

# MARYLAND HEALTH CARE COMMISSION

## Certificate of Need

TO: Dana Farrakhan, FACHE,  
Senior Vice President, Strategy, Community,  
and Business Development  
University of Maryland Medical Center, LLC  
22 S. Greene Street  
Baltimore, MD 21201

March 18, 2021  
Date

RE: University of Maryland Medical Center  
Addition of Pediatric Hybrid Operating Room

20-24-2445  
Docket No.

### PROJECT DESCRIPTION

This Certificate of Need authorizes the University of Maryland Medical Center (UMMC) to expand the capacity of its pediatric cardiac surgical and interventional service line by adding the hospital's second special purpose hybrid operating room that will serve the University of Maryland Children's Hospital Pediatric Cardiac Program. The project will be implemented through a two-step phased-in-place renovation of 7,520 square feet on the seventh floor of UMMC's north building. The first phase will create space for the new hybrid OR by relocating support services within the existing OR suite and relocating two existing mixed-use general purpose ORs into the vacated support service space. The second phase will involve constructing the proposed hybrid OR in the footprint of the two relocated mixed-use general purpose ORs.

The total capital cost of the project is estimated at \$9.56 million. The sources of funds for this project include \$3.0 million in philanthropy and \$6.56 million in cash from operations.

### ORDER

The Maryland Health Care Commission reviewed the Staff Report and Recommendation and, based on that analysis and the record of the review, ordered on March 18, 2021, that a Certificate of Need be issued for the project with the following condition:

The University of Maryland Medical Center shall provide to the public upon inquiry or as required by applicable regulations or law, information concerning charges for the full range of surgical services provided.

### **PERFORMANCE REQUIREMENTS**

In accordance with COMAR 10.24.01.12C(3)(b), the project is subject to the following performance requirements:

1. Obligation of not less than 51 percent of the approved capital expenditure, as documented by a binding construction contract, within twenty four (24) months of the date of this Certificate of Need;
2. Initiation of construction no later than four (4) months after the effective date of the binding construction contract; and
3. Documentation that the approved project has been completed, has been licensed, and has met all legal requirements and is providing the approved services no later than twenty four (24) months after the effective date of the binding construction contract.

Failure to meet these performance requirements will render this Certificate of Need void, subject to the requirements of COMAR 10.24.01.12 F through I.

### **PROPOSED CHANGES TO THE APPROVED PROJECT**

Before making any changes to the facts in the Certificate of Need application and other information provided to the Commission, UMMC must notify the Commission in writing and receive Commission approval of each proposed change, including the obligation of any funds above those approved by the Commission in this Certificate of Need, in accordance with COMAR 10.24.01.17. Pursuant to COMAR 10.24.01.17B(2), the project cannot incur capital cost increases that exceed the approved capital cost inflated by an amount determined by applying the Building Cost Index published on a quarterly basis by IHS Economics in the Healthcare Cost Review unless CSI obtains a modification of this Certificate of Need from the Commission. Instructions for determining the threshold that necessitates Commission review and approval of changes to the capital cost approved in this Certificate of Need are located on the Commission's website at: [http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs\\_con/hcfs\\_con.aspx](http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/hcfs_con.aspx)

### **DESIGN APPROVAL AND FACILITIES LICENSURE BY DHMH**

This Certificate of Need does not constitute a license or replace any approvals required by the Office of Health Care Quality or others within the Maryland Department of Health ("MDH") to construct and operate new space within an existing facility. UMMC must provide MDH with all information it requires for plan approval, facility licensure, and putting into operation renovated space within its existing facility, including information pertaining to project design and specifications.

### **QUARTERLY STATUS REPORTS**

UMMC must submit quarterly status reports on the approved project to the Commission, beginning June 18, 2021, three months from the date of this Certificate of Need, and continuing, at three-month intervals, until the completion of the project.

### **REQUEST FOR FIRST USE REVIEW**

UMMC must request in writing, not less than 60 days but not more than 120 days before the first use of the approved operating room, a first use review from the Commission, specifying the anticipated date of first use and documenting that the project has been substantially completed and will be completed, within 120 days or less, in a manner and at a cost consistent with this Certificate of Need. Commission staff will review the request in consultation, as necessary, with OHCQ, and in accordance with COMAR 10.24.01.18 to determine whether the project conforms with the Certificate of Need. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate new space within an existing health care facility. Therefore, UMMC should assure that OHCQ is notified of the imminent completion of the project and should arrange for completion of any inspections and or approvals required by OHCQ in a timely manner. First use approval remains in effect for 90 days. If first use of the new operating room does not occur within 90 days of approval, UMMC shall reapply for first use approval.

#### **ACKNOWLEDGEMENT OF RECEIPT OF CERTIFICATE OF NEED**

Acknowledgement of your receipt of this Certificate of Need, stating acceptance of its terms and conditions, is required within thirty (30) days.

#### **MARYLAND HEALTH CARE COMMISSION**



Ben Steffen  
Executive Director

cc: Patricia T. Nay, M.D., Executive Director, Office of Health Care Quality  
Letitia Dzirasa, M.D., Health Commissioner, Baltimore City Health Department