

MARYLAND HEALTH CARE COMMISSION

Certificate of Need

TO: Robby Stempler
Hygea Detox, Inc.
400 Redland Court Suite 102
Owings Mills, Maryland, 21117

March 17, 2022
Date

RE: Hygea Detox, Inc.
Establish a new 50 bed Track One
Intermediate Care Facility (ICF) providing
Level 3.7 and Level 3.7-WM services

21-03-2450
Docket No.

PROJECT DESCRIPTION

This Certificate of Need authorizes Hygea Detox Inc. (Hygea) to establish a new 50 bed Track One Intermediate Care Facility (ICF) providing Level 3.7, Medically Monitored Intensive Inpatient and Level 3.7-WM, Medically Monitored Intensive Inpatient Withdrawal Management (Detoxification) services. The proposed Level 3.7/3.7WM program will operate at 1210 Middle River Road, Baltimore, Maryland, 21237.

Hygea will be working with Middle River Ventures, real estate developers, to construct the project and enter into a 12-year lease of the facility from Middle River Ventures. Middle River Ventures will fund the majority of the expenditure related to the land and construction of the facility. The total estimated project cost is \$11,464,672, with the applicant's contribution \$482,840 for equipment, furnishings, working capital, and consulting expenses. The applicant's portion of the total cost for this project will be funded with a business loan.

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 17, 2022, that a Certificate of Need be issued for the project with the following three conditions:

1. Hygea Inc. shall document the provision of a minimum of 15% of patient days to indigent and gray area patients, as defined at COMAR 10.24.14.08B(9) and (11), by submitting annual reports auditing its total days and the provision of days to indigent and gray area patients as a percentage of total days. Such audit reports shall be submitted to the Commission following each fiscal year, from the project's inception and continuing for five years thereafter;

2. Hygea Inc. must receive preliminary accreditation for the Level 3.7 services it will provide, including withdrawal management and post-withdrawal treatment programming, by the Commission on the Accreditation of Rehabilitation Facilities (CARF) prior to First Use Approval by the Commission and must timely receive final accreditation by CARF; and
3. Hygea Inc. shall document referral agreements, prior to First Use approval by the Commission, demonstrating that at least 15 percent of its annual patient days, required by COMAR 10.24.14.08, will be incurred by the indigent or gray area populations, including days paid under a contract with the Behavioral Health Administration or a jurisdictional alcohol or drug abuse authority, or the Medical Assistance program; [COMAR 10.24.14.05K(2)].

PERFORMANCE REQUIREMENTS

In accordance with COMAR 10.24.01.12C(3)(c), 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 eighteen (18) months of the date of this Certificate of Need;
2. Initiation of construction no later than four 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 eighteen (18) 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, Hygea 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.

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). Hygea must provide MDH with all information it requires for plan approval, facility licensure, and putting into putting the facility into operation, including information pertaining to project design and specifications.

QUARTERLY STATUS REPORTS

Hygea must submit quarterly status reports on the approved project to the Commission, beginning June 17, 2022, 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

Hygea must request in writing, not less than 60 days but not more than 120 days before the first use of the approved ICF facility, 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, Hygea 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 ICF facility does not occur within 90 days of approval, Hygea 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
Gregory Wm. Branch, M.D., Health Officer, Baltimore County
Thomas Dame, Esquire, Gallagher, Evelius & Jones
Ella, Aiken, Esquire, Gallagher, Evelius & Jones