



December 13, 2022

**VIA Email & U.S. MAIL**

Marta D. Harting  
Venable, LLP  
750 E. Pratt St. Suite 900  
Baltimore, Maryland 21202

**Re: Alpas Wellness La Plata, LLC  
Establish a Track One ICF  
Matter No. 22-04-2462**

Dear Ms. Harting:

Commission staff has reviewed the application submitted by Alpas Wellness LaPlata, LLC. (Alpas) for Certificate of Need (CON) approval to establish a 36-bed Track One Level 3.7/3.7WM medically monitored intensive inpatient treatment program (ICF) in La Plata, Charles County. The project cost for the ICF is estimated to be \$8,703,832, with the total budget for renovation and new construction of the building is estimated to be \$42,637,500. Staff found the application incomplete, and, accordingly, requests that you provide responses to the following questions:

**Project Identification and General Information**

1. The application states that the building is 58,904 sq. ft. What is the sq. footage attributed to the ICF unit? What is the square footage of each of the semiprivate patient rooms?
2. Provide floor plans clearly identifying the location of the proposed ICF.
3. Will patients with different addiction related diagnosis be segregated or separated in any way?
4. Will there be separate areas in the ICF for male and female patients? If so, please provide floorplans clearly identifying where males and females will be housed.

5. The application states that 18 beds will be reserved for 3.7 services patients and 18 beds reserved for 3.7WM services patients. Please provide floorplans clearly identifying the location of 3.7 and 3.7WM rooms.
6. How will grey area and private pay patients be managed within the facility?
7. Please describe the experience of each of Alpas owners in the ownership or management of any health or addiction treatment related facilities?. Do any of these facilities provide 3.7/3.7WM services?
8. The organizational chart is unclear. Describe the role of each of the three individuals (Sean Smith, Michael Martin, and John Beecroft) shown in the organizational chart.
9. Describe the relationship of all individuals who will have ownership/management roles for the ICF with SKAOS MD LLC. Please describe the relationship between Skaos MD LLC and Alpas Wellness and explain whether there is any fiscal or organizational division between the entities.
10. Provide an update on any referral agreements that have been entered into. What plans are being made to develop relationships with inpatient and outpatient aftercare programs in Maryland? Does Alpas plan to retain patients in lower levels of inpatient care after completion of the level 3.7 program?
11. The project construction is underway and scheduled to be completed prior to the approval of the CON. What are the contingency plans if the CON is denied?

#### **Need**

12. Define the service area for the proposed project, including all jurisdictions that Alpas projects to obtain clients.
13. Describe the transportation services that will be provided to patients.
14. Provide an analysis of the impact the addition of 20 Track One patient beds recently approved by the Commission to Avenues Recovery Center in Prince Frederick will affect this project.
15. Explain the decision to allocate 18 beds to level 3.7WM patients and 18 beds to level 3.7 services. What percentage of 3.7 WM patients does the applicant project will transition to 3.7 care at the facility after withdrawal management? What percentage of patients will be transferred to other facilities for lower levels of care? Does the applicant expect to receive level 3.7 patients who have gone through detox at other facilities?
16. How will the applicant monitor the percentage of grey area patients served by the program? How will the facility recruit grey area patients if the percentage of this population falls below 15 percent?



### **Availability of More Cost-Effective Alternatives**

17. The application states that the new facility will be research oriented and “partnered with research conducted by the University of Pennsylvania” (page 29). Please provide any research supporting any services, including addiction recovery methods that will be used at the facility.
18. Please explain the statement that Alpas will “bring an unparalleled treatment experience to the in-network coverage space”? What carrier and insurer networks have Alpas as a provider, either in or out of network? Please provide any documentation showing participation arrangements.
19. Please provide any alternate approaches that were considered in the planning of the project. Provide data to support that current facilities fail “to comprehensively address the complex co-occurring nature of behavioral health concerns”.

### **Viability of the Proposal**

20. Please provide an audited financial statement for the past two years for all applicant entities/individuals. If audited statements are not available, 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 detailing the financial information considered in reaching the conclusion that adequate funds are available.
21. Please provide letters of support from community-based organizations and mental health organizations.

### **Impact on Existing Providers**

22. How will the additional services impact existing ICFs regarding staffing availability and costs?

### **Tables**

23. Please resubmit Table A with the projected bed count by floor and service type.
24. The application states that \$2.4 million of the budget is allocated to the CON regulated portion of the budget (page 4) while the Table B shows \$8,703,832 in costs for the 3.7/3.7WM portion of the budget. Please explain the disparity.
25. Table B does not show the costs for the new 2,200 sq ft addition to the property. Please include these costs.
26. Table B shows that the total cost of the project is \$42,637,500 paid for with a combination of cash (\$1,285,999), a mortgage (\$16,000,000), working capital loans (\$16,351,501), construction financing (\$7,500,000) and interest reserve (\$1,500,000). The application contains a loan document for \$29,800,000. Please provide a detailed explanation of how this loan will be allocated in the project? What is the source of the remaining funds?



27. In Table B, please provide detail for the use of the term “Residential,” does it refer to all beds other than the 36 identified as the ICF?
28. Table B does not include any charges for Architect/Engineering Fees or Permits. Please revise the table to include these charges or provide an explanation for why the project did not include these services.
29. In Table E, provide a breakdown of LOS for 3.7 and for 3.7WM services.
30. In Table E, please explain why patient discharges will increase to 1,065 in 2026 but decrease to 665 in 2027.
31. Table E shows a 9.3-day LOS for Level 3.7 patients in 2023 and a 16.8-day LOS for the same level patients in 2027? Please explain why the LOS for these patients increases? How does this compare to similar Track One facilities in the state?
32. In Table F, please break down revenues and expenses for the ICF, the residential drug treatment and the other treatment area.
33. In Table F, please include costs of any charity care that will be provided.
34. Please include any assumptions used to complete table F.
35. In Table G, please breakdown the staffing numbers for the ICF and the rest of the facility.
36. In Table G, please include the costs of benefits for staff, and the method or assumptions used to calculate the benefit amount.
37. Does the ICF plan to hire a nutritionist? If so, please include in Table G and in the budget. If not, please explain how this function will be staffed.
38. Does the ICF plan to hire any janitorial staff? If so, please include in Table G and in the budget. If not, please explain how this function will be staffed.

Please submit four copies of the responses to the additional information requested in this letter within ten working days of receipt (if needed, don’t hesitate to request an extension). Also submit the response electronically, in both Word and PDF format, to Ruby Potter ([ruby.potter@maryland.gov](mailto:ruby.potter@maryland.gov)).

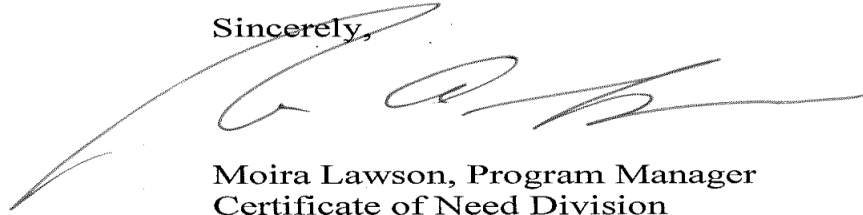
All information supplementing the application must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: “I hereby declare and affirm under the penalties of perjury that the facts stated in this application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



Marta Harting, Esq.  
Alpas Wellness LaPlata, LLC.  
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Should you have any questions regarding this matter, feel free to contact me at (410) 764-3232.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Lawson', written over the word 'Sincerely,'.

Moira Lawson, Program Manager  
Certificate of Need Division

cc: Dianna Abney, MD., Charles County Health Officer  
Wynee Hawk, Chief of Certificate of Need Division

