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March 30, 2020

VIA Email & U.S. MAIL

Moira Lawson, Program Manager
Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Re: Pyramid Walden, LLC – Joppa ICF facility
Matter No. 20-12-2440

Dear Ms. Lawson,

Below you will find responses to the completeness request dated March 25, 2020. Each question is restated, followed by our response in italics.

Sliding Fee Scale

1. What documentation do you require to determine a patient's income?

APPLICANT RESPONSE: *We require a copy of the patient's federal income tax return from the previous year or a pay stub from within the last 30 days.*

Project Budget (Table B)

2. "Working Capital Startup Costs" are estimated to be \$200,000. What costs are included in this category?

APPLICANT RESPONSE: *Working Capital Startup Costs include such costs as furniture, signage, laundry equipment, outdoor furniture, and fencing.*

Statistical Projections (Tables F, G)

3. In response to the first set of completeness questions, food costs for patients were projected to be \$20 per day at the Joppa facility. Where in the revenue and expense budget is this cost reflected? If not subsumed under a broader cost category, please submit a revised table including costs for food and any other contractual arrangements that have been made for the implementation of the project.

APPLICANT RESPONSE: *In the revenue and expense budget, food costs are included under "Other Expenses" in category "j" but should be included in Contracted Expenses" in category "b.". At \$20 per patient day, food expense totals \$165,160 in FY 2020 and \$420,480 in FY's 2021 and 2022. These amounts were moved from Other Expenses to Contracted Expenses in the attached revised Table F.*



4. Salary projections provided on Table F do not match those on Table G. Please explain the discrepancies and/or replace the table(s) with corrected versions.

APPLICANT RESPONSE: The salary projections in Table G Line 27 Regular Employees Total include a calculation of salaries only. The projections provided in Table F Line 16a Salaries and Wages (including benefits) include the salary calculation plus a 27.6% benefit factor.

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.



Jonathan Wolf, President

Cc: Ruby Potter, Certificate of Need Division
Kevin McDonald, Certificate of Need Division
Russel Moy, Health Officer, Harford County Health Department

Table F Revised 3/31/20

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	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022		
1. REVENUE								
a. Inpatient Services	\$ -		\$ -	\$ 2,871,036	\$ 7,631,279	\$ 7,631,279		
b. Outpatient Services				\$ 302,141	\$ 704,687	\$ 704,687		
Gross Patient Service Revenues	\$ -	\$ -	\$ -	\$ 3,173,177	\$ 8,335,966	\$ 8,335,966	\$ -	
c. Allowance For Bad Debt				\$ 63,464	\$ 166,719	\$ 166,719		
d. Contractual Allowance				\$ -	\$ -	\$ -		
e. Charity Care				\$ -	\$ -	\$ -		
Net Patient Services Revenue	\$ -	\$ -	\$ -	\$ 3,109,714	\$ 8,169,247	\$ 8,169,247	\$ -	
f. Other Operating Revenues (Specify)								
NET OPERATING REVENUE	\$ -	\$ -	\$ -	\$ 3,109,714	\$ 8,169,247	\$ 8,169,247	\$ -	
2. EXPENSES								
a. Salaries & Wages (including benefits)			\$ -	\$ 2,705,554	\$ 4,994,869	\$ 5,144,715		
b. Contractual Services			\$ -	\$ 165,778	\$ 432,840	\$ 421,840		
c. Interest on Current Debt			\$ -	\$ -	\$ -	\$ -		
d. Interest on Project Debt			\$ -	\$ -	\$ -	\$ -		
e. Current Depreciation				\$ 96,922	\$ 193,844	\$ 193,844		
f. Project Depreciation			\$ -	\$ -	\$ -	\$ -		
g. Current Amortization			\$ -	\$ -	\$ -	\$ -		
h. Project Amortization			\$ -	\$ -	\$ -	\$ -		
i. Supplies			\$ -	\$ 62,194	\$ 87,188	\$ 87,188		
j. Other Expenses (Specify)			\$ -	\$ 581,171	\$ 1,918,139	\$ 1,540,139		
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ 3,611,619	\$ 7,626,880	\$ 7,387,726	\$ -	
3. INCOME								
a. Income From Operation	\$ -	\$ -	\$ -	\$ (501,905.80)	\$ 542,366.72	\$ 781,520.66	\$ -	
b. Non-Operating Income								
SUBTOTAL	\$ -	\$ -	\$ -	\$ (501,905.80)	\$ 542,366.72	\$ 781,520.66	\$ -	
c. Income Taxes								
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ (501,905.80)	\$ 542,366.72	\$ 781,520.66	\$ -	
4. PATIENT MIX								
				-16%	7%	10%		
a. Percent of Total Revenue								
1) Medicare	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2) Medicaid	0.0%	0.0%	0.0%	85.0%	85.0%	85.0%	85.0%	85.0%
3) Blue Cross	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4) Commercial Insurance	0.0%	0.0%	0.0%	12.0%	12.0%	12.0%	12.0%	12.0%
5) Self-pay	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
6) Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%
b. Percent of Equivalent Inpatient Days								
Total MSGA								
1) Medicare	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2) Medicaid	0.0%	0.0%	0.0%	85.0%	85.0%	85.0%	85.0%	85.0%
3) Blue Cross	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4) Commercial Insurance	0.0%	0.0%	0.0%	12.0%	12.0%	12.0%	12.0%	12.0%
5) Self-pay	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
6) Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%