

December 17, 2021

**VIA EMAIL & U.S.P.S.**

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

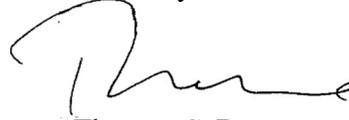
Re: Hygea Detox, Inc.  
Alcoholism and Drug Intermediate Care Facility (Matter 21-03-2450)

Dear Ms. Potter:

On behalf of applicant Hygea Detox, Inc., we are submitting four copies of its Supplemental Response to Additional Information Questions Dated September 1, 2021. Word and Excel versions will be provided to Commission Staff under separate email.

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

Sincerely,



Thomas C. Dame



Ella R. Aiken

TCD/ERA:blr

Enclosures

cc: Wynee Hawk, Chief, Certificate of Need, MHCC  
Paul Parker, Director, Center for Health Care Facilities Planning & Development, MHCC  
Jeanne-Marie Gawel, Program Manager, MHCC  
Sarah Pendley, 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.

#769076  
014168-0001

**HYGEA DETOX, INC.**  
**Alcohol and Drug Intermediate Care Facility**  
**Matter No. 21-03-2450**

**Supplemental Response to Additional Information Questions Dated September 1, 2021**

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- 1. Please provide at least two years of actual revenue, expenses, and income for the Malibu Detox facilities in which you have been involved as an owner and/or operator, including the most recent calendar or fiscal year for which such revenue and expense information is available. Provide this financial information utilizing Table D Revenues and Expenses in the Tables package.**

[Applicant Response](#)

Please see Exhibit 17, attached.

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**Table of Exhibits**

Exhibit	Description
17	Table D - Malibu Detox

# **EXHIBIT 17**

**TABLE D. REVENUES & EXPENSES, UNINFLATED - MALIBU DETOX**

Calendar Year	Two Most Recent Years (Actual)		
	2020	2021	
		11 months	Projected
<b>1. REVENUE</b>			
a. Inpatient Services	\$ 7,627,031	\$ 8,358,083	\$ 9,117,909
b. Outpatient Services			
<b>Gross Patient Service Revenue<sup>1</sup></b>	<b>\$ 7,627,031</b>	<b>\$ 8,358,083</b>	<b>\$ 9,117,909</b>
c. Allowance For Bad Debt			
d. Contractual Allowance			
e. Charity Care			
<b>Net Patient Services Revenue</b>	<b>\$ 7,627,031</b>	<b>\$ 8,358,083</b>	<b>\$ 9,117,909</b>
f. Other Operating Revenues (Specify/add rows if needed)			
<b>NET OPERATING REVENUE</b>	<b>\$ 7,627,031</b>	<b>\$ 8,358,083</b>	<b>\$ 9,117,909</b>
<b>2. EXPENSES</b>			
a. Salaries & Wages (including benefits)	\$ 1,625,447	\$ 1,818,418	\$ 1,983,728
b. Contractual Services			
c. Interest on Current Debt			
d. Interest on Project Debt			
e. Current Depreciation	\$ 113,097	\$ 123,745	\$ 134,994
f. Project Depreciation			
g. Current Amortization	\$ 20,000	\$ 20,000	\$ 21,818
h. Project Amortization			
i. Supplies	\$ 470,102	\$ 440,284	\$ 480,310
j. Other Expenses (Specify/add rows if needed)	\$ 277,799	\$ 258,701	\$ 282,219
Automobile	\$ 82,765	\$ 93,284	\$ 101,765
Doctor Fees	\$ 169,892	\$ 259,254	\$ 282,822
Charitable Contributions	\$ 3,338	\$ 2,516	\$ 2,745
Commissions and Fees	\$ 250	\$ 2,278	\$ 2,485
Computer	\$ 21,187	\$ 22,010	\$ 24,011
Consulting	\$ 55,110	\$ 46,777	\$ 51,030
Education	\$ 1,989	\$ 1,757	\$ 1,917
Groups	\$ 54,439	\$ 86,243	\$ 94,083
Bank Charges	\$ 1,743	\$ 944	\$ 1,029
Cleaning	\$ 8,068	\$ 21,533	\$ 23,491
Housing Allowance	\$ 19,500	\$ 43,565	\$ 47,525
Insurance	\$ 19,241	\$ 79,464	\$ 86,688
Interest Expense	\$ 142,368	\$ 8,634	\$ 9,419
Landscaping	\$ 17,510	\$ 3,370	\$ 3,676
Legal and Professional	\$ 400,338	\$ 294,969	\$ 321,785
Management Fee	\$ 180,000	\$ 190,833	\$ 208,182
Marketing	\$ 1,312,406	\$ 1,470,907	\$ 1,604,626
Meals and Entertainment	\$ 2,406	\$ 2,858	\$ 3,118
Office	\$ 92,758	\$ 147,295	\$ 160,686
Rent	\$ 992,655	\$ 1,233,168	\$ 1,345,274
Repairs and Maintenance	\$ 72,216	\$ 96,010	\$ 104,738
Subcontractors		\$ 21,108	\$ 23,027
Travel	\$ 148,009	\$ 219,298	\$ 239,234
Taxes and Licenses	\$ 7,173	\$ 72,925	\$ 79,555
Telephone	\$ 20,964	\$ 22,964	\$ 25,052
Utilities	\$ 126,028	\$ 114,987	\$ 125,440
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 6,458,796</b>	<b>\$ 7,220,099</b>	<b>\$ 7,876,471</b>
<b>3. INCOME</b>			
<b>a. Income From Operation</b>	<b>\$ 1,168,235</b>	<b>\$ 1,137,985</b>	<b>\$ 1,241,438</b>
b. Non-Operating Income			
<b>SUBTOTAL</b>	<b>\$ 1,168,235</b>	<b>\$ 1,137,985</b>	<b>\$ 1,241,438</b>
c. Income Taxes <sup>2</sup>			
<b>NET INCOME (LOSS)</b>	<b>\$ 1,168,235</b>	<b>\$ 1,137,985</b>	<b>\$ 1,241,438</b>

Note 1: Gross Revenue is calculated based on actual revenue received. Malibu Detox operates on a cash basis and does not maintain financial data in way that would permit it to accurately complete the allowance subcategories. Malibu Detox does provide scholarship/charity care but does not track such care in its financial records. Malibu Detox accepts approximately one patient per month on a scholarship basis.

Note 2: Malibu Detox is a single member limited liability company and is a disregarded entity for tax purposes.