



June 9, 2022

By E-Mail

Shannon Magro
Physicians Surgery Center of Frederick
81 Thomas Johnson Court, Suite B
Frederick, MD 21702

Christopher P. Dean, Esq.
Miles & Stockbridge, PC
100 Light Street
Baltimore, MD 21202-1036

Re: In the Matter of Andochick Surgical Center, LLC d/b/a Physicians Surgery
Center of Frederick Certificate of Need Application
Matter No. 21-10-2451

Dear Ms. Magro and Mr. Dean:

This is in response to the letter of May 10, 2022 in the above referenced matter on behalf of both the Applicant, Andochick Surgical Center, LLC (“applicant” or “PSCF”), and the Interested Party, Frederick Health Hospital (collectively, the “Parties”). The letter indicated the Parties were unable to reach a mutually agreeable solution and requested that the Commission end the stay regarding the review of the pending certificate of need (CON) application. I have therefore lifted the stay in this review.

In moving forward with my review, I request that the applicant provide updates to address the following areas before I make my final review and recommendation:

1. In the revised Project Budget, Table E submitted on January 13, 2022, there is a difference of \$21,000 between the Use of Funds (\$2,779,000) and the Source of Funds (\$2,758,000). Please reconcile the budget statement so that the Use of Funds equals the Source of Funds.

2. Provide an updated timeline on the expected dates and timeframes for the completion of the construction project and the start of operations in PSCF upon project completion.
3. Charity Care and Financial Assistance Policy Compliance. Please demonstrate whether PSCF's historic level of charity care was appropriate to the needs of PSCF's service area and document how PSCF will provide charitable surgical services to indigent patients that are equivalent to at least the average amount of charity care provided by ambulatory surgical facilities annually. Evidence to support your response should include evidence of the applicant's recent track record in the provision of charitable health care and a specific plan for achieving the level of charitable care.
4. Please update Addendum B for each physician/surgeon who will perform surgical procedures at PSCF upon project completion, providing two years of historical and three years of projected surgical cases and surgical minutes for each physician. Also provide the following information:
 - a. List the name and surgical specialty of each surgeon who will have privileges at PSCF.
 - b. For historical utilization, identify the current facility (i.e., PSCF, another ambulatory surgery facility, and/or hospital) where each physician performed these procedures.
 - c. In response to Paragraph (b), please discuss the impact of the movement of surgical cases from other health care facilities, with a focus on whether there will be an adverse impact on these existing health care facilities.
 - d. For projected surgery cases and surgical minutes, please provide the assumptions or basis used to document and support these future surgical volumes.
5. Review the following tables, and confirm that construction costs, financial and utilization projections, and workforce tables remain unchanged, or provide any necessary updates or revisions for the following:
 - a. **Table C** – Construction Characteristics and **Table D** – Onsite and Offsite Cost Included and Excluded in Marshall Valuation Costs
 - b. Review **Tables 1 and 2** – Statistical Projections – Entire Facility and Proposed Project; **Tables 3 and 4** – Revenues and Expenses – Entire Facility and Proposed Project; and **Table L** – Workforce.
6. Financial Feasibility. Please provide the assumptions or basis used to document and support the future financial viability of the project.



7. Please document relevant community support that would enable the ongoing viability of the proposed project, which can include letters of support for the proposed project.
8. Please explain how the addition of two operating rooms and one procedure room would enhance and improve the quality of care, patient safety and level of services for patients at PSCF after project implementation.

Please submit four copies of the responses to completeness questions and the additional information requested in this letter within ten business days of receipt. The Interested Party, Frederick Health Hospital, may file a response within ten business days after receiving the response. No reply filings are permitted unless I specifically agree that a reply may be filed. Please submit also all responses electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov) and all parties copied in this letter. If you require additional time to submit a response, you can request an extension for a reasonable period of time in accordance with COMAR 10.24.01.10A(2).

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."

I advise all parties that this is a contested case and that the *ex parte* prohibitions in the Administrative Procedure Act, Md. Code Ann., State Gov't §10-219, apply to this proceeding until the Commission issues a final decision. Any communication to me or the Commission must therefore also be sent to all other parties.

Sincerely,



Trupti Brahmabhatt, Ph.D.
Commissioner/Reviewer

cc: Wynnee Hawk, Chief, CON, MHCC
Paul Parker, Director, Center for Health Care Facilities Planning and Development
(paul.parker@maryland.gov)
Alexa Bertinelli, Assistant Attorney General (alexa.bertinelli@maryland.gov)



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