. Related companies are free to charge less than market rates and HHS is not aware of any instance in which the MHCC has questioned the existence/validity of below market leases between hospital affiliates.

Sheppard Pratt argues that HHS's cash on hand ratio (as calculated by Sheppard Pratt) is low based on its FY 19 audited financial statements. As previously stated in this review in response to the request for the FY20 audit, HHS's FY20 audited financial statement is expected later this month. (The auditor had informed HHS that it is in the final "testing" process in which it contacts vendors to verify accounts payable.) Upon issuance HHS will seek leave to file it in this review. Based on the Reviewed Financial Statement provided to HHS by the auditor, HHS expects its cash on hand position for FY20 to show improvement over FY19. HHS would be happy to provide the Reviewed Financial Statement if authorized by the Reviewer pending receipt of the final Audited Financial Statement.

**3. COST EFFECTIVENESS/STANDARD AP 11**

Sheppard Pratt argues that HHS's application should be denied because it did not exclude psychiatric admissions to acute care general hospitals greater than 30 days from the calculation to which it compared its age-adjusted average total cost per admission. It suggests that it is clear

in the standard that such admissions must be excluded. This is incorrect. The standard states that the applicant "must document that the age-adjusted average total cost for an acute (<30 days) Psychiatric admission is no more than the age-adjusted average total cost per acute psychiatric admission in acute general psychiatric units in the local health planning area." Under the plain language of the standard, the parenthetical limitation "(<30 days)" only modifies the word "acute" with reference to the applicant's projected total average cost per admission; it does not modify "acute" with reference to the average total cost for acute general hospitals in the region.

Moreover, Sheppard Pratt would not satisfy the standard under its own interpretation of it. The age-adjusted cost per discharge based on HSCRC data demonstrates that Sheppard Pratt's costs per discharge are in excess of the Central Maryland Planning Region hospitals, using either the figures from Sheppard Pratt's March 1, 2021 comments, Hope Health Systems response to Interested Party Comments on March 15, 2021, or Sheppard Pratt's comments on March 31, 2021.

**Table 3**

| ***HSCRC Data - (APR-DRG 740-776) (Age 0-12)*** | | |
|---|---|---|
| **YEAR** | **Hospital Name** | **Age-Adjusted Average Total Cost Per Discharge** |
| 2019 | Sheppard Pratt Health System | $18,482.66 |

| ***HSCRC Data - (APR-DRG 740-776) (Age 13-17)*** | | |
|---|---|---|
| **YEAR** | **Hospital Name** | **Age-Adjusted Average Total Cost Per Discharge** |
| 2019 | Sheppard Pratt Health System | $21,219.68 |

**TABLE 4**

| Age-Adjusted Cost Per Discharge Central Maryland Planning Region | | |
|---|---|---|
| **Filing** | **Children** | **Adolescent** |
| Sheppard Pratt 3/1/2021 Comments | $14,763 | $12,680 |
| Hope Health Systems Response 3/15/21 | $16,483.99 | $16,719.50 |
| Sheppard Pratt 3/31/2021 Comments | Not Reported | $13,746.04 |

Further, Sheppard Pratt also noted in its March 31, 2021 comments that its undefined inclusive per day rate in FY 2020 was $1,522. Adjusting for HSCRC rate increases of 2.77% in FY 2021 and 2.57% for FY 2022, the per day rate of $1,604.35 at a ALOS of 9.2 would result in a cost per case of $14,760, exceeding both Sheppard Pratt's own calculation for adolescents costs per discharge for acute care hospitals in the Central Maryland Planning Region under Sheppard Pratt's interpretation of AP 11 and HHS's calculations.

Sheppard Pratt again argues that HHS has not demonstrated that it will achieve reductions in the average length of stay. Other inpatient psychiatric hospital projects approved by the Commission have projected reductions in length of stay based on early stage discharge planning and leveraging onsite outpatient programs and integrating closely with local community based support systems, just as HHS explained in its application and April 26, 2021 additional information filing. See, for example, Anne Arundel Medical Center Mental Health Hospital (Docket No. 16-23-2375; Application at 16). The fact that existing providers have outpatient programs -- which was true for these other projects as well – is beside the point. As recognized through the approval of these other projects, the potential to reduce average length of stay arises from the inpatient program having an onsite integrated continuum of care available for patients following discharge, together with close coordination with community-based support systems. Further, given that HHS will primarily serve the Medicaid population, the added element of HHS's status

as a diverse provider with an emphasis on cultural competence will also support being able to transition patients to community-based settings sooner than existing programs.

**4. NEED**

Sheppard Pratt argues that HHS has not demonstrated need because it has "no presence" outside of its proposed services area from which to draw the admissions projected by HHS to come from outside its PSA and SSA. Sheppard Pratt is again wrong.

Contrary to Sheppard Pratt's claim, HHS has a strong presence in other parts of the State. As described above, HHS's services to the State Department of Juvenile Services (DJS) under its longstanding contract to provide mental health services within all major DJS custodial facilities in the State, including its facilities in Prince George's County (Cheltenham Youth Detention Center and Waxter) and Montgomery County (the Alfred D. Noyes Children's Center). HHS's services to DJS include securing inpatient psychiatric placements for youths in DJS custody when necessary, and HHS works extensively with the local health departments and community based providers in those jurisdictions in connection with its services to DJS so it has strong ties in those communities.

In addition, HHS has been partnering with Centurion Managed Care for the last nine years to provide community re-entry programs for released inmates and serves as a direct link to community resources. HHS in collaboration with Centurion Managed Care provides behavioral health care to individuals imprisoned in the State of Maryland. These services also extend outside the primary and secondary service areas.

Further, HHS is opening a new outpatient program, including a partial hospitalization program that will serve adolescents, next to the emergency department at the University of Maryland Laurel Medical Center. Contrary to Sheppard's Pratt's claim that existing providers

provide all the same outpatient programming as HHS provides, this program is the first and only partial hospitalization program to serve youth in that County. The Prince George's County Health Officer referred to this program in his letter of support for Hope Health Hospital (Exhibit 5 to Application; Exhibit 2 hereto). The program is opening at the end of this week.

Sheppard Pratt also argues that the project is not needed because HHS's impact analysis projects 84% of its admissions will come from existing providers. This argument flies in the face of Commission precedent approving new psychiatric hospitals and units as needed when they projected to draw all of their admissions from other providers. See, e.g., Anne Arundel Mental Health Hospital project (Docket No. 16-02-2375)(Application at 95).

Sheppard Pratt also claims that HHS has not provided letters of support to demonstrate that it will achieve the volumes it projects. This is incorrect. Letters of support from state and local agencies and health departments and community based organizations and health care providers providing mental health services were filed representing potential referral sources. See Exhibit 5 to Application. This includes the Department of Juvenile Services (which has inpatient admissions of youth under its custody and care). It also includes Catholic Charities, which operates the Baltimore Child and Adolescent Response System providing short term intensive community based services for youth in psychiatric crisis, a program that regularly refers to HHS's programs and uses HHS's services today. Support also was expressed by Agape Health Systems, a primary care provider that states that it has "witnessed and referred a number of children and adolescents with mental health issues to HHS."

The letter of support for the project from the Prince George's County Health Officer explains:

> Today, the State of Maryland does not have sufficient inpatient capacity to ensure timely, convenient, and high-quality access to our youth suffering

> from mental health and behavioral disorders. We have no inpatient psychiatric treatment for adolescents in our County of nearly 1 million people. In FY2019, 8,597 adolescents were served in the public behavioral health system, and there were approximately 500 crisis related calls for children under the age of 18 to the Prince George's County Crisis Response System. In FY2019, 373 youth sough inpatient care, which was a 6.6% increase from the prior year. Since we have no inpatient psychiatry services for our youth, this equates to 100% of youth having to seek care in other jurisdictions, including within the Baltimore metropolitan region. … Because the District of Columbia does not honor our legal processes for involuntary evaluations and admissions, and the fact that the District of Columbia hospitals are some of the closest to our jurisdictions, it is even more difficult to place some of our most vulnerable youth such as those in the care of the Department of Social Services when they need inpatient care.
>
> … The proposed facility will be a vital lifeline to expand access for youth in need of inpatient care, while connecting patients and discharging them to intensive and supportive outpatient programs. One of these programs is the HHS planned Partial Hospitalization Program (PHP) for adolescents on the campus of the University of Maryland Laurel Regional Hospital in our County. This would be the first PHP for youth in our County. Having an HHS run program like this will help bridge the gap in our immediate levels of care for our youth with behavioral health concerns. This program will also ensure continuity of care for adolescents served in the proposed HHS facility.

Dr. Carter went on to explain:

> As a minority-owned business with minority medical leaders, such as their medical director, we are confident that HHS will continue to provide culturally sensitive care to meet the needs of our predominantly minority County. With the reinstitutionalization of those with behavioral health conditions in correctional settings and the nation's renewed focus on racial justice, we hope that having an additional facility to serve the behavioral health needs of high acuity youth will help to prevent unnecessary involvement in the criminal justice system for our at-risk residents as well.

This letter was filed with the Application (part of Exhibit 5), and is attached again here separately as Exhibit 2.

Sheppard Pratt argues that HHS will not receive referrals because will not have an ambulance entrance. It is unclear what Sheppard Pratt bases this claim on, but there will be an

ambulance entrance in Hope Health Hospital that will be located next to the gym along the backside of the building. Sheppard Pratt is also incorrect in claiming that there will be no commercial kitchen for Hope Health Hospital. There is a commercial kitchen in the larger building that HHS will use for meal service for the hospital. Likewise, contrary to Sheppard Pratt's claim, Hope Health Hospital will have recreational facilities for its patients (specifically a gym). Sheppard Pratt cites no support for its claim that the Hope Health Hospital will "insufficient safety features" but this is also incorrect. Hope Health Hospital will have all applicable accreditations including the Joint Commission and will have all required safety features.

HHS already receives referrals from hospitals and community based providers throughout the service area and beyond, including Sheppard Pratt and virtually all of the major health systems in the region. While Hope Health Hospital will certainly be a more modest facility than Sheppard Pratt and other existing providers are able to offer, given the ED boarding issues for this population that have been well documented in this review, it simply strains credibility to suggest that acute care hospitals would not refer adolescents boarding in their emergency department in search of an available bed to Hope Health Hospital.

## CONCLUSION

For the reasons stated above and in HHS's previous filings in this review, HHS's Application to for a Certificate of Need to establish Hope Health Hospital should be granted.

October 14, 2021

Respectfully submitted,

*/s/ Marta D. Harting*

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Baltimore, MD 21202

*Attorney for Hope Health Systems, Inc.*

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the Applicant's Response to Sheppard Pratt Health System's Interested Party Comments on Hope Health System's April 26, 2021 and August 19, 2021 Additional Information Filings and attachments are true and correct to the best of my knowledge, information and belief.

Date: October 4, 2021

Signature:

Title: CEO

Printed Name: OLADIPO FADIORA

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the Applicant's Response to Sheppard Pratt Health System's Interested Party Comments on Hope Health System's April 26, 2021 and August 19, 2021 Additional Information Filings and attachments are true and correct to the best of my knowledge, information and belief.

Date: October 4, 2021

Signature:

Title: CFO

Printed Name: LANRE FADIORA

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the Applicant's Response to Sheppard Pratt Health System's Interested Party Comments on Hope Health System's April 26, 2021 and August 19, 2021 Additional Information Filings and attachments are true and correct to the best of my knowledge, information and belief.

Date: October 4, 2021

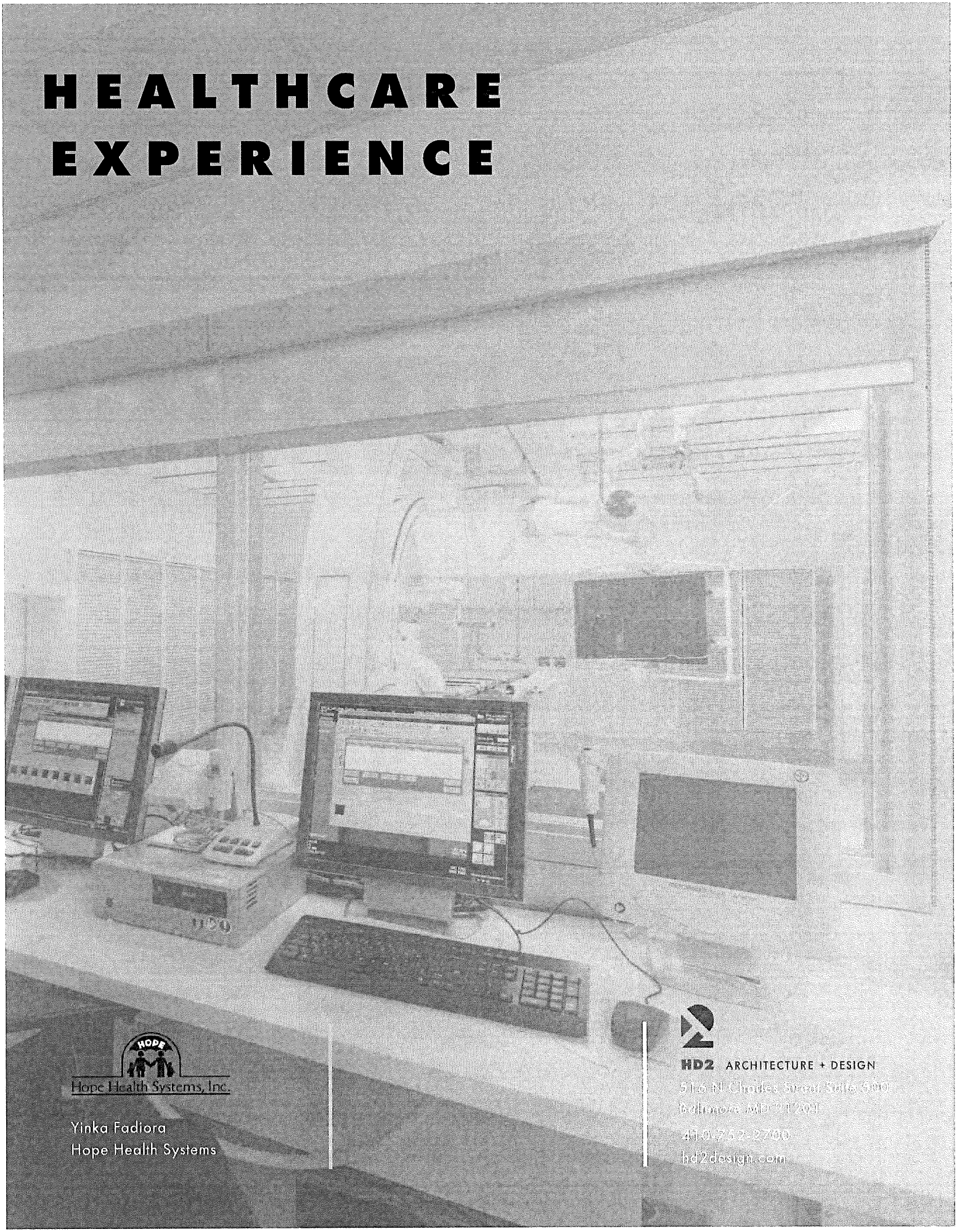
Signature:

Title: Program Director

Printed Name: Yinka Fatoorp

# EXHIBIT 1

# HEALTHCARE EXPERIENCE



Hope Health Systems, Inc.

Yinka Fadiora
Hope Health Systems

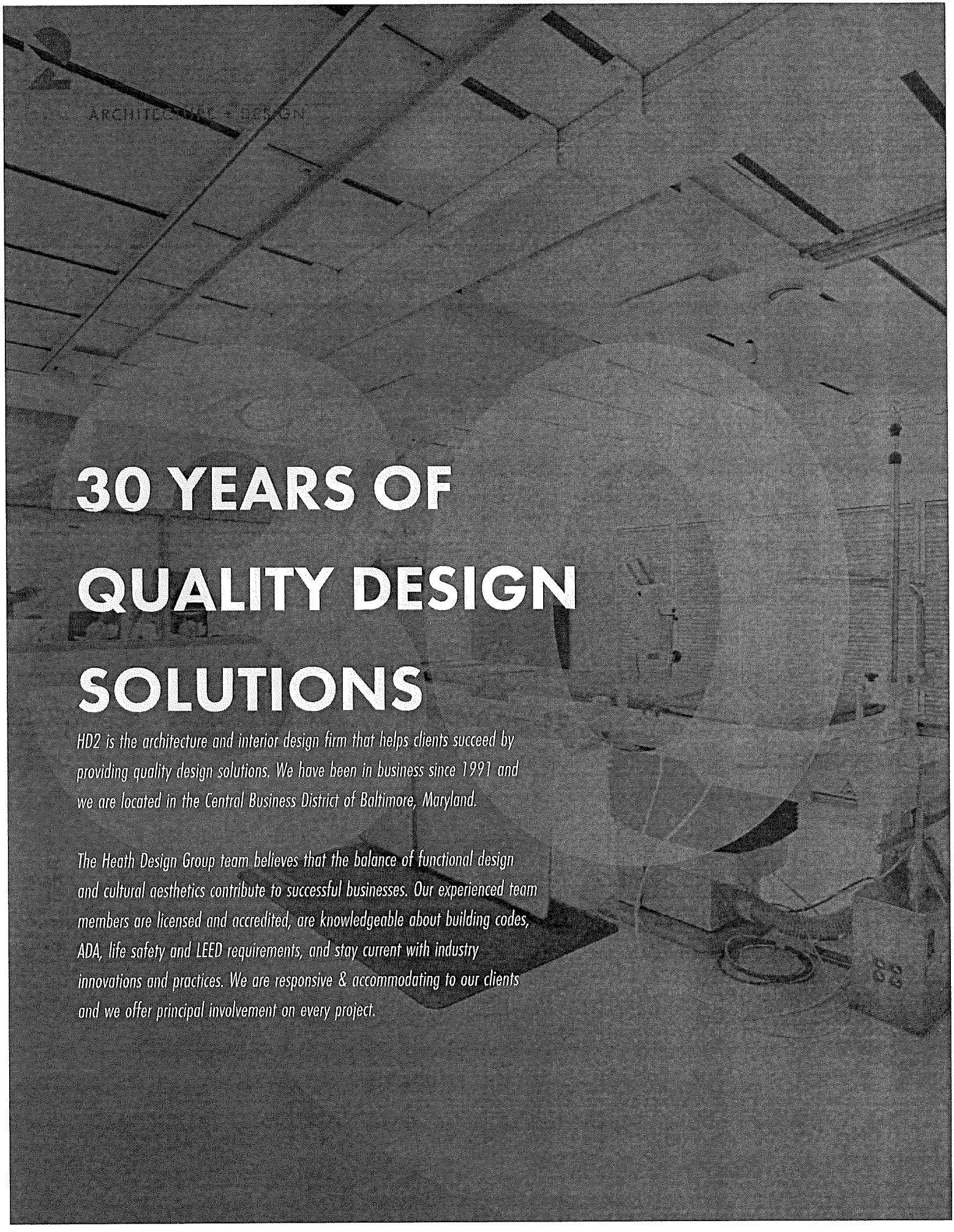
HD2 ARCHITECTURE + DESIGN
516 N Charles Street Suite 500
Baltimore MD 21201
410.752.2700
hd2design.com

# CONTENTS

## LEADER COMMUNICATION & TEAM EXPERIENCE



## PROJECT CONTROLS



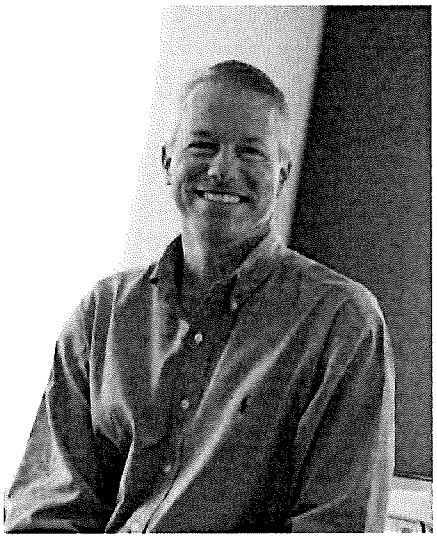
# 30 YEARS OF QUALITY DESIGN SOLUTIONS

*HD2 is the architecture and interior design firm that helps clients succeed by providing quality design solutions. We have been in business since 1991 and we are located in the Central Business District of Baltimore, Maryland.*

*The Heath Design Group team believes that the balance of functional design and cultural aesthetics contribute to successful businesses. Our experienced team members are licensed and accredited, are knowledgeable about building codes, ADA, life safety and LEED requirements, and stay current with industry innovations and practices. We are responsive & accommodating to our clients and we offer principal involvement on every project.*

# Brian Laug, AIA, NCARB

Architect / Principal In Charge
HD2



## Brian's responsiveness, integrity and commitment to principal involvement have greatly shaped the firm's culture for over 20 years.

A graduate of The University of Maryland with a Bachelor of Architecture, Brian Laug serves as the Managing and Design Principal of HD2. Brian's port-folio encompasses a broad spectrum, including corporate office, healthcare, retail and industrial projects. Whether designing a new building or planning office space, Brian's creative ability provides clients with functional solutions that are key in the design process. His dedication to client-oriented architecture has contributed largely to the success of HD2's clients.

---

RELEVANT PROJECT EXPERIENCE

Chase Brexton Health Clinic/Randallstown, MD / Project Architect/Designer

Mid Atlantic Spine/Clinic & Ambulatory Center Newark, DE /Principal In Charge

Medstar Health Ambulatory Center / Dundalk, MD /Principal in Charge

Medstar Health Urgent Care /Gaithersburg,MD /Principal in Charge

UMMC Apoteca Chemotherapy Robot/ Baltimore, MD /Principal in Charge

St. Agnes Hospital
AICU & IMCU /Baltimore, MD /
Project Designer and Architect

Johns Hopkins Health System/Spect CT / Baltimore, MD/Principal in Charge

Johns Hopkins Health System /Catheterization Lab /Baltimore, MD /Principal in Charge

Johns Hopkins Health System /IR Single/ Baltimore, MD /Principal in Charge

Washington Adventist Hospital
Facility Master Plan /Takoma Park, MD/
Principal Designer and Architect

Good Samaritan Hospital
Visitor Center* /Baltimore, MD/
Lead Designer/Architect

PNC
/Multiple Locations, USA /Interior Designer

SAIC
/Multiple Locations, USA/Principal In Charge

---

OFFICE LOCATION

Baltimore, MD

EDUCATION

Bachelorof Architecture,
University of Maryland

PROFESSIONAL AFFILIATIONS

American Institute of
Architects (AIA)

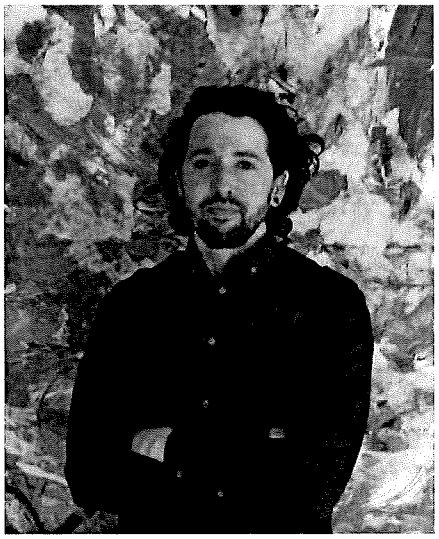
National Council of Architectural Registration Boards
(NCARB)

US Green Building Council
(USGBC)

International Code Council
(ICC)

# Jonathan Kellogg, AIA

Architect / Project Manager
HD2



## Jonathan is an innovative architect with diversified experience in design, leadership and providing distinct solutions to complex problems.

Jonathan brings to HD 2 a vast background of over 15years in commercial design focusing on the healthcare and goverment facilities sectors, he has experience working for a number of high profile clients. His passion for architecture, and interfacing with people of different backgrounds, has led him to make significant contributions on a large variety of local, national and international projects.

---

RELEVANT PROJECT EXPERIENCE

Ireland Army Community Hospital Pathology Lab, /Fort Knox, KY / Architect *

Blanchfield Army Community Hospital / Blue Clinic / Fort Campbell, KY /Architect *

Blanchfield Army Community Hospital Inpatient Behavioral Health /Fort Campbell, KY /Architect *

Tinker Airforce Base Veterinary Treatment Facility /Oklahoma City, OK/Architect *

Ireland Army Community Hospital, Medical Surgery Ward /Fort Knox, KY /Architect *

Shuttleworth Dental Clinic/ Charleston, SC /Architect *

Reynolds Army Health Clinic, Behavioral Health Clinic /Ft Sill, OK /Architect *

Bayne-Jones Army Community Hospital Inpatient and Outpatient Pharmacy/Fort Polk, LA/Architect *

Johns Hopkins Health System/Spect CT / Baltimore, MD/Architect

Johns Hopkins Health System/ Catheterization Lab /Baltimore, MD / Architect

Johns Hopkins Health System /IR Single Plane/ Baltimore, MD /Architect

Under Armour Innovation Lab /Baltimore, MD/Architect *

Under Armour Global Retail /Baltimore, MD /Architect *

Under Armour Retail Space /Manchester, UK /Architect *

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OFFICE LOCATION

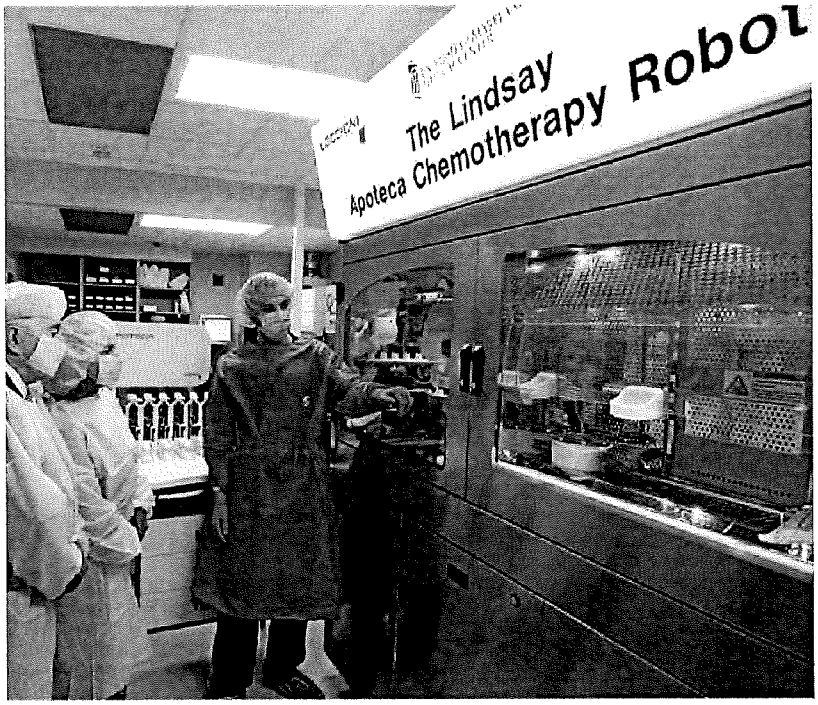
Baltimore, MD

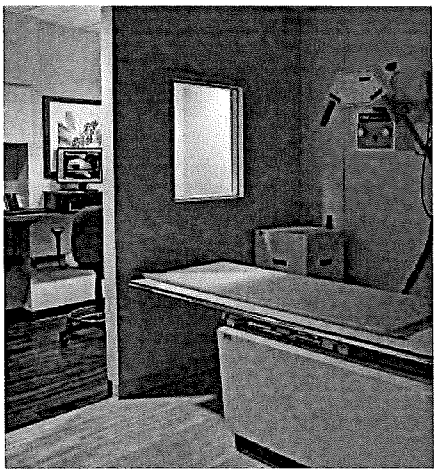
EDUCATION

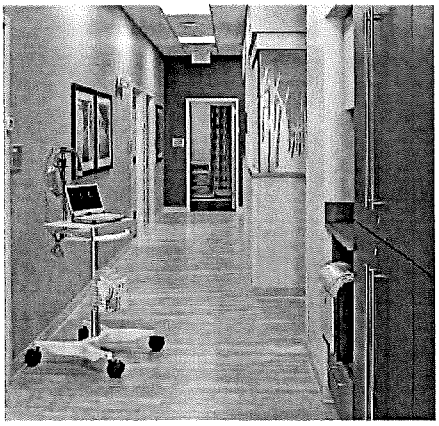
Bachelor of Arts,
University of Maryland

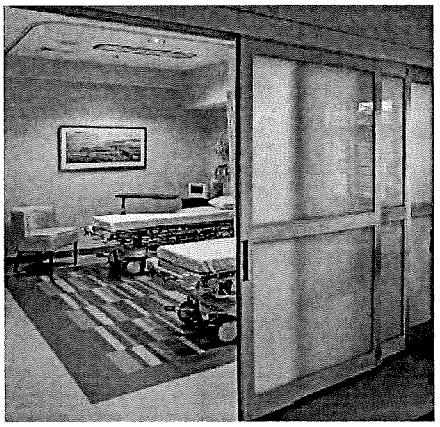
* Experience prior to HD2

# HEALTHCARE EXPERIENCE







## THE KNOWLEDGE AND EXPERIENCE TO CREATE AN ENVIRONMENT THAT IS SOOTHING AND FUNCTIONAL.

Working within health-related environments requires the knowledge of applicable codes and the needs of the staff as well as either patients or users. HD2 has the knowledge and experience to create an environment that is soothing and relaxing, but functional and meets all the standards required of modern-day facilities.

# UNIVERSITY OF MARYLAND

## NORTH HOSPITAL FLOORS 10-13


**LOCATION**
Baltimore/ MD

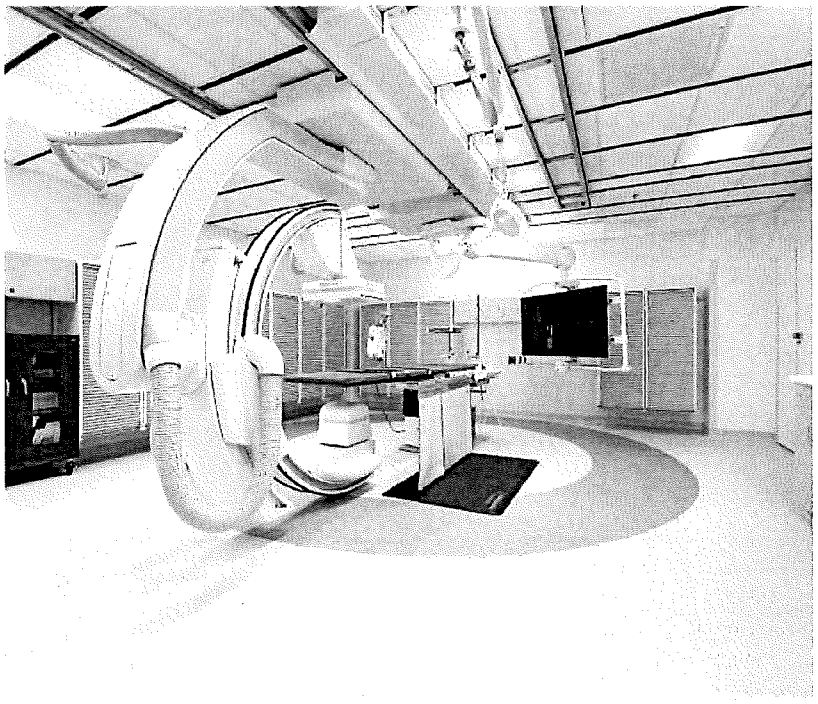
The University of Maryland Medical Center is undergoing a multistory renovation in order to prepare the existing North building for the future Cancer Center Building's elevator shaft and stair tower. Access into the new tower is required on the 10th, 11th, 12th, and 13th floors.

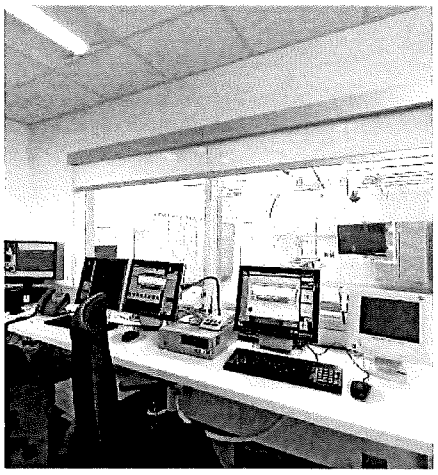
- The 10th, 11th, and 13th floors are inpatient suites requiring relocation of patient rooms and staff functions to accommodate the new building/access corridor.

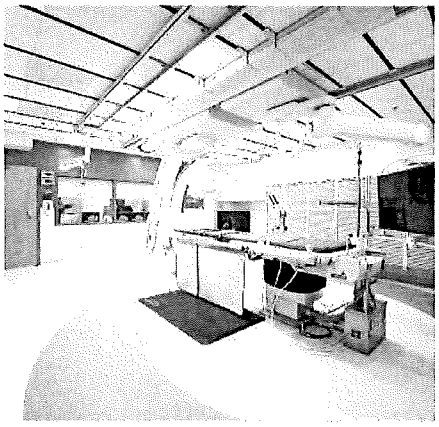
- The 12th floor is an antiquated psychiatric facility. As a part of the modification to support the new Cancer Center Building the floor is undergoing minor renovation to support new single-patient rooms, a new patient dining/activity area, an improved nurse station, and a consolidation of staff offices to a non-patient wing.

# JOHNS HOPKINS BAYVIEW

## SINGLE PLANE IR SUITE







## An innovative imaging suite utilizing todays top technology.

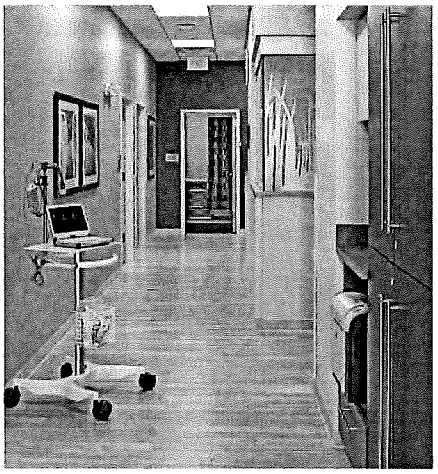
The Single Plane IR Room is located at the Francis Scott Key Pavilion, HD2 provided design services to renovate the existing Single Plane IR Suite, Room to accommodate replacement of the Single Plane IR equipment and provide aesthetic upgrades to interior finishes, millwork, lighting fixtures, ceiling grid, and ceiling tile. HD2 is responsible for the design and the coordination of the M/E/P engineers, structural engineers, and equipment vendors.

**LOCATION**

Bayview Medical Center/Baltimore, MD

# MEDSTAR PROMPTCARE

## URGENT & AMBULATORY CARE CENTER

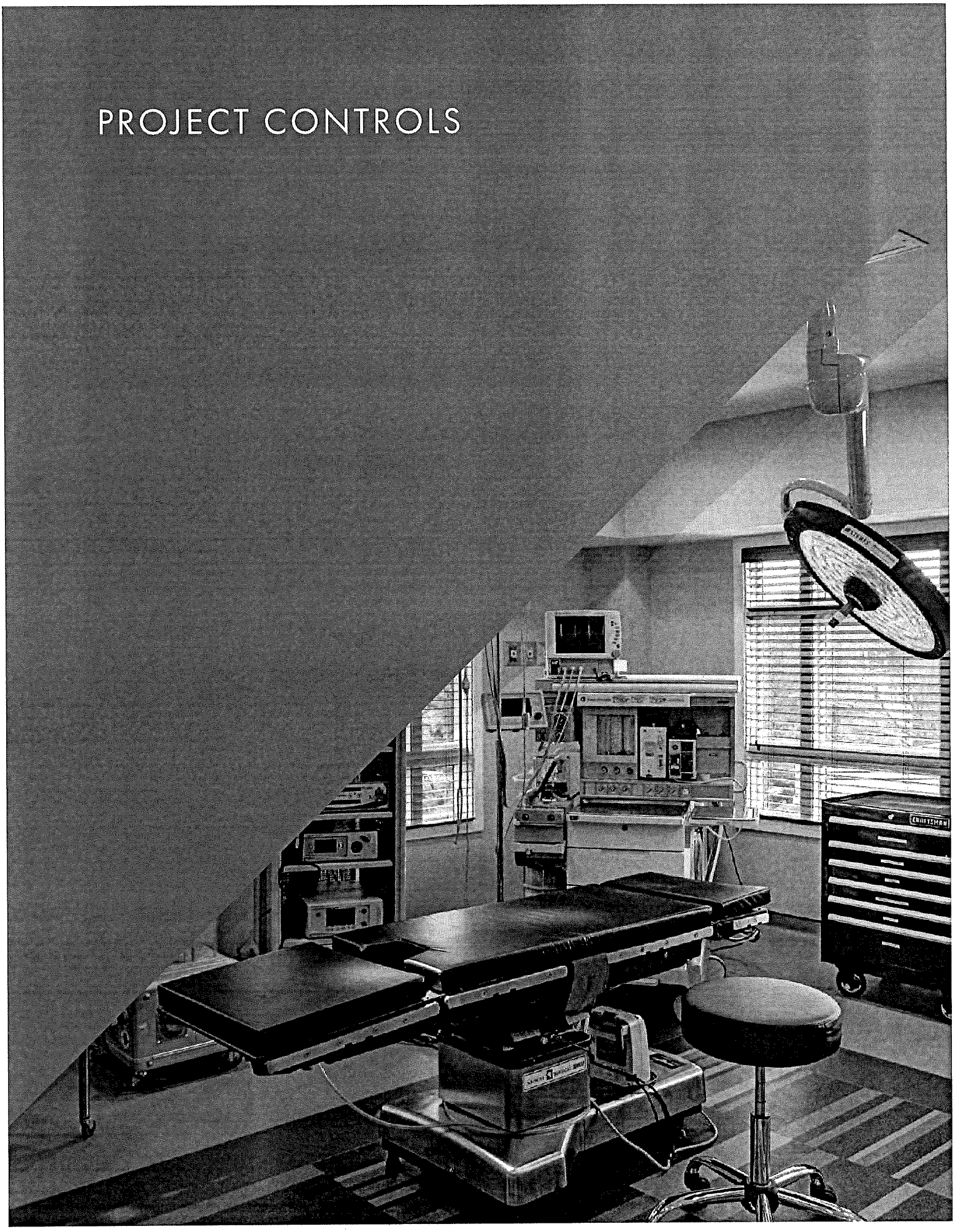



## This 3,650 square foot urgent care facility was awarded NAIOP-MD's "Best Interior Medical" project.

HD2 provided comprehensive architectural and interior design services while working closely with the client. Significant effort was taken to ensure proper detailing of all millwork so that every piece was properly sized and placed to allow for the best operational function. Select materials recognize that the nature of the business requires durable and easily cleanable finishes. Design standards were also created for use in future locations; resulting in a cohesive look representative of the MedStar brand. The PromptCare concept includes a reception area, waiting room and staff lounge, multiple exam rooms, an X-ray area, lab, and triage unit.

**LOCATION**
Multiple Locations / MD

# PROJECT CONTROLS



# PROJECT CONTROLS

HD2 is extremely proud of our quality control and cost control techniques and we have perfected our methods over the past 20 years. We engage in periodic cost estimating during the project design phase, which often commences with a schematic concept and a preliminary budget estimate. Throughout the design development and construction document phases, costs are reviewed to validate the design direction and material choices. Later, as the project design is either bid or negotiated, the earlier cost estimates are consulted as a technique to validate the contractor's cost of construction and projects are value engineered as needed.

The following efforts constitute our quality control approach which assures full coordination, timely completion and a quality outcome:

Understanding the Scope of Work — It is imperative that the design team and client arrive at a unified interpretation of the scope of work during the early stages of contract negotiations. This includes schedules, budgets, project intent, methodology, and expected deliverables. A preliminary project schedule is developed at the commencement of a project and milestones are established. The project schedule is updated throughout the project, taking into account the need for adjustments in order to achieve a successful outcome.

Preparation of Management Plan — Based on the mutual understanding of the scope of work, the Project Manager is tasked with the development of a project management plan that delineates all actions and team member responsibilities. Each action identifies the team or staff member involved, projected hours of involvement, calendar time available, dates for interim and final coordination meetings, identification of staff involved in meetings and levels of completion expected from each discipline involved in the task. The management plan also identifies channels of communication among project team members and with the client. All key personnel receive and approve the management plan.

We share Revit models with the consultants (MEP and Structural). The model is then linked by all disciplines. Once the model is linked the design process becomes very powerful. Revit will detect clashes between disciplines as the design process progresses and information is relayed between the design team. By linking the drawings, it creates a completely integrated project that will alert the design team to potential problems. Conflicts between ductwork, steel beams, etc. are able to be worked out prior to the release of the design documents.

Periodic Internal Reviews — Our quality control plan requires that all work be checked and establishes the approach and procedures to accomplish this. At each stage of the project, a draft of the drawings is prepared, identifying the contents of each sheet and drawing "check sets" are performed, as well as specification section confirmation and editing for completeness and relevance.

Typical reviews entail: checks of dimensions, notes, and details, coordination with other team disciplines, and a review of the current project budget relative to materials and systems selections identified during the design process.

The HD2 team is organized to respond quickly and effectively to design tasks and their necessary completion schedules. Our careful initial planning, understanding of project scope, management procedures, close coordination, and sincere concern for project costs during the planning and design phases enables us to complete projects in a satisfactory and professional manner.

# EXHIBIT 2

HEALTH
DEPARTMENT
Prince George's County
Office of the Health Officer

September 28, 2020

Ben Steffen
Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Dear Mr. Steffen:

As the Health Officer of the Prince George's County Health Department and a pediatrician, I am writing to express my support for the Certificate of Need (CON) application submitted by Hope Health Systems, Inc. (HHS), to establish a sixteen (16) bed freestanding private psychiatric hospital for children and adolescents.
Today, the State of Maryland does not have sufficient inpatient capacity to ensure timely, convenient, and high-quality access to our youth suffering from mental health and behavioral disorders. We have no inpatient psychiatric treatment for adolescents in our County of nearly 1 million people. In FY2019, 8,597 adolescents were served in the public behavioral health system, and there were approximately 500 crisis-related calls for children under the age of 18 to the Prince George's County Crisis Response System. In FY 2019, 373 youth sought inpatient care, which was a 6.6% increase from the prior year. Since we have no inpatient psychiatry services for our youth, this equates to 100% of these youth having to seek care in other jurisdictions, including within the Baltimore metropolitan region. Furthermore, this data does not include the youth served by commercial insurance, which is a significant and often overlooked need because our County is very diverse in its socioeconomic demographics. Because the District of Columbia does not honor our legal processes for involuntary evaluations and admissions, and the fact that the District of Columbia hospitals are some of the closest to our jurisdiction, it is even more difficult to place some our most vulnerable youth such as those in the care of the Department of Social Services when they need inpatient psychiatric care.

Children and adolescents routinely experience delays in care due to the shortage of inpatient bed capacity. In one of our local hospitals, the average length of stay in the emergency department for an adolescent is 1.7 days, and sometimes they can stay for up to a week while awaiting placement. This not only delays care, but also potentially traumatizes them, as they wait in a setting where they are witnessing incoming traumas and other life-threatening medical emergencies. Because of the significant burden that COVID-19 has put on our acute care hospital systems, it is an emergent need that we find timely placement for those with behavioral health conditions so that the emergency departments can use their resources to serve those with the potentially life-threatening virus. Reducing prolonged lengths of stay ensures good psychiatric care as well as prevents unnecessary exposure to COVID-19 for our adolescents while they wait in the emergency department. We are currently seeing an ongoing surge of behavioral health patients in our County emergency departments, and such a facility is of an urgent need for our residents, as we anticipate the need to grow in this COVID era.

Headquarters Building
1701 McCormick Drive, Suite 200, Largo, MD 20774
*Office* 301-883-7834, *Fax* 301-883-7896, *TTY/STS* Dial 711
www.princegeorgescountymd.gov/health

Angela D. Alsobrooks
County Executive

A disconnect between inpatient and outpatient care often drives patients back to the inpatient setting. The proposed facility will be a vital lifeline to expand access for youth in need of inpatient care, while connecting patients and discharging them to intensive and supportive outpatient programs. One of these programs is the HHS planned Partial Hospitalization Program (PHP) for adolescents on the campus of the University of Maryland Laurel Regional Hospital in our County. This would be the first PHP for youth in our County. Having an HHS run program like this will help bridge the gap in our intermediate levels of care for our youth with behavioral health concerns. This program will also ensure continuity of care for adolescents served in the proposed HHS facility.

HHS is an organization with more than 20 years of experience providing direct mental health, substance use disorder, and community support services to adults, children, and adolescent clients in institutional and outpatient settings in Maryland. These include juvenile justice facilities such as the Cheltenham Youth Detention Center within our County. As a minority-owned business with minority medical leaders, such as their medical director, we are confident that HHS will continue to provide culturally sensitive care to meet the needs of our predominantly minority County. With the reinstitutionalization of those with behavioral health conditions in correctional settings and the nation's renewed focus on racial justice, we hope that having an additional facility to serve the behavioral health needs of high acuity youth will help to prevent unnecessary involvement in the criminal justice system for our at-risk residents as well.

I request that the Maryland Health Care Commission urgently recognize the need for additional acute inpatient psychiatric beds for children and adolescents, by supporting Hope Health Systems, Inc.'s CON application.

Please feel free to contact me if you or your staff have any questions at (301) 883-7874.

Sincerely,

Ernest L. Carter, MD, PhD,
Health Officer

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Angela D. Alsobrooks
County Executive