

# MARYLAND HEALTH CARE COMMISSION

## Certificate of Need

To: Chris Mcgee  
Vice President of Operations  
Meridian Senior Living, LLC  
6931 Arlington Road, Suite 320  
Bethesda, Maryland 20814

July 15, 2021  
(Date)

Re: Expansion of Hillhaven Nursing  
And Rehabilitation Center

21-16-2447  
(Docket No.)

### PROJECT DESCRIPTION

MH Adelphi Operating, LLC, dba Hillhaven Nursing and Rehabilitation Center (Hillhaven) is authorized to add 16 comprehensive care facility (CCF) beds to its existing 66-bed CCF by constructing a 16,477 square foot building addition, which will contain 26 private patient rooms. The net addition of bed capacity will be 16 beds because, in conjunction with this project, Hillhaven will convert ten patient rooms from semi-private (double occupancy) rooms to private (single occupancy) rooms. Post-project, the facility will have 82 CCF beds.

The approved cost of this project is \$9,446,890. The project cost will be funded with cash.

### ORDER

The Maryland Health Care Commission reviewed a Staff Report and Recommendation for this project and, based on that report and recommendation and the record in the review, ordered, on July 15, 2021, that a Certificate of Need be issued for the project with the following conditions:

1. MH Adelphi Operating, LLC d/b/a Hillhaven Nursing and Rehabilitation Center (Hillhaven) shall demonstrate progress in increasing the number of Medicaid patient days as a proportion of total patient days in reports it shall file at least quarterly with the Commission that identify the number and percentage of Medicaid patient days and total patient days at Hillhaven for the previous period, also providing this information for other payor sources during that time period;
2. Prior to seeking first use approval, Hillhaven shall document that the percentage of Medicaid patient days as a proportion of total patient days meets or exceeds the

requirement in its most recently signed Memorandum of Understanding<sup>1</sup> with the Maryland Medical Assistance Program; and

3. Hillhaven shall continue to maintain the minimum proportion of Medicaid patient days required in Prince George’s County in its Memorandum of Understanding with the Maryland Medical Assistance Program.

### **PERFORMANCE REQUIREMENTS**

In accordance with the conditions of the Certificate of Need set forth above and COMAR 10.24.01.12C (2) and (3), 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, no later than July 15, 2023;
2. Initiation of construction no later than four months after the effective date of the binding construction contract; and
3. Documentation that the project is complete no later than 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 10.24.01.12F through I.

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

Before making any changes to the facts in the Certificate of Need application approved by the Commission, Hillhaven shall notify the Commission in writing and receive Commission approval of each proposed change, if necessary, 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.

### **DESIGN APPROVAL AND FACILITIES LICENSURE BY THE MARYLAND DEPARTMENT OF HEALTH**

This CON does not constitute a license or replace any approvals required by the Office of Health Care Quality (OHCQ) or other division of the Maryland Department of Health. Hillhaven must provide OHCQ with all information required for facility licensure.

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<sup>1</sup> Hillhaven has requested that its Medicaid MOU be modified to reflect the current required percentage (42.3%) for Prince George’s County.

### **QUARTERLY STATUS REPORTS**

In accordance with COMAR 10.24.01.13B, Hillhaven shall submit quarterly status reports to the Commission, beginning in October 2021, three months from the date of this Certificate of Need, and continuing at three-month intervals, until completion of the project.

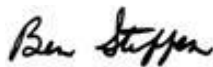
### **REQUEST FOR FIRST USE REVIEW**

Hillhaven must request in writing, not less than 60 days but not more than 120 days before the first use of the new CCF wing, a first use review from the Commission, specifying the anticipated date of first use, documenting that the project has been substantially completed and will be completed, within 120 days or less, in a manner consistent with this Certificate of Need, and accounting for the final cost of the project. Commission staff will review the request, in consultation with OHCQ or other Maryland state agencies, as necessary, to determine whether the project conforms to this Certificate of Need. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate a health care facility. Therefore, Hillhaven 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 CCF wing does not occur within 90 days of first use approval, Hillhaven 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-**



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Ben Steffen  
Executive Director

cc: Patricia T. Nay, M.D., Executive Director, Office of Health Care Quality  
Ernest L. Carter, M.D., Ph.D., Health Officer, Prince George's County  
Nancy Lane, Consultant, PDA Inc.