

STATE OF MARYLAND



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MARYLAND HEALTH CARE COMMISSION

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June 23, 2021

Via E-mail and USPS

Yehuda Alter
Avenues Recovery Center
211 Boulevard of the Americas, Suite 503
Lakewood, NJ 08701

**Re: Avenues Recovery Center of Chesapeake Bay,
LLC
Establishment of 20 bed Track One Intermediate
Care Facility providing ASAM Level III.7 and
Level III.7-WM services
Matter # 21-09-2449**

Dear Mr. Alter:

Thank you for the June 8, 2021 completeness responses on behalf of Avenues Recovery Center of Chesapeake Bay, LLC, in support of the Certificate of Need application for the establishment of 20 bed Track One ASAM Level III.7-WM and Level III.7 medically monitored intensive inpatient treatment program in Cambridge, Maryland (Dorchester County). The responses have generated additional questions to complete the application. Please provide additional information to the following questions:

1. The response to Question #4 states that Avenues Recovery Center, LLC, does not have an ownership interest in any of the individual legal entities identified in Exhibit 27 (Organizational Chart). The applicant states there is common ownership (i.e., Livorno Trust, Yehuda Alter, and Yosef Cohen) between Avenues Recovery Center, LLC, Rehab Venture (who manages the various Avenues facilities), and the individual entities listed in Exhibit 27. Please clarify the relationship and/or role between Avenues Recovery Center, LLC, and the eight facilities listed on its website at <https://www.avenuesrecovery.com/>.

2. The Avenues Recovery Center's website at <https://www.avenuesrecovery.com/> indicates that a ninth facility at Valley Forge will open soon. Please provide details on the type of services that will be provided and the timetable of when this location will be operational.
3. The response to Question #4b, please clarify the statement "the individual entities have common ownership." Clarify whether the ownership interest is either with the Livorno Trust, Yehuda Alter, and Yosef Cohen, or with the Rehab Ventures and the various entities on the organizational chart in Exhibit 27.
4. In Question #5 and Exhibit 29, the accounting firm Roth & Co states they are "the accountants for (Avenues Recovery Center of Chesapeake Bay)," and further "there seems to be adequate availability of funds in the outstanding Accountants Receivable to cover project costs." The accountant's letter contradicts the applicant's response on p. 5. that "the accountants do not work for Avenues in any capacity." Also, the accountant's response does not provide a strong recommendation that the applicant has sufficient funds for this proposed project.

As previously instructed by staff in the April 29th completeness request for Question #24, the applicant should submit a letter from an independent CPA regarding the availability of sufficient financial funds for this project and the future operations of this facility. The response related to financial viability should be more specific.

5. For Question #16 on p. 14, please provide the link or the location of the data referenced in the first paragraph on this page, "the 2019 National Health Interview (6) and the 2020 Household Pulse Survey during April 23-May 5, 2020***."
6. In Question #17, please provide any evidence to support the applicant's statement that "RCA's 3.7WM beds are not available to Medicaid enrollees."
7. For Question #19 on p. 21, provide the link to the Google reviews of satisfaction cited for Warwick Manor Behavioral Health, Hudson Health Services, Avenues-Chesapeake Bay, and the other four Avenues facilities.
8. Regarding the Viability of the Proposal, the applicant has not submitted, and the CON application does not provide any documentation or related information that the applicant has sufficient financial resources to support the CON project's costs and operations for Avenues -Chesapeake Bay upon project completion. The applicant should submit documentation either on behalf of the Livorno Trust, Yehuda Alter, and Yosef Cohen, or from the Avenues Recovery Center, LLC, or Rehab Venture, related to the financial resources for the CON project and for the operations of Avenues Chesapeake Bay.

9. The response to Question #29 was insufficient. As requested in the April 29th completeness request for Question #29, separate and provide the utilization projections for the Level 3.7WM and the Level 3.7 programs individually, not combined.

Please submit four copies of the responses to completeness questions and the additional information requested in this letter within 10 (ten) working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

All information supplementing the applicant 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 by either e-mail at bill.chan@maryland.gov or phone at (410) 764-3374.

Sincerely,

William D. Chan

William D. Chan
Program Manager

cc: Carolyn Jacobs, Esq. Jacobs & Dembert, P.A.
Paul Parker
Wynee E. Hawk