

STATE OF MARYLAND



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MARYLAND HEALTH CARE COMMISSION

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June 30, 2021

VIA E-MAIL AND REGULAR MAIL

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

Re: Hygea Detox Inc.
Establish an Alcoholism and Drug
Treatment Intermediate Care Facility
Matter No. 21-03-2450

Dear Mr. Stempler:

Commission staff has reviewed the application from Hygea Detox Inc. (The Applicant) for Certificate of Need (CON) approval to establish a 50-bed Track One adult Intermediate Care Facility (ICF) for alcohol and drug treatment in Baltimore County. The total project cost is estimated to be \$11,412,724. The application is incomplete, and accordingly, please provide responses to the following questions:

Project Description

1. In your application it states you will provide ASAM Level 3.7 (medically monitored intensive inpatient services), specifically 3.7D and 3.7WM. Please clarify whether or not these will be the only services provided at the facility, or will you also be caring for the patients post the detoxification and withdraw?

Part 1 Availability and Adequacy of Utilities

2. Please identify the utility companies that will provide water, sewage, electricity, and natural gas. Are the utility connections immediately available at the site? Will any extraordinary costs be required to bring utilities to the site for hookup?

Standards

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

3. Regarding the Track 1 ICF bed need methodology on pp. 13-15, provide a copy of the actual numbers or tables used as the source for both (a) the population projections used and (b) the information on Medicaid eligible populations in the methodology calculations. If available, provide the Excel spreadsheet or the documentation that includes the background numbers and calculations used for the bed need methodology in Table 1.

.05C Sliding Fee Scale

4. Please describe the rationale of the income breaks used in the sliding fee scale.

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

5. Explain how the commitment to indigent and gray area patients will be met operationally, i.e., how will census be monitored and managed to assure delivery of services to low-income persons at the required level?

.05E Information Regarding Charges

6. Provide a draft copy of the information to be posted in the facility regarding charges as an exhibit.

.05I Utilization Review and Control Programs

7. The policies included in the exhibits are labeled "excerpts," are these complete policy drafts?

.05J Transfer and Referral Agreements

8. In the chart, rows (b) and (c) are combined. Please separate out to differentiate between (b) halfway houses/therapeutic communities, LTC, local alcohol and drug intensive/outpatient vs. (c) local community mental health centers.
9. The contract with Baltimore County Health Dept has a signature, but the document is not dated. Please have this agreement signed and dated.

.05L In-Service Education

10. The policies included do not address training for volunteers, will your facility use volunteer services? If you will use volunteers, please include volunteers in the in-service education policy.
11. Although the ongoing in-service education elements/modules are listed on p. 25, please also provide a brief description of each training element or module.

.05M Sub-Acute Detoxification

12. Please identify, in the floor plan drawings provided, the withdrawal management unit, and describe what factors influenced the design of the facility.

.05O Outpatient Alcohol & Drug Abuse Program

13. Where in the aftercare policy or referral agreement is continuity of care and appropriate staffing levels in the referred to outpatient programs addressed?
14. Please provide documentation that the contracted outpatient programs are willing to work with special populations (defined in regulation 10.24.14.08 as women, women with dependent children, elderly, homeless, poor, adolescents, persons with mixed dependencies, hearing impaired, disabled, minorities and others with special needs).

Other Review Criteria

Availability of Cost-Effective Alternatives

15. Provide information on how the effectiveness of the Malibu Detox addictions treatment program is measured. Describe the quality assurance program and any performance benchmarking assessments used for Malibu Detox.
16. The project cost of roughly 11 million dollars is approximately \$220,000 per bed. This is costly compared to other recent Track 1 projects that have come before the Commission. Please elaborate on how \$11-million-dollars for the proposed project is a cost-effective alternative for providing this level of addictions treatment.

Viability

17. The statement “1 month to obligate not less than 51 percent of capital/one month to break ground/12 months to complete” contradicts the timeframe given on p. 6 of the application. Please indicate which are the correct target dates.
18. Provide financial statements for the last two years showing the financial condition of the applicant’s related entities (Three locations of Malibu Detox, LLC).

19. The CPA letter included in the exhibits states they are your accountants; however, the criterion requires an independent CPA. Please provide more detail and be more specific on the CPA relationship.

Impact

20. In the Impact discussion, please describe the impact of the project on the payer mix of existing providers and costs to the health care delivery system.
21. Regarding the 76 FTE's you project for the project, please discuss your assessment of the labor market you conducted in your business planning and comment on any staffing shortages in the area.

Tables and Exhibits

Table B Project Budget

22. The proposed project is listed as new construction, please revise your budget so no dollars show under renovations.
23. Please explain no entry under Moveable Equipment for items such as beds, nursing stations or furnishings in the budget.
24. Please explain why there is no consideration in the budget for inflation.
25. Please provide more detail on how the applicant estimated both the contingency allowance and the debt service reserve fund.
26. Please explain the third-party leasing fee of \$323,204.

Table C Statistical Projections

27. Please distinguish between 3.7 treatment (non-WM) and 3.7WM for discharges, patient days, average length of stay and occupancy percentage.

Table D Revenues & Expenses, Uninflated – Entire Facility

33. Please provide more detail on why there is no expense listed under supplies.
34. Please provide additional information on the lease relative to the market value of the land, and the timeframe the lease will be in effect.

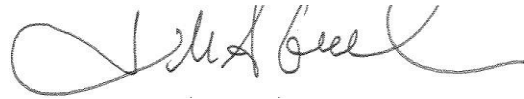
Please submit four copies of the responses to completeness questions and the additional information requested in this letter within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov). Given the number of questions posed, as well as the time required for staff to compile these questions,

we will certainly grant an extension to the ten-day target specified in regulation as soon as you would request it.

All information supplementing the applicant must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

Should you have any questions regarding this matter, feel free to contact me by either e-mail at jeanne-marie-gawel@maryland.gov or phone at (410) 764-3371.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Marie Gawel", with a large, stylized initial "J" and a long, sweeping underline.

Jeanne-Marie Gawel, LNHA, MA, MGS
Program Manager, Certificate of Need

cc: Gregory William Branch, M.D., MBA, CPA, FACP Baltimore County Health Officer
Thomas C. Dame Esq. Gallagher Evelius & Jones LLP
Ella R. Aiken Esq. Gallagher Evelius & Jones LLP
Suellen Wideman, Esq., Assistant Attorney General
Wynee Hawk, Esq., Chief, Certificate of Need
William Chan, Program Manager MHCC