

June 15, 2021

**VIA HAND DELIVERY**

Ms. Ruby Potter  
Health Facilities Coordination Officer  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

Re: Certificate of Need Application  
Hygea Detox, Inc.  
Establishment of Track One Alcoholism and Drug Abuse Intermediate Care Facility

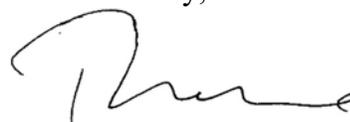
Dear Ms. Potter:

On behalf of applicant Hygea Detox, Inc., per Commission Staff's standing request, we are submitting six copies of its Certificate of Need Application and related exhibits, along with one set of full-size project drawings. Searchable PDF files of the application and exhibits, a Word version of the application, and native Excel spreadsheets of the MHCC tables will be provided to Commission Staff under separate cover.

I hereby certify that a copy of this submission has also been forwarded to the appropriate local health planning agencies as noted below.

Please sign and return to our waiting messenger the enclosed acknowledgment of receipt.

Sincerely,



Thomas C. Dame



Ella R. Aiken

TCD/ERA:blr  
Enclosures

#742729  
014168-0001

Ms. Ruby Potter

June 15, 2021

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cc: Kevin McDonald, Chief, Certificate of Need, MHCC  
Paul Parker, Director, Center for Health Care Facilities Planning & Development,  
MHCC  
Suellen Wideman, Esq., Assistant Attorney General, MHCC  
Dr. Nilesh Kalyanaraman, Health Officer, Anne Arundel County Health Department  
Dr. Letitia Dzirasa, Health Commissioner, Baltimore City Health Department  
Dr. Gregory Wm. Branch Health Officer, Baltimore County Health Department  
Dr. David Bishai, Health Officer, Harford County Health Department  
Dr. Maura Rossman, Health Officer, Howard County Health Department  
Robby Stempler, Hygea Detox, Inc.

**CERTIFICATE OF NEED APPLICATION**

**INTERMEDIATE CARE FACILITY**

**1210 Middle River Road, Baltimore, Maryland**



Applicant: Hygea Detox, Inc.

June 15, 2021

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1.	MHCC Tables and Statement of Assumptions
2.	Project Drawings
3.	Ownership Chart
4.	Option to Lease Agreement
5.	Draft Policies and Procedures Manual excerpts
6.	Referral Agreements
7.	CPA Viability Letter
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**PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION**

**1. FACILITY**

Name of Facility: Hygea Detox

Address:

1210 Middle River Road	21237	Baltimore	
Street	City	Zip	County

**2. Name of Owner:** Hygea Detox, Inc.

If Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the applicant and any related parent entities. Attach a chart that completely delineates this ownership structure.

See ownership chart attached as Exhibit 3.

**3. APPLICANT.** *If the application has a co-applicant, provide the following information in an attachment.*

Legal Name of Project Applicant (Licensee or Proposed Licensee): Hygea Detox, Inc.

Address:

400 Redland Court, Suite 102	Owings Mills	21117	Maryland	Baltimore
Street	City	Zip	State	County

Telephone: 443-690-3577

**4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:**

Not Applicable.

**5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).**

Check  or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

- A. Governmental
  - B. Corporation 
    - (1) Non-profit
    - (2) For-profit
    - (3) Close
  - C. Partnership 
    - General
    - Limited
    - Limited Liability Partnership
    - Limited Liability Limited Partnership
    - Other (Specify): \_\_\_\_\_
  - D. Limited Liability Company
  - E. Other (Specify): \_\_\_\_\_
- To be formed:   
Existing:

State & Date of Incorporation  
Maryland, December 21, 2020

**6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED**

**A. Lead or primary contact:**

Name and Title: Robby Stempler, C.E.O.

Company Name: Hygea Detox, Inc.

**Mailing Address:**

400 Redland Court Suite 102                      Owings Mills                      21117                      MD  
Street    City    Zip    State

Telephone: 443-690-3577

E-mail Address (required): rs@malibudetox.com

Fax: \_\_\_\_\_

If company name is different than applicant briefly describe the relationship  
\_\_\_\_\_



## 8. PROJECT DESCRIPTION

**A. Executive Summary of the Project:** The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is, why you need to do it, and what it will cost. A one-page response will suffice. Please include:

- (1) Brief Description of the project – what the applicant proposes to do
- (2) Rationale for the project – the need and/or business case for the proposed project
- (3) Cost – the total cost of implementing the proposed project

### Applicant Response

Applicant Hygea Detox, Inc. (“Hygea Detox” or “Applicant”) proposes to establish a Track One Alcoholism and Drug Abuse Intermediate Care Facility (as defined in the State Health Plan, COMAR 10.24.14) on approximately 7.27 acres in Baltimore County, located at 1210 Middle River Road, Baltimore, Maryland. The estimated total project cost is \$11,412,724. The project will involve construction of a two story, 29,308 square foot building containing 23 semi-private rooms and 4 private rooms.

The 95% owner of Hygea Detox, Robby Stempler, has experience in providing medically monitored inpatient detoxification services for individuals suffering from chemical dependency. Mr. Stempler is the primary owner of Malibu Detox in California, a JCAHO accredited 24-bed inpatient facility. His mission for Hygea Detox is to provide Marylanders with the best specialty care for chemical dependency with an integrated team of psychologists, holistic practitioners, and registered dietitians with a goal of providing comprehensive addiction and dual diagnosis treatment to help individuals achieve long-term recovery.

**B. Comprehensive Project Description:** The description should include details regarding:

- (1) Construction, renovation, and demolition plans
- (2) Changes in square footage of departments and units
- (3) Physical plant or location changes
- (4) Changes to affected services following completion of the project
- (5) Outline the project schedule.

### Applicant Response

The proposed project will be located at 1210 Middle River Road in Baltimore County, Maryland, on currently undeveloped land. Hygea Detox is currently working on a development plan, permitting, and planning for needed site work.

Hygea Detox and its consultants have carefully studied the internal layout and adjacencies, and optimally designed the proposed facility to foster zone-centric services that take into account patient confidentiality and safety while also solving the pragmatic flow and function of staff office needs. The project plan also addresses everyday operations involving secure storage and regulation of administered medicines to patient examinations and clinical consultation rooms for family and patients, as well as zones for dining, meditation, and recreation.

The facility building will be situated on the sloping site to afford a convenient ground level main entry for patients, guests, and staff. All who enter the facility will immediately access a spacious Entry/Reception area and be simultaneously treated to an expansive vista of the outdoor patio beyond, as well as an open view below of the Sitting Area at the first level. The ground floor will be the upper of the two levels, and will contain all patient rooms (27 total), conveniently located and accessed from a common hallway. The typical unit will have adjoining bathroom facilities with shared private shower and private toilet room and has a spacious 275 square feet (or more) of bedroom space. Also found on this floor will be the centrally situated Nurses Station and the adjacent secured Meds Center. This level will have an approximate gross area of 15,750 square feet.

Both a stairwell and elevator, immediately located off of the entry area, will connect the upper and bottom floors. The lower level of the building will house the administrative offices (with locker and break rooms), exam room, therapy, and group rooms, as well as a lounge, game room, and library – with the latter trio of spaces having direct access to the outdoor patio. This lower floor will also have a residents’ sitting area and a dining room with an adjacent outdoor covered seating terrace, and a full-service commercial kitchen and receiving bay. These two spaces will complement and flank the outdoor courtyard, giving residents a sweeping panorama of the rear walkway and landscaping. The laundry facilities, IT, janitor, and supply/utility rooms will be located on this level as well. The total footprint, including the covered seating portion, will mirror the upper level floor plan gross area at 15,750 square feet.

Hygea Detox expects to complete any pre-construction planning and permitting by January 31, 2022, and to complete construction within 12 months thereafter, subject to CON approval.

**9. CURRENT CAPACITY AND PROPOSED CHANGES:** Complete Table A (Physical Bed Capacity Before and After Project) from the CON Application Table package

[Applicant Response](#)

See Exhibit 1, Table A.

**10. REQUIRED APPROVALS AND SITE CONTROL**

- A. Site size: 7.27acres
- B. Have all necessary State and local land use and environmental approvals, including zoning and site plan, for the project as proposed been obtained? YES \_\_\_\_\_ NO X (If NO, describe below the current status and timetable for receiving each of the necessary approvals.)

The project has been zoned appropriately through Baltimore County and accepted by the County’s Development Review Committee. At the time of this application, the County is currently reviewing the Development plan and Hygea Detox expects to have full approval by no later than January 1, 2022.
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C. Form of Site Control (Respond to the one that applies. If more than one, explain.):

- (1) Owned by: Middle River Medical Ventures, LLC
- (2) Options to purchase held by: \_\_\_\_\_  
Please provide a copy of the purchase option as an attachment.
- (3) Land Lease held by: \_\_\_\_\_  
Please provide a copy of the land lease as an attachment.
- (4) Option to lease held by: Hygea Detox, Inc.  
Please provide a copy of the option to lease as an attachment.
- (5) Other: \_\_\_\_\_  
Explain and provide legal documents as an attachment.

Hygea Detox has an option to lease the land from Middle River Medical Ventures, LLC. The lease option is attached as Exhibit 4.

### 11. PROJECT SCHEDULE

(Instructions: In completing this section, please note applicable performance requirement time frames set forth in Commission Regulations, COMAR 10.24.01.12)

#### For new construction or renovation projects.

##### Project Implementation Target Dates

- A. Obligation of Capital Expenditure 18 months from approval date.
- B. Beginning Construction 4 months from capital obligation.
- C. Pre-Licensure/First Use 18 months from capital obligation.
- D. Full Utilization NA months from first use.

#### For projects not involving construction or renovations.

##### Project Implementation Target Dates

- A. Obligation or expenditure of 51% of Capital Expenditure \_\_\_\_\_ months from CON approval date.
- B. Pre-Licensure/First Use \_\_\_\_\_ months from capital obligation.
- C. Full Utilization \_\_\_\_\_ months from first use.

#### For projects not involving capital expenditures.

##### Project Implementation Target Dates

- A. Obligation or expenditure of 51% Project Budget \_\_\_\_\_ months from CON approval date.
- B. Pre-Licensure/First Use \_\_\_\_\_ months from CON approval.
- C. Full Utilization \_\_\_\_\_ months from first use.

### 12. PROJECT DRAWINGS

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least a 1/16" scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable:

- A. Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bath rooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as "shell space".
- B. For projects involving new construction and/or site work a Plot Plan, showing the "footprint" and location of the facility before and after the project.
- C. Specify dimensions and square footage of patient rooms.

#### Applicant Response

Project drawings are attached as Exhibit 2.

### **13. AVAILABILITY AND ADEQUACY OF UTILITIES**

Discuss the availability and adequacy of utilities (water, electricity, sewage, natural gas, etc.) for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.

#### Applicant Response

The site will have all necessary utilities, each addressed below in more detail.

Water:

- The new incoming water service will be 6". The service will split in the building to 4" for sprinklers and 2" for domestic water use.
- There are two (2) gas fired water heaters serving the building. Both water heaters are 119 gallon and 399,900 btu/hr gas input. The system will have hot water recirculation pump and service the entire building.

Electricity:

- The main electrical service to the space is 1000 amps, 120/208V, 3Ø. Based on the electrical load estimates from the additional kitchen equipment, the existing electrical service can accommodate the additional load for the renovation.

Sewage:

- The building sewer will exit through a 6" sanitary main and connect to a public sewer system.
- The commercial kitchen will exit via a 4" main and run through a 1,000 gallon traffic bearing Grease interceptor. After the grease interceptor the sewer will extend to the public sewer main/service.

Natural Gas:

- Natural gas will be utilized for the building's domestic hot water needs, commercial kitchen cooking, kitchen make up air, commercial clothing dryers and heating of outside air via building DOAS air system. The natural gas service will be a new 2 pound gas service.

## **PART II - PROJECT BUDGET**

### **Complete Table B (Project Budget) of the CON Application Table Package**

**Note:** Applicant should include a list of all assumptions and specify what is included in each budget line, as well as the source of cost estimates and the manner in which all cost estimates are derived. Explain how the budgeted amount for contingencies was determined and why the amount budgeted is adequate for the project given the nature of the project and the current stage of design (i.e., schematic, working drawings, etc.).

#### [Applicant Response](#)

See Exhibit 1, MHCC Tables, Table B.

#### Assumptions and Explanations

Hygea Detox, in concert with real estate developers Caves Valley Partners ([www.cavesvalleypartners.com](http://www.cavesvalleypartners.com)), and Rockpark Property Group ([www.rockparkpg.com](http://www.rockparkpg.com)), have engaged Curry Architects ([www.CurryArchitects](http://www.CurryArchitects)), Matis Warfield ([www.mwieng.com](http://www.mwieng.com)), Spyder Engineers ([www.spyderengineers.com](http://www.spyderengineers.com)), JLR Design Consultants ([www.jlrdesign.net](http://www.jlrdesign.net)), and Hillis-Carnes ([www.hcea.com](http://www.hcea.com)) for all design of architectural and engineering aspects of the project. These firms are among the most well accomplished firms in Baltimore County and the State of Maryland. The fees for their services are included in the project budget.

Caves Valley Partners and Rockpark Property Group will manage all development related activities throughout the process, including pre-construction, construction, and development of a construction budget. The developers along with General Contractor T. Brooks Inc ([www.tbrooksinc.com](http://www.tbrooksinc.com)) have solicited competitive bids from various trades and suppliers, as standard in any of their projects, and those numbers are included in the budget as well. From their experience, they recommended to Hygea Detox that a 10% contingency be included in the project budget due to their knowledge of the project and their relevant experience. That contingency is included in the budget based on their recommendation.

**PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE**

List names and addresses of all owners and individuals responsible for the proposed project.

Robby Stempler, 400 Redland Court Suite 102, Owings Mills, Maryland 21117

1. Is any applicant, owner, or responsible person listed above now involved, or has any such person ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of each such facility, including facility name, address, the relationship(s), and dates of involvement.

Yes. Robby Stempler has been the CEO and Owner of Malibu Detox, LLC from November 2016 through present. Malibu Detox, LLC has three locations:

22766 Saddle Peak Rd, Topanga, CA 90290

21965 Saddle Peak Rd, Topanga, CA 90290

501 Sadie Rd, Topanga, CA 90290

Each location is accredited by The Joint Commission and licensed by the California Department of Health Care Services.

- 
2. In the last 5 years, has the Maryland license or certification of the applicant facility, or the license or certification from any state or the District of Columbia of any of the facilities listed in response to Question 2, above, ever been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) ? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant(s), owners, or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

No

- 
3. Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) ever received inquiries from a federal or any state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with Maryland, another state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide, for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation including reports of

non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.

No

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4. Has any applicant, owner, or responsible individual listed in response to Question 1, above, ever pled guilty to, received any type of diversionary disposition, or been convicted of a criminal offense in any way connected with the ownership, development, or management of the applicant facility or any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s).

No

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One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the applicant regarding the project proposed in the application.

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.

05/26/2021

Date



C.E.O., Hygea Detox, Inc.

Title

Robby Stempler

Printed Name

## **PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR 10.24.01.08G(3):**

**INSTRUCTION:** Each applicant must respond to all applicable criteria included in COMAR 10.24.01.08G. These criteria follow, 10.24.01.08G(3)(a) through 10.24.01.08G(3)(f).

***An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards and other review criteria.***

If a particular standard or criteria is covered in the response to a previous standard or criteria, the applicant may cite the specific location of those discussions in order to avoid duplication. When doing so, the applicant should ensure that the previous material directly pertains to the requirement and to the directions included in this application form. Incomplete responses to any requirement will result in an information request from Commission Staff to ensure adequacy of the response, which will prolong the application's review period.

### **10.24.01.08G(3)(a). THE STATE HEALTH PLAN.**

Every applicant must address each applicable standard in the chapter of the State Health Plan for Facilities and Services<sup>2</sup>. Commission staff can help guide applicants to the chapter(s) that applies to a particular proposal.

**Please provide a direct, concise response explaining the project's consistency with each standard. Some standards require specific documentation (e.g., policies, certifications) which should be included within the application as an exhibit.**

### **10.24.14.05 Certificate of Need Approval Rules and Review Standards for New Substance Abuse Treatment Facilities and for Expansions of Existing Facilities.**

#### **.05A. Approval Rules Related To Facility Size.**

**Unless the applicant demonstrates why a relevant standard should not apply, the following standards apply to applicants seeking to establish or to expand either a Track One or a Track Two intermediate care facility.**

- (1) The Commission will approve a Certificate of Need application for an intermediate care facility having less than 15 beds only if the applicant dedicates a special population as defined in Regulation .08.**
- (2) The Commission will approve a Certificate of Need application for a new intermediate care facility only if the facility will have no more than 40 adolescent or 50 adult intermediate care facility beds, or a total of 90 beds, if the applicant is applying to serve both age groups.**
- (3) The Commission will not approve a Certificate of Need application for expansion of an existing alcohol and drug abuse intermediate care facility if its approval would result in the facility exceeding a total of 40 adolescent or 100 adult**

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<sup>2</sup> Copies of all applicable State Health Plan chapters are available from the Commission and are available on the Commission's web site here: [http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs\\_shp/hcfs\\_shp](http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_shp/hcfs_shp)

intermediate care facility beds, or a total of 140 beds, if the applicant is applying to serve both age groups.

Applicant Response

Only Standard .05A(2) applies to the proposed facility.

Hygea Detox is seeking Commission approval to establish a new Track One intermediate care facility located in the Central Maryland region with 50 adult beds. The facility will not serve adolescent patients.

**.05B. Identification of Intermediate Care Facility Alcohol and Drug Abuse Bed Need.**

**(1) An applicant seeking Certificate of Need approval to establish or expand an intermediate care facility for substance abuse treatment services must apply under one of the two categories of bed need under this Chapter:**

**(a) For Track One, the Commission projects maximum need for alcohol and drug abuse intermediate care beds in a region using the need projection methodology in Regulation .07 of this Chapter and updates published in the *Maryland Register*.**

**(b) For Track Two, as defined at Regulation .08, an applicant who proposes to provide 50 percent or more of its patient days annually to indigent and gray area patients may apply for:**

**(i) Publicly-funded beds, as defined in Regulation .08 of this Chapter, consistent with the level of funding provided by the Maryland Medical Assistance Programs (MMAP), Alcohol and Drug Abuse Administration, or a local jurisdiction or jurisdictions; and**

**(ii) A number of beds to be used for private-pay patients in accordance with Regulation .08, in addition to the number of beds projected to be needed in Regulation .07 of this Chapter.**

**(2) To establish or to expand a Track Two intermediate care facility, an applicant must:**

**(a) Document the need for the number and types of beds being applied for;**

**(b) Agree to co-mingle publicly-funded and private-pay patients within the facility;**

**(c) Assure that indigents, including court-referrals, will receive preference for admission, and**

**(d) Agree that, if either the Alcohol and Drug Abuse Administration, or a local jurisdiction terminates the contractual agreement and funding for the facility's clients, the facility will notify the Commission and the Office of Health Care Quality within 15 days that that the facility is relinquishing its**

certification to operate, and will not use either its publicly- or privately-funded intermediate care facility beds for private-pay patients without obtaining a new Certificate of Need.

Applicant Response

The bed need projection methodology for Track One Intermediate Care Facilities, such as the one Hygea proposes, is set forth in COMAR 10.24.14.07B. Utilizing this methodology, Hygea calculated a net bed need in the range of 70 to 113 beds in the Central Maryland health planning region for the target year 2025. The proposed project of 50 beds therefore falls within the range of beds needed the Central Maryland region.

**Table 1  
Central Maryland Bed Need Projection**

	Description of Variable	Formula	COMAR Abbreviation	Base Year 2020	Projected Year 2025
1	Projected Population		POP	2,032,169	2,075,492
2	Indigent Adult (Medicaid) Population		IPOP	383,518	391,694
3	Non-Indigent Population	(1) - (2)	NIPOP	1,648,651	1,683,798
4	Estimated Non-Indigent Adult Population at Risk (8.64%)	(3) * .0864	PREV	142,443	145,480
5	Estimated Annual Target Population (25%)	(4) * .25	ARPOP	35,611	36,370
6	Estimated # Requiring Treatment (95%)	(5) * .95	TTPOP	33,830	34,552
7	Estimated Range Requiring Intermediate Care				
7a	Minimum (12.5% exc Eastern Shore 25%)	(6) * pct	ICTPOP	4,229	4,319
7b	Maximum (15.0% exc Eastern Shore 35%)	(6) * pct	ICTPOP	5,075	5,183
8	Estimated Range Requiring Readmission				
8a	Minimum	(7a) * .10	READD	423	432
8b	Maximum	(7b) * .10	READD	507	518

	Description of Variable	Formula	COMAR Abbreviation	Base Year 2020	Projected Year 2025
9	Total Discharges from Out-of-State		OOSPOP	0	0
10	Range Requiring Intermediate Care				
10a	Minimum	(7a)+(8a)+9	TOTPOP	4,652	4,751
10b	Maximum	(7b)+(8b)+9	TOTPOP	5,582	5,701
11	Gross Private Bed Need Range				
11a	Minimum	$[(10a)*14] / 365 / .85$	GPNEED	210	214
11b	Maximum	$[(10b)*14] / 365 / .85$	GPNEED	252	257
12	Existing Private ICF Inventory		AINV	144	144
13	Net Intermediate Private Bed Need Range				
	Minimum	(11a) - (12)	TNEED	66	70
	Maximum	(11b) - (12)	TNEED	108	113

Notes:

**Row 1(Projected Population):** Source Maryland Dept. of Planning, prepared 12/03/2020. The population source Applicant used here is based on ages 19+. The methodology defines the adult population as 18+. The addition of the 18 year old population in 2020 and 2025 to the above projection would necessarily increase minimum and maximum bed need. Hygea Detox reserves the right to supplement the above projection with the need resulting from the addition of the age 18 population should the sufficiency of existing need in the target year for the proposed project come into question during the review process.

**Row 2 Indigent Adult (Medicaid) Population:** Source: Hilltop Institute, CY 2020 Total Eligible by County, Age Group, by Month. Calculated by applying the percent of total Medicaid eligible in Maryland statewide that are age 19+ in CY2020 to the total eligible that are age 19+ to the Central Maryland region specifically (percentage is 56.67%).

**Rows 4-8, 10, 11, 13:** Calculated by applying State Health Plan methodology without alteration.

**Row 9:** The number of out-of-state discharges from Intermediate Care facilities in the base year is not available through public sources. Applying an assumption of 0 out-of-state discharges in the Central Maryland Region yields sufficient net bed need for the proposed project. Actual

discharges of any non-de minimis number would increase net bed need in the region. Hygea Detox reserves the right to demonstrate that this number should have a positive value in the future should any concern be raised concerning need for the proposed beds in the review process.

**Row 12:** Bed inventory based on the Commission Decision *In re Baltimore Detox Center, LLC*, Docket No. 18-03-2419, Mar. 19, 2020, p. 8, with the addition of the beds approved by that Decision. Hygea notes that this includes 80 beds attributed to Ashely, Inc. based on that Decision. From prior filings before this Commission, Hygea understands that Ashely has a total of 121 beds and uses only a portion of them at any given time for services falling within the Commission’s definition of Intermediate Care Facility (“ICF”) services. Thus, the inclusion of 80 beds based on Ashley’s bed compliment may overstate the number of beds in the Central Region used for ICF services at a given time or on an annual average basis.

**.05C. Sliding Fee Scale. An applicant must establish a sliding fee scale for gray area patients consistent with the client’s ability to pay.**

[Applicant Response](#)

The facility will utilize a sliding fee scale for gray area patients consistent with the patient’s ability to pay. The fee schedule is summarized as follows:

Income <100% of Federal Poverty Level	75% Discount
Income level <150% but >100% of Federal Poverty Level	50% Discount
Income <200% but >150% of Federal Poverty Level	25% Discount

Hygea Detox will provide financial assistance information to individuals who request such assistance and meet specified financial criteria guidelines, including those who are uninsured, underinsured, or otherwise unable to pay for medically necessary care based on their individual financial situation. Hygea Detox may also extend financial assistance following a review of a patient’s individual financial circumstances as documented by the patient. Hygea Detox retains the right in its sole discretion to determine a patient’s ability to pay. A patient must submit all requested financial information in order to verify income and eligibility for the program. Patients whose insurance program or policy denies coverage for services by their insurance company may not be eligible for the financial assistance program.

Hygea Detox will calculate coverage amounts based on the Sliding Fee Schedule. Admissions staff will be responsible for taking applications for financial assistance. Hygea Detox will track applications and make a determination within a reasonably prompt time period. Hygea Detox will provide a letter of final determination to each person who formally requests financial assistance.

**.05D. Provision of Service to Indigent and Gray Area Patients**

**(1) Unless an applicant demonstrates why one or more of the following standards should not apply or should be modified, an applicant seeking to establish or to expand a Track One intermediate care facility must:**

**(a) Establish a sliding fee scale for gray area patients consistent with a client’s ability to pay;**

(b) Commit that it will provide 30 percent or more of its proposed annual adolescent intermediate care facility bed days to indigent and gray area patients; and

(c) Commit that it will provide 15 percent or more of its proposed annual adult intermediate care facility bed days to indigent or gray area patients.

(2) A existing Track One intermediate care facility may propose an alternative to the standards in Regulation D(1) that would increase the availability of alcoholism and drug abuse treatment to indigent or gray area patients in its health planning region.

(3) In evaluating an existing Track One intermediate care facility's proposal to provide a lower required minimum percentage of bed days committed to indigent or gray area patients in Regulation D(1) or an alternative proposal under Regulation D(2), the Commission shall consider:

(a) The needs of the population in the health planning region; and

(b) The financial feasibility of the applicant's meeting the requirements of Regulation D(1).

(4) An existing Track One intermediate care facility that seeks to increase beds shall provide information regarding the percentage of its annual patient days in the preceding 12 months that were generated by charity care, indigent, or gray area patients, including publicly-funded patients.

#### Applicant Response

Only standard .05D(1) is applicable to Applicant, a new provider. A sliding scale fee is discussed in response to standard .05C, above. Applicant will provide 15 percent or more of its proposed annual adult intermediate care facility bed days to indigent or gray area patients, as those terms are defined in the applicable State Health Plan Chapter, COMAR 10.24.14. This commitment is reflected in the revenue and expense projections provided with this application, and in the Applicant's referral agreements.

**.05E. Information Regarding Charges.** An applicant must agree to post information concerning charges for services, and the range and types of services provided, in a conspicuous place, and must document that this information is available to the public upon request.

#### Applicant Response

The Applicant will post charges for services, and the range and types of services provided in a conspicuous place. This information will be available to the public.

**.05F. Location .** An applicant seeking to establish a new intermediate care facility must propose a location within a 30-minute one-way travel time by automobile to an acute care hospital.

### Applicant Response

The Applicant's proposed facility satisfies this standard. It is near neighbors with MedStar Franklin Memorial Square Hospital, with a typical drive time of 4-7 minutes, according to Google Maps.

#### **.05G. Age Groups.**

- (1) An applicant must identify the number of adolescent and adult beds for which it is applying, and document age-specific treatment protocols for adolescents ages 12-17 and adults ages 18 and older.**
- (2) If the applicant is proposing both adolescent and adult beds, it must document that it will provide a separate physical, therapeutic, and educational environment consistent with the treatment needs of each age group including, for adolescents, providing for continuation of formal education.**
- (3) A facility proposing to convert existing adolescent intermediate care substance abuse treatment beds to adult beds, or to convert existing adult beds to adolescent beds, must obtain a Certificate of Need.**

### Applicant Response

Applicant seeks to establish a facility with 50 adult ICF treatment beds.

#### **.05H. Quality Assurance .**

- (1) An applicant must seek accreditation by an appropriate entity, either the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), in accordance with CFR, Title 42, Part 440, Section 160, the CARF...The Rehabilitation Accreditation Commission, or any other accrediting body approved by the Department of Health and Mental Hygiene. The appropriate accreditation must be obtained before a Certificate of Need-approved ICF begins operation, and must be maintained as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.**
  - (a) An applicant seeking to expand an existing ICF must document that its accreditation continues in good standing, and an applicant seeking to establish an ICF must agree to apply for, and obtain, accreditation prior to the first use review required under COMAR 10.24.01.18; and**
  - (b) An ICF that loses its accreditation must notify the Commission and the Office of Health Care Quality in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended.**
  - (c) An ICF that loses its accreditation may be permitted to continue operation on a provisional basis, pending remediation of any deficiency that caused its accreditation to be revoked, if the Office of Health Care Quality advises the Commission that its continued operation is in the public interest.**

- (2) A Certificate of Need-approved ICF must be certified by the Office of Health Care Quality before it begins operation, and must maintain that certification as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.
- (a) An applicant seeking to expand an existing ICF must document that its certification continues in good standing, and an applicant seeking to establish an ICF must agree to apply for certification by the time it requests that Commission staff perform the first use review required under COMAR 10.24.01.18.
- (b) An ICF that loses its State certification must notify the Commission in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended, and must cease operation until the Office of Health Care Quality notifies the Commission that deficiencies have been corrected.
- (c) Effective on the date that the Office of Health Care Quality revokes State certification from an ICF, the regulations at COMAR 10.24.01.03C governing temporary delicensure of a health care facility apply to the affected ICF bed capacity.

#### Applicant Response

Hygea Detox will apply for accreditation from an appropriate entity and will seek licensure from the Maryland Department of Health for its programs. Hygea Detox will obtain preliminary accreditation prior to receipt of First Use Approval, and will maintain final accreditation while operating. Should Hygea Detox lose its accreditation, it will notify the Office of Health Care Quality and the Commission as required by this standard.

#### **.05I. Utilization Review and Control Programs.**

- (1) An applicant must document the commitment to participate in utilization review and control programs, and have treatment protocols, including written policies governing admission, length of stay, discharge planning, and referral.
- (2) An applicant must document that each patient's treatment plan includes, or will include, at least one year of aftercare following discharge from the facility.

#### Applicant Response

Hygea Detox will participate in utilization review and control programs, and will have treatment protocols, including written policies governing admission, length of stay, discharge planning, and referral. Relevant excerpts from the Hygea Detox draft Policies and Procedures Manual are attached as Exhibit 5, pp. 1-23 (Admission Process, Length of Stay, Patient Treatment Plan, Discharge, Referrals); 34-35 (Utilization Review).

Hygea Detox commits that each patient's treatment plan will include at least one year of aftercare following discharge from the facility. See Exhibit 5, pp. 13 (Length of Stay, Aftercare policy); see also pp. 15, 20, 27 (referencing one year of aftercare included in discussion of discharge procedure, referrals, patient treatment plan).

**.05J. Transfer and Referral Agreements.**

- (1) An applicant must have written transfer and referral agreements with facilities capable of managing cases which exceed, extend, or complement its own capabilities, including facilities which provide inpatient, intensive and general outpatient programs, halfway house placement, long-term care, aftercare, and other types of appropriate follow-up treatment.**
- (2) The applicant must provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from the following types of facilities:**

*Applicant Response*

Applicant has sought transfer and referral agreements with agencies and providers that complement, extend, or exceed the services Applicant proposes to offer. To date, applicant has executed transfer and referral agreements with the following:

<p><b>(a) Acute care hospitals;</b></p>	<ul style="list-style-type: none"> <li>• MedStar Franklin Square Medical Center</li> <li>• Sinai Hospital of Baltimore, Inc.</li> </ul>
<p><b>(b) Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs;</b></p>	<ul style="list-style-type: none"> <li>• Ashley, Inc.</li> <li>• Baltimore County Health Department</li> <li>• Jenifer Wilson LSCWC LCADC LLC</li> </ul>
<p><b>(c) Local community mental health center or center(s);</b></p>	<ul style="list-style-type: none"> <li>• Maryland Addiction Recovery Center</li> <li>• MedStar Franklin Square Medical Center</li> <li>• New Points Sober Living</li> <li>• Samaritan Houses, Inc.</li> <li>• Sheppard Pratt Health System</li> <li>• Summit Community Health, Inc.</li> </ul>
<p><b>(d) The jurisdiction’s mental health and alcohol and drug abuse authorities;</b></p>	<p>In addition to the providers listed in this table, Applicant’s reciprocal referral agreement with the Baltimore County Health Department provides as follows: “This Agreement further acknowledges that the Baltimore County Health Department will accept appropriate patient referrals from Hygea Detox of eligible residents who may be qualified for services that the Baltimore County Health Department provides or makes available through community providers of substance use prevention and disorder treatment services, including services related to prevention, education, driving-while-intoxicated programs, family counseling, and other substance use disorder and treatment services.”</p>

<p><b>(e) The Alcohol and Drug Abuse Administration and the Mental Hygiene Administration;</b></p>	<p>Applicant understands from prior reviews that the Behavioral Health Administration within the Maryland Department of Health prefers to engage with applicants after CON approval. Applicant will reach out to the BHA's Office of Managed Care and Quality Improvement &amp; SUD Compliance seeking a referral agreement if CON approval is granted and seek an agreement prior to seeking First Use certification.</p>
<p><b>(f) The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services; and,</b></p>	<ul style="list-style-type: none"> <li>• Baltimore County Health Department</li> </ul>
<p><b>(g) The Department of Juvenile Justice and local juvenile justice authorities, if applying for beds to serve adolescents.</b></p>	<p>Not Applicable.</p>

**.05K. Sources of Referral.**

- (1) An applicant proposing to establish a new Track Two facility must document to demonstrate that 50 percent of the facility's annual patient days, consistent with Regulation .08 of this Chapter, will be generated by the indigent or gray area population, including days paid under a contract with the Alcohol and Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority.**
- (2) An applicant proposing to establish a new Track One facility must document referral agreements to demonstrate that 15 percent of the facility's annual patient days required by Regulation .08 of this Chapter will be incurred by the indigent or gray area populations, including days paid under a contract with the Alcohol or Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority, or the Medical Assistance program.**

[Applicant Response](#)

Hygea Detox has entered into a referral agreement with the Baltimore County Health Department that commits to dedicating an average of seven (7) of Applicant's beds for patients referred from Baltimore County who are eligible for charity care, consistent with Applicant's commitment to dedicating a percentage of its annual bed days to the indigent and gray area population as defined in the applicable State Health Plan chapter, 10.24.14.08.B. See Exhibit 6, Reciprocal referral agreement with Baltimore County Health Department. In addition, referral agreements with the following providers expressly contemplate the referral of patients eligible for charity care to Applicant: Ashley, Inc., Jenifer Wilson LSCWC LCADC LLC, Maryland Addiction Recovery Center, Samaritan Houses, Inc., and Summit Community Health, Inc. See Exhibit 6.

**.05L. In-Service Education.** An applicant must document that it will institute or, if an existing facility, maintain a standardized in-service orientation and continuing education program for all categories of direct service personnel, whether paid or volunteer.

[Applicant Response](#)

Hygea Detox will institute standardized in-service orientation and continuing education program for all categories of direct service personnel. Relevant excerpts from the Hygea Detox draft Policies and Procedures Manual confirming and discussing this commitment are attached as Exhibit 5, pp. 24-26 (In-Service Education).

**.05M. Sub-Acute Detoxification.** An applicant must demonstrate its capacity to admit and treat alcohol or drug abusers requiring sub-acute detoxification by documenting appropriate admission standards, treatment protocols, staffing standards, and physical plant configuration.

[Applicant Response](#)

Hygea Detox will implement appropriate admission standards, treatment protocols, staffing standards and physical plant configuration in accordance with ASAM Patient Placement Criteria, JCAHO guidelines, National Patient Safety Goals and industry standards. Relevant excerpts from the Hygea Detox draft Policies and Procedures Manual are attached as Exhibit 5, pp. 27-28 (Sub-Acute Detoxification, Detoxification Protocols).

**.05N. Voluntary Counseling, Testing, and Treatment Protocols for Human Immunodeficiency Virus (HIV).** An applicant must demonstrate that it has procedures to train staff in appropriate methods of infection control and specialized counseling for HIV-positive persons and active AIDS patients.

[Applicant Response](#)

Hygea Detox will provide all staff with training in infection control upon hire and continuing periodically in compliance with Applicant's infection control policy. Hygea Detox will offer HIV testing and counseling with patient consent consistent with Applicant's policy on HIV Testing and Counseling. Hygea Detox's draft Infection Control and HIV Testing and Counseling policies are attached in Exhibit 5, pp. 29-33 (Infection and Spread of Infection).

**.05O. Outpatient Alcohol & Drug Abuse Programs.**

- (1) An applicant must develop and document an outpatient program to provide, at a minimum: individual needs assessment and evaluation; individual, family, and group counseling; aftercare; and information and referral for at least one year after each patient's discharge from the intermediate care facility.**
- (2) An applicant must document continuity of care and appropriate staffing at off-site outpatient programs.**
- (3) Outpatient programs must identify special populations as defined in Regulation .08, in their service areas and provide outreach and outpatient services to meet their needs.**

- (4) **Outpatient programs must demonstrate the ability to provide services in the evening and on weekends.**
- (5) **An applicant may demonstrate that outpatient programs are available to its patients, or proposed patient population, through written referral agreements that meet the requirements of (1) through (4) of this standard with existing outpatient programs.**

#### Applicant Response

Applicant's proposed facility will not provide outpatient care. Outpatient programs will be available to Applicant's patients through written referral agreements with area providers, including the providers with whom applicant has obtained reciprocal written referral agreements to date:

- Ashley, Inc.
- Jenifer Wilson LSCWC LCADC LLC
- Maryland Addiction Recovery Center
- MedStar Franklin Square Medical Center
- New Points Sober Living
- Samaritan Houses, Inc.
- Sheppard Pratt Health System
- Sinai Hospital of Baltimore, Inc.
- Summit Community Health, Inc.

Applicant will continue to seek referral agreements with outpatient providers following approval in order to provide its patients with a range of options for outpatient care. Applicant will discuss the importance of continuing care with patients during treatment planning and at discharge. See Exhibit 5, p. 13 (Length of Stay, Aftercare policy); see also pp. 15, 20, 27 (referencing one year of aftercare included in discussion of discharge procedure, referrals, patient treatment plan).

**.05P. Program Reporting. Applicants must agree to report, on a monthly basis, utilization data and other required information to the Alcohol and Drug Abuse Administration's Substance Abuse Management Information System (SAMIS) program, and participate in any comparable data collection program specified by the Department of Health and Mental Hygiene.**

#### Applicant Response

According to the Commission's March 19, 2020 Decision *In re: Baltimore Detox Center*, 16-02-2374, "the Behavioral Health Administration, in 2015, contracted with Beacon Health Options to collect data only from publicly-funded providers (Track Two)." *Id.*, 18. As a result, Applicant's proposed Track One facility would not be required to report utilization to the State. *Id.* Should

the Behavioral Health Administration develop a comparable data reporting system for or including Track One facilities in the future, Applicable is willing to participate in such a program.

**.06 Preferences for Certificate of Need approval.**

**A. In a comparative review of applicants for private bed capacity in Track One, the Commission will give preference expand an intermediate care facility if the project's sponsor will commit to:**

- (1) Increase access to care for indigent and gray area patients by reserving more bed capacity than required in Regulation .08 of this Chapter;**
- (3) Treat special populations as defined in Regulation .08 of this Chapter or, if an existing alcohol or drug abuse treatment facility, treat special populations it has historically not treated;**
- (4) Include in its range of services alternative treatment settings such as intensive outpatient programs, halfway houses, therapeutic foster care, and long-term residential or shelter care;**
- (5) Provide specialized programs to treat an addicted person with co-existing mental illness, including appropriate consultation with a psychiatrist; or,**
- (6) In a proposed intermediate care facility that will provide a treatment program for women, offer child care and other related services for the dependent children of these patients.**

**A. If a proposed project has received a preference in a Certificate of Need review pursuant to this regulation, but the project sponsor subsequently determines that providing the identified type or scope of service is beyond the facility's clinical or financial resources:**

- (1) The project sponsor must notify the Commission in writing before beginning to operate the facility, and seek Commission approval for any change in its array of services pursuant to COMAR 10.24.01.17.**
- (2) The project sponsor must show good cause why it will not provide the identified service, and why the effectiveness of its treatment program will not be compromised in the absence of the service for which a preference was awarded; and**
- (3) The Commission, in its sole discretion, may determine that the change constitutes an impermissible modification, pursuant to COMAR 10.24.01.17C(1).**

*Applicant Response*

Not applicable.

## B. NEED

***COMAR 10.24.01.08G(3)(b) Need. The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served, and established that the proposed project meets those needs.***

**INSTRUCTIONS:** Please discuss the need of the population served or to be served by the Project.

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. If the relevant chapter of the State Health Plan includes a need standard or need projection methodology, please reference/address it in your response. For applications proposing to address the need of special population groups, please specifically identify those populations that are underserved and describe how this Project will address their needs.

If the project involves modernization of an existing facility through renovation and/or expansion, provide a detailed explanation of why such modernization is needed by the service area population. Identify and discuss relevant building or life safety code issues, age of physical plant issues, or standard of care issues that support the need for the proposed modernization.

Please assure that all sources of information used in the need analysis are identified. List all assumptions made in the need analysis regarding demand for services, utilization rate(s), and the relevant population, and provide information supporting the validity of the assumptions.

Complete Table C (Statistical Projections – Entire Facility) from the CON Application Table Package.

### [Applicant Response](#)

Please see Applicant's response to standard .05B, *supra*.

## C. AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES

**COMAR 10.24.01.08G(3)(c) Availability of More Cost-Effective Alternatives.** *The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.*

**INSTRUCTIONS:** Please describe the planning process that was used to develop the proposed project. This should include a full explanation of the primary goals or objectives of the project or the problem(s) being addressed by the project. It should also identify the alternative approaches to achieving those goals or objectives or solving those problem(s) that were considered during the project planning process, including the alternative of the services being provided by existing facilities.

For all alternative approaches, provide information on the level of effectiveness in goal or objective achievement or problem resolution that each alternative would be likely to achieve and the costs of each alternative. The cost analysis should go beyond development cost to consider life cycle costs of project alternatives. This narrative should clearly convey the analytical findings and reasoning that supported the project choices made. It should demonstrate why the proposed project provides the most effective goal and objective achievement or the most effective solution to the identified problem(s) for the level of cost required to implement the project, when compared to the effectiveness and cost of alternatives including the alternative of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

### Applicant Response

Hygea Detox's objective is to provide Marylanders with excellent specialty care for chemical dependency with an integrated team of psychologists, holistic practitioners, and registered dietitians. Hygea Detox seeks to provide comprehensive addiction and dual diagnosis treatment to help individuals achieve long-term recovery.

### Site Selection

Hygea evaluated three sites in the Central Maryland region for location of a 50-bed Intermediate Care Facility, including the selected site in Baltimore County. The two other sites Hygea evaluated were both located in Howard County.

Zoning is a significant issue that applicants face in site selection for intermediate care facilities. One of the two Howard County sites evaluated was a raw parcel of land similar in size to the 1210 Middle River Road, but with a land price of almost quadruple the cost. In addition, the site was not appropriately zoned, and it would have taken significantly more money to obtain proper approvals on this site. Finally, the purchaser of the land had to absorb the cost of a new stormwater management (SWM) system that would serve not only the site itself but a few of the surrounding parcels. The principals were not confident that seller would agree to the sale. Between the three issues of land cost, updated soft costs, and a new SWM management system, the projected increase in cost would have been well above the total project cost for the selected site in Baltimore County.

The other site contemplated for an ICF facility contained an existing psychiatric facility, which Hygea believes was adequately zoned for the use of an ICF. There were several issues with this facility. The first issue was the amount of deferred maintenance and a much-needed improvement allowance to properly occupy the site for the intended use. The current landlord refused to offer a long-term lease on the property since he believed that he would be able to redevelop the property in the future. Hygea Detox did not move forward because it could not justify the out-of-pocket improvement allowance in relation to any possible returns given the short amount of time on a potential lease.

1210 Middle River Road was carefully evaluated for land use purposes and was adequately rezoned at the conclusion of the 2020 Comprehensive Zoning Map Process (CZMP) as part of CZMP No. Issue 6-028 for this specific use. The local Councilwoman and the County have strongly supported Hygea Detox's plans to establish an ICF on 1210 Middle River Road, and Hygea is excited to move forward in Baltimore County and to expand the availability of these much needed services for Marylanders.

Hygea believes its selection of the Baltimore County site is a cost effective establishing its proposed facility.

#### Comparison to other providers

Hygea Detox's proposed project will provide needed ICF services more cost effectively than other Track One facilities recently approved by the Commission.

With respect to operational costs, Hygea Detox compared its Net Operating Revenue Per Day against that reported in connection with the five Track One ICF Certificates of Need granted by the Commission in the last five years – Recovery Centers of America – Waldorf, Docket No. 15-08-2362; Recovery Centers of America – Earleville - Docket No. 15-07-2363; Recovery Centers of America – Upper Marlboro - Docket No. 15-16-2364; Maryland House Detox, Docket No. 16-02-2374; and Baltimore Detox Center, Docket No. 18-03-2419.<sup>3</sup>

Hygea Detox's revenue projections include an assumption of gross detox revenue per patient day of \$1,150.00, which is less than that assumed by four of the five applicants reviewed and within 4% of the fifth's reported daily rate.<sup>4</sup> Further, these values do not account for inflationary changes since the time that the other applicant's projections were submitted against Hygea Detox's assumptions for Calendar Years 2023, 2024 and 2025. The gross revenue assumption for Hygea Detox (i.e., market list price) is highly competitive against peer facilities.

Hygea has assumed 2.0% of gross revenue as bad debt which is in line with other Track One ICFs. The combination of contractual allowances and charity care yields Net Operating Revenue Per Day for Hygea of \$779.50. This value is lower than the comparable net detox

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<sup>3</sup> The source for the analysis provided here is as follows: Recovery Centers of America – Waldorf, Docket No. 15-08-2362: 10/7/2016 Mod. Appl.; Recovery Centers of America – Earleville - Docket No. 15-07-2363: 10/7/2016 Mod. Appl.; Recovery Centers of America – Upper Marlboro - Docket No. 15-16-2364: 10/7/2016 Mod. Appl.; Maryland House Detox, Docket No. 16-02-2374: 3/21/2016 Appl.; and Baltimore Detox Center, Docket No. 18-03-2419: 3/2/2020 Mod. Appl.

<sup>4</sup> Baltimore Detox Center assumed \$1,108 per day. Id.

revenue per patient day for four of the five recent Track One ICF applications approved by the Commission, further indicating the cost effectiveness to Maryland citizens and taxpayers.<sup>5</sup>

The Net Income Per Patient Day that Hygea Detox forecasts is also lower than that of four of the five recently approved providers (as reported during their CON review). Once full ramp up is completed, Hygea Detox estimates Net Income Per Patient Day near \$194 compared to the other four applicants that had a range of \$243 to \$355 per day for level 3.7 services.<sup>6</sup> The reason why Hygea Detox estimates a lower Net Income Per Patient Day is directly related to the focus on a robust staffing model that assumes competitive wages for the area. Recognizing that staffing will vary based on the number of level 3.7 beds, Hygea reviewed its staffing model against the proposed staffing for detox services among the other applicants to the Commission. The number of FTEs for Direct Care and Support staff were summed. This total was multiplied by 2,080 hours to reflect each full time staff person. The total Direct Care and Support Hours were added together and then divided by the assumed patient days in each year.

From this calculation, Hygea Detox has built a model that offers 8.4 Direct and Support Staff Hours Per Patient Day. Other recent Track One ICF providers showed staffing between 6.3 and 6.9 Direct and Support Staff Hours Per Patient Day. This shows Hygea Detox's commitment to delivering a high-quality service to the patients it will serve. The emphasis on staffing to serve its clients shows the cost effectiveness of the service that Hygea will deliver when compared to the proposed revenue.

Hygea Detox's proposed project is also cost effective as compared to other treatment options. ICF costs remain lower than the equivalent service in an inpatient hospital facility. In a March 2019 briefing from the Agency for Healthcare Research and Quality, researchers found that the average cost per day in 2016 to treat opioid-related disorders in a hospital setting where the patient had a principal diagnosis for SUD was \$955 per day.<sup>7</sup> In a recent article published by the Journal of the American Medical Society, the mean cost for opioid-related inpatient hospital stays in 2017 was \$9,068. Applying an average length of stay of 8.3 days (Hygea Detox's assumption), this is \$1,092 per day.<sup>8</sup> Hygea Detox's assumed Net Patient Revenue Per Day is \$780 per day. Hygea Detox's proposal represents a cost effective option for Marylanders in need of detoxification services.

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<sup>5</sup> Baltimore Detox Center is again the outlier, at about \$680/day each year per its projections.

<sup>6</sup> Recovery Centers of America – Waldorf, Docket No. 15-08-2362 is the outlier in this metric.

<sup>7</sup> Owens, P. et al. Inpatient Stays Involving Mental and Substance Use Disorders, 2016. Statistical Brief #249, Agency for Healthcare Research and Quality, March 2019. Appendix A table. <https://www.hcup-us.ahrq.gov/reports/statbriefs/sb249-Mental-Substance-Use-Disorder-Hospital-Stays-2016.jsp>

<sup>8</sup> Peterson, C. et al. Assessment of Annual Cost of Substance Use Disorder in US Hospitals. *JAMA Network Open*. 2021;4(3):e210242. doi:10.1001/jamanetworkopen.2021.0242 March 2021, page 4.

## D. VIABILITY OF THE PROPOSAL

**COMAR 10.24.01.08G(3)(d) Viability of the Proposal.** *The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.*

**INSTRUCTIONS:** Please provide a complete description of the funding plan for the project, documenting the availability of equity, grant(s), or philanthropic sources of funds and demonstrating, to the extent possible, the ability of the applicant to obtain the debt financing proposed. Describe the alternative financing mechanisms considered in project planning and provide an explanation of why the proposed mix of funding sources was chosen.

- Complete Tables D (Revenues & Expenses, Uninflated – Entire Facility) and F (Revenues & Expenses, Uninflated – New Facility or Service) from the CON Application Table Package.
- Complete Table G (Work Force Information) from the CON Application Table Package.
- Audited financial statements for the past two years should be provided by all applicant entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution. If audited financial statements are not available for the entity or individuals that will provide the equity contribution, submit documentation of the financial condition of the entities and/or individuals providing the funds and the availability of such funds. Acceptable documentation is a letter signed by an independent Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.
- If debt financing is required and/or grants or fund raising is proposed, detail the experience of the entities and/or individuals involved in obtaining such financing and grants and in raising funds for similar projects. If grant funding is proposed, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant.
- Describe and document relevant community support for the proposed project.
- Identify the performance requirements applicable to the proposed project (see question 12, "Project Schedule") and explain how the applicant will be able to implement the project in compliance with those performance requirements. Explain the process for completing the project design, obtaining State and local land use, environmental, and design approvals, contracting and obligating the funds within the prescribed time frame. Describe the construction process or refer to a description elsewhere in the application that demonstrates that the project can be completed within the applicable time frame(s).

### [Applicant Response](#)

#### **Project Financing**

Hygea Detox has sufficient funding to complete and fund the project. See Exhibit 7.

## Revenue & Expense, Workforce Projections

See Exhibit 1, MHCC Tables, Tables D and G. (Table F is not provided. Because Hygea Detox will only provide ICF services, Table F would be entirely duplicative of Table D).

## Community Support

Applicant has received strong support from government officials, and other providers in the community, as indicated in the following table. The letters are attached as Exhibit 8.

<b>GOVERNMENT / AGENCY SUPPORT</b>
U.S. Representative C.A. Dutch Ruppersberger, Maryland 2nd Congressional District
Eric Bromwell, Opioid Strategy Coordinator, Baltimore County
John A. Olsezewski, Jr., County Executive, Baltimore County
<b>PROVIDER SUPPORT</b>
Ashley, Inc.
Bruce Taylor, M.D.
Daniel Carl Torsch Foundation
Maryland Addiction Recovery Center
New Points Sober Living
Sheppard Pratt Health System
Sinai Hospital of Baltimore, Inc.
Summit Community Health, Inc., Summit Community Foundation, Inc.

## Applicable Performance Requirements

Pursuant to COMAR § 10.24.01.12, once the Commission grants a Certificate of Need, Applicant will have 18 months to obligate not less than 51 percent of the approved capital expenditure, as documented by a binding construction contract or equipment purchase order. Applicant will have four months from the effective date of the construction contract to break ground, and must complete the project 18 months thereafter. COMAR § 10.24.01.12.B(1),(2), C(1)(c).

Applicant will meet the Performance Requirements of COMAR § 0.24.01.12. Applicant expects to obligate not less than 51% of the approved capital expenditure within 1 month of CON approval. Applicant expects to break ground within one month thereafter, and to complete construction within 12 months after breaking ground.

**E. COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED**

***COMAR 10.24.01.08G(3)(e) Compliance with Conditions of Previous Certificates of Need. An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.***

**INSTRUCTIONS:** List all of the Maryland Certificates of Need that have been issued to the project applicant, its parent, or its affiliates or subsidiaries over the prior 15 years, including their terms and conditions, and any changes to approved Certificates that needed to be obtained. Document that these projects were or are being implemented in compliance with all of their terms and conditions or explain why this was not the case.

[Applicant Response](#)

Not applicable.

## F. IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM

**COMAR 10.24.01.08G(3)(f) Impact on Existing Providers and the Health Care Delivery System. An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.**

**INSTRUCTIONS:** Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payer mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

- a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;
- b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.
- c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);
- d) On costs to the health care delivery system.

If the applicant is an existing facility or program, provide a summary description of the impact of the proposed project on the applicant's costs and charges, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

### Applicant Response

As addressed in response to Standard .05B, the Commission's bed need methodology demonstrates a net bed need in the range of 70 to 113 beds in the Central Maryland health planning region for the target year 2025.<sup>9</sup> The addition of 50 Level 3.7 beds by Hygea Detox will help to meet this need. However, even with approval of these beds, there is still additional need in the region. As a result, Hygea Detox does not expect its project will have a material impact on other providers.

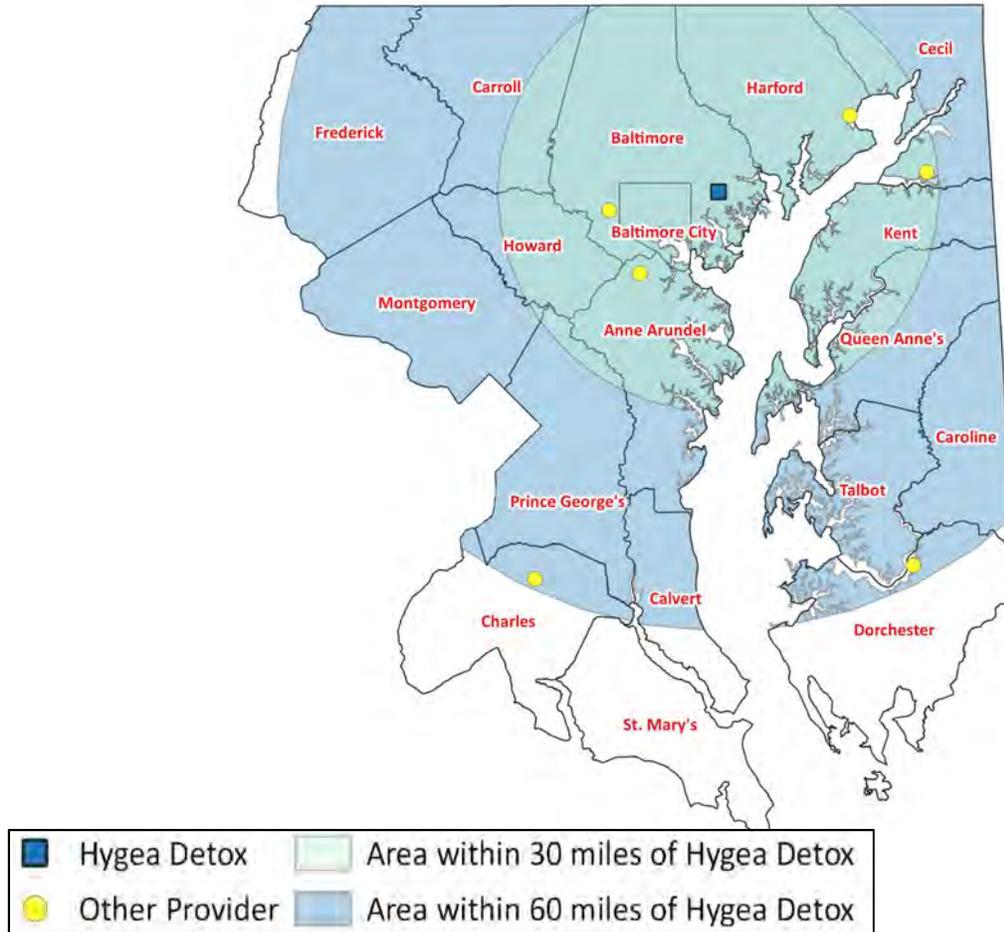
The following map displays the location of each Track One provider and its proximity to the proposed Hygea Detox location. The colored circles represent radius around the Hygea Detox location. The light green represents a 30-mile radius around the Hygea Detox location;

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<sup>9</sup> As discussed more fully in the Notes accompanying Hygea Detox's discussion of the bed need projection for the Central Region, the existing inventory of beds may also be overstated, and out-of-state discharges understated.

the blue represents a 60 mile-radius. Providers with current inventory are shown on the map in yellow.

**Figure 1**  
**ICF Track One Providers within 30, 60 Miles of Hygea Detox (“crow flies”)**



**Table 2**  
**Maryland ICF Track One ASAM Level 3.7 Providers**

Provider	County	Driving Distance from Hygea
Maryland House Detox	Anne Arundel	21.1
Baltimore Detox Center	Baltimore	26.1
Ashley Addiction Treatment	Harford	26.3
Recovery Centers of America, Earleville	Cecil	63.5
Recovery Centers of America, Waldorf	Charles	67.8
Warwick Manor	Dorchester	96.9

As demonstrated above, and based on upon the Commission Decision *In re Baltimore Detox Center, LLC*, Docket No. 18-03-2419, Mar. 19, 2020, p. 8, there are currently only two Track One facilities in the Central Maryland Region, with the closest over 20 miles away.

Hygea further notes that the Commission's defined methodology likely understates bed need in the state. The methodology was last published in 2002, with a supplement in 2013 that did not affect the calculation methodology. COMAR 10.24.14. Review of its sources demonstrates that it relies upon information significant older than its publication date. *Id.* Substance use disorder today is a national crisis, with significant increases in the past two decades. Unintentional Intoxication Deaths occurring in Maryland have risen substantially in the intervening time. Data from the Opioid Operational Command Center demonstrates a rise from 596 deaths in Calendar year 2007 to 2025 deaths in 2020. Maryland Opioid Operational Command Center, Quarterly Reports on Unintentional Drug and Alcohol Related Intoxication Deaths, 2020 Q. Every Maryland County in the Central Maryland Region experienced a rise in Drug and Alcohol related intoxication deaths between 2007 and 2019, and in opioid related intoxication deaths over the same period. *Id.*, Tables 5, 6. Based on the significant rise of substance use disorder related deaths in Maryland, Hygea expects there has also been a significant rise in substance use disorder incidental/use rates, use and in treatment need.

Anecdotal evidence also supports the lack of sufficient 3.7 capacity based on wait times for those seeking care. See, for example, *In re: House Bill 384* (2018 Reg. Sess.), House Committee Hearing before the Health and Government Operations Committee, Feb 13, 2018 (presenting testimony regarding a survey of 17 ICF providers in Maryland indicating that 12 of 17 ICF provider survey respondents had a wait time of two or more weeks);<sup>10</sup> Interim Report of the Lieutenant Governor's Heroin & Opioid Emergency Task Force, August 24, 2015 ("Families consistently reported experiencing multiple and repeated barriers, such as excessively long waiting periods...");<sup>11</sup> *In re Ashley, Inc.*, Docket No. 13-12-2340, Commission Decision, Sept. 19, 2013, p. 13 (reporting mean wait times of 4.96 days for monitored intensive inpatient (ASAM level III.7) care, and 3.55 days for detoxification (ASAM level III.7-D) care).

Based on the continued rise in substance use disorder deaths in Maryland, the need identified by the Commission's methodology, and the proposed project's location and distance from other provides, Hygea expects that other providers will not experience any significant volume shift as a result of Hygea's proposed project. Given the need in the region and the cost-effectiveness of its proposed application, Hygea Detox expects its project to have a positive impact on the health care delivery system in Maryland.

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<sup>10</sup> Available at <https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/HB0384/?ys=2018rs>.

<sup>11</sup> Available at <https://governor.maryland.gov/ltgovernor/wp-content/uploads/sites/2/2015/08/Draft-Heroin-Interim-Report-FINAL.pdf>

# **AFFIRMATIONS**

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.



May 28, 2021

Date

Robby Stempler  
Chief Executive Officer  
Hygea Detox

#743456  
014168-0001

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.

May 28, 2021

Date

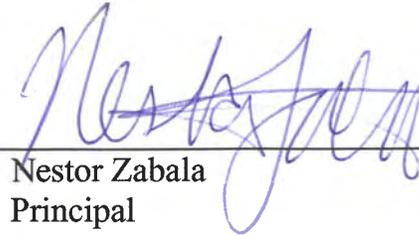


Jon Schulman

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.

May 28, 2021

Date



Nestor Zabala  
Principal  
Curry Architects

# **EXHIBIT 1**

Name of Applicant: Hygea Detox, Inc.

Date of Submission: 6/15/2021

*Applicants should follow additional instructions included at the top of each of the following worksheets. Please ensure all green fields (see above) are filled.*

<b>Table Number</b>	<b>Table Title</b>	<b>Instructions</b>
<b>Table A</b>	<b>Physical Bed Capacity Before and After Project</b>	All applicants whose project impacts any nursing unit, regardless of project type or scope, must complete Table A.
<b>Table B</b>	<b>Project Budget</b>	All applicants, regardless of project type or scope, must complete Table B.
<b>Table C</b>	<b>Statistical Projections - Entire Facility</b>	Existing facility applicants must complete Table C. All applicants who complete this table must also complete Table D.
<b>Table D</b>	<b>Revenues &amp; Expenses, Uninflated - Entire Facility</b>	Existing facility applicants must complete Table D. The projected revenues and expenses in Table D should be consistent with the volume projections in Table C.
<b>Table E</b>	<b>Statistical Projections - New Facility or Service</b>	Applicants who propose to establish a new facility, existing facility applicants who propose a new service, and applicants who are directed by MHCC staff must complete Table E. All applicants who complete this table must also complete Table F.
<b>Table F</b>	<b>Revenues &amp; Expenses, Uninflated - New Facility or Service</b>	Applicants who propose to establish a new facility and existing facility applicants who propose a new service and any other applicant who complete a Table F must complete Table F. The projected revenues and expenses in Table F should be consistent with the volume projections in Table E.
<b>Table G</b>	<b>Work Force Information</b>	All applicants, regardless of project type or scope, must complete Table G.

**TABLE A. PHYSICAL BED CAPACITY**

<p><i>INSTRUCTIONS: Identify the location of each nursing unit (add or delete rows if necessary) and specify the room and bed count before and after the project in accordance with the definition of physical capacity noted below. Applicants should add columns and recalculate formulas to address rooms with 3 and 4 bed capacity. NOTE: Physical capacity is the total number of beds that could be physically set up in space without significant renovations. This should be the maximum operating capacity under normal, non-emergency circumstances and is a physical count of bed capacity, rather than a measure of staffing capacity. A room with two headwalls and two sets of gasses should be counted as having capacity for two beds, even if it is typically set up and operated with only one bed. A room with one headwall and one set of gasses is counted as a private room, even if it is large enough from a square footage perspective to be used as a semi-private room, since renovation/construction would be required to convert it to semi-private use. If the hospital operates patient rooms that contain no headwalls or a single headwall, but are normally used to accommodate one or more than one patient (e.g., for psychiatric patients), the physical capacity of such rooms should be counted as they are currently used.</i></p>					
After Project Completion					
Service Location (Floor/Wing)	Location (Floor/ Wing)*	Based on Physical Capacity			
		Room Count			Bed Count
		Private	Semi-Private	Total Rooms	Physical Capacity
<b>III.7 AND III.7D</b>					
Second Floor		4	23	27	50
<b>Subtotal III.7 and III.7 D</b>		<b>4</b>	<b>23</b>	<b>27</b>	<b>50</b>
<b>RESIDENTIAL</b>					
				0	0
				0	0
<b>Subtotal Residential</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>		<b>4</b>	<b>23</b>	<b>27</b>	<b>50</b>
<b>Other (Specify/add rows as needed)</b>				0	0
<b>TOTAL NON-ACUTE</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FACILITY TOTAL</b>		<b>4</b>	<b>23</b>	<b>27</b>	<b>50</b>

**TABLE B. PROJECT BUDGET**

**INSTRUCTION:** Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application. If the project involves services other than level III.7 and III.7D explain the allocation of costs between the levels. NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds

	III.7 and III.7D	RESIDENTIAL	TOTAL
<b>A. USE OF FUNDS</b>			
<b>1. CAPITAL COSTS</b>			
<b>a. New Construction</b>			
(1) Building Costs (hard costs) includes builders profit	\$6,494,484		\$6,494,484
(2) Closing Costs/Due Diligence	\$228,500		\$228,500
(3) Site and Infrastructure/Remediation (site work)	\$1,151,289		\$1,151,289
(4) Architect/Engineering Fees (soft costs)	\$248,396		\$248,396
(5) Permits (Building, Utilities, Etc.) included in Building Costs	\$117,684		\$117,684
<b>SUBTOTAL</b>	<b>\$8,240,353</b>	<b>\$0</b>	<b>\$8,240,353</b>
<b>b. Renovations</b>			
(1) Hard Costs to Construct			\$0
(2) Fixed Equipment (not included in construction) Kitchen/FFE	\$372,840		\$372,840
(3) Architect/Engineering Fees			\$0
(4) Permits (Building, Utilities, Etc.)			\$0
<b>SUBTOTAL</b>	<b>\$372,840</b>	<b>\$0</b>	<b>\$372,840</b>
<b>c. Other Capital Costs</b>			
(1) Movable Equipment			\$0
(2) Contingency Allowance included in Hard Costs/Site Costs	\$770,220		\$770,220
(3) Debt Service Reserve Fund - interest carry for 1st/2nd Lend	\$420,000		\$420,000
(4) Other (Specify/add rows if needed) FF&E/Kitchen			\$0
<b>SUBTOTAL</b>	<b>\$1,190,220</b>	<b>\$0</b>	<b>\$1,190,220</b>
<b>TOTAL CURRENT CAPITAL COSTS</b>	<b>\$9,803,413</b>	<b>\$0</b>	<b>\$9,803,413</b>
<b>d. Land Purchase</b>	<b>\$475,000</b>		<b>\$475,000</b>
<b>e. Inflation Allowance</b>			\$0
<b>TOTAL CAPITAL COSTS</b>	<b>\$10,278,413</b>	<b>\$0</b>	<b>\$10,278,413</b>
<b>2. Financing Cost and Other Cash Requirements</b>			
a. Loan Placement Fees 1st and 2nd Lender	\$120,000		\$120,000
b. Bond Discount			\$0
c. CON Application Assistance	\$60,000		\$60,000
c1. Legal Fees			\$0
c2. Other Working Capital	\$50,000		\$50,000
d. Non-CON Consulting Fees	\$0		\$0
d1. Legal Fees	\$83,012		\$83,012
d2. Other (Specify/add rows if needed) Developer Fee	\$375,000		\$375,000
e. Other - 3rd Party Leasing Fees	\$323,204		\$323,204
i. Other - Taxes and Insurance During Const	\$123,094		\$123,094
<b>SUBTOTAL</b>	<b>\$1,134,310</b>	<b>\$0</b>	<b>\$1,134,310</b>
<b>3. Working Capital Startup Costs</b>			\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$11,412,724</b>	<b>\$0</b>	<b>\$11,412,724</b>
<b>B. Sources of Funds</b>			
1. Cash	\$1,220,242		\$1,220,242
2. Philanthropy (to date and expected)			\$0
3. Authorized Bonds			\$0
4. Interest Income from bond proceeds listed in #3			\$0
5. Mortgage	\$9,709,642		\$9,709,642
6. Working Capital Loans			\$0
7. Grants or Appropriations			\$0
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Business Loan obtained by Tenant	\$482,840		\$482,840
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$11,412,724</b>		<b>\$11,412,724</b>
	III.7 and III.7D	RESIDENTIAL	TOTAL
<b>Annual Lease Costs (if applicable)</b>			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other (Specify/add rows if needed)			\$0

\* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.  
 Applicant Response: Hygea Detox's Lease Option is attached as Exhibit 4.

Notes: Applicant Hygea Detox, LLC, anticipates contributing \$482,840 to the project, via a business loan. The remainder of the project will be funded by the site owner, via mortgage of \$9,709,642 and cash contribution of \$1,220,242. In an effort to demonstrate the complete costs associated with the proposed project, Applicant discloses the full project budget for purchase of the site and construction of the proposed building.

**TABLE C. STATISTICAL PROJECTIONS - ENTIRE FACILITY**

**INSTRUCTION:** Complete this table for the entire facility, including the proposed project. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. 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.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.		
				CY 2023	CY 2024	CY 2025
<i>Indicate CY or FY</i>						
<b>1. DISCHARGES</b>						
a. Residential						
b. III.7 and III.7D				1,840	1,864	1,878
c. Other (Specify/add rows of needed)						
<b>TOTAL DISCHARGES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,840</b>	<b>1,864</b>	<b>1,878</b>
<b>2. PATIENT DAYS</b>						
a. Residential				0	0	0
b. III.7 and III.7D				15,272	15,471	15,587
c. Other (Specify/add rows of needed)				0	0	0
<b>TOTAL PATIENT DAYS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,272</b>	<b>15,471</b>	<b>15,587</b>
<b>3. AVERAGE LENGTH OF STAY (patient days divided by discharges)</b>						
a. Residential				0.0	0.0	0.0
b. III.7 and III.7D				8.3	8.3	8.3
c. Other (Specify/add rows of needed)				0.0	0.0	0.0
<b>TOTAL AVERAGE LENGTH OF STAY</b>				<b>8.3</b>	<b>8.3</b>	<b>8.3</b>
<b>4. NUMBER OF LICENSED BEDS</b>						
f. Rehabilitation				50	50	50
g. Comprehensive Care				0	0	
h. Other (Specify/add rows of needed)						
<b>TOTAL LICENSED BEDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>5. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect</b>						
a. Residential	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b. III.7 and III.7D	0.0%	0.0%	0.0%	83.7%	84.5%	85.4%
c. Other (Specify/add rows of needed)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL OCCUPANCY %</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>83.7%</b>	<b>84.5%</b>	<b>85.4%</b>
<b>6. OUTPATIENT VISITS</b>						
a. Residential						
b. III.7 and III.7D						
c. Other (Specify/add rows of needed)						
<b>TOTAL OUTPATIENT VISITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

**TABLE D. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY**

*INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table D should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table C 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.*

	Two Most Recent Years (Actual)	Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues			
Indicate CY or FY			CY 2023	CY 2024	CY 2025	CY 2026
<b>1. REVENUE</b>						
a. Inpatient Services			\$ 14,680,210	\$ 17,849,150	\$ 17,925,510	
b. Outpatient Services			\$ -	\$ -	\$ -	
<b>Gross Patient Service Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,680,210</b>	<b>\$ 17,849,150</b>	<b>\$ 17,925,510</b>	<b>\$ -</b>
c. Allowance For Bad Debt			\$ 293,604	\$ 356,983	\$ 358,510	
d. Contractual Allowance			\$ 2,233,945	\$ 2,716,175	\$ 2,727,795	
e. Charity Care			\$ 2,202,032	\$ 2,677,373	\$ 2,688,827	
<b>Net Patient Services Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,950,629</b>	<b>\$ 12,098,619</b>	<b>\$ 12,150,378</b>	<b>\$ -</b>
f. Other Operating Revenues (Specify/add rows if needed)			\$ -	\$ -	\$ -	
<b>NET OPERATING REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,950,629</b>	<b>\$ 12,098,619</b>	<b>\$ 12,150,378</b>	<b>\$ -</b>
<b>2. EXPENSES</b>						
a. Salaries & Wages (including benefits)			\$ 4,719,062	\$ 5,263,420	\$ 5,263,420	
b. Contractual Services			\$ -	\$ -	\$ -	
c. Interest on Current Debt			\$ -	\$ -	\$ -	
d. Interest on Project Debt			\$ 200,000	\$ 200,000	\$ 200,000	
e. Current Depreciation			\$ 400,000	\$ 400,000	\$ 400,000	
f. Project Depreciation			\$ -	\$ -	\$ -	
g. Current Amortization			\$ -	\$ -	\$ -	
h. Project Amortization			\$ -	\$ -	\$ -	
i. Supplies			\$ -	\$ -	\$ -	
j. Other Expenses (Specify/add rows if needed)			\$ 3,108,149	\$ 3,263,928	\$ 3,263,928	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,427,211</b>	<b>\$ 9,127,348</b>	<b>\$ 9,127,348</b>	<b>\$ -</b>
<b>3. INCOME</b>						
<b>a. Income From Operation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,523,418</b>	<b>\$ 2,971,271</b>	<b>\$ 3,023,030</b>	<b>\$ -</b>
b. Non-Operating Income						
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,523,418</b>	<b>\$ 2,971,271</b>	<b>\$ 3,023,030</b>	<b>\$ -</b>
c. Income Taxes			\$ -	\$ -	\$ -	\$ -

**TABLE D. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY**

*INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table D should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table C 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.*

	Two Most Recent Years (Actual)	Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues			
<b>NET INCOME (LOSS)</b>	\$ -	\$ -	\$ 1,523,418	\$ 2,971,271	\$ 3,023,030	\$ -

**4. PATIENT MIX**

**a. Percent of Total Revenue**

1) Medicare						
2) Medicaid						
3) Blue Cross			80.0%	80.0%	80.0%	
4) Commercial Insurance			15.0%	15.0%	15.0%	
5) Self-pay			5.0%	5.0%	5.0%	
6) Other						
<b>TOTAL</b>	#	0.0%	0.0%	100.0%	100.0%	100.0%

**b. Percent of Equivalent Inpatient Days**

1) Medicare						
2) Medicaid						
3) Blue Cross			69.0%	69.0%	69.0%	
4) Commercial Insurance			12.0%	12.0%	12.0%	
5) Self-pay			4.0%	4.0%	4.0%	
6) Other			15.0%	15.0%	15.0%	
<b>TOTAL</b>	#	0.0%	0.0%	100.0%	100.0%	100.0%

**TABLE D. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY  
Statement of Assumptions**

Other Expenses for the facility can be divided into four distinct categories:

- Property-related expenses, comprising about 47% of the Other Expenses;
- Vehicle expenses, comprising about 1.5% of the Other Expenses;
- Client-related expenses, comprising about 7% of the Other Expenses; and
- Facility operations expenses, comprising about 44% of the Other Expenses.

Property-related expenses include rent, property taxes and insurance, utilities, repairs and maintenance, and property management. Vehicle expenses include the lease or finance costs on vehicles as well as fuel and repair costs. Client-related expenses include food, medical expenses for clients, transportation, and client incidentals. Facility operations includes business insurance, workers' compensation insurance, payroll/HR expenses, office-related expenses, billing expenses, marketing expenses, hiring and training costs. The itemized costs for each of these categories appears in the exhibit below.

<b>Detail of Other Expenses Reported on Table D, Line 2j</b>			
	CY 2023	CY2024	CY2025
<b>PROPERTY EXPENSES</b>			
Rental Income	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Property Taxes	\$ 117,232	\$ 117,232	\$ 117,232
Property Insurance	\$ 5,862	\$ 5,862	\$ 5,862
Property Management	\$ 26,982	\$ 26,982	\$ 26,982
Repairs and Maintenance	\$ 87,924	\$ 87,924	\$ 87,924
Utilities	\$ 102,578	\$ 102,578	\$ 102,578
<b>VEHICLE EXPENSES</b>			
Auto Fuel	\$ 9,900	\$ 10,800	\$ 10,800
Auto-Lease/Finance	\$ 25,500	\$ 30,000	\$ 30,000
Auto-Maintenance/Repairs	\$ 4,575	\$ 5,400	\$ 5,400
<b>CLIENT-RELATED EXPENSES</b>			
Food	\$ 127,675	\$ 153,000	\$ 153,000
Medical Expenses	\$ 19,500	\$ 24,000	\$ 24,000
Transportation	\$ 12,000	\$ 12,000	\$ 12,000
Other Client-Related Expenses and Incidentals	\$ 43,500	\$ 48,000	\$ 48,000
<b>FACILITY OPERATIONS EXPENSES</b>			
Business Insurance	\$ 24,000	\$ 24,000	\$ 24,000
Workers' Compensation Insurance	\$ 30,000	\$ 30,000	\$ 30,000
Office Supplies and IT Support	\$ 60,000	\$ 60,000	\$ 60,000
Marketing-Call Center	\$ 600,000	\$ 600,000	\$ 600,000
Billing Expenses	\$ 580,921	\$ 696,150	\$ 696,150
Hiring / Staff Training Costs	\$ 12,000	\$ 12,000	\$ 12,000
Payroll/HR Fees	\$ 18,000	\$ 18,000	\$ 18,000
<b>Total Other Expenses</b>	<b>\$ 3,108,149</b>	<b>\$ 3,263,928</b>	<b>\$ 3,263,928</b>

**TABLE G. WORKFORCE INFORMATION**

**INSTRUCTION:** List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G.

Job Category	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)	
	Current Year FTEs	Average Salary per FTE	Current Year Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table D, if submitted).	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table D)
<b>1. Regular Employees</b>											
<i>Administration (List general categories, add rows if needed)</i>											
Executive Director			\$0	1.0	\$120,000	\$120,000			\$0	1.0	\$120,000
Clinical Director			\$0	1.0	\$80,000	\$80,000			\$0	1.0	\$80,000
Intake/Case Management			\$0	3.0	\$45,000	\$135,000			\$0	3.0	\$135,000
Detox Counselor			\$0	6.0	\$46,000	\$276,000			\$0	6.0	\$276,000
Administrative Aide			\$0	1.0	\$35,000	\$35,000			\$0	1.0	\$35,000
Medical Director			\$0	1.0	\$250,000	\$250,000			\$0	1.0	\$250,000
<b>Total Administration</b>			\$0	13.0	\$576,000	\$896,000			\$0	13.0	\$896,000
<i>Direct Care Staff (List general categories, add rows if needed)</i>											
Director of Nursing			\$0	1.0	\$100,000	\$100,000			\$0	1.0	\$100,000
Psychiatrist			\$0	1.0	\$250,000	\$250,000			\$0	1.0	\$250,000
LPN			\$0	27.0	\$60,000	\$1,620,000			\$0	27.0	\$1,620,000
RN			\$0	3.0	\$75,000	\$225,000			\$0	3.0	\$225,000
Nurse Practitioner			\$0	3.0	\$110,000	\$330,000			\$0	3.0	\$330,000
BHT Supervisor			\$0	3.0	\$45,000	\$135,000			\$0	3.0	\$135,000
BHT			\$0	15.0	\$35,000	\$525,000			\$0	15.0	\$525,000
<b>Total Direct Care</b>			\$0	53.0	\$675,000	\$3,185,000			\$0	53.0	\$3,185,000
<i>Support Staff (List general categories, add rows if needed)</i>											
Peer Recovery Specialist/Driver			\$0	4.0	\$35,000	\$140,000			\$0	4.0	\$140,000
Business Development			\$0	1.0	\$75,000	\$75,000			\$0	1.0	\$75,000
Head Cook			\$0	1.0	\$50,000	\$50,000			\$0	3.0	\$50,000
Assistant Cook			\$0	3.0	\$38,000	\$114,000			\$0	1.0	\$114,000
Maintenance Specialist			\$0	1.0	\$38,000	\$38,000			\$0	1.0	\$38,000
<b>Total Support</b>			\$0	10.0	\$236,000	\$417,000			\$0	10.0	\$417,000
<b>REGULAR EMPLOYEES TOTAL</b>			\$0	76.0	\$1,487,000	\$4,498,000			\$0	76.0	\$4,498,000

Job Category	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)	
	Current Year FTEs	Average Salary per FTE	Current Year Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table D, if submitted).	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table D)
<b>2. Contractual Employees</b>											
Administration (List general categories, add rows if needed)											
Pharmacies			\$0								
Billing Services			\$0								
Food			\$0								
Transportation Staff			\$0								
<b>Total Administration</b>			\$0			\$0			\$0	0.0	\$0
Direct Care Staff (List general categories, add rows if needed)											
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
<b>Total Direct Care Staff</b>			\$0			\$0			\$0	0.0	\$0
Support Staff (List general categories, add rows if needed)											
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
<b>Total Support Staff</b>			\$0			\$0			\$0	0.0	\$0
<b>CONTRACTUAL EMPLOYEES TOTAL</b>			\$0	0.0	\$0	\$0			\$0	0.0	\$0
<b>Benefits (State method of calculating benefits below):</b>											
Assume 15% for employer portion of gross wages for payroll taxes and unemployment insurance plus the cost of employer-sponsored health insurance to all full-time staff.			\$0			\$765,420			\$0		\$765,420
<b>TOTAL COST</b>	<b>0.0</b>		<b>\$0</b>	<b>76.0</b>		<b>\$5,263,420</b>	<b>0.0</b>		<b>\$0</b>		<b>\$5,263,420</b>

# **EXHIBIT 2**



### SOILS CHART

Soil Symbol	Soil Name	Hydrological Soil Group
BcC	Beltville Silt Loam	C
MbB	Middletown Silt Loam	C
Ur	Urban Land	D

\* No Prime and Productive Soils on Site

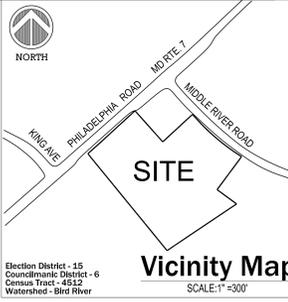


### Plan

SCALE: 1" = 30'

### NOTES

- PROPERTY OWNER: Philmill, LLC  
508 Rock Springs Road  
Belair, MD 21014
- PROPERTY DEVELOPER: Middle River Medical Ventures, LLC  
1 East Pratt Street, Suite 904  
Baltimore, MD 21022
- TAX ACCOUNT NUMBERS: 15-1900-0310 (Parcel 158) 9515 Philadelphia Road / Deed Ref 21668/393  
15-1915-1120 (Parcel 161) Middle River Road / Deed Ref 21688/389  
15-1159-0010 (Parcel 671) 1210 Middle River Road / Deed Ref 21073/036  
NO=082  
19-0000-2148 (Parcel 672) 1206 Middle River Road / Deed Ref 14955/169  
15-0635-0140 (Parcel 673) 1204 Middle River Road / Deed Ref 20880/574
- EXISTING SITE AREA = (6.98+ACRES+)
- ZONING:  
ML (Rezoned per 2020 CZMP Issue Number 06-028)  
BL  
ML-M
- ZONING MAP NUMBER: 0828
- CASE NO. 2014-102-A: VARIANCE TO PERMIT 35 PARKING SPACES IN LIEU OF 48 REQUIRED  
GRANTED SEPTEMBER 6, 2015.
- EXISTING LAND USE: 2,120-S4- SINGLE FAMILY HOME AND VACANT LAND
- A 100-YEAR FLOODPLAIN AREA EXISTS ON SITE PER THE "DOLLAR STORE" STUDY WHICH WAS ACCEPTED FOR FILING BY DPR ON 08/11/2014.
- THE SITE IS CURRENTLY SERVED BY PUBLIC WATER AND SEWER.
- THE SITE IS NOT IN ANY FAILED BASIC SERVICES MAP AREAS, AND/OR TRAFFIC DEFICIENT AREAS.
- HISTORIC STRUCTURES:  
NONE ON SITE
- 8A-2437 FORMER/DEMOLISHED OLDE PHILADELPHIA INN ON THE ADJACENT CVS PROPERTY  
BA-2437 J.B. EAST HOUSE ADJACENT TO WEST SIDE OF THE PROJECT SITE
- THE SITE IS INSIDE THE URCL



### LEGEND

- Tract Boundary
- Adjacent Property Lines
- Existing Curb
- Existing Wetlands
- Existing Edge of Pavement
- Existing Zoning
- Existing 100-Year Floodplain
- Existing Building
- Existing Contours
- Existing Stream Centerline
- Existing Woods Line
- Existing Brush/Meadow Line
- Existing Zoning
- EX GAS
- EX FENCE
- EX WATER LINE
- EX SANITARY LINE
- EX OVERHEAD LINE
- EX STORM DRAIN
- EX FIRE HYDRANT
- EX WATER VALVE
- EX WATER METER
- EX SOILS
- EXISTING 25% SLOPE HATCHING



PROFESSIONAL CERTIFICATION:  
I hereby certify that these documents were prepared or approved by me, and that I am a duly licensed professional engineer under the laws of the state of Maryland.  
License No. 21162  
Expiration Date: 03-20-2022.

Owner: Philmill, LLC  
508 Rock Springs Road  
Belair, MD 21014

Developer: Middle River Medical Ventures, LLC  
1 East Pratt Street, Suite 904  
Baltimore, MD 21022

Engineer: **MATIS WARFIELD**  
Consulting Engineers  
854 Ridgbrook Road, Suite 120  
Sparks, MD 21152  
(410) 472-5415

No.	Revision / Issue	By	Date

Design and Drawing based on Maryland Coordinate System (MCS):  
Horizontal: NAD 83/91 Vertical: NAVD 88

Graphic Scale  
0 30 60 90

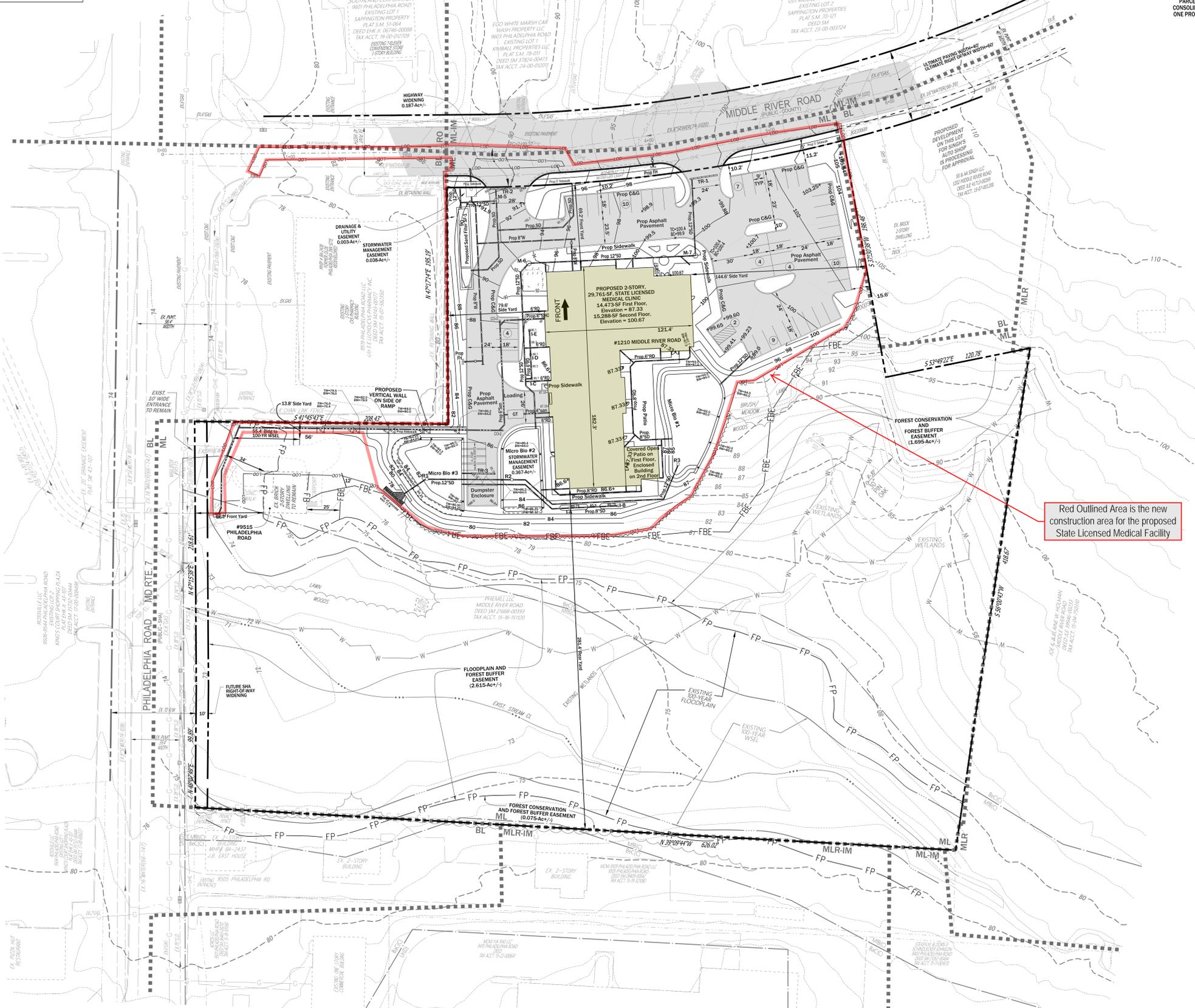
Project Name and Address:  
**MIDDLE RIVER STATE LICENSED MEDICAL CLINIC**  
1210 Middle River Road  
Middle River, Maryland 21237

Tax Map: 082 Election District: 15  
Parcels: 158, 161, 671, 672, 673  
Date: 04/29/2021 Sheet Number: 01 of 01  
Graphic Scale: 0 30 60 90  
**ESP-01**

**SOILS CHART**

Soil Symbol	Soil Name	Hydrological Soil Group
BcC	Beltville Silt Loam	C
MB	Middlebrook Silt Loam	C
Ur	Urban Land	D

\* No Prime and Productive Soils On Site



Red Outlined Area is the new construction area for the proposed State Licensed Medical Facility

**NOTES**

- PROPERTY OWNER: Philmill, LLC  
508 Rock Springs Road  
Belair, MD 21014
- PROPERTY DEVELOPER: Middle River Medical Ventures, LLC  
1 East Pratt Street, Suite 904  
Baltimore, MD 21202
- TAX ACCOUNT NUMBERS: 15-1900-0310 (Parcel 158) 9515 Philadelphia Road / Deed Ref 21668/393  
15-1915-1120 (Parcel 161) Middle River Road / Deed Ref 21688/393  
15-1150-0110 (Parcel 611) 1210 Middle River Road / Deed Ref 21073/306  
19-0000-2148 (Parcel 672) 1206 Middle River Road / Deed Ref 14955/169  
15-0635-0140 (Parcel 673) 1204 Middle River Road / Deed Ref 20880/574
- TAX MAP NO = 082
- PROPOSED LOT AREA = 296,017-SF (6.80-ACRES+/-)  
GROSS SITE AREA = 314,268-SF (7.21-ACRES+/-)  
Gross Area includes up to 30-acre or 0.5 Section of R/W less than 30-feet to Centerline
- ZONING: NET SITE AREA GROSS SITE AREA  
ML 6.78-ACRES+/- 7.18-ACRES+/- (Rezoned per 2020 CZM Issue Number 05-028)  
BL 0.01-ACRES+/- 0.01-ACRES+/-  
ML-M 0.01-ACRES+/- 0.01-ACRES+/-  
TOTAL 6.80-ACRES+/- 7.21-ACRES+/-  
ZONING MAP NUMBER: 082B
- ZONING HISTORY: CASE NO. 2021-1024 - VARIANCE TO PERMIT 35 PARKING SPACES IN LIEU OF 48 REQUIRED  
GRANTED SEPTEMBER 6, 2021
- MINIMUM PRINCIPAL BUILDING SETBACKS IN THE ML ZONE:  
NONRESIDENTIAL RESIDENTIAL  
Front Yard 25 ft. Side Yard 30 ft. Rear Yard 30 ft. (Front Yard Average = (85-10)/2)  
Side Yard 30 ft. Rear Yard 30 ft. (Rear Yard Average = (85-10)/2)
- EXISTING LAND USE: 2/100-SH- SINGLE FAMILY HOME AND VACANT LAND  
PROPOSED LAND USE: 2/200-SF- SINGLE FAMILY HOME AND 23/75-SF- STATE LICENSED MEDICAL CLINIC  
A 100-YEAR FLOODPLAIN AREA EXISTS ON SITE PER THE "DOLLAR STORE" STUDY WHICH WAS ACCEPTED FOR FILING BY OPS ON 08/10/2014
- THE SITE IS CURRENTLY SERVED BY PUBLIC WATER AND SEWER
- THE LOT AFRAY FROM ADJACENT RESIDENTIAL SITES AND PUBLIC STREETS
- ENGENDERED SPECIES HABITAT ON THIS PROPERTY
- TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO KNOWN EXISTING SEPTIC SYSTEMS OR WELLS ON SITE
- TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO UNDERGROUND STORAGE TANKS ON THE SUBJECT PROPERTY
- TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO HAZARDOUS MATERIALS AS DEFINED BY SECT. 7-101
- TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO KNOWN LIMITATIONS ESTABLISHED BY THE COURTS, COUNTY BOARD OF APPEALS, PLANNING BOARD AND/OR ZONING COMMISSIONER OR RESTRICTIVE COVENANTS
- THE AREAS BETWEEN THE RIGHT LINE AND THE CURB LINE MUST BE CLEARED, GRAZED AND KEPT FREE OF ANY OBSTRUCTIONS
- STORM WATER MANAGEMENT SHALL BE PROVIDED ON SITE IN ACCORDANCE WITH THE SPM SUMMARY LISTED ON THIS SHEET
- STORM DRAINAGE, GROUND AND STORM WATER MANAGEMENT LAYOUTS SHOWN HEREON ARE PRELIMINARY AND SUBJECT TO CHANGE UPON FINAL DESIGN AND APPROVAL
- ESTIMATED AVERAGE DAILY TRIPS (ADT) FROM TRAFFIC REPORT = 564 TRIPS (FROM ITE FOR CLINIC USE)
- RAMPS SHALL BE PROVIDED FOR PHYSICALLY HANDICAPPED PERSONS AT ALL ENTRANCES. THE RAMPS SHALL INCLUDE DETECTABLE WARNING AREAS AND SHALL BE CONSTRUCTED IN ACCORDANCE WITH BALTIMORE COUNTY STANDARDS DETAILS R-308 OR R-308 OR STATE HIGHWAY ADMINISTRATION DETAILS AS APPLICABLE
- ADDRESS NUMBERS FOR COMMERCIAL PROPERTIES SHALL BE A MINIMUM OF 6 INCHES IN SIZE
- THE PROPOSED BUILDING SHALL BE DESIGNED AND CONSTRUCTED SO AS TO MEET THE APPLICABLE PROVISIONS OF THE BALTIMORE COUNTY FIRE PREVENTION CODE
- WASTE AND REFUSE CONTAINERS SHOULD NOT BE PLACED CLOSER THAN 15-FT TO ANY STRUCTURAL WALLS OR PARTITIONS CONSTRUCTED OF COMBUSTIBLE MATERIALS NOR FROM OPENINGS IN EXTERIOR WALLS SUCH AS DOORS AND WINDOWS NOR BENEATH A COMBUSTIBLE OVERHANG IN ACCORDANCE WITH THE BALTIMORE COUNTY FIRE PREVENTION CODE
- ACCESS TO BUILDING SHALL BE AVAILABLE FOR THE USE BY EMERGENCY FIRE APPARATUS AND CAPABLE OF HANDLING EMERGENCY APPARATUS WEIGHING 70,000 LBS. WHEN CONSTRUCTION OF THE BUILDING IS UNDER ROOF. IN ACCORDANCE WITH THE BALTIMORE COUNTY FIRE PREVENTION CODE

**PARKING CALCULATIONS**  
STATE LICENSED MEDICAL CLINIC  
-Minimum Staff on Largest Shift = 20  
-No Patient Parking Provided  
-No Visitors Allowed  
-Parking Required = 20 spaces in accordance with IBCZ Section 409.6.A and a letter dated October 1, 2020 and countermanded by the Department of P&I

**SINGLE FAMILY HOME**  
-2 Required

**PARKING PROVIDED**  
-50 Parking Spaces on Medical Clinic Parking Lot  
-2 Parking Spaces at Single Family Home Carport

**STORMWATER MANAGEMENT SUMMARY**  
TOTAL LIMIT OF DISTRIBUCION (LOD) = 2.29 ACRES  
EXISTING IMPERVIOUS AREA WITHIN LOD = 0.12 ACRES  
PERCENT IMPERVIOUS WITHIN LOD = 5% (4.0% SD, NEW DEVELOPMENT SITE)  
TOTAL PROPOSED IMPERVIOUS AREA = 1.30 ACRES (Net Increase of 1.18 acres)  
1.30 ACRES New Development IMPERVIOUS AREA TO BE MANAGED FOR PE=2.7

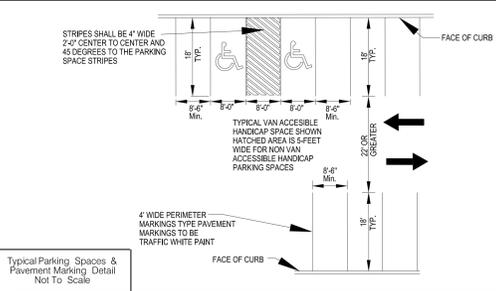
**ESD VOLUMES REQUIRED:**  
TOTAL DA = 2.29 ACRES (TOTAL LOD)  
IMPERVIOUS AREA = 1.32 ACRES (NEW)  
PERCENT IMPERVIOUS = 57.8%  
R<sub>1</sub> = 0.57  
R<sub>2</sub> = 0.57  
ESD<sub>1</sub> REQUIRED = 9,456-CF

**ESD VOLUMES PROVIDED:**  
3,025 CF IN MICRO\_BIO #1  
2,299 CF IN MICRO\_BIO #2  
2,928 CF IN MICRO\_BIO #3  
2,000 CF IN SAND FILTER #1  
TOTAL ESD<sub>1</sub> PROVIDED = 10,252 CF

**Vicinity Map**  
SCALE: 1" = 300'

**LEGEND**

- Tract Boundary
- Adjacent Property Lines
- Existing Curb
- Existing Wetlands
- Existing Edge of Pavement
- Existing Zoning
- Existing 100-Year Floodplain
- Existing Building
- Existing Contours
- Existing Stream Centerline
- Existing Woods Line
- Existing Brush/Meadow Line
- Existing Zoning
- EX GAS
- EX FENCE
- EX WATER LINE
- EX SANITARY LINE
- EX OVERHEAD LINE
- EX STORM DRAIN
- EX FIRE HYDRANT
- EX WATER VALVE
- EX WATER METER
- EX SOILS
- Prop. 15'SD
- Prop. 6'W
- Prop. STORM DRAIN
- PROP. WATER
- PROP. CONTOUR
- PROP. CONC. CURB & GUTTER
- PROP. BUILDING
- PROP. EASEMENT
- EXISTING 25% SLOPE HATCHING



**DEDICATION TABLE**

TYPE OF CONVEYANCE	NO.	ACRES
DRAINAGE AND UTILITY EASEMENT	1	0.003
FLOODPLAIN EASEMENT	1	2.615
FOREST BUFFER EASEMENT	1	2.615
FOREST BUFFER AND FOREST CONSERVATION EASEMENT	2	1.770
HIGHWAY WIDENING	1	0.187
STORMWATER MANAGEMENT EASEMENT	5	0.413

NOTE: DURING THE PROCESSING OF DEVELOPMENT PLANS TOTAL AREAS SHOWN IN THIS TABLE MAY BE APPROXIMATE.  
NOTE: STORMWATER ACCESS EASEMENT TO BE BLANKET EASEMENT ACROSS THE DRIVEWAYS OF THE SITE.

**Plan**  
SCALE: 1" = 30'

**PROPOSED SITE PLAN**

TOTAL LOD = 2.29-Acres (99,753-SF)

Owner: Philmill, LLC  
508 Rock Springs Road  
Belair, MD 21014

Developer: Middle River Medical Ventures, LLC  
1 East Pratt Street, Suite 904  
Baltimore, MD 21202

Professional Certification: I hereby certify that these documents were prepared or approved by me, and that I am a duly licensed professional engineer under the laws of the state of Maryland.  
License No. 21162  
Expiration Date: 03-20-2022.

Engineer: **MATIS WARFIELD**  
Consulting Engineers  
854 Ridgebrook Road, Suite 120  
Sparks, MD 21152  
(410) 472-5415

Tax Map: 082  
Parcel: 158, 161, 611, 672, 673  
Date: 04/29/2021  
Sheet Number: 01 of 01

Election District: 15  
County: Baltimore  
Census Tract: 06  
Watershed: Bird River

**PSP-01**

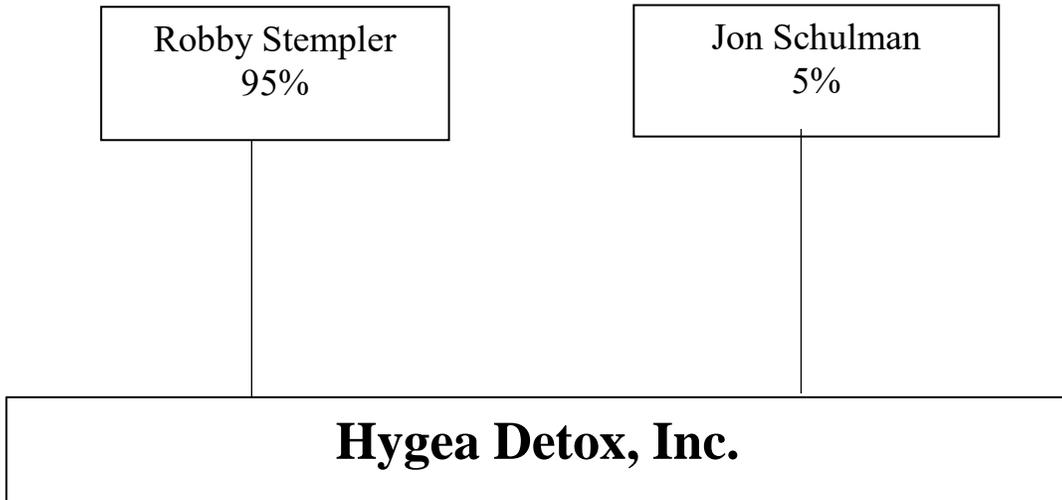




# **EXHIBIT 3**

**Hygea Detox, Inc.**  
**May 28, 2021**

Current Ownership



Hygea Detox, Inc. will be the owner and operator of the proposed facility. Jon Schulman (5% shareholder) is a passive owner and will have no operational oversight. Robby Stempler (95% shareholder) will have operational oversight and decision making capacity regarding Hygea Detox, Inc.

# **EXHIBIT 4**

## LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made this 27 day of May, 2021 (the "Effective Date") by and between Middle River Medical Ventures, LLC, LLC, a Maryland limited liability company (the "Landlord"), and Hygea Detox, Inc., a Maryland corporation (the "Tenant").

### WITNESSETH:

In consideration of the agreements set forth in this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the Leased Premises described below.

#### I. PRINCIPAL LEASE PROVISIONS.

A. Landlord's Address: Middle River Medical Ventures, LLC.  
1 E. Pratt Street Suite 904  
Baltimore, MD 21202

B. Tenant's Address: Hygea Detox, Inc.  
1210 Middle River Rd.  
Middle River, MD 21220

C. Leased Premises. 1210 Middle River Road, Baltimore County, Maryland.  
(See Exhibit A to this Lease Agreement.)

D. The real property consisting of the description in Exhibit A and all improvements and facilities located on the land, including, but not limited to, the Building (as defined below which is attached hereto and made a part hereof (referred to herein as the "Leased Premises" or "Property").

E. Building. The two-story single-tenant building located within the Leased Premises with the street address of, 1210 Middle River Road, Baltimore County, MD containing approximately 29,308 square feet (the "Building").

F. The "Lease Term" shall commence on the Lease Commencement Date and shall be a period of ten (12) years plus the part of the month, if any, from the Lease Commencement Date to the first day of the first full calendar month thereafter. The "Lease Term" shall include any properly exercised Extension Terms.

Extension Term. In addition to the original Lease Term, so long as Tenant has well and faithfully performed all its obligations to be performed under this Lease, Tenant shall have the option to extend the Lease Term for two (2) consecutive extension terms of five (5) years each (each, an "Extension Term"). If Tenant desires to exercise its option to extend the Lease Term or to further extend the Lease after the first Extension Term, Tenant shall deliver to Landlord written notice upon no less than twelve (12) months before the expiration of the

original Lease Term or first Extension Term, as applicable. The Terms and conditions pursuant to the Renewal Term shall be the same as for the Lease Term, except that the Base Rental Rate for the Renewal Term shall be determined by the then prevailing market conditions, but in no event less than the Base Rental Rate for the last year of the Lease Term. All the Terms, covenants and conditions of this Lease pertaining to Lease Term also shall apply during each Extension Term (including the Base Rent set forth below) except that at the expiration of the second Extension Term, Tenant shall not have the further right to extend the Lease Term. If, for any reason, Tenant fails to exercise its option to extend within the time and in the manner described above, then this right and option shall Terminate and be null and void without the necessity of any further actor documentation by Landlord or Tenant, and the Lease Term shall terminate in accordance with the provisions set forth elsewhere in this Lease.

G. Lease Commencement Date. The Lease Commencement Date shall be the later to occur of the following: (i) the Effective Date, or (ii) January 1, 2023, which shall be deemed by the parties to be the date upon which Landlord delivers possession of the Leased Premises to Tenant. Upon final determination of the Lease Commencement Date, Landlord may prepare a written instrument confirming the Lease Commencement Date and expiration date of the Lease Term. Tenant shall execute such instrument within five (5) days after receipt from Landlord.

H. Rent Commencement Date. The Rent Commencement Date shall be the same as the Lease Commencement Date.

I. Base Rent.

<b>Time Period</b>	<b>Monthly Installment</b>
Year 1	\$73,844.00
Year 2	\$76,059.32
Year 3	\$78,341.10
Year 4	\$80,691.33
Year 5	\$83,112.07
Year 6	\$85,605.43
Year 7	\$88,173.60
Year 8	\$90,818.81
Year 9	\$93,543.37

Year 10	\$96,543.37
Year 11	\$99,240.16
Year 12	\$102,217.37

J. Permitted Use. The "Permitted Use" is: Drug and alcohol detox treatment facility uses, including but not limited to drug, alcohol abuse, and mental health rehabilitation, education, and treatment, and for any lawful purpose incidental thereto.

K. Security Deposit. There is no Security Deposit.

L. Tenant's Proportionate Share. "Tenant's Proportionate Share" shall be 100% of the building.

## II. DEFINITIONS.

A. Operating Expenses. "Operating Expenses" shall mean expenses, costs and disbursements of every kind and nature incurred in connection with the ownership, management, maintenance, repair and operation of the Property, including but not limited to the following:

1. All costs and expenses of operating, repairing, lighting, cleaning, and insuring the Property, including replacement of equipment and systems, and all costs incurred in removing snow, ice and debris therefrom and of policing and regulating traffic with respect thereto, and depreciation of all machinery and equipment used therein or thereon;

2. Cost of all supplies and materials used in the ordinary and customary operation, maintenance and repair of the Building and all other portions of the Property, including sales and uses taxes on the same;

3. Cost of all water and sewer (including surcharges) for the Property;

4. Costs incurred under all maintenance and service agreements for the Building, including but not limited to access control, energy management services, window cleaning, elevator maintenance, janitorial service and landscaping;

5. Cost of insurance relating to the Property, including but not limited to the cost of casualty and liability insurance;

6. Cost of ordinary and customary general maintenance to the Property which shall include necessary repairs and replacements but shall exclude any repairs and replacements of a capital nature;

7. Costs of any repairs, or replacements required or made necessary by law or changes in law arising after the date hereof;
8. Cost of any licenses or permits required by any public authority after completion of the construction;
9. Maintenance, repair and replacement of mechanical and electrical equipment including heating, ventilation and air conditioning equipment;
10. Window cleaning, janitorial service, trash removal service and pest control services, including, if applicable, the cost of necessary equipment, uniforms, supplies and sundries;
11. Maintenance and repair of elevators, stairways, restrooms, lobbies, hallways and other facilities;
12. Repainting and redecoration of the Building;
13. Actual management fees incurred by Landlord;
14. Cost of wages and salaries of all employees engaged full time in the operation and maintenance of the Property, including but not limited to payroll taxes, insurance and benefits, and the prorated cost of wages and salaries of all employees engaged part time in the operation and maintenance of the Property, including but not limited to payroll taxes, insurance and benefits;
15. Legal, accounting and administrative fees and expenses;
16. Costs and expenses of grass cutting, fertilizing, planting, replanting and replacing flowers, shrubs or other exterior decorations within the Property;
17. Costs necessary for providing adequate security and/or security personnel to the Property, if such is deemed necessary by Landlord;
18. Taxes. "Taxes" shall mean all present and future real estate taxes, assessments, CPACE incurred, and valorem charges, personal property taxes, front foot benefit charges and all other governmental impositions and/or levies, whether or not now customary or within the contemplation of the parties hereto and regardless of whether the same shall be extraordinary or ordinary, general or special, foreseen or unforeseen, or similar or dissimilar to any of the foregoing. "Taxes" shall further mean any advances or escrow deposits paid or made to any taxing authority or third party such as lender on account of any of the foregoing. If, during the Lease Term or any extension thereof, the method of taxation prevailing at the commencement of the Lease Term shall be

altered or eliminated so as to cause all or any part of the items listed in the preceding sentences of this paragraph to be replaced or supplemented by a capital levy, tax, imposition or otherwise, on the rents or income received from the Property, (provided the tax on such income is not a tax levied on taxable income from all sources generally) then the charge to Landlord resulting from such modified or replaced method of taxation shall be deemed to be within the definition of "taxes." All reasonable expenses incurred by Landlord (including attorneys' fees and costs) in contesting, appealing and/or negotiating against any increase in taxes or any increase in the assessment of the Property shall be included as an item of taxes for purposes hereof;

19. **Utility Costs.** "Utility Costs" shall mean all costs of electricity, gas, steam and fuel used in lighting, heating, ventilating and air conditioning and all other electrical operations within the Property; and

20. All other expenses which would be considered an expense of owning, maintaining, operating or repairing the Property. Landlord may, from time to time and with prior notice to Tenant, and at Landlord's election in Landlord's sole and absolute discretion, require Tenant to pay for any Operating Costs directly to the applicable vendor, municipality, or other payee, or Landlord may instead pay for such costs directly and send Tenant periodic invoices seeking reimbursement of such costs. Tenant shall pay any such invoices within thirty (30) days after receipt of same.

21. "Lease Year" shall be a calendar year from January 1 through December 31. If the Lease Commencement Date is a date other than January 1, then the first Lease Year shall include the portion of the calendar year following the Lease Commencement Date. The last Lease Year shall include the portion of the calendar year immediately preceding the expiration of the Lease Term.

### **III. BASE RENT; SECURITY DEPOSIT; LATE CHARGE.**

A. **Base Rent.** Tenant covenants and agrees to pay to Landlord, as rental for the Leased Premises, the Base Rent set forth in Section 1 of this Lease. Tenant shall pay the Base Rent in twelve (12) equal monthly installments in advance on the first day of each full calendar month during the Lease Term. All rental and other monetary obligations of Tenant set forth in this Lease (whether or not characterized as rent), except for Base Rent, shall be referred to as "Additional Rent." All Base Rent and Additional Rent are sometimes collectively referred to as "Rent" or "rent."

B. **Rent Payment.** All Rent payable by Tenant to Landlord under this Lease shall be paid to Landlord at Landlord's address set forth in Section 1 above. Tenant will promptly pay all Rent when and as the same shall become due and payable, without notice, demand, abatement, deduction or set-off.

C. Late Charge. In the event that Tenant makes any payment due hereunder more than five (5) days after the due date thereof, Tenant also shall pay a late charge to Landlord to cover the extra expense involved in handling delinquent payments; provided, however, that Tenant shall be entitled to one (1) five (5) day notice during each twelve (12) month period before the late charge shall be payable with respect to the late payment as to which such notice relates. The late charge shall be equal to five percent (5%) of the amount of the late payment.

#### **IV. PERMITTED USE.**

Tenant shall use the Leased Premises solely for the Permitted Use and for no other purpose or purposes. No use shall be made or permitted to be made of the Leased Premises or acts done which will increase the existing rate of insurance on the Property or cause the cancellation of any insurance policy covering the Property or any part thereof, nor shall Tenant sell or permit to be kept, used or sold in or about the Leased Premises any article which may be prohibited by the standard form of fire insurance policies. Tenant shall not commit or suffer to be committed any waste upon the Leased Premises or any public or private nuisance. Tenant shall not use the Leased Premises or permit the same to be used in whole or in part for any purpose or use that is deemed to be in violation of any of the laws, ordinances, regulations or rules of any public authority or organization at any time.

#### **V. OPERATING EXPENSES.**

A. Commencing as of the Rent Commencement Date, for each calendar year or portion thereof during the Term, Tenant shall pay Landlord, without demand or offset, as Additional Rent, an amount reasonably estimated by Landlord to reflect Tenant's Proportionate Share of Operating Expenses that are reimbursable to Landlord by Tenant.

B. Landlord will deliver to Tenant an annual reconciliation statement of the actual Operating Expenses incurred during each calendar year. Tenant shall pay, or Landlord shall refund, any underpayment or overpayment of Operating Expenses within thirty (30) days after the date of the annual reconciliation.

C. Tenant's obligation to pay any additional rent accruing during the Lease Term pursuant to this Section shall apply pro rata to the proportionate part of a calendar year in which the Lease Term begins or ends, for the portion of each such year during which this Lease is in effect. Such obligation to make payments of such additional rent shall survive the expiration or sooner termination of the Lease Term, whether or not this Lease is superseded by a subsequent lease of the Leased Premises or of any other space or Tenant leaves the Building; any such superseding lease shall not serve to supersede Tenant's obligation for any such additional rent unless it makes express reference thereto and recites that such additional rent is abated in consideration of the superseding lease.

#### **VI. HVAC SERVICES AND UTILITIES.**

Landlord shall ensure that the following utilities are provided to the Leased Premises on the Commencement Date, but Tenant shall provide routine maintenance of all equipment necessary to supply the same after the Commencement Date: Heat or air conditioning ("HVAC"), hot and cold water, electricity, gas, sewer, and other standard utility services typically necessary for the Permitted Use. Landlord shall be responsible for any repairs or replacements of a capital nature to any plumbing or electrical systems, except to the extent that such repair or replacement is caused by the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, guests or invitees, and Landlord may pass through to Tenant as part of Operating Expenses, so long as such costs are amortized over the useful life of such repair or replacement on a straight-line basis in accordance with generally accepted accounting principles and only the portion allocable to the Lease Term shall be payable by Tenant.

## **VII. INTERRUPTION.**

A. Landlord shall have no liability to Tenant on account of any failure, modification or interruption of electricity, water or other utility or HVAC or other service, unless caused by Landlord's negligence or intentional misconduct. In the event of failure or interruption of such service, Landlord shall take reasonable steps to provide for the resumption of such service to the extent the same is within Landlord's control. There shall be no allowance to Tenant for any diminution of rental value of the Leased Premises.

B. Landlord shall have no liability to Tenant for any discontinuance of heat, air conditioning, and hot water unless directly due to Landlord's gross negligence or intentional misconduct and not covered by insurance carried or otherwise required to be carried by Tenant under this Lease. Landlord shall not be liable for any loss or damage to the Tenant caused by rain, snow, water or storms that may leak into or flow from any part of the premises through any defects in the roof or plumbing or from any other source unless directly due to Landlord's negligence and not covered by insurance carried or otherwise required to be carried by Tenant under this Lease.

C. There shall be no allowance to Tenant for any diminution of rental value and no liability on the part of the Landlord by reason of inconvenience, annoyance or injury to business arising from the making by Landlord, Tenant or others of any repairs or improvements in or to the Building or the Leased Premises, or in or to the fixtures, appurtenances or equipment thereof which are made in the ordinary course of business.

D. Landlord shall have no liability to Tenant for any injury or damage resulting from acts or omissions of persons occupying property adjoining the Leased Premises, or for any injury or damage resulting to Tenant or its property from bursting, stoppage, or leaking of water, gas sewer or steam pipes, except where such loss or damage is caused by Landlord's gross negligence or intentional misconduct.

## **VIII. INSURANCE BY TENANT.**

A. Throughout the Lease Term (including any extensions thereof), Tenant shall procure and maintain, at its expense, the following insurance policies for any claim, damage, liability, loss or expense (hereinafter, "Claims") caused by, resulting from, arising out of or in connection with the Tenant's use and occupancy of the Leased Premises and any portion of the Property, any construction or other work being performed by or on behalf of Tenant, and the operations and activities of Tenant, its employees, agents, contractors, guests and other invitees at the Leased Premises:

1. Commercial General Liability insurance with limits not less than \$2,000,000 each occurrence and \$2,000,000 in the aggregate. Such insurance shall include coverage for contractual liability, premises liability, products-completed operations, personal and advertising injury, tenant's legal liability, premises damage legal liability, medical payments, and third-party property damage and bodily injury liability (including death).

2. Automobile Liability insurance for claims arising out of Tenant's use, maintenance or operation of any vehicles (including service trucks) within the Property, with limits not less than \$1,000,000 each accident combined single limit for bodily injury and property damage; and Auto Physical Damage providing coverage for Comprehensive and Collision related damages to such vehicles.

3. Workers' Compensation insurance covering Tenant's employees with limits as required by statutory law, including Employer's Liability coverage with limits not less than \$1,000,000 each accident.

4. Property insurance written on an "all risk" replacement cost basis with respect to all alterations, improvements, and other modifications made by or on insurance written on an "all risk" replacement cost basis with respect to all alterations, improvements, and other modifications made by or on behalf of Tenant at the Leased Premises, and any theft, loss or damage to Tenant's business personal property, including but not limited to, furniture, fixtures, equipment, Signage, communication systems, computer systems, cable systems, microwaves, satellites or other antenna systems, supplies, contents and other property owned, leased, held or possessed by Tenant at the Building and/or the Leased Premises.

B. All insurance required to be maintained by Tenant pursuant to this Lease shall be maintained with responsible companies that are admitted to do business, and are in good standing, in the jurisdiction in which the Leased Premises are located and that have a financial strength rating of at least "A" and are within a financial size category of not less than "Class X" in the most current Best's Key Rating Guide or such similar rating as may be reasonably selected by Landlord.

C. To the fullest extent permitted by law, the commercial general liability and auto insurance carried by Tenant pursuant to this Lease shall name Landlord, Landlord's managing agent, and such other Persons as Landlord may reasonably request from time to time as additional insureds with respect to liability arising out of this Lease or the operations of Tenant (collectively "Additional Insureds"). Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of Landlord, Landlord's managing agent, or other Additional Insureds. For the avoidance of doubt, each primary policy and each excess/umbrella policy through which Tenant satisfies its obligations under this section must provide coverage to the Additional Insureds that is primary and noncontributory.

D. On or before the earlier of (i) the date on which Tenant first enters the Leased Premises for any reason or (ii) the Commencement Date, Tenant shall furnish Landlord with certificates evidencing that all insurance requirements in this Lease have been met. Renewal certificates shall be furnished to Landlord annually thereafter (on the anniversary of the Commencement Date), and at least thirty (30) days prior to the expiration date of each policy for which a certificate was furnished. Failure by the Tenant to provide the certificates required by this section shall not be deemed to be a waiver of the requirements in this section. Upon request by Landlord, a true and complete copy of any insurance policy required by this Lease shall be delivered to Landlord within ten (10) days following Landlord's request.

E. All insurance required to be maintained by Tenant hereunder shall contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance, or change in coverage without the insurer first giving Landlord thirty (30) days' prior written notice (by certified or registered mail, return receipt requested, or by fax or email) of such proposed action. If the insurer fails to give such notice, Tenant shall give such notice to Landlord at least ten (10) days prior to such modification, cancellation, or non-renewal.

F. To the fullest extent permitted by law, Landlord and Tenant waive and release any and all rights of recovery against the other; and agree not to seek to recover from the other or to make any claim against the other, and in the case of Landlord, against all "Tenant Parties" (defined below in Section 17), and in the case of Tenant, against all "Landlord Parties" (defined below in Section 17), for any loss or damage incurred by the waiving/releasing party to the extent the party receives insurance proceeds for such loss or damage under any insurance policy required by this Lease, or to the extent the party would have received such insurance proceeds had the party carried the insurance it was required to carry hereunder. Tenant shall obtain from its subtenants and other occupants of the Leased Premises a similar waiver and release of claims against all Tenant Parties and Landlord Parties. In addition, the parties hereto (and in the case of Tenant, its subtenants and other occupants of the Leased Premises) shall procure an appropriate clause in, or endorsement on, any insurance policy required by this Lease pursuant to which the insurance company waives subrogation against Tenant Parties and Landlord Parties. The insurance policies required by this Lease shall contain no provision that would invalidate or restrict the parties' waiver

and release of the rights of recovery in this section. The parties hereto covenant that no insurer shall hold any right of subrogation against the parties hereto by virtue of such insurance policy.

G. In the event Tenant shall fail to obtain or maintain any insurance meeting the requirements of this Article, or to deliver such policies or certificates as required by this Article, Landlord may, at its option, on five (5) days' notice to Tenant, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

H. During such times that Tenant is performing work or having work or services performed in or to the Demised Premises, Tenant shall require that each contractor and subcontractor hired to perform such work or services maintain at such contractor's and/or subcontractor's expense, insurance as reasonably required by Landlord.

I. Landlord reserves the right to modify the insurance requirements under this Lease from time to time in its reasonable discretion.

#### **IX. INSURANCE BY LANDLORD.**

Landlord shall maintain insurance against loss or damage to the Building with coverage for perils as set forth under the "Causes of Loss-Special Form" or equivalent property insurance policy in an amount equal to the full insurable replacement cost of the Building (excluding coverage of Tenant's personal property and any alterations by Tenant), and such other insurance, including rent loss coverage, as Landlord may reasonably deem appropriate or as any mortgagee may require.

#### **X. RULES AND REGULATIONS.**

Tenant shall comply with all rules and regulations (the "Rules of Regulations") established by Landlord which Rules and Regulations are attached hereto as Exhibit B and are hereby made a part of this Lease. Landlord shall have the right to make additions and amendments to the Rules and Regulations, which shall be as binding on Tenant as if set forth herein, provided such additions and amendments do not materially and adversely affect the Tenant's use of the Leased Premises and are not inconsistent with the terms of this Lease.

#### **XI. MAINTENANCE.**

A. Except for the items specified as Landlord obligations pursuant to Section 12.b. below, Tenant shall at all times maintain the interior and exterior of the Leased Premises and all equipment, personal property and fixtures in good, clean, and safe repair and condition, ordinary wear and tear excepted. Tenant shall enter into and maintain a contract with a janitorial service company and landscaping company reasonably approved by Landlord pursuant to which such company shall perform regularly scheduled cleaning and landscaping services, as applicable, at the Property.

B. Landlord shall furnish, supply and maintain in good order and repair, and replace, if necessary in Landlord's sole discretion, with costs for same to be passed through as Operating Expenses as provided elsewhere in this Lease: (a) the roof and other structural portions of the exterior of the Building, (b) the Building systems and facilities to the extent such repair or replacement is of a capital nature; including, but not limited to, plumbing, electrical and heating and air-conditioning facilities, and (c) the facade of the Building.

C. Alterations, repairs and replacements to the Property, including the Leased Premises, made necessary because of Tenant's alterations or installations, any use or circumstances special or particular to Tenant, or any act or omission of Tenant or its agents shall be made at the sole expense of Tenant. Tenant shall be responsible for the cost incurred by Landlord in connection with the maintenance, repair and replacement of hardware and locks on the exterior entrance doors of the Leased Premises.

## **XII. HAZARDOUS AND INFECTIOUS WASTE**

A. Prohibitions. Tenant, its employees, licensees, invitees, agents and contractors shall not use, manufacture, release, store or dispose of on, under or about the Leased Premises, the Property, any medical waste, biohazards, explosives, flammable substances, radioactive materials, asbestos in any form, paint containing lead, materials containing urea formaldehyde, polychlorinated biphenyls, or any other hazardous, toxic or dangerous substances, wastes or materials, whether having such characteristics in fact or defined as such under federal, state or local laws or regulations and any amendments thereto (all such materials and substances being hereinafter referred to as "Hazardous Materials"), except such Hazardous Materials routinely used in connection with Tenant's permitted use under this Lease and then only in such quantities reasonably required in connection with Tenant's operations and in compliance with all applicable laws.

B. Inspection. After notice to Tenant, Landlord in addition to its other rights under this Lease, may enter upon the Leased Premises for the purposes of inspecting to determine whether the Leased Premises, the Building, the Property or the environment have become contaminated with Hazardous Materials. In the event Landlord discovers the existence of any such Hazardous Materials due to fault or other act of Tenant or its agents, employees, invitees or licensees, Tenant shall reimburse Landlord upon demand for the costs of such inspection, sampling and analysis.

C. Cleaning and Removal. At Tenant's sole cost, Tenant promptly shall remove the following from the Leased Premises and sanitize the affected area: bodily fluids and blood-borne pathogens. In the event that any of the foregoing are introduced to the Property by Tenant, its agents, employees, guests or invitees, then Tenant promptly shall remove the same and cause the area to be sanitized.

D. Indemnification. Without limiting the above, Tenant shall indemnify and hold harmless Landlord from and against any and all claims, losses, liabilities, damages, costs and expenses, including without limitation attorneys' fees and the costs of any required or necessary repair, cleanup or detoxification, arising out of or in any way connected with the existence, use, manufacture, storage or disposal of Hazardous Materials by Tenant or its employees, agents, invitees, licensees or contractors on, under or about the Leased Premises, the Building or the Property. The indemnity obligations of Tenant under this clause shall survive any termination of this Lease.

### **XIII. ALTERATIONS BY TENANT.**

Landlord shall deliver the Premises to Tenant and Tenant shall accept the Premises in the "as-is" condition existing on the Effective Date. Tenant shall be responsible for all costs and expenses necessary to convert the Building into a drug and alcohol detox and rehabilitation facility. Subject to the prior written consent of Landlord, Tenant at Tenant's expense, may make alterations, additions or improvements which are non-structural and which do not affect utility services or plumbing and electric lines, in or to the interior of the Leased Premises. All alterations, improvements or additions shall become the property of Landlord upon their installation and shall remain upon the Leased Premises at the expiration of this Lease Term. Notwithstanding the foregoing, Landlord may elect to require that Tenant remove any alterations or improvements by delivering written notice to Tenant at least thirty (30) days before the expiration or early termination of this Lease. In such event Tenant shall at its expense immediately remove such alterations, improvements and additions. Tenant may remove any of its trade fixtures installed at its expense. Upon removal of any trade fixtures from the Leased Premises or upon removal of any alterations, additions or improvements as may be required by Landlord, Tenant shall immediately and at its expense, repair and restore the Leased Premises to the condition existing prior to installation and repair any damage to the Leased Premises or the Building due to such removal. Tenant shall be responsible to pay all costs associated with any alteration, construction or reconstruction of the Leased Premises required by any governmental authority in order to comply with the provisions of the Americans with Disabilities Act of 1990. All property permitted or required to be removed by Tenant at the end of the term remaining in the Leased Premises after Tenant's removal shall be deemed abandoned and may at the election of Landlord, either be retained as Landlord's property or may be removed from the premises by Landlord at Tenant's expense. If any mechanic's lien is filed against the Leased Premises, the Property for work claimed to have been done for, or materials furnished to Tenant whether or not pursuant to this Section, the same shall be discharged by Tenant within ten (10) days thereafter. Failure to timely discharge any such lien shall constitute an Event of Default hereunder.

### **XIV. SURRENDER OF PREMISES.**

A. At the expiration or earlier termination of the Lease Term, (i) Tenant will surrender the Leased Premises to Landlord broom clean and in as good condition as when received, excepting depreciation caused by ordinary wear and tear, and (ii) in addition to any alterations and improvements required to be removed by Tenant from the Leased Premises pursuant to other provisions of this Lease, Tenant shall remove all wiring and cabling installed by or on behalf of Tenant.

B. This Lease and the tenancy hereby created shall cease and terminate at the end of the Lease Term, without the necessity of any notice of termination from either Landlord or Tenant. Tenant hereby waives any notice of termination of the Leased Premises. Tenant agrees that Landlord shall be entitled to the benefit of all laws respecting such recovery of possession of premises from a tenant holding over to the same extent as if statutory notice was given. If Tenant shall occupy the Leased Premises after such expiration or termination, either due to a failure to timely exercise an option for an Extension Term or otherwise, Tenant shall hold the Leased Premises as a tenancy at sufferance, subject to all the other Terms and conditions of this Lease, at an amount equal to two hundred percent (200%) of the monthly Base Rent in effect immediately preceding such holdover for the first (1st) partial and full calendar month of such holdover, with such amount to increase by an additional ten percent (10%) each successive month of such holdover until the last calendar day of the month in which Tenant eventually vacates and surrenders the Leased Premises to Landlord in the condition required under this Lease. There shall be no pro-ration of Base Rent in the event that Tenant vacates and surrenders the Leased Premises in the condition required under this Lease prior to the last day in a calendar month and such occupancy shall be deemed to extend through, and Base Rent shall be owed for the period extending through, the last day of such calendar month.

#### **XV. INDEMNITY.**

A. Indemnity. To the fullest extent permitted by law, Tenant waives any right to contribution against the Landlord Parties (as hereinafter defined) and agrees to indemnify and save harmless the Landlord Parties from and against all claims of whatever nature by a third party arising from or claimed to have arisen from (i) any intentional misconduct or negligence of the Tenant Parties (as hereinafter defined); (ii) any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring in or about the Leased Premises from the Commencement Date, and thereafter throughout and until the end of the Lease Term, and after the end of the Lease Term for so long after the end of the Lease Term as any property of Tenant remains on the Leased Premises, or anyone acting by, through or under Tenant may use, be in occupancy of any part of, or have access to the Leased Premises or any portion thereof, except to the extent caused by Landlord's negligence or willful misconduct; (iii) any accident, injury or damage whatsoever occurring outside the Leased Premises, where such accident, injury or damage results, or is claimed to have resulted, from any intentional misconduct or negligence on the part of any of the Tenant Parties; (iv) any breach of this Lease by Tenant. Tenant shall pay such indemnified amounts as they are incurred by the Landlord Parties. This indemnification shall not be construed to deny or reduce any other rights or obligations of indemnity that Landlord Parties may have under this Lease or the common law.

B. Breach. In the event that Tenant breaches any of its indemnity obligations hereunder or under any other contractual or common law indemnity: (i) Tenant shall pay to the Landlord Parties all liabilities, loss, cost, or expense (including

attorney's fees) incurred as a result of said breach, and the reasonable value of time expended by the Landlord Parties as a result of said breach; and (ii) the Landlord Parties may deduct and offset from any amounts due to Tenant under this Lease any amounts owed by Tenant pursuant to this section.

C. No limitation. The indemnification obligations under this section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant or any subtenant under workers' compensation acts, disability benefit acts, *or* other employee benefit acts. Tenant waives any immunity from or limitation on its indemnity or contribution liability to the Landlord Parties based upon such acts.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the day and year first above written and will take effect on the 27 day of May, 2021.

WITNESS:



MIDDLE RIVER MEDICAL VENTURES, LLC

  
\_\_\_\_\_  
LANDLORD

HYGEA DETOX, INC.

  
\_\_\_\_\_  
TENANT



## **EXHIBIT B**

### **RULES AND REGULATIONS**

1. Tenant will comply with all laws, rules and regulations issued by any and all governmental agencies, federal, state and local municipalities whose jurisdiction affects all or any portion of the Property.

2. When electric wiring of any kind is introduced, it must be connected as directed by Landlord, and no stringing or cutting of wires will be allowed, except with the prior written consent of Landlord, and shall be performed only by contractors approved in advance in writing by Landlord. The number and location of telephones, electric appliances, and equipment shall be subject to Landlord's approval.

4. No awning or other projections shall be attached to the outside walls of the Building. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connections with, any window or door of the Leased Premises, without the prior written consent of Landlord. Such curtains, blinds or shades must be of a quality, type, design, and color, and attached in a manner approved by Landlord.

5. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by Tenant or used for any purpose other than for ingress to and egress. Unless making repairs required to be made under the terms of the Lease to heating, ventilation or air conditioning located thereon, neither Tenant nor any employees or invitees of Tenant shall have access to or go upon the roof of the Building without the prior approval of Landlord.

6. Tenant, its agents, servants, employees and invitees, shall abide by such security rules and regulations as Landlord may promulgate.

7. Water closets and urinals shall not be used for any other purpose other than those for which they were constructed; and no sweepings, rubbish, ashes, newspaper or any other substances of any kind shall be thrown into them. Waste and excessive or unusual use of electricity or water is prohibited.

8. Trash or garbage generated by Tenant's occupancy of the Leased Premises shall be removed by Tenant at its sole cost or expense.

9. Tenant shall not make or permit to be made any loud or offensive noises, keep any foul or noxious gas or substance or other disturbances of any kind in the Leased Premises or within the Building.

10. No additional lock or locks shall be placed by Tenant on any door in the Building, without prior written consent of Landlord.

11. Tenant shall not use any other method of heating or air conditioning than via the equipment existing in the Property on the Effective Date, without first obtaining the written consent of Landlord.

12. No animals or birds of any kind shall be kept in or permitted on or about the Leased Premises or any other part of the Building.

13. The Leased Premises shall not be used for any improper, objectionable or immoral purposes.

14. Tenant shall not be permitted to use or keep explosives, kerosene, cleaning fluid or any other illuminating, combustible or explosive material or substance of any kind in the Building or the Leased Premises excepting those products which are generally accepted for everyday cleaning, and excepting those used in the operation of Tenant's business and used, stored and disposed of in accordance with applicable laws.

15. Tenant shall not be permitted to keep food upon the Leased Premises except in proper containers, cabinets and refrigerators and in strict accordance with all applicable rules, regulations and ordinances of all local health and sanitation authorities.

16. Tenant shall comply with all requirements issued and mandated by insurance companies insuring the Building.

17. Landlord reserves the right to institute energy management procedures when applicable.

18. No vending, video, amusement machine or machines of any other description shall be installed, maintained or operated upon the Leased Premises or the Building without the prior written consent of Landlord.

19. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Leased Premises or the Building in any manner except as approved by Landlord. The expense of repairing any damage resulting from violation of this Rule or of removing any floor covering shall be borne and paid for by Tenant who violated, either by its own actions or the actions of its contractors or employees, this Rule.

21. No contract of any kind with any supplier of towels, water, ice, toilet articles, waxing, rug shampooing, venetian blind washing, furniture polishing, lamp servicing, cleaning of electrical fixtures, removal of waste paper, rubbish or garbage, or other like service shall be entered into by Tenant for the Leased Premises or any other portion of the Leased Premises without the prior written approval of Landlord.

22. Canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate with Landlord to prevent these practices.

23. There shall not be used in the Leased Premises or in the Building, either by Tenant or by others in the delivery or receipt of merchandise, any hand trucks except those equipped with rubber tires and side guards.

24. Landlord reserves the right at any time to rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgement may, from time to time, be necessary for the safety, care and cleanliness of the Property or any part thereof, and for the preservation of other herein.

## EXHIBIT C

### GUARANTY OF LEASE

This Guaranty of Lease (the "Guaranty") is attached to and made a part of that certain real estate Lease Agreement (the "Lease") dated Aug 27, 2021 between Hygea Detox Inc, a Maryland limited Liability company (the "Landlord"), and Middle River Medical Ventures LLC, a Delaware limited liability company (the "Tenant"). The terms used in this Guaranty shall have the same definitions as set-forth in the Lease.

In order to induce Landlord to enter into the Lease with Tenant, Hygea Detox, Inc. a Maryland limited liability company, with the address of 400 Redland Court Suite 102 Owings Mills, MD 21117 ("Guarantor"), has agreed to execute and deliver this Guaranty to Landlord. Guarantor acknowledges that Landlord would not enter into the Lease if each Guarantor did execute and deliver this Guaranty to Landlord.

**1. Guaranty:** In consideration of the execution of the lease by Landlord and as a material inducement to Landlord to execute the Lease, Guarantor hereby irrevocable, unconditionally, jointly and severally guarantees the full, timely and complete (a) payment of all rent and other sums payable by Tenant to Landlord under the Lease, and any amendments or modifications thereto by agreement or course of conduct, and (b) performance of all covenants, representations and warranties made by Tenant and all obligations to be performed by Tenant pursuant to the Lease, and any amendments or modifications thereto by agreement or course of conduct. The payment of those amounts and performance of those obligations shall be conducted in accordance with all terms, covenants and conditions set-forth in the Lease, without deduction, offset or excuse of any nature and without regard to the enforceability or validity of the Lease, or any part thereof, or any disability of Tenant.

**2. Landlord's Rights.** Landlord may perform any of the following acts at any time during the Lease Term, without notice to or assent of Guarantor and without in any way releasing, affecting or impairing any of Guarantor's obligations or liabilities under this Guaranty: (a) alter, modify or amend the Lease by agreement or course of conduct, (b) grant extensions or renewals of the lease, (c) assign or otherwise transfer its interest under the lease, (e) release Guarantor, or amend or modify this guaranty with respect to Guarantor, without releasing or discharging Guarantor from any of Guarantor's obligations or liabilities under this Guaranty, (f) take and hold security for the payment of this Guaranty and exchange, enforce, waive and release any such security, (g) apply such security and direct the order or manner of sale thereof as landlord, in its sole discretion deems appropriate, and (h) foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of Guarantor under this Guaranty, except to the extent the indebtedness has been paid.

**3. Tenant's Default.** This Guaranty is a guaranty of payment and performance, and not of collection. Upon any breach or default by Tenant under the Lease, Landlord may proceed immediately against Tenant and/or Guarantor to enforce any of Landlord's rights or remedies against Tenant or Guarantor pursuant to this Guaranty, the Lease, or at law or in equity without notice to or demand upon either Tenant or Guarantor. This Guaranty shall not be released,

modified or affected by any failure or delay by Landlord to enforce any of its rights or this Guaranty, or at law or in equity.

**4. Guarantor's Waivers.** Guarantor hereby waives (a) presentment, demand for payment and protest of non-performance under the Lease, (b) notice of any kind including, without limitation, notice of acceptance of this Guaranty, protest, presentment, demand for payment, default, nonpayment, or the creation or incurring of new or additional obligations of Tenant to Landlord, (c) any right to require Landlord to enforce its rights or remedies against Tenant under the Lease, or otherwise, or against any other party, (d) any right to require Landlord to proceed against any security held from Tenant or any other party, (e) any right of subrogation and (f) any defense arising out of the absence, impairment or loss of any right of reimbursement of subrogation or other right or remedy of guarantors against Landlord or any such security, whether resulting from an election by Landlord, or otherwise. Any part payment by Tenant or other circumstance, which operates to toll any statute of limitations as to Tenant, shall operate to toll the statute of limitations as to Guarantor.

**5. Separate and Distinct Obligations.** Guarantor acknowledges and agrees that Guarantor's obligations to Landlord under this Guaranty are separate and distinct from Tenant's obligations to Landlord under the Lease. The occurrence of any of the following events shall not have any effect whatsoever on Guarantor's obligations to Landlord hereunder, each of which obligations shall continue in full force or effect as though such event had not occurred: (a) the commencement by Tenant of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended or replaced, or any other applicable federal or state bankruptcy, insolvency or other similar law (collectively, the "Bankruptcy Laws"), (b) the consent by Tenant to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of Tenant or for any substantial part of its property, (c) any assignment by Tenant for the benefit of creditors, (d) the failure of Tenant generally to pay its debts as such debts become due, (e) the taking of corporate action by Tenant in the furtherance of any of the foregoing; or (f) the entry of a decree or order for relief by a court having jurisdiction in respect of Tenant in any involuntary case under the Bankruptcy Laws, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Tenant or for any substantial part of its property, or ordering the winding-up or liquidation of any of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days. The liability of Guarantor under this Guaranty is not and shall not be affected or impaired by any payment made to the landlord under or related to the Lease for which Landlord is required to reimburse Tenant pursuant to any court order or in settlement of any dispute, controversy or litigation in any bankruptcy, reorganization, arrangement, moratorium or other federal or state debtor relief proceeding, if, during any such proceeding, the Lease is assumed by Tenant or any trustee, or thereafter assigned by the Tenant or any trustee to a third party, this Guaranty shall remain full force and effect with respect to the full performance of Tenant, any such trustee or any such third party's obligations under the Lease. If the Lease is terminated or rejected during any such proceeding, or any of the events described in Subparagraphs (a) through (f) of this paragraph 5 occur, as between Landlord and Guarantor, Landlord shall have the right to accelerate all of Tenant's obligations under the Lease and Guarantor's obligations under this Guaranty. In such event, all such obligations shall become immediately due and payable by Guarantor to the Landlord. Guarantor waives any defense of Tenant or by reason of the cessation from any cause whatsoever of the liability of the Tenant.

6. **Subordination.** All existing and future advances by the Guarantor to Tenant, and all existing and future debts of Tenant to any Guarantor, shall be subordinated to all obligations owed to Landlord under the Lease and this Guaranty.

7. **Successors and Assigns.** This Guaranty binds Guarantor's personal representatives, successors and assigns.

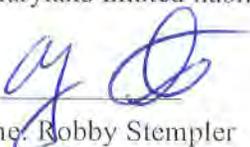
8. **Corporate Authority.** If Guarantor is an entity, each individual signing this Guaranty on behalf of Guarantor represents and warrants that he is duly authorized to execute and deliver this Guaranty on behalf of the entity, and that this Guaranty is binding on Guarantor in accordance with its terms. Guarantor shall, at Landlord's request, deliver a certified copy of a resolution of its governing board or the equivalent authorizing such execution.

9. **Disclosure of Related Entities/Persons.** Guarantor acknowledges that its Manager, Robby Stempler an individual, has ownership, management, fiduciary, and/or other business and personal interests and relationships with one or more Landlord and Tenant parties. Guarantor acknowledges that such interests and relationships have been disclosed and that Guarantor has had ample opportunity to investigate such interests and relationships and hereby waives any conflicts of interest which may arise by virtue of such interests and relationships.

10. **Attorneys' Fees.** In the event of any suit, action, or other proceeding at law or in equity, by either party hereto against the other, by reason of any matter arising out of this Guaranty, the prevailing party shall recover, not only its legal costs, but also reasonable attorneys' fees (to be fixed by the Court) for the maintenance or defense of said suit, action or other proceeding, as the case may be.

**GUARANTOR:**

Hygea Detox, Inc.  
a Maryland limited liability company

By: 

Name: Robby Stempler

Its: CEO

# **EXHIBIT 5**

HYGEA DETOX  
POLICIES AND PROCEDURES MANUAL (DRAFT)  
*EXCERPTS*

Section  <b>ADMISSION PROCESS</b>	Subsection(s) <b>Intake Guidelines</b> <b>Exclusion Criteria</b>
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**Intake Guidelines**

1. Individuals must be 18 years of age or older;
2. The Resident Placement Criteria are guidelines developed by the American Society of Addiction Medicine (ASAM) that can be accurately used to assess the severity of a residents' problems so that they can be admitted to the most appropriate level of care (admission criteria), remain in that level of care (continuing care criteria) and be discharged from that level of care (discharge criteria). These guidelines are divided into six assessment dimensions, as follows:
  - a. Acute Intoxication and/Withdrawal Potential: What risk is associated with the Resident's level of acute intoxication? Is there serious risk of withdrawal symptoms based on the Resident's withdrawal history? Are there signs of withdrawal? Does the Resident need acute inpatient detoxification services, or can they be served in a non-medical detoxification setting?
  - b. Biomedical Stabilization: Are there current physical illnesses other than withdrawal that need to be addressed or which complicate treatment? Are there chronic conditions that affect treatment? e.g., chronic pain with narcotic analgesics.
  - c. Behavioral Stabilization: Are there psychiatric illnesses or psychological, behavioral or emotional problems that need to be addressed or which complicate treatment? Are there chronic conditions that affect treatment? Do any emotional/behavioral problems appear to be an expected part of addiction illness or do they appear to be separate? Even if connected to addiction, are they severe enough to warrant specific mental health treatment?
  - d. Readiness to Change: Does the Resident feel coerced into treatment or actively object to receiving treatment? How ready is the Resident to change? If willing to accept treatment, how strongly does the Resident disagree with others' perception that she/he has an addiction problem?
  - e. Relapse Potential: Is the Resident in immediate danger of continued severe distress and drinking/drugging behavior? Does the Resident have any recognition and understanding of, and skills for how to cope with his/her addiction problems

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and prevent relapse or continued use? How aware is the Resident of relapse triggers, ways to cope with cravings to use and skills to control impulses to use?

- f. Recovery Environment: Are there any dangerous family, significant others, living or school/working situations threatening engagement and success? Does the Resident have supportive friendship, financial or educational/vocational resources to improve likelihood of successful treatment? Are there legal, vocational, social service agency or criminal justice mandates that may enhance motivation for engagement into treatment?
3. Prior to admission or re-admission of an individual, the program representative responsible for the intake assessment will discuss with the perspective client the extent of their alcohol/drug history;
  4. Individuals must have a diagnosis of substance abuse or dependence (per DSM-IV-TR);
  5. Individuals must have moderate impairment in adaptive functioning;
  6. Individuals must be motivated to participate in recovery treatment; and
  7. Individuals must not meet any exclusion criteria.

**Exclusion criteria**

Individuals are not admitted if they:

- Require medical detoxification services as described in ASAM Level IV;
- Have an acute psychotic disorder;
- Are suicidal or self-injurious;
- Pose a danger of injury or threat to self or others;
- Have uncontrolled epilepsy;
- Have a daily living impairment (eating, dressing, ambulating, etc.);
- Have pending legal issues that would impair participation in treatment;
- Have a history of violence, sexual offenses, fire setting, or other criminal or anti-social behaviors;
- Have other symptoms or medical complications that would interfere with participation; and/or,
- Have inconsistent medical treatment (all medical conditions need to be treatable on an intermittent outpatient basis).

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Exceptions to the above criteria may be made depending on variables such as recent history, length. Under no circumstance will the following individuals be accepted for admission:

1. An individual whose condition requires more care or treatment than this facility can efficiently provide, and/or who has a diagnosis that applicable law or regulation prohibits for placement in this facility.
2. An individual who requires strict isolation procedures.
3. An individual who is deemed to be imminently dangerous to him/herself or others.
4. If an admitted client becomes imminently dangerous to self or others, he/she will be immediately transferred to the proper and appropriate treatment facility.

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Section	Subsection(s)
<b>ADMISSION PROCESS</b>	<b>Role of Intake Coordinator Intake Procedure</b>

Certified and/or registered staff will conduct a pre-admission intake assessment that will include documentation of medical and/or behavioral problems related to alcohol and/or the use of other drugs. The intake assessment will give a complete drug and alcohol history that will clearly indicate the resident's last use of alcohol and/or illicit drugs taken.

**Role of the Intake Coordinator**

Inquiries regarding admission shall be forwarded to the Intake Coordinator, who shall screen the applicant's appropriateness for admission by requesting relevant information. In the absence of the Intake Coordinator, the Program Director shall complete the assessment.

1. The Intake Coordinator shall review the applicant's data using the established admission criteria as a guide. The staff person completing the assessment shall complete the Pre- Admission Evaluation.
2. In instances where a less or more restrictive environment is appropriate, the Intake Coordinator will advise applicant, and identify referral sources.
3. The Intake Coordinator shall complete the financial criteria information.
4. The Intake Coordinator shall initiate the insurance verification process and/or other forms of payment.
5. Acceptance of a client for treatment shall be based on the criteria that assures:
  - a. The treatment required by the client is appropriate to the intensity and restrictions of care provided by the program;
  - b. The alternatives for more intensive and restrictive treatment are not indicated;
  - c. The prospective client's individualized needs for services can be provided at this facility.
  - d. The prospective client is not suicidal or homicidal.

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During the intake process, every effort will be afforded to assure the client and family members understand the following:

- The goals and objectives of the treatment program;
- The rights and responsibilities of clients, including the treatment regulations governing client conduct and types of infractions that result in disciplinary action or discharge from the program; and
- The program cost.

**Intake Procedure**

1. When the Pre-Admission evaluation indicates that the applicant is appropriate for admission, and after all financial arrangements have been established, the following information shall be gathered:
  - a. The Intake Coordinator shall have the individual complete the Health/Medical Screening, Authorization for Treatment, appropriate consents, and acceptance of financial responsibility;
  - b. Social, economic, and family history;
  - c. Education;
  - d. Employment history;
  - e. Criminal history, including current and past legal status;
  - f. Medical history;
  - g. Birthdate;
  - h. Resident's name and address;
  - i. Alcohol and/or other drug history;
  - k. Date of admission;
  - m. Previous treatment, including psychiatric care;
  - n. Record of any illnesses or injuries that may require treatment by a doctor or dentist; the facility will make the appropriate referral to outside medical care;
  - o. Record of any prescribed medications;
  - p. Personal Rights document;
  - q. Schedule for resident to obtain tuberculosis test; and
  - r. Any authorizations for release of information.
2. Upon conclusion of the intake process, the resident will be required to sign and date the admission and fee agreements and other intake documents immediately. However, based on the resident's condition at intake, they may be unable to sign and date all required documents. Staff will ensure that the resident signs and dates all agreements no later than seven days following admission. The counselor (or

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Program Director) will be required to sign and date the admission and fee agreements. The designated staff will also be required to sign and date any forms and/or documents that require the signature of the resident. Modifications to any original agreements will be re-signed and dated by the resident and program staff.

3. Hygea Detox will provide a list of community services. Residents will be made aware of these resources during program orientation.
4. Hygea Detox shall create a resident file for the purpose of maintaining all original copies of signed documents. Hygea Detox will provide the resident with a copy of all documents they sign.
5. A residents' luggage and belongings will be inventoried and the Resident will be searched. Any personal items that may contain or smell like alcohol must be put in a bag with Residents name and locked up in the office. Staff will check labels for first and second ingredient of any consumable items. All personal property such as cash, credit cards, keys, laptops will be logged in a Personal Property Sheet and locked up.
6. Over the counter medication must be put in a bag with Residents name and locked up with their medications.

Notification to Staff:

1. The Intake Coordinator shall notify the Treatment Team of the results of the intake assessment.
2. The Intake Coordinator shall schedule, as soon as possible, an appointment with the Program Director.
3. The Intake Coordinator shall notify the Program Director of their findings; the two shall determine appropriateness of the client's admission or the necessity for detoxification or a more intensive level of care.
4. The Intake Coordinator shall notify the assigned therapist to schedule the appointment for the client's orientation and psychosocial meeting. An assessment, and psychological evaluation if necessary, shall be completed during the first two days.

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Section  <b>ADMISSION PROCESS</b>	Subsection  <b>Admission Procedure</b> <b>Admission Assessments &amp; Medical Services</b>
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**Admission Procedure**

The admission process will consist of the client coming in for an initial interview, where they will be assessed for eligibility and appropriateness. The client must meet admission criteria for services. For each individual client, involvement with alcohol and/or drugs, or alcohol and/or other drug-related problems, shall be the primary criterion for participation.

The facility accepts male or female clients who are in need of detox services. Clients must speak and understand English. All clients will be assessed and accepted on a case-by-case basis. Clients with significant speech or vision problems will not be accepted for treatment unless appropriate accommodations for the client can be made. The admissions procedure will involve:

1. Screening prospective residents by phone prior to admission using a pre-admission checklist and health screening questionnaire.
2. Completing a intake screening form upon arrival to the program.
3. Referring residents not meeting our admission criteria to other more suitable facilities or services.

The Admission Coordinator will document the responses for the purpose of determining suitability for admission based on the guidelines below. Responses will be recorded on a resident intake sheet and maintained in the resident's file in the event of admission.

1. A resident is suitable for initial admission:
  - a. For alcohol/drug intoxication;
  - b. Withdrawal – resident not at risk for, or is experiencing minimal or stable withdrawal;
  - c. Bio-medical condition – none or stable bio-medical conditions and/or complications, or under the care of a physician who will continue to monitor the resident;
  - d. Emotional/behavioral/cognitive conditions and complications – none or minimal; not distracting to recovery; and,

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- e. Level of denial as to nature of adverse alcohol/drug consequences – resident voluntarily presents for treatment and accepts the need for an intensive outpatient program or day treatment.
2. In the event that a resident, or prospective resident shows signs of detoxification withdrawal beyond what is set forth above, the program staff will arrange for appropriate referral(s) for medical care and emergency services.

The client health questionnaire and initial screening questions form is to be reviewed by the HCP within 72 hours of admission to identify any health conditions that would require immediate medical attention or preclude the individual from continued admission in accordance with the admissions criteria, including current medications; major medical illnesses, injuries, surgeries, hospitalizations, and allergies; substance use disorders; psychiatric comorbidity; and to determine if detoxification services are medically appropriate for the admitted resident. The HCP will conduct a face-to-face assessment within 72 hours of admission. If detoxification services are needed, the HCP will, with the resident, complete, sign, and date a detoxification services certification form; the resident will also sign and date the certification form.

The detoxification services certification form and the client health questionnaire and initial screening questions form will be documented in the resident file within 24 hours of completion by either the HCP or program staff and signed and dated by the resident.

### **Admission Assessments & Medical Services**

Assessment will begin prior to the intake process. This pre-assessment focuses on the prospective resident's qualification for treatment of AOD (alcohol and other drug) addiction at this facility.

Prior to admission and under the direction of a licensed or certified staff member, the resident will complete the resident health questionnaire and initial screening questions form; after completion, the form will be signed by the individual and a licensed or certified staff member. This form is reviewed by staff to ensure that the individual is referred to the appropriate medical care professional to obtain appropriate treatment. The form is to be reviewed by staff to identify any health conditions that require immediate medical attention or preclude the individual from admission according to the admissions criteria.

Upon entry to the program, the individual receives an initial needs assessment by intake staff. The individual's primary counselor then conducts a more thorough assessment utilizing an Addiction Severity Index (ASI) tool. The emphasis of this assessment includes medical, employment, and support, alcohol, and drug, legal, family, social and psychiatric history.

All individuals will disclose during the intake process on a resident health questionnaire and initial screening questions form the following:

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- All prescribed medications that they are currently taking (residents currently taking anti-depressants will be able to continue to take these medications while participating in the program)
  - Major medical illnesses;
  - Injuries;
  - Surgeries;
  - Hospitalizations;
  - Allergies;
  - Substance abuse history, including past withdrawal episodes; and
  - Psychiatric comorbidity.

Other assessment tools include the usage of urine and/or blood analysis samples from the residents at the time of intake and at any other time it is clinically indicated. Urinalysis test results and blood alcohol testing services are utilized when clinically indicated to assess the progress of the residents. Residents may be referred to other agencies or departments for other assessment services. Detoxification residents will be assessed on an ongoing basis using Clinical Opiate Withdrawal Scale (COWS) and Clinical Institute Withdrawal Assessment (CIWA) scores, and blood pressure and pulse results taken regularly.

Upon admission, the following assessments will be conducted by a Health Care Professional (HCP), licensed, or certified staff:

1. A face-to-face physical exam within 72 hours of admission performed by the HCP.
2. Instant/rapid read alcohol and drug screens conducted by any staff who are trained, and have demonstrated competency, to perform these functions. All test results will be read and recorded in the resident file within 24 hours; the testing materials will be disposed of in the waste basket or the hazardous waste bin after they are read.

Any and all types of testing will be ordered by the HCP, including laboratory tests. Hygea Detox will ensure that all non-medical personnel will be fully trained for any testing that may be performed by these personnel (i.e., urinalysis for drug and alcohol levels). Any medically required testing will be performed by an HCP. All employees conducting any testing will be required to be aware of minimum standards, as stated below:

- a. Performs routine laboratory procedures such as preparation of lab sheet and basic preparation of testing materials.
- b. Conducts non-technical routine laboratory tests and procedures under the direction of professional staff.

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- c. Opens, separates, numbers and arranges specimens for laboratory examination and trace results.
- d. Maintains simple laboratory records and inventory for supplies and reagents.
- e. Maintains laboratory equipment and supplies by cleaning and maintaining quality assurance records.
- f. Maintains a clean and sanitary work area in accordance with standard laboratory practice and procedures.

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Section	Subsection
<b>ADMISSION PROCESS</b>	<b>CIWA/COWS Documentation and Monitoring</b>

**CIWA/COWS Documentation and Monitoring**

A Health Care Professional (HCP), licensed, certified, or trained and qualified registered staff will use a CIWA/COWS (Clinical Institute Withdrawal Assessment/ Clinical Opiate Withdrawal Scale/) form to document the residents' signs and symptoms.. The CIWA/COWS will be filled out starting with the time of intake.

Signs and symptoms will be documented every 30 minutes for a minimum of the first 72 hours. After 24 hours, close observations and physical checks may be discontinued or reduced based upon a determination by a staff member trained in providing detoxification services. Documentation of the information that supports a decrease in close observation and physical checks shall be recorded in the residents file.

Hygea Detox may observe residents beyond the 72-hour minimum depending on their status. Hygea Detox wants to exceed state regulations and industry standards in this area for optimal safety purposes. Staff will document their findings during patient rounds using a form which goes into the resident's file.

It is important to note that patient rounds entail physical bedside checks to ensure that respirations are within normal limits. In addition, sStaff will document on a shift-by-shift basis a narrative note in the progress notes section of the file on clinically significant activities. Program staff will complete the CIWA assessment plus vital signs as directed on the appropriate form and make medications available to residents as warranted.

If, after the initial 72 hours, or any other time it is determined that resident requires more specialized care, the resident's documented medical physician is notified immediately to ensure that the resident is safe or may need more services than Malibu Detox can provide; a referral to an acute hospital is made to provide more specialized care to help with the withdrawal symptoms. Every referral is documented in the resident's file. If during the course of recovery or treatment services, the resident is assessed and determined to need additional services, Malibu Detox will provide the resident with a referral to the appropriate services.

Any signs and symptoms of auditory or visual hallucinations will require the physician and Program Director to be contacted.

Prescribed medications shall be provided to the resident by self-administration, if approved by the physician.

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Section  <b>LENGTH OF STAY</b>	Subsection  <b>Procedure</b>
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**Procedure:**

It is the policy of Hygea Detox to administer to the severity of the resident's level of intoxication to achieve a safe and supportive withdrawal from alcohol and/or other drugs, and to effectively facilitate their smooth transition into ongoing treatment services. The Hygea Detox Program Director is responsible for monitoring and assuring that a treatment or recovery plan is developed within the timeframe specified and relevant services are always documented in the resident's file.

The program will provide for a staff person (or persons) to monitor and assure that the following activities take place:

1. A recovery or treatment plan is developed within specified timeframes.
2. The services required are provided and documented in the resident's file.
3. Failure of the resident to keep scheduled appointments is discussed with the resident and other action taken as appropriate, with the discussion and action documented in the resident's file.
4. Progress in achieving the objectives identified in the treatment plan is assessed and documented within 7 days from date of resident admission.

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Section	Subsection
<b>LENGTH OF STAY</b>	<b>Aftercare</b>

**AFTERCARE**

An admissions agreement will contain a post-discharge standardized release form for aftercare signed by the client prior to discharge. Aftercare is voluntary upon written consent of the resident and includes exit planning to meet the needs of the client. The importance of aftercare will be emphasized during an exit interview, with encouragement to continue.

Each patient's treatment plan includes at least one year of aftercare following discharge from the facility, and available referral partners providing aftercare services, including evening and weekend options, are provided during discharge.

After the exit interview, a 30-day post discharge call is made by the Program Director (if a consent for aftercare was signed by client). Additional calls by a counselor are also made after 90 days and one year post discharge to determine level of functioning, referral needs, and related follow up. The results of all calls are documented using a post discharge file form.

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Section	Subsection
<b>PATIENT TREATMENT PLAN</b>	<b>N/A</b>

**PATIENT TREATMENT PLAN:**

Hygea Detox offers medically managed intensive inpatient detoxification services for adult men and/or women 18 years and older. We approach recovery in a therapeutic manner by addressing the physical and emotional issues associated with dependency. The goal of our program is to initiate an individualized treatment plan that will result in a chemical-free, independent lifestyle and provide a stepping-stone for further treatment after the detoxification period.

The medical model of detoxification is a set of interventions aimed at managing acute intoxication and withdrawal characterized using physician utilizing medications and the clearing of toxins from the body. Hygea Detox’s philosophy is to provide residents with a safe, supportive, and closely monitored medical detoxification that minimizes the physical harm caused by the abuse of substances and facilitates their transition into residential and/or outpatient treatment.

Hygea Detox’s detoxification services will include the following:

1. Obtaining medical histories
2. Monitoring health status to determine urgent or emergent care
3. Testing associated with detoxification from alcohol and/or drugs
4. Providing alcoholism or drug abuse recovery or treatment services
5. Overseeing resident self-administered medications
6. Treating substance use disorders, including detoxification

Hygea Detox’s detoxification services WILL NOT include the following:

1. Any form of surgical procedures at a residential facility.
2. No stocking of prescription bulk medications for utilization during detoxification or treatment

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Section	Subsection
<b>PATIENT TREATMENT PLAN</b>	<b>Initial &amp; Follow-Up Treatment Plan</b>

### **Initial & Follow-Up Treatment Plan**

During the intake process, the counselor develops an individualized treatment plan with the input of the resident. Staff will ensure that residents have a copy of their individualized treatment plan and that a copy of it is placed in the resident's file.

All treatment plans will include the following information:

- A statement of problems experienced by the resident that need to be addressed;
- A statement of objectives to be reached; the objectives will address each problem.
- The actions and steps necessary for the resident to accomplish the objectives; and,
- The target dates for each accomplishment of actions, steps, and objectives.

The process for the resident's treatment plan will include the following:

1. Each treatment plan will be goal and action oriented;
2. The treatment plan will be developed in accordance with:
  - a. The counselor to develop the initial treatment plan with input from the resident during the intake process and individual sessions; and
  - b. Staff to ensure and document that the resident reviews and revises/updates, when required, the treatment plan when there is a change in the problem identification or the focus of treatment; and,

During the development of a treatment plan, and prior to discharge, the staff will conduct an individual session with the resident to develop and document an individualized strategy that will assist the resident in maintaining a continued alcohol and/or drug free lifestyle.

The individual treatment plan will include an agreement to seek and receive at least one year of aftercare following discharge. Hygea Detox will provide contact information at discharge of referral sources for one year of aftercare.

The resident's file contains all required documents, as follows:

- a. Resident identifier, including name;
- b. Date of birth;
- c. Sex;

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- d. Race and ethnic background;
- e. Home address;
- f. Telephone number;
- g. Next of kin or emergency contact; (resident will complete the 'Release of Confidential Information' for all emergency contacts);
- h. Information gathered to determine if client is appropriate for admission;
- i. Date and type of admission (new, readmission, etc.);
- j. Referral source and reason for referral;
- k. Admission agreement;
- l. Health questionnaire;
- m. Authorization to release information;
- n. Resident rights document.
- p. Medical referrals and clearances;
- q. Referrals for additional services including the procedure for making and following-up the referral and the agency to which the referral was made;
- r. Individual treatment plans;
- s. Documentation by the counselor of the services provided by Hygea Detox, including the date, type, and summary of the session or service and notations that state the achieved steps of the resident toward reaching the goals described in his/her treatment plan;
- t. Exceptions to the frequency of program services;
- u. Correspondence with or regarding the resident;
- v. Discussions and action taken against the resident for not complying with program rules and requirements;
- w. Drug screening results; and
- x. Consent to follow-up, if resident permitted contact. If feasible, the resident is followed-up after completion of all program services and as documented in the discharge summary.

### **Medications**

Medications, when indicated, are an integral part of the treatment plan. All members of the treatment plan, including the resident's physician, therapists, technical staff, and the resident, must be well-informed about a resident's medication, and shall remain in close communication on all aspects of the treatment plan. This is achieved in various ways, including staff meetings, case management meetings, daily face-to-face communication, and daily documentation, charting, counseling sessions, and frequent informal interactions.

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Section	Subsection
<b>PATIENT TREATMENT PLAN</b>	<b>Treatment Plan Process</b>

**Treatment Plan Process:**

The Detoxification process consists of several essential components, which should be available to all people seeking treatment:

- Evaluation
- Monitoring
- Fostering residents' readiness for entry into long term substance use treatment
- Facility staffing
- Referrals
- Training

A resident's treatment plan process will include the following:

1. All prescription medication must be approved according to Program Policy.
2. Prescription medication must be logged in, in the centrally stored medication and destruction record sheet.
3. Resident is to be monitored every half hour and progress note to be charted in resident files as to their well-being the first 72 hours up to their entire stay in detox if necessary.
4. Alcohol residents who are in danger of seizure, delirium tremens, or is very intoxicated must be taken to the hospital for medical clearance.
5. A physician should be available to assess the resident within 72 hours of admission.
6. Staff must check the resident's vital signs and temperature upon arrival and before prescription medications are given.
7. A verbal hand over must be done staff to staff on each resident at the beginning and end of every shift. The hand over must be at least 15 minutes before and after your shift. Use the communication logbook every shift.
8. It is the staff's responsibility to conduct a daily inventory of each resident's medication.

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9. If the resident refuses to take his or her prescribed medication, staff must make an appropriate entry on the log sheet stating the resident's refusal of medication and the resident must sign. If a resident has dual-diagnosis and refuses medications, an incident report must be filled out.
10. When a resident decides to leave ACA do NOT give any detox medications unless in consultation with the Program Director.
11. The resident has the right to leave the detox house at any time. If the resident decides to leave detox the staff on duty must notify the Administrator and the financially responsible party.
12. When the resident has been in the detox house for 24 hours staff must encourage the resident to start attending groups.
13. When the resident is done with his or her detoxification protocol and is ready to transition into residential treatment, staff must log out all detox medications in the centrally stored and destruction record sheet.
14. All medication logs, vital logs, and doctor orders must be kept in the residents chart.
15. Documentation of discharge will be kept in the residents chart.
16. Scale score noted in chart must be monitored and re-assessed as needed.

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Section  <b>DISCHARGE</b>	Section  <b>Procedure</b>
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**PROCEDURE:**

**Discharge Planning & Continued Care**

1. We offer aftercare planning that focuses on continuation of therapeutic services and adequate support systems. The discharge plan incorporates a relapse prevention plan, mental health resources in the resident's community and follow up services.
2. Discharge planning includes working closely with providers to develop aftercare and discharge plans that utilize community resources and natural support to assist residents in successful reintegration into the community and support them in managing their mental illness and/or addiction.

**Discharge Planning**

The primary therapist will meet with each client to develop and document an appropriate discharge and aftercare plan. A discharge plan will be developed prior to the client's discharge by the primary therapist. The discharge plan will include discharge aftercare appointments, discharge medications and information on who to call in an emergency. A copy of the discharge plan will be given to the client with the original being retained in the client record.

**Discharge Criteria**

Residents may be discharged voluntarily or involuntarily. The discharge summary will be completed for all residents, regardless of discharge type. A copy of the discharge summary will be placed in the resident file.

The criteria for resident discharge is as follows:

- Successful completion of the program - The resident has met all goals and objectives identified in his/her treatment plan, has remained abstinent, and has remained alcohol and/or drug free for the period established in the treatment plan.
- Unsuccessful discharge - The resident did not meet the goals objectives identified in their treatment plan, has missed numerous group sessions, has violated rules, policies, or program procedures, is violent or has brought a weapon on program premises, has not remained abstinent, and/or has repeatedly tested positive for alcohol and/or drugs.

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- Involuntary discharge - The resident has not attended any sessions in over 30 days, is financially unable to pay for services, or has decided to leave the program prior to completion.
- Transfers and referrals - The resident is unable to remain abstinent for an extended period of time, is not medically, physically, mentally, or emotionally capable of remaining in the program, or was transferred/referred to another program for personal reasons.

### **Discharge Summary**

The discharge summary form includes the following information:

- Description of treatment episodes and group sessions;
- Alcohol and/or drug use at discharge;
- Employment and educational achievements while in the program;
- Legal status at discharge;
- Reason for discharge, as stated in discharge criteria;
- Continuing recovery and exit plan for long-term abstinence;
- Transfers or referrals to other services; and
- Any comments provided by the resident.

During the discharge process, a program evaluation is given to each resident. The Program Director reviews the program evaluations and provides management with a written summary. In addition, the resident is requested to consent to follow-up. If feasible, the resident is followed-up with after completion of all program services, and follow-up is documented in the discharge summary.

### **Aftercare Follow-up**

Hygea Detox makes every attempt during the discharge process to have the resident allow the program to conduct follow-up contact; however, Hygea Detox will never follow-up with a resident after discharge without a written consent from the resident.

After the exit interview, a 30-day post discharge call is made by the Program Director (if a consent for after care was signed by client), but most often much closer contact is achieved at this crucial juncture. Additional calls by a counselor are also made after 90 days and one year post discharge to determine level of functioning. The results of all calls are documented using a Post Discharge File form.

The discharge plan will include an agreement to seek and receive at least one year of aftercare following discharge. Hygea Detox will provide contact information at discharge of referral sources for one year of aftercare.

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Section	Subsection(s)
<b>REFERRALS</b>	<b>Policy and Services Referral Arrangements Referral Procedure</b>

**Referral Procedure**

1. Hygea Detox must share all necessary and permitted release documentation and communicate clearly with the receiving clinician/agency.
2. Referrals are not only facilitated, but a follow- up is critical.

**Referral Policy & Services**

The Hygea Detox treatment program is designed to assist the individual with recovery; however, individual resident needs and problems may be of such a complex nature that Hygea Detox cannot provide all necessary services.

During the admission process, residents that are assessed to be in need of services not provided by Hygea Detox are referred to the appropriate external services. Referrals made to the resident shall be granted. Any referrals, whether requested by staff or resident, shall be documented in the resident file. Hygea Detox staff will, with the permission of the resident, initiate telephone contact with the appropriate community service provider to verify and make the necessary arrangements.

Hygea Detox staff will be qualified and compassionate. Staff are well trained to efficiently collect resident information and history in order to evaluate their needs. Hygea Detox will refer residents to outside care facilities, agencies, organizations, and centers to ensure the best level of care for the resident.

Emergency services shall be referred to outside providers, as follows:

- Medical Emergency -accidents, acute illness, need for transport to emergency room and/or questionable need for medical or nursing intervention.
- Behavioral Emergency -uncontrollable behavior, need to transport to the emergency room, identified need for crisis intervention, or restrictive intervention, which last for more than ten minutes.
- Other emergency -natural disaster, building or utilities (water, power, heater, etc.).

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- Staffing problems - Inability of Hygea Detox to provide required staffing, staff emergency situations, employee misconduct (allegations of abuse, not following direction, absences, inability to work, etc.).

Referral information for emergency services is as follows:

- Emergency services: 911
- Local Fire Department:
- Local Law Enforcement:
- Ambulance Services: 911
- Paramedic: 911
- Crisis Centers:
  - National Alliance of Mental Illness, (800) 854-7771
  - Suicide Prevention Center, (877) 7-CRISIS/877-727-4747
- Shelters:
- Long-Term Residential Treatment Centers:
- Community 12 Step Resources:
- Alcoholics Anonymous:
- Detoxification Only:
- Sober Living Homes:

[Referral contacts will be updated prior to finalization of this manual]

Residents who have been referred to outside providers prior to admission or have been discharged for medical or psychiatric reasons are eligible for admission/readmission after the medical condition has been resolved or stabilized.

### **Referral Arrangements**

The counseling staff conducting the intake and admission will be culturally competent in their interactions with all residents and without stigmatizing the individual. Staff will incessantly communicate Hygea Detox policies and procedures and make the appropriate referrals. Any resident exhibiting signs of medical or psychiatric issues shall be referred to the appropriate services. Residents that have been referred for medical or psychiatric services shall submit a clearance from to the appropriate medical or psychiatric provider.

Hygea Detox staff will ensure that residents received necessary first aid and information about and/or referrals to needed medical or dental services. Hygea Detox staff shall always err on the side of caution when evaluating an emergency situation. Any questions should always be directed to the Program or Facility Administrator.

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Hygea Detox has referral information available for services not provided by our program, including services for education, family counseling, lower levels of ASAM care, and other substance use disorder and treatment services.

Any referral made by Hygea Detox, either prior to or after admission and during discharge will be documented in the resident's file within 24 hours. All clearances to participate in the program will be documented in the resident's intake documents and file. Upon completion of the intake process, the individual will sign and date the admission agreement; the original will be placed in the resident file within 24 hours and the resident will receive a copy. Within 24 hours from time of admission, the physician will complete an incidental medical services certification form for all admitted individuals.

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Section  <b>IN-SERVICE EDUCATION</b>	Subsection(s)  <b>Policy and Procedure Ongoing In-Service Education Training and Development</b>
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**Policy and Procedure**

An effective employee relations program includes a training component to ensure that our staff has the necessary information to perform their duties. Furthermore, employees who are well trained and adequately informed about the correct procedures for performing their duties generally experience a significantly higher level of job satisfaction than employees who have not received the proper training.

Hygea Detox is committed to providing staff with job-related training for a safe and efficient program operation. Employee positions and job responsibilities will decide the type and quantity of training required. Hygea Detox has an annual minimum training standard that must be met. Employees and supervisors are encouraged to verbalize perceived training needs to the Program Director.

An orientation program is conducted for all newly hired employees. The primary purpose is to acquaint new employees with Hygea Detox's mission, its rules and policies, and the needs of the region's specific client population. Orientation training may vary based on the services provided; however, each employee will be required to complete the number of orientation training hours required, in the time frames required.

Additional annual training will be conducted according to the overall facility-training plan. The training plan is designed to promote the professional development and efficient job performance of each employee. This training plan is updated annually based on Hygea Detox and employee needs. Employees are also encouraged to improve their job skills through participation in educational programs for higher learning.

Hygea Detox requires that each employee receive yearly training based on the programs services. The training plan will be included as a part of each employee's annual training. First Aid and CPR training will be given as needed.

All personnel are expected to attend, participate in, and evaluate all scheduled training sessions. The Employee is also encouraged to assist in the development of their individual training based on his or her needs that have identified, and to pursue other means of applicable training and education.

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Hygea Detox encourages staff to attend seminar and programs so that they may discuss new developments in the field, to encourage guest participation, and to provide a forum for sharing individual experiences. In addition, numerous staff meetings are held to provide a forum for shared experiences.

Hygea Detox also encourages employees to subscribe to journals and publications provided by their certifying organization. Hygea Detox also makes available to all employees relevant training materials and publications dealing with substance use disorders.

All staff training, seminars, and programs are documented and maintained as part of the training plan, and a copy of all training is placed in the personnel file of each employee.

### **Ongoing In-Service Education**

Staff will have ongoing education in the following areas:

- Recognizing and understanding emotional problems;
- Social needs of clients;
- Community Resources;
- Management of Problem Behaviors;
- Treatment Plan Development;
- Confidentiality;
- Cultural issues;
- Interpersonal relations and communications skills;
- Client dignity and privacy;
- Conflict resolution;
- Infection Control;
- Fire Prevention and Safety;
- Accident prevention and safety;
- CPR/1st aid/choking intervention
- Sexual issues; and
- Use of un-licensed, un-certified, or un-registered staff.

### **Training and Development**

The facility maintains its own in-service training schedule and the Administrator will keep attendance logs documenting residents, dates, and times, presenters and topics covered. Trainers may be employees with special expertise, volunteer speakers from other facilities or agencies, local colleges or other community resources or technical assistance consultants. Professional continuing education providers, by members of the recovery treatment community and by other qualified groups will disseminate information regularly regarding upcoming training opportunities offered by Hygea Detox.

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Staff who attend approved trainings are expected to share what they learn with their colleagues and co-workers and to provide copies of any appropriate printed materials from such trainings. Through staff evaluation forms, staff will be further trained in areas they are lacking.

In addition, staff are encouraged to attend various seminars and programs that are held to discuss new developments in the field; Hygea Detox also encourages guest residents to speak and provide a forum for sharing resident experiences. Hygea Detox provides pertinent professional journals and publications to all program staff.

All personnel are expected to attend, participate in, and evaluate all scheduled training sessions. The employee is also encouraged to assist in the development of their resident training based on his or her needs that have identified, and to pursue other means of applicable training and education. Evidence of all training is kept in the personnel file for each employee a minimum of three years from the date of training. All personnel are trained and have the necessary experience that provides knowledge of the skills required in the following areas, as appropriate to the job assigned, and as evidenced by safe and effective job performance.

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Title <b>SUB-ACUTE DETOXIFICATION</b>	Section <b>Detoxification Protocols</b>
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**Detoxification Protocols**

Hygea Detox is a 24 hour, detoxification treatment facility licensed as an Intermediate Care Facility to provide detoxification services from alcohol and other drugs in a safe and therapeutic environment. Hygea Detox’s program is designed to administer to the severity of the resident's level of intoxication to achieve a safe and supportive withdrawal from alcohol and/or other drugs, and to effectively facilitate their smooth transition into ongoing treatment services through appropriate referral providers based on a client’s individual needs.

Hygea Detox provides a medically monitored detoxification program by licensed, certified, and registered counselors that have the relevant experience to deal with residents in this delicate state of treatment. All staff will have at least two years of sobriety, current tuberculosis test results (and annually updated), first aid/CPR certification, and a minimum of one year working with alcohol/drug residents.

Licensed, certified, and registered detoxification staff members are specifically trained in the following areas of observation: Evaluation; detoxification symptoms and protocols, crisis procedures; proper documentation; and, referral services. Only qualified and trained staff will monitor and/or supervise individuals receiving detoxification treatment services.

At least one staff member is specifically assigned to the observation of detoxification residents at all times during a resident's initial 72 hours of undergoing detoxification services. The assigned staff physically checks each resident for breathing by a face-to-face physical observation at least once every 30 minutes during the first 72 hours after admission. Resident monitoring includes the physical checking of resident's vital signs: Breathing, heart rate, blood pressure, and state of orientation.

After 24 hours, close observation and physical checks may be discontinued or reduced based upon a determination by a staff member trained in providing detox services. Documentation of the information that supports a decrease in close observation and physical checks shall be documented in the resident's file.

Each service is dependent on the individual served and the level of residential detoxification services required to smoothly transition the individual to ongoing treatment. Should the resident require medical services beyond the capacity of the program, a referral will be made to transfer the resident to a more appropriate level of service.

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Although our facility may allow a resident to bring physician prescribed medications to aid in the detoxification process to the extent permitted and/or required by applicable law, , in the case of an emergency the resident is immediately transported to the nearest emergency room, if necessary.

Potential residents that do not require the full resources of a medically managed intensive inpatient detoxification facility and would benefit from medically monitored inpatient services including withdrawal management are appropriate for treatment. If referred by another agency or acute hospital, Hygea Detox intake staff ensures all previous services are properly documented in their resident file and provided to assessment staff, who can properly assess and match their needs to services our agency provides or make a referral to a more appropriate facility. Each admitted resident is closely screened by qualified staff to ensure resident safety and referred, if needed or require more acute care, to their choice of an independent physician.

Hygea Detox maintains and makes available to residents a current list of resources within the community that offers additional services that are not provided within the program. Program policies and procedures identify the conditions under which referrals are made. For each resident for whom a referral is made, an entry is made in the resident's file, documenting the procedure for making the referral, and following-up with the referral and the agency to which the referral was made.

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Section <b>INFECTION AND SPREAD OF INFECTION</b>	Subsection <b>HIV/AIDS Protocol</b>
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**HIV/AIDS Protocol**

It is the policy of Hygea Detox to provide guidelines and procedures to assist in the surveillance, prevention, and control the spread of communicable diseases and infections, especially "priority risks" within the population served, including Lice, Conjunctivitis, HIV, Hepatitis, Scabies, and TB. The physician is responsible for reading and making the final determination of any test results within five days from date of receipt. All testing results are read by the physician and documented in the resident file within 24 hours.

Staff development programs guided by the findings of the quality assurance program include yearly CPR/first aid certification for all staff who provide direct services to clients regular AIDS/HIV instruction/education (yearly) and at time of employment (documented in employment file for each employee).

Our program actively seeks appropriate training for staff development yearly (administrative, clinical and support). Sixteen hours of HIV related education for staff members is planned annually. Each staff person is encouraged to improve his/her capabilities through an individual training plan updated yearly by supervisors. A list of covered topics is generated yearly and documented. All training is documented in updated resumes submitted yearly by all staff (required HIV training and CPR/first aid as well) or in employment files.

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Section <b>INFECTION AND SPREAD OF INFECTION</b>	Subsection <b>Infection Control &amp; Infectious Waste</b>
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**Infection Control & Infectious Waste**

An infection control program is in effect to assure a healthy, comfortable, safe, and sanitary environment so that infectious conditions, occasionally acquired or brought in from the community will not pose a hazard for clients, personnel or the environment.

**General Policy**

1. Infection control involves the environment and personnel; including, staff and independent practitioners, volunteers, students, and clients.
2. There will be screening methods to detect the presence of infectious conditions in the environment, among personnel, and among clients.
3. There will be specific measures to maintain a sanitary environment and to control the development of infectious conditions. These will include the use of standard precautions and contact, droplet, and airborne precautions as necessary. Clients with significant infections will be transferred to a medical facility for continued treatment.
4. There will be methods to contain suspected or confirmed infectious conditions and to prevent their transmission. The facility will provide an adequate supply of appropriate materials for the purpose of containing or preventing the transmission of infectious conditions.
5. All personnel will be informed of infectious or potentially infectious conditions related to their job in language understandable to them. This will be accomplished during the employee orientation program and through annual training.
6. A standard internal reporting mechanism will be used to report suspected or confirmed cases or situations as they occur. Diseases reportable to the State will also be communicated to the Health Department. In specific cases when the State designates, the Health Department will be notified by telephone. Reported conditions will be investigated and appropriate corrective action taken and evaluated. Trends in the types of infections identified by the Health Department will be reviewed routinely as part of the infection control program.
7. Adequate systems to support information access, laboratory support, and equipment and supplies to ensure the infection control programs will be put in place.

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8. No infectious waste be generated by this facility.
9. Personal protective equipment include gloves, hand sanitizer, and safety goggles will be used as appropriate and to extent required by law
10. Infection control supplies and disinfectants will be used on all hard surfaces. All medical supplies will be kept in cabinets and in sanitary containers. All used medical supplies will be disposed of in covered trash receptacles.

### **Infection Control Committee**

The Infection Control Committee will consist of representatives from each area governed by this policy. This Committee will be responsible for the development of policies and procedures to carry out the infection control function in a manner that complies with State and Federal regulations, OSHA standards, and CARF regulations.

The Infection Control Committee will be responsible for the annual evaluation of the effectiveness of the program and its policies and procedures and will make recommendations to amend or revise policy/program as needed. The committee will meet on a quarterly basis.

The quarterly report will include the following:

- Facility acquired infections (those that appear 72 hours or more after admission);
- Community acquired infections (those present on admit);
- Reportable diseases; and/or
- Employee exposures.

### **Infection Control Officer**

The Program Director is the designated Infection Control Officer. The Infection Control Officer will coordinate all infection control activities. The Infection Control Officer will investigate all reports of infectious conditions, will verify the implementation of corrective measures, and will document the relevant findings and outcomes. The Infection Control Officer will remain current on infection control issues by utilizing the APIC website and other authoritative information sources on infection control.

### **Client Population**

It is the responsibility of the Infection Control Officer to report any infection or potentially infectious condition among clients. A determination of the presence of infection will be made and an individual infection report will be submitted by the Infection Control Officer. The situation will be handled in one of the following manners:

- The client is referred to a physician for evaluation

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- The client is instructed regarding the prevention of transmission
- The client is given a medical discharge or transfer; or
- No action is deemed necessary at the time.

### **Staff Illness or Infection**

It is the responsibility of every supervisor to monitor his/her staff regarding infection or potentially infectious conditions they may have that might contaminate the environment. It is the duty of the supervisor to contain or prevent any further contamination should they suspect a potentially infectious situation has occurred. To do so, they are to refer the staff person to the Infection Control Officer.

It is also the responsibility of the supervisor to monitor personnel who have repeated illnesses, especially when the illness consists of symptoms indicative of infectious conditions. It is the right and responsibility of the supervisor to refer this situation to the Infection Control Officer, who will then determine the need for possible screening procedures. Screening is accomplished through the employee's personal physician with the financial responsibility for such screening belonging to the employee.

In the event that an employee becomes exposed to an infectious condition in the line of duty, an incident report will be completed, and the Infection Control Officer will investigate and take appropriate action.

Staff exposures should be limited since no injections will be done by facility staff. Any open wounds of clients or staff will remain covered at all times. Clients are responsible for changing their own dressings.

### **Facility Acquired Infections**

A facility acquired infection is defined as one whose symptoms appear after 72 hours of admission. All infectious or potentially infectious conditions among personnel or clients are referred to the Infection Control Officer for investigation. Their findings are documented on an individual infection report. When resolution is achieved, the Infection Control Officer permanently files the report with the infection control records. Facility acquired infections will be identified on the report when possible.

In addition, these reports will summarize quarterly trends of incidents of infectious illnesses to the Infection Control Committee.

### **Report to Referring or Receiving Organization**

When a referring facility becomes aware that a client they have transferred has an active infection for which treatment should start or change, the referring facility should communicate

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this to the receiving facility. If a receiving facility identifies an infection not identified by the referring facility, the receiving facility will communicate the omission to the referring facility.

### **Staff Precautions**

Employees absent for three or more consecutive workdays due to illness must submit verification from their physician to their supervisor on the date of return to work. These are filed in their individual personnel records. Employees with an infectious condition will not report to work until symptoms are resolved.

Staff will report any infection control issues or situations to the Infection Control Officer. Staff will consider all body secretions as potentially infectious. Staff will consider that all solid waste is potentially infectious.

Staff will take specific measures to protect themselves from contamination as needed: i.e., the use of disposable gloves. Staff will wash their hands frequently. If contamination occurs, staff will wash their hands immediately after removing gloves. Staff who suspect that they have been contaminated should report to their supervisor immediately.

### **Statement of Authority**

The Infection Control Officer has the authority to institute any surveillance, prevention, and control measures or studies when there is reason to believe that any client or personnel is in danger because of infection.

### **Time-Allotted Infection Control**

According to the needs of the clients, it is estimated that the Infection Control Officer position should account for 10% of the staff member's time. This time may include time delegated to other staff members; time will be spent on infection surveillance, prevention, and control activities.

### **Coronavirus Disease (COVID-19) Awareness and Prevention**

It is the Policy of Hygea Detox, LLC to identify risks as the CDC and WHO has identified COVID- 19 as a pandemic, and expectations of the Coronavirus spreading throughout the United States.

As a preemptive measure, Hygea Detox, LLC follows guidelines of the CDC and develops measures to properly look at risks associated with any pandemic situation.

*[Due to the rapid pace of information concerning this disease, Hygea Detox will evaluate and complete a policy concerning this issue in the 90 day period prior to project opening]*

HYGEA DETOX  
POLICIES AND PROCEDURES MANUAL (DRAFT)  
*EXCERPTS*

Section <b>UTILIZATION REVIEW</b>	Subsection <b>N/A</b>
--------------------------------------	--------------------------

This Facility Administrator and Program Director meet monthly no later than the 5th day of each month. The main goal of this meeting is to obtain, review, and assess all information related to the proper utilization of the facility's resources. Their objective is to measure resource over or underutilization so that this information may be analyzed and corrected for better functioning of the program. Their compliance within the limits of parameters set by Hygea Detox's governing body is observed and remedied if necessary. Any alterations or compliance failures are adjusted to maintain cost-effectiveness as designated by the governing body.

The methods of identifying utilization related problems will include, but are not limited to:

- Analysis of appropriateness and clinical necessity of admission;
- Continued client stay;
- Supportive services;
- Analysis of delays in provision of supportive services;
- Examination of the findings of related Quality Assurance activities and other current relevant documentation; and
- Documentation will include monitoring of client files, staff, and personnel files, procurement and financial reports and menu development where appropriate, outside monitoring reports, and program evaluation reports.

The following sampling procedures will include, but are not limited to:

- Total hours of actual counseling administered by each counselor;
- Random assessment of counseling in relation to the counselor's caseload;
- Client file review in increments of units of service per month for quality of documentation, including a chart review of all files on a monthly basis;
- Establishment of norms to be developed on a quarterly basis measuring discharge and length of stay;
- Monitoring of client questionnaires and complaints or compliments, including evaluation of outside monitoring reports; and
- Review of medical and psychological conditions in relation to admissions and discharges.

The purpose of the utilization review is to ensure that high quality client care is provided through the effective and efficient utilization of the program resources and services. Utilization monitoring includes, but is not limited to a review of the following:

HYGEA DETOX  
POLICIES AND PROCEDURES MANUAL (DRAFT)  
*EXCERPTS*

1. Appropriateness of client admissions and discharges (criteria)
2. Appropriateness of continued stay (criteria).
3. Quality of services provided.
4. Review of client waiting lists and payor source.
5. Annual review of total units and types of services
6. Review of records of clients involuntarily terminated.
7. Review of appropriateness of referrals to other agencies.
8. Post treatment referral for admissions.
9. Coordination of assessment treatment and termination of services.
10. Physical and other types of consultation.
11. Sample surveys of persons served and referral agency or related service agency.

Utilization review also:

1. Identifies gaps in service.
2. Promotes opportunities to improve service delivery (trends/patterns in service use).

# **EXHIBIT 6**



**RECIPROCAL REFERRAL AGREEMENT**

Hygea Detox, Inc. (“Hygea Detox”) has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine (“ASAM”) as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and Ashley, Inc., subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. Both parties agree to refer and accept referrals of appropriate, eligible patients, including patients who may be eligible for charity care, in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

A handwritten signature in black ink, appearing to be "RJ" followed by a stylized flourish.

SIGNATURE

CEO

TITLE

03/09/2021

DATE

**ASHLEY, INC.**

A handwritten signature in black ink, appearing to be "al-d-t" with a flourish.

SIGNATURE

Joint CEO

March 9, 2021



## RECIPROCAL REFERRAL AGREEMENT

Hygea Detox, Inc. ("Hygea Detox") has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

As a part of the Certificate of Need application and review process, Hygea Detox will commit to dedicating a percentage of its annual bed days for care to the indigent and gray area population, defined as persons who qualify for services under the Maryland Medical Assistance Program, regardless of whether Medical Assistance will reimburse for alcohol and drug abuse treatment, and those persons who do not qualify for services under the Maryland Medical Assistance Program but whose annual income from any sources is no more than 180 percent of the most recent Federal Poverty Index, and who have no insurance for alcohol and drug abuse treatment services.

This Agreement acknowledges that the Baltimore County Health Department is aware of the planned project and Hygea Detox's commitment to provide care to the indigent and gray area population. If the Maryland Health Care Commission issues a Certificate of Need for the proposed project, Hygea Detox will agree to accept appropriate patient referrals from Baltimore County in accordance with program policy and procedures (to be developed jointly with Baltimore County Health Department) and Hygea Detox's charity care program, and to abide by federal, state, and county standard dealing with the confidentiality of patient information.

Hygea Detox agrees to dedicate an average of seven (7) of its beds for patients referred from Baltimore County who are eligible for charity care. Hygea Detox will offer consistent with its conditions of Certificate of Need approval, subject to the terms of this Agreement. The number of patients that Hygea Detox will accept will depend upon bed availability, the patient's qualification for the services Hygea Detox is authorized to provide, the patient's eligibility for charity care and/or Medical Assistance, and Hygea Detox's progress towards meeting its annual commitment of charity care. Due to the need for these services in Maryland and Hygea Detox's commitment to satisfying the Maryland Health Care Commission's regulatory requirements, the parties understand that Hygea Detox will not hold beds open for referrals from Baltimore County, and may satisfy its commitment to provide care to indigent and gray area patients through other referrals should it not have sufficient referrals of eligible patients from Baltimore County to fill an average of seven beds.

The Baltimore County Health Department agrees that a candidate referred for potential admission to Hygea Detox will meet the following minimum criteria:

- Baltimore County resident

- Eligible for Charity Care:
  - (A) Qualified for Medicaid or Medicare, regardless of whether these plans will reimburse for substance use disorder treatment; or
  - (B) Annual income from any source is equal to no more than 180 percent of the most recent Federal Poverty Index, and have no insurance for substance use disorder treatment.
- Motivated to complete a complete course of treatment, including appropriate outpatient care following discharge.

The Baltimore County Health Department agrees to refer appropriate patients in accordance with program policy and procedures and to abide by federal, state and county standards dealing with the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

For any calendar year in which the care Hygea Detox has provided to indigent and gray area patients meets or exceeds the commitment required by the final decision of the Maryland Health Care Commission on Hygea Detox's application for Certificate of Need, Hygea Detox may, at its election, cease admitting patients referred through this agreement for charity care. The Baltimore County Health Department may continue to refer patients to Hygea Detox for placement on a waitlist for the next calendar year.

This Agreement further acknowledges that the Baltimore County Health Department will accept appropriate patient referrals from Hygea Detox of eligible residents who may be qualified for services that the Baltimore County Health Department provides or makes available through community providers of substance use prevention and disorder treatment services, including services related to prevention, education, driving-while-intoxicated programs, family counseling, and other substance use disorder and treatment services. Hygea Detox will contact the Baltimore County Health Department REACH Hotline to discuss any particular patient's need and eligibility for any such services, complying with all required privacy requirements.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or agency. This agreement may be terminated by either party within 30 days of written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

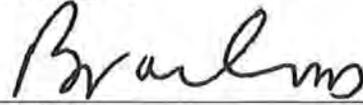


SIGNATURE

TITLE

DATE

**BALTIMORE COUNTY HEALTH DEPARTMENT**



SIGNATURE

Director and Health Officer

TITLE

4/8/2021

DATE

04/08/2021



**RECIPROCAL REFERRAL AGREEMENT**

Hygea Detox, Inc. (“Hygea Detox”) has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine (“ASAM”) as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and Jennifer Wilson LCSWC LCADC LLC., subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. Both parties agree to refer and accept referrals of appropriate, eligible patients, including patients who may be eligible for charity care, in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

**Jennifer Wilson LCSWC LCADC LLC.**

A handwritten signature in black ink, appearing to be initials or a stylized name, written over a horizontal line.

A handwritten signature in black ink that reads "Jennifer Wilson LCSW-C, LCADC", written over a horizontal line.

SIGNATURE

SIGNATURE

**CEO**

**Owner**

TITLE

TITLE

**04/05/2021**

**April 5th, 2021**

DATE

DATE



**RECIPROCAL REFERRAL AGREEMENT**

Hygea Detox, Inc. (“Hygea Detox”) has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine (“ASAM”) as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and Maryland Addiction Recovery Center., subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. Both parties agree to refer and accept referrals of appropriate, eligible patients, including patients who may be eligible for charity care, in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

**MARYLAND ADDICTION RECOVERY CENTER**

SIGNATURE

SIGNATURE

CEO

CEO

TITLE

TITLE

03/09/2021

3/4/21

DATE

DATE



**RECIPROCAL REFERRAL AGREEMENT**

Hygea Detox, Inc. (“Hygea Detox”) has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine (“ASAM”) as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and MedStar Franklin Square Medical Center, subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. MedStar Franklin Square Medical Center agrees to receive referrals from Hygea Detox for services provided by MedStar Franklin Square Medical Center, including emergency and inpatient acute hospital services.

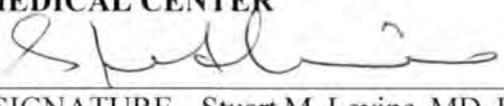
Both parties agree to refer and accept referrals of appropriate, eligible patients for services they provide in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

**MEDSTAR FRANKLIN SQUARE  
MEDICAL CENTER**

  
\_\_\_\_\_  
SIGNATURE

  
\_\_\_\_\_  
SIGNATURE – Stuart M. Levine, MD, FACP

CE  
○  
\_\_\_\_\_  
TITLE

President MFSMC, SVP MedStar Health  
\_\_\_\_\_  
TITLE

03/08/2021  
\_\_\_\_\_  
DATE

3/8/21  
\_\_\_\_\_  
DATE



**RECIPROCAL REFERRAL AGREEMENT**

Hygea Detox, Inc. (“Hygea Detox”) has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine (“ASAM”) as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

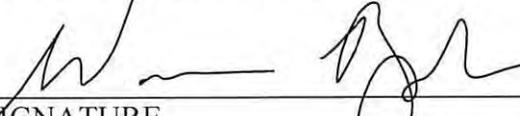
The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and New Points Sober Living, subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. Both parties agree to refer and accept referrals of appropriate, eligible patients in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party at any time for any reason by informing the other party either verbally or in writing. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing or verbally by either party.

**HYGEA DETOX, INC.**

  
\_\_\_\_\_  
SIGNATURE  
  
CEO  
\_\_\_\_\_  
TITLE  
  
4/12/21  
\_\_\_\_\_  
DATE

**NEW POINTS SOBER LIVING**

  
\_\_\_\_\_  
SIGNATURE  
  
Executive Director  
\_\_\_\_\_  
TITLE  
  
4/12/21  
\_\_\_\_\_  
DATE



**RECIPROCAL REFERRAL AGREEMENT**

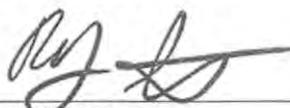
Hygea Detox, Inc. ("Hygea Detox") has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and Samaritan Houses Inc., subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. Both parties agree to refer and accept referrals of appropriate, eligible patients, including patients who may be eligible for charity care, in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider or to unconditionally reject any referrals due to housing limitations or otherwise. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

**SAMARITAN HOUSES INC.**

  
\_\_\_\_\_  
SIGNATURE

  
\_\_\_\_\_  
SIGNATURE

CEO  
\_\_\_\_\_  
TITLE

Executive Director  
\_\_\_\_\_  
TITLE

4/1/21  
\_\_\_\_\_  
DATE

4/1/21  
\_\_\_\_\_  
DATE



**RECIPROCAL REFERRAL AGREEMENT**

Hygea Detox, Inc. (“Hygea Detox”) has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine (“ASAM”) as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and Sheppard Pratt Health System, subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. Both parties agree to refer and accept referrals of appropriate, eligible patients in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

**SHEPPARD PRATT HEALTH SYSTEM**

  
\_\_\_\_\_  
SIGNATURE

  
\_\_\_\_\_  
SIGNATURE

CEO  
\_\_\_\_\_  
TITLE

VP and Chief Strategy Officer  
\_\_\_\_\_  
TITLE

03/04/2021  
\_\_\_\_\_  
DATE

3/3/21  
\_\_\_\_\_  
DATE



**MEMORANDUM OF UNDERSTANDING**

Hygea Detox, Inc. (“Hygea Detox”) has submitted a Letter of Intent to the Maryland Health Care Commission stating its intent to apply for a Certificate of Need to establish a program located in Baltimore County, Maryland that will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine (“ASAM”) as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification).

Hygea Detox and Sinai Hospital of Baltimore, Inc. (“Sinai Hospital” and, together with Hygea Detox, the “Parties”) acknowledge that, commencing at such time as Hygea Detox obtains First Use Approval and appropriate licensure and/or accreditation, each Party may, from time to time, refer appropriate, eligible patients to the other Party for services provided by such other Party, and each Party hereby agrees to use its best efforts to accommodate and accept any such referrals where appropriate. The Parties further agree that any such referrals shall only be made in accordance with applicable policies and procedures of each Party, and in compliance with federal, state and county laws, rules, regulations and standards, including without limitation, the Federal Anti-Kickback law (42 U.S.C. § 1320a-7b) and the regulations promulgated thereunder, the Stark Law (42 U.S.C. § 1395nn) and the regulations promulgated thereunder, as well as all laws governing the confidentiality of patient information. Without limiting the foregoing, the parties agree to institute appropriate procedures for safeguarding confidential patient information as governed by 42 C.F.R., Part 2, the Health Insurance Portability and Accountability Act, as amended, and other applicable federal and state law. Any information needed for continuity of care will be furnished upon request provided that all such confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

*[Handwritten Signature]*  
*CEO*  
*6/1/21*

**SINAI HOSPITAL OF BALTIMORE, INC.**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
President  
TITLE

\_\_\_\_\_  
DATE

*[Handwritten Signature]*  
*5/24/21*



**RECIPROCAL REFERRAL AGREEMENT**

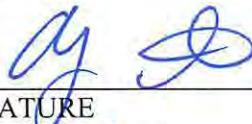
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The undersigned acknowledge that a reciprocal agreement has been established between Hygea Detox and Summit Community Health, Inc., subject to First Use Approval and appropriate licensure and/or accreditation of Hygea Detox. Both parties agree to refer and accept referrals of appropriate, eligible patients, including patients who may be eligible for charity care, in accordance with program policy and producers, and in compliance with federal, state and county standards governing the confidentiality of patient information. Any information needed for continuity of care will be furnished upon request provided that all confidentiality requirements have been met. In addition, it is understood that patients appropriate for admission shall be treated without regard to race, religion, sex, sexual preference, national origin, or physical disability.

Nothing in this agreement shall be construed as limiting the rights of either party to enter into similar agreements with any other facility or provider. This agreement may be terminated by either party with 30 days written notice to the other. This agreement becomes effective on the date signed below and will remain in effect for two years unless terminated in writing by either party.

**HYGEA DETOX, INC.**

**SUMMIT COMMUNITY HEALTH, INC.**

  
\_\_\_\_\_  
SIGNATURE

*Thomas C.C. Bond, III*  
\_\_\_\_\_  
SIGNATURE

CEO  
\_\_\_\_\_  
TITLE

Founder/CEO  
\_\_\_\_\_  
TITLE

5/12/21  
\_\_\_\_\_  
DATE

5/7/2021  
\_\_\_\_\_  
DATE

## **ADDENDUM TO RECIPROCAL REFERRAL AGREEMENT**

This Addendum shall be incorporated as an attachment to the Reciprocal Referral Agreement between **Summit Community Health, Inc.** ("Provider") and Hygea Detox, Inc., executed by Provider on 5/12/2021.

This Addendum confirms that Provider provides the following services related to alcohol and substance use disorder treatment, and that services for which Hygea Detox, Inc. may refer patients pursuant to the Reciprocal Referral Agreement include all such services:

### **PROVIDER SERVICES RELATED TO ALCOHOL AND SUBSTANCE USE DISORDER TREATMENT**

- ✓ **CARF Accredited 3.1 Level Residential SUD Treatment**
- ✓ **Mental Health Counseling**
- ✓ **Family Counseling**
- ✓ **Certified Peer Recovery Coaching**

Provider and Hygea Detox, Inc. agree that this Addendum shall be effective as of the return of this Addendum together with the list of services described herein by Provider to Hygea Detox, Inc. by email, without signature required.

# **EXHIBIT 7**

**SOLOMON AND NISLOW, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**821 NORTH CHARLES STREET**  
**BALTIMORE, MARYLAND 21201**  
**TEL (410) 727-2717**  
**FAX (410) 727-7200**

**CHARLES M. SOLOMON, CPA**  
**1936 - 1999**

—  
**ERIC M. NISLOW, CPA**

**MEMBER**  
**AMERICAN INSTITUTE OF CERTIFIED**  
**PUBLIC ACCOUNTANTS**  
**MARYLAND ASSOCIATION OF CERTIFIED**  
**PUBLIC ACCOUNTANTS**

April 29, 2021

RE: Hygea Detox, Inc.

To: Maryland Health Care Commission

Please be advised that we are the accountants for the above - mentioned entity and its members.

Please be further advised that the AICPA precludes us from issuing comfort letters and therefore we are not issuing such a letter.

With that being said, and us being so precluded we have considered the member's global cash flow and entities projections and there seems to be adequate availability of funds.

Please feel free to contact us should you have any questions

Cordially,

  
Eric M. Nislow, CPA

# **EXHIBIT 8**

# **PROVIDER & COMMUNITY SUPPORT**



**MARYLAND**  
ADDICTION RECOVERY CENTER  
Partnership for Long-Term Recovery Through Intermediate, Residential, and Outpatient Services

**February 26, 2021**

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

*Re: Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

On behalf of Maryland Addiction Recovery Center, I am writing to express my strong support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). The proposed program will improve access to and availability of these much needed services for Marylanders.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am pleased that patients will have increased access to these services in Baltimore County.

Maryland is suffering from a substance use disorder crisis that is devastating local communities. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission approve Hygea Detox's Certificate of Need application.

Sincerely,

Sam Bierman  
CEO

**March 1, 2021**

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

*Re: Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

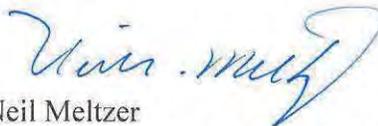
On behalf of Sinai Hospital of Baltimore, Inc., I am writing to express my strong support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). The proposed program will improve access to and availability of these much-needed services for Marylanders.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am pleased that patients will have increased access to these services in Baltimore County.

Maryland is suffering from a substance use disorder crisis that is devastating local communities. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission approve Hygea Detox's Certificate of Need application.

Sincerely,



Neil Meltzer  
President and CEO of LifeBridge Health, Inc.



March 3, 2021

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

Re: Certificate of Need Application for Hygea Detox, Inc.

Dear Mr. Steffen:

On behalf of Sheppard Pratt, I am writing to express my support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). The proposed program will improve access to and availability of these much needed services for Marylanders.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am pleased that patients will have increased access to these services in Baltimore County.

Maryland is suffering from a substance use disorder crisis that is devastating local communities. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery. Having an extensive, full continuum of care is vital in the treatment of these individuals and Hygea has an extensive history of providing these types of services.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission approve Hygea Detox's Certificate of Need application.

Sincerely,

Jennifer Weiss Wilkerson  
VP and Chief Strategy Officer

March 9, 2021

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

*Re: Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

On behalf of Ashley Addiction Treatment, I am writing to express my strong support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). The proposed program will improve access to and availability of these much-needed services for Marylanders.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am pleased that patients will have increased access to these services in Baltimore County.

Maryland is suffering from a substance use disorder crisis that is devastating local communities. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission approve Hygea Detox's Certificate of Need application.

Sincerely,



Alex Denstman, MBA  
Joint CEO  
Ashley Addiction Treatment



**Bruce Taylor, M.D.**

**Psychiatry**

**Distinguished Life  
Fellow  
American Psychiatric  
Association**

8 Park Center Court  
Suite 200  
Owings Mills, MD  
21117-5616

**410-465-3674**

**Fax: 410/461-7074**

BTaylor@TaylorService.com

March 5, 2021

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

*Re: Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

I am writing to express my strong support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). The proposed program will improve access to and availability of these much-needed services for Marylanders.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification. If this program is approved, I am pleased that my patients will have increased access to these services in Baltimore County.

Maryland is suffering from a substance use disorder pandemic that is devastating local communities due to overdose deaths, crime, accidents and lost work. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery. As the former owner and medical director of Taylor Manor Hospital and Changing Point treatment facilities, I get referrals for patients I am unable to serve due to a lack of resources in our communities. Despite having an ongoing relationship with Sheppard Pratt Health Systems, I have even had difficulty finding a bed there for my own patients when they required inpatient care.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission approve Hygea Detox's Certificate of Need application.

Sincerely,

Bruce T. Taylor, M.D.



New Points Sober Living  
241 Ogden Court  
Bel Air, MD 21015

March 7, 2021

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

Re: Certificate of Need Application for Hygea Detox, Inc.

Dear Mr. Steffen:

I am writing to you on behalf of New Points Sober Living in support of the proposed Hygea Detox in Middle River, MD. As a professional in the Substance Use Disorder (SUD) industry, Maryland is inadequately equipped to provide sufficient detoxification services that are critical for recovery.

New Points often must send residents to Pennsylvania for these services as the limited number of beds available in Maryland cannot accommodate the demand. It is not uncommon for Maryland residents to wait a week for a bed to become available locally. This delay in receiving treatment can have disastrous consequences for individuals in active addiction from overdoses to legal issues.

Hygea's proposed program will fill a critical need in combatting alcoholism and drug addiction here in Maryland and help support the SUD community.

If I can answer any questions or provide further support, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Warrie Boyd". The signature is fluid and cursive, with a long horizontal stroke at the end.

Warrie Boyd  
Executive Director  
[wboyd@newpoints.org](mailto:wboyd@newpoints.org)



Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

*Re: Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

Summit Maryland recognizes the critical need for additional high caliber, outcome-based substance use treatment programs to serve the residents of Baltimore County and surrounding counties who are impacted by substance use disorder. We are, therefore, in full support of Hygea's application for a Certificate of Need (CON) to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). Timely access to appropriate treatment meeting the needs of each individual is tantamount to addressing Maryland's substance use and behavioral health crises. And with the impact of COVID exacerbating the SUD epidemic, there has never been a time of greater need for these life-saving services.

Hygea's plan to provide a full continuum of clinical care meets a pent-up demand in Baltimore County and helps address gaps in the statewide strategy for the provision of quality care. Hygea intends to develop a mixed gender, co-occurring capable residential substance use treatment facility. Specifically, Hygea will offer all services permitted by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). Hygea intends to offer its services to all individuals in need of care, including the most chronically underserved Medicaid eligible population that often does not have access to these services.

Hygea should be commended for its vision and Summit fully supports their plans and look forward to working with them to improve the lives of those Maryland residents who are struggling with substance use disorder.

Sincerely,

*Thomas C.C. Bond, III*

Thomas C.C. Bond, III  
Founder/CEO  
Summit Community Health, Inc.  
Summit Community Foundation, Inc.  
100 West Road, Towson, MD 21204  
[www.summitcommunityfoundation.org](http://www.summitcommunityfoundation.org)



May 10, 2021

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

Re: *Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

On behalf of the Daniel Carl Torsch Foundation, I am writing to express my strong support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). The proposed program will improve access to and availability of these much needed services for Marylanders.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am pleased that patients will have increased access to these services in Baltimore County.

Maryland is suffering from a substance use disorder crisis that is devastating local communities. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery. We feel it is very important and one of our internal goals is to 'meet them where they are'. The fact that services will be offered in the same community as some of the highest addiction numbers and overdoses occur, is vital for the start of recovery.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission approve Hygea Detox's Certificate of Need application.

Sincerely,

*Toni Torsch*

Toni Torsch, Director  
Dctfoundationinc.org  
dctfoundationinc@gmail.com

# **GOVERNMENT/AGENCY SUPPORT**

**C.A. DUTCH RUPPERSBERGER**  
2ND DISTRICT, MARYLAND

**REPLY TO:**

2206 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-3061  
FAX: (202) 225-3094

375 WEST PADONIA ROAD, SUITE 200  
TIMONIUM, MD 21093  
(410) 628-2701  
FAX: (410) 628-2708

[www.dutch.house.gov](http://www.dutch.house.gov)

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2002**

COMMITTEE ON APPROPRIATION

SUBCOMMITTEES:

DEFENSE  
COMMERCE, JUSTICE, SCIENCE AND  
RELATED AGENCIES  
HOMELAND SECURITY

[TWITTER.COM/CALL\\_ME\\_DUTCH](https://twitter.com/Call_Me_Dutch)

[FACEBOOK.COM/REPDUTCHRUPPERSBERGER](https://facebook.com/RepDutchRuppersberger)

[INSTAGRAM.COM/DUTCHRUPPERSBERGER](https://instagram.com/DutchRuppersberger)

March 10, 2021

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

Re: Certificate of Need Application for Hygea Detox, Inc.

Dear Mr. Steffen:

I am writing to express my support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). After speaking with the Baltimore County Executive and County Councilwoman representing the area, I am convinced that the proposed program will improve access to and availability of these much-needed services for my constituents.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am pleased that patients will have increased access to these services in Baltimore County where there is currently no medical detox treatment facility.

Maryland is suffering from a substance use disorder crisis that is devastating local communities. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery. As this location is in an industrial and commercially zoned area, I have been assured that no surrounding neighborhoods will be negatively impacted.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission consider approving Hygea Detox's Certificate of Need application.

Sincerely,

A handwritten signature in black ink that reads "C.A. Dutch Ruppertsberger". The signature is written in a cursive style with a large, prominent "C" and "A" at the beginning.

C.A. Dutch Ruppertsberger  
Member of Congress



JOHN A. OLSZEWSKI, JR.  
County Executive

March 10, 2021

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

*Re: Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

I am writing to express my support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). The proposed program will improve access to and availability of these much needed services for Marylanders.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am pleased that patients will have increased access to these services in Baltimore County.

Maryland is suffering from a substance use disorder crisis that is devastating local communities. Marylanders deserve to have access to quality programs for the treatment of substance use disorders, and the availability of care in one's own community is an important factor to successful, long-term recovery.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Marylanders suffering from substance use disorders. Thank you and the Maryland Health Care Commission for the consideration of Hygea Detox's Certificate of Need application.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Olszewski, Jr.", is written over the typed name.

John A. Olszewski, Jr.  
Baltimore County Executive



**March 2, 2021**

Mr. Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

*Re: Certificate of Need Application for Hygea Detox, Inc.*

Dear Mr. Steffen:

As the Opioid Coordinator for Baltimore County, I am writing to express my strong support for Hygea Detox's Certificate of Need (CON) application to establish an Intermediate Care Facility providing treatment of alcohol and substance abuse disorders at 1210 Middle River Road, Baltimore, Maryland (Baltimore County). Since my first day on the job, we have identified a need for, and committed to increasing access to treatment for the residents of Baltimore County. I believe the proposed program will improve access to much needed services for Maryland residents.

I understand that Hygea Detox's proposed program will offer all services permitted to be provided by a Track One Intermediate Care Facility, including services classified by American Society of Addiction Medicine ("ASAM") as Level III.7 – Medically Monitored Intensive Inpatient Services Withdrawal Management, and Level III.7D – Medically Monitored Inpatient Detoxification). If this program is approved, I am again pleased that residents will have increased access to these services in Baltimore County.

Maryland residents deserve access to quality programs for the treatment of substance use disorders, regardless of where they live. As you are aware, the availability of care in one's own community is an important factor to successful, long-term recovery.

I believe Hygea Detox demonstrates the ability to develop strong clinical programs and provide excellent care to Maryland residents suffering from substance use disorders. I respectfully request that the Maryland Health Care Commission approve Hygea Detox's Certificate of Need application.

Sincerely,

*Eric Bromwell*

Eric Bromwell  
Opioid Strategy Coordinator  
Baltimore County