



MARYLAND HEALTH CARE COMMISSION

MATTER/DOCKET NO.

DATE DOCKETED

INSTRUCTIONS FOR APPLICATION FOR CERTIFICATE OF NEED: **ALCOHOLISM AND DRUG ABUSE INTERMEDIATE CARE FACILITY TREATMENT SERVICES**

ALL APPLICATIONS MUST FOLLOW THE FORMATTING REQUIREMENTS DESCRIBED IMMEDIATELY BELOW. NOT FOLLOWING THESE FORMATTING INSTRUCTIONS WILL RESULT IN THE APPLICATION BEING RETURNED.

Required Format:

Table of Contents. The application must include a Table of Contents referencing the location of application materials. Each section in the hard copy submission should be separated with tabbed dividers. Any exhibits, attachments, etc. should be similarly tabbed, and pages within each should be numbered independently and consecutively.

The Table of Contents must include:

- **Responses to PARTS I, II, III, and IV of this application form**
- **Responses to PART IV must include responses to the standards in the State Health Plan chapter that apply to the project being proposed.**
- **All Applicants must respond to the Review Criteria listed at 10.24.14.05(A) through 10.24.14.05(F) as detailed in the application form.**
- **Identification of each Attachment, Exhibit, or Supplement**

Application pages must be consecutively numbered at the bottom of each page. Exhibits attached to subsequent correspondence during the completeness review process shall use a consecutive numbering scheme, continuing the sequencing from the original application. (For example, if the last exhibit in the application is Exhibit 5, any exhibits used in subsequent responses should begin with Exhibit 6. However, a replacement exhibit that

merely replaces an exhibit to the application should have the same number as the exhibit it is replacing, noted as a replacement.

SUBMISSION FORMATS:

We require submission of application materials and the applicant's responses to completeness questions in three forms: hard copy; searchable PDF; and in Microsoft Word.

- **Hard copy:** Applicants must submit six (6) hard copies of the application to:
Ruby Potter
Health Facilities Coordinator
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215
- **PDF:** Applicants must also submit *searchable* PDF files of the application, supplements, attachments, and exhibits.¹ All subsequent correspondence should also be submitted both by paper copy and as *searchable PDFs*.
- **Microsoft Word:** Responses to the questions in the application and the applicant's responses to completeness questions should also be electronically submitted in Word. Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

PDFs and spreadsheets should be submitted to ruby.potter@maryland.gov and kevin.mcdonald@maryland.gov.

Note that there are certain actions that may be taken regarding either a health care facility or an entity that does not meet the definition of a health care facility where CON review and approval are not required. Most such instances are found in the Commission's procedural regulations at COMAR 10.24.01.03, .04, and .05. Instances listed in those regulations require the submission of specified information to the Commission and may require approval by the full Commission. Contact CON staff at (410) 764-3276 for more information.

A pre-application conference will be scheduled by Commission Staff to cover this and other topics. Applicants are encouraged to contact Staff with any questions regarding an application.

PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

¹ PDFs may be created by saving the original document directly to PDF on a computer or by using advanced scanning technology

1. FACILITY

Name of Facility: Avenues Recovery Center of Maryland

Address:

125 Fairground Rd	Prince Frederick	20678	Calvert
Street	City	Zip	County

2. Name of Owner DWI Services Inc. d/b/a Avenues Recovery Center of Maryland

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.

All of the stock of DWI Services, Inc. was acquired by Avenues Recovery of Maryland, LLC in 2017. Avenues Recovery of Maryland, LLC is owned by:

Yehuda Alter 65%

Yosef Cohen 35%

Avenues Recovery Center of Maryland (also referred to herein as "Avenues at Prince Frederick") will be the owner, operator, and licensee of the proposed Level 3.7-WM and Level 3.7 inpatient program. Avenues Recovery Center of Maryland has a management agreement with Rehab Ventures ("Rehab Ventures"). Rehab Ventures has no ownership interest in Avenues Recovery Center of Maryland. Rehab Ventures manages Avenues Recovery Center of Maryland (and the other Avenues facilities).

See Ownership Chart at Exhibit 1

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): _____

DWI Services Inc. d/b/a Avenues Recovery Center of Maryland

See d/b/a filing at Exhibit 2

Address:

211 Boulevard of the Americas, Suite 503 Street	Lakewood	08701	New Jersey	
	City	Zip	State	County
Telephone:	(848) 223-4562			

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

NA

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 ☐ State & Date of Incorporation
Maryland 1991
- C. Partnership ☐
- General ☐
- Limited ☐
- Limited Liability Partnership ☐
- Limited Liability Limited Partnership ☐
- Other (Specify): _____
- D. Limited Liability Company _____
- E. Other (Specify): _____
- To be formed: ☐
- Existing: ☒

6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED**A. Lead or primary contact:**

Name and Title: Hudi Alter, CEO

Company Name Avenues Recovery Center

Mailing Address:

211 Boulevard of the Americas, Suite 503 Lakewood 08701 NJ
Street City Zip State

Telephone: (848) 223-4562

E-mail Address (required): hudi@avenuesrecovery.com

Fax: (732) 328-2101

**If company name is
different than applicant
briefly describe the
relationship**

B. Additional or alternate contact:

Name and Title: Carolyn Jacobs - Counsel

Company Name Jacobs & Dembert, P.A.

Mailing Address:
2800 Quarry Lake Drive Suite 320 Baltimore 21209 MD
Street City Zip State

Telephone: (410) 727-4433

E-mail Address (required): cjacobs@jdlaw.com

Fax: (410) 752-8105

If company name is Legal Counsel
different than applicant
briefly describe the
relationship

7. TYPE OF PROJECT

The following list includes all project categories that require a CON pursuant to COMAR 10.24.01.02(A). Please mark all that apply in the list below.

If approved, this CON would result in (check as many as apply):

- (1) A new health care facility built, developed, or established ☒
- (2) An existing health care facility moved to another site ☐
- (3) A change in the bed capacity of a health care facility ☐
- (4) A change in the type or scope of any health care service offered by a health care facility ☐
- (5) A health care facility making a capital expenditure that exceeds the current threshold for capital expenditures found at: ☐
http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_capital_threshold_20140301.pdf

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

Brief Description of the Project

DWI Services Inc. d/b/a Avenues Recovery Center of Maryland (a Maryland corporation and referred to as “Avenues Recovery Center of Maryland” or “Avenues at Prince Frederick”), seeks to establish a twenty (20) bed Track One Alcoholism and Drug Abuse Intermediate Care Facility for the treatment of alcoholism and drug abuse at its existing ninety three (93) bed facility located at 125 Fairground Rd, Prince Frederick, MD 20678 (the “Project”). Avenues Recovery Center of Maryland currently offers 3.5, 3.3, 2.5, 2.1, 1.0 and Withdrawal Management services. The Project will not add any beds to the existing facility. Upon approval, twenty (20) existing Level 3.5 beds will become ICF beds.

Although Avenues Recovery Center of Maryland anticipates serving approximately 68% Medicaid and 32% private pay/commercial patients, Avenues Recovery Center of Maryland will seek approval as a Track One facility.

Continuity of care usually requires that patients detox upon admission, and, thus, Avenues Recovery Center of Maryland seeks approval for ASAM level 3.7WM capability. The true full continuity of care, however, requires being able to offer ASAM level 3.7 as well. Therefore, to provide its patients with the full range of services, Avenues Recovery Center of Maryland seeks to establish additional beds (within the existing facility) at ASAM levels 3.7 and 3.7WM.

Because Avenues Recovery Center of Maryland offers the full continuum of services, patients who initially are treated at Level 3.7-WM are likely to be transitioned to Level 3.5 or lower services at the Avenues Recovery Center of Maryland facility. Avenues Recovery Center of Maryland prides itself in offering a continuum of care for all patients who admit to its program. Patients may admit directly to ASAM levels 3.7-WM, 3.7, 3.5, 3.3, 2.5, 2.1, or 1.0 based on the needs of the patient. Patients will step down to lower levels of care as they progress throughout treatment, and, if needed, Avenues Recovery Center of Maryland will refer the patient to other treatment providers as appropriate.

Avenues Recovery Center opened its first location in Bucks County, Pennsylvania in 2016 offering 2.5, 2.1, and 1.0 services. Having much success in 2016 in Bucks County, Avenues opened its second facility, Avenues Recovery Center of Maryland in Prince Frederick, Maryland in 2017. In 2018, Avenues acquired another 2.5, 2.1, and 1.0 program in New Hampshire. Avenues Recovery wanted to expand its levels of care offered to high intensity residential and detox services and acquired Avenues New Orleans in 2018 and Townsend Recovery Center in 2019; two Louisiana based facilities that offer 3.7-WM and 3.7 as well as 3.5, 3.3, 2.5, 2.1, 1.0, and Mental Health Outpatient services. Because Avenues saw the success of these higher levels of care in Louisiana and wanted to expand its unique services across the country, Avenues opened Avenues Lake Ariel (Pennsylvania) in 2019, Avenues Fort Wayne in 2020 (Indiana), Avenues Chesapeake Bay in 2020 (Maryland), and Avenues Dublin in 2021 (New Hampshire). In 2022 Avenues opened Kentuckiana Detox and Rehab Center d/b/a Avenues Recovery Center at Kentuckiana. Finally, as described throughout the Certificate of Need application, Avenues wanted to provide its high quality clinical and medical treatment to all Maryland residents, including residents of Calvert County and the rest of Southern Maryland. Consistent with this goal in Maryland, Avenues at Chesapeake Bay sought and received a Certificate of Need to provide 20 ICF beds at its facility in Cambridge, Maryland.

The Avenues Recovery network is rapidly growing and now has 10 facilities spread across the country. Avenues has earned a pristine reputation in the field of drug and alcohol addiction treatment. Avenues is committed to providing all its patients, regardless of their payor source, with a path to recovery according to their specific needs, backgrounds, and unique struggles with addiction.

As described above, Avenues has provided care since 2018 at the 3.7 level, both for withdrawal management and high intensity residential services. . Level 3.7 care is currently offered in its two Louisiana facilities, as well as in Lake Ariel (Pennsylvania), Fort Wayne (Indiana), Dublin (New Hampshire), and at Avenues-Chesapeake Bay. The ability to offer the full range of services has contributed greatly to program effectiveness and the well-being of Avenues patients. Thus, Avenues is eager to add Level 3.7 and Level 3.7-WM to Avenues Recovery Center

of Maryland as well. This expansion will allow Avenues to give the Southern Maryland patients the very best chance at a pathway to returning to a meaningful and productive life and lifestyle.

Rationale for the Project

If a CON is granted for the Project, Avenues Recovery Center of Maryland will be able to offer 3.7WM, 3.7, 3.5, 3.3, PHP, and outpatient care in Prince Frederick, Maryland. Avenues seeks to offer the true full continuum of care and the ability to treat every patient suffering from the perils of addiction no matter which ASAM criteria they present and regardless of their payor source.

Cost

The total cost of the Project will be Fifty-Five Thousand Dollars (\$55,000) in legal and consulting fees. There will be no renovation, or any other costs associated with the Project.

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.

This Project will not involve any construction, renovation, or other changes to the physical plant. The only service change following completion will be to change the designation of 20 existing beds to 3.7 and 3.7 WM. The project schedule is as follows: anticipated licensure and first use within 6 months from Project approval.

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

10. REQUIRED APPROVALS AND SITE CONTROL

- A. Site size: .99 acres
Please note: (i) all patient beds are located at 125 Fairground Road (the "Fairground Site") and (ii) therapy and administrative spaces are located at 75 Monnett Court, Prince Frederick (the "Monnett Site").
- 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 X NO ____ (If NO, describe below the current status and timetable for

receiving each of the necessary approvals.)

C. Form of Site Control (Respond to the one that applies. If more than one, explain.):

- (1) Owned by: Fairground Site -125 Fairground Road Realty
LLC
Monnett Site – Capitol Hills Enterprise, LLC
- (2) Options to purchase held by: _____
Please provide a copy of the purchase option as an attachment.
- (3) Land Leases held DWI Services Inc.
by: _____
Please provide a copy of the land lease as an attachment.

See Exhibit 3 for Land Lease for Fairground Site and Exhibit 4 for Land Lease for Monnett Site
- (4) Option to lease held by: _____
Please provide a copy of the option to lease as an attachment.
- (5) Other: _____
Explain and provide legal documents as an attachment.

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 ____ months from approval date.
- B. Beginning Construction ____ months from capital obligation.
- C. Pre-Licensure/First Use ____ months from capital obligation.
- D. Full Utilization ____ 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 6 months from CON approval.
- C. Full Utilization 3 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 bathrooms, 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.

There will be no changes to the current layout of the facility. Floor plan is attached as Exhibit 5.

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.

Avenues Recovery Center of Maryland is an already operating facility with the following utilities:

Electric – Southern Maryland Electric Cooperative (SMECO)
Water and Sewer – Calvert County Water & Sewer Division
Gas – Washington Gas

PART II - PROJECT BUDGET

Complete Table B (Project Budget) of the CON Application Table Package
See Tab 5

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.).

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

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

Avenues Recovery Center of Maryland, LLC
125 Fairground, Prince Frederick, Maryland 21613

Yehuda Alter, 20 Eagle Lane, Lakewood, NJ 08701

Yosef Cohen 201 Lincoln Rd, Lakewood, NJ 08701

Avenues Recovery Center – 211 Boulevard of the Americas, Suite 503, Lakewood, NJ 08701

2. 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.

The following health care facilities have common ownership with Avenues Recovery Center of Maryland:

Avenues Recovery Center of Bucks – 1753 Kendarbren Drive, Jamison, PA 18929; 2016 – present

Avenues Recovery Center of Maryland – 125 Fairground Rd., Prince Frederick, MD 20678; 2017-present

Townsend Recovery Center New Orleans – 195 Highland Park Plaza, Suite 200, Covington, LA 70433; 2018-present (relocation February 2022)

Avenues Recovery Center of New Orleans – 4933 Wabash St., Metairie, LA 70001; 2018-present

Avenues Recovery Center of Fort Wayne – 2626 Fairfield Ave., Fort Wayne, IN 46807; 2020-present

Avenues Recovery Center of Lake Ariel – 50 Industrial Park Rd., Lake Ariel, PA 18436; 2019-present

Avenues Recovery Extended Care – 81 Hall St., Concord, NH 03301; 2018-present

Avenues Recovery Center at Dublin – 3 Pierce Road, Dublin, NH 03444; 2021-present

Avenues Recovery Center of Oklahoma – 24962 Okay Road, Tecumseh, OK 74873; 2018-2020

Avenues Recovery Center of Central Jersey – 20 Scotch Rd., Ewing, NJ 08628; 2018-2018

Avenues Recovery Medical Center at Valley Forge – 1033 W Germantown Pike, Norristown, PA 19403; 2021-2021

Avenues Recovery Center at Kentuckiana - Kentuckiana Detox and Rehab Center dba Avenues Recovery Center at Kentuckiana 4601 Medical Plaza Way, Clarksville, IN 47129; 2022-present

3. 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

4. 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

5. 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

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.

See Authorization at Exhibit 6

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.

Date

Signature of Owner or Board-designated
Official

CEO

Position/Title

Hudi Alter

Printed Name

See Attestations/Signatures at Exhibit 7

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 Services². 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.**

Not applicable. This Project will not have less than 15 beds.

- (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.**

The Project meets this standard because it seeks approval for twenty (20) adult beds.

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

Not applicable. Avenues is not an existing ICF and is not proposing to serve adolescents.

² [1] 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

.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*.

See Response to **COMAR 10.24.01.08G(3)(b) Need.**

- (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.

Not applicable.

- (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.

Not applicable because Avenues Recovery Center of Maryland proposes to establish a Track One ICF.

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

Avenues Recovery Center of Maryland will utilize a sliding fee scale for uninsured and unfunded persons consistent with the individual's ability to pay and based on the Federal Poverty Guidelines (FPG) as determined by the US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (<https://aspe.hhs.gov/poverty-guidelines>). The fee schedule outlined herein represents discount percentages from the standard billing rate charged to insurance carriers for each service.

- < 100% of FPG – 75% discount
- < 150% but >100% of FPG – 50% discount
- < 200% but >150% of FPG – 25% discount

See Exhibit 8 for more details.

.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;

This is demonstrated above and see Exhibit 8

(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

Not applicable because the Project will not be serving adolescents.

(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.

Avenues Recovery Center of Maryland is committed to provide at least 15% of its proposed annual adult intermediate care facility bed days to indigent or gray area patients. Avenues anticipates that 65% of the ICF bed days will be for Medicaid patients. At the existing facility, Medicaid comprises 68% of the

patient days. Avenues has identified a sliding fee scale for indigent or gray area patients consistent with a patient's ability to pay, as addressed in .05C of the application and Exhibit 8. Additionally, Avenues has transfer and referral agreements as described in .05J and .05K of this application.

To ensure that Avenues meets this target, Avenues will track daily ICF bed utilization by payor mix, including a category for gray area and indigent patients. Avenues leadership will review this data at least monthly. As Avenues accepts Medicaid, it does not foresee a drop in the requirement set forth in COMAR 10.24.14.05D. However, if the number of gray area or indigent patient days falls below 15%, Avenues is confident that outreach efforts in addition to already executed agreements will enable Avenues to quickly raise its percentage to above 15%. See Outreach Policy at Exhibit 9.

- (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.**

Not applicable.

- (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).**

Not applicable.

- (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.**

Not applicable.

.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.

Avenues Recovery Center of Maryland agrees to post a fee schedule describing the range and types of services, and their respective charges. This will be posted in a conspicuous place and will be made available to the public upon request.

See Exhibit 10 for proposed posting.

.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.

Avenues Recovery Center of Maryland is within a 30-minute one-way travel time, by automobile, to Calvert Health Medical Center (1.9 miles, 6 minute one-way).

.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.**

The Project seeks approval for 20 adult beds. See Exhibit 11 for age-specific Treatment Models and Exhibit 12 for age-specific Treatment Planning protocols for 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.**

Not applicable.

- (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.**

Not applicable.

.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.**

Avenues Recovery Center of Maryland currently is licensed by the Behavioral Health Administration (see Exhibit 13) and accredited by The Joint Commission (see Exhibit 14) as follows:

- a. Licensed by the Behavioral Health Administration to provide:
 - i. Level 1 Outpatient Treatment – Adults
 - ii. Level 2.1 Intensive Outpatient Treatment – Adults
 - iii. Level 2.5 Partial Hospitalization Treatment – Adults
 - iv. Level 3.3 Residential-Medium Intensity Program – Adults
 - v. Level 3.5 Residential-High Intensity Program – Adults
 - vi. Withdrawal Management Services
- b. Accredited by The Joint Commission (TJC) to provide:
 - i. Outpatient Behavioral Health Services – Non-detox
 - ii. Intensive Outpatient Services – Non-detox
 - iii. Partial Hospitalization – Non-detox
 - iv. Residential Care – Detox and Non-detox
 - v. Inpatient/Crisis Stabilization Behavioral Health Services – Detox and Non-detox

After approval of the Project, Avenues at Prince Frederick will seek approval from BHA for 3.7 and 3.7WM licensure.

- (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**

Not applicable.

- (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.**

Avenues Recovery Center of Maryland understands and acknowledges that if it loses its accreditation, it must notify the Commission and the Office of Health Care Quality in writing within fifteen (15) 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.**

Avenues Recovery Center of Maryland understands and acknowledges that if it loses its accreditation, it 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.**

Avenues Recovery Center of Maryland understands that a CON-approved ICF must be certified by the Behavioral Health Administration. As set forth above applicable and required accreditation and certification will be provided prior to first-use approval of the facility.

- (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.**

Not applicable.

- (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.**

Avenues Recovery Center of Maryland understands and acknowledges that if it loses its State certification it must notify the Commission in writing within fifteen (15) 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.**

Avenues Recovery Center of Maryland understands and acknowledges that 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.

.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.**

Please see the following written policies: Exhibit 15 for utilization review, Exhibits 11 and 12 for treatment protocols, Exhibit 16 for written policies governing Admission, Exhibit 17 Discharge Planning and Length of Stay, Exhibit 18 Communication (Referrals) and Exhibit 19 for Assessments.

Avenues has utilization review and control programs in place to ensure proper and appropriate record keeping for all patients. At the facility level, there are daily treatment team meetings to review current census and patient identified needs. The treatment team consists of clinical, medical, and case management. Additionally, the Clinical Supervisor conducts weekly group supervision and monthly individual supervision which supervision includes record reviews and identifying areas for improvement. The Clinical Supervisor is responsible for reviewing and signing off on assessments and progress notes on an ongoing basis in the clinical record. Chart reviews are completed for all open and closed records. Although TJC does not require chart reviews, this review occurs on every clinical record.

Further, at the Rehab Ventures office, there are Utilization Review Specialists who make up the Utilization Review Committee. These UR specialists' primary function is to review all charts on a regular basis to discuss identified needs to insurance companies. There is daily communication between the UR specialists and the facility to ensure that the documentation is adequate, and each patient identified need is being addressed appropriately.

Avenues has written policies governing admission, length of stay, discharge planning, and referral operations that have been approved by TJC. See Exhibits 16 and 17.

Upon admission, an initial length of stay is assigned following the determination that the patient meets criteria for the level of care in which her or she has been placed. Next, the clinical team meets and determines anticipated length of stay. Continued stay reviews occur on a regular basis and are documented in the patient records and are individualized to the patients' needs. When a patient does not meet the criteria for continued length of stay, the patient will be assessed for the appropriate level of care and transferred if necessary.

- (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.**

Each patient's treatment plan includes at least one year of aftercare following

discharge from the facility. This care will be supported by referrals to care coordination, recovery support personnel, and monitoring through quarterly follow-up calls. Additionally, Avenues will make every effort to coordinate care with an outpatient provider in close proximity to the patient's home (or sober home). Avenues makes every effort to secure an appointment for post-discharge intake the same-day or day-after discharge.

Per the Discharge Planning Policy at Exhibit 17 Paragraph 12: "Each patient's treatment plan will include, at least one year of aftercare following discharge from the facility"

See Exhibit 9 regarding Outreach which describes efforts to assure continuity and collaboration of care and Exhibit 18 Communication (Referrals).

In addition, per Exhibit 20 Aftercare Planning Description Paragraph 2:

The written aftercare plan is documented in the patient's file. All plans are developed with the knowledge and cooperation of the patient, primary therapist, treatment team, and other parties as deemed appropriate. This plan identifies the patient's progress, needs, recommendations and referrals. Staff members assist patients in obtaining needed services prior to discharge. All plans include at least one (1) year of aftercare following discharge from Avenues.

.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:**
 - (a) Acute care hospitals;**
 - (b) Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs;**
 - (c) Local community mental health center or center(s);**
 - (d) The jurisdiction's mental health and alcohol and drug abuse authorities;**
 - (e) The Alcohol and Drug Abuse Administration and the Mental Hygiene Administration;**
 - (f) The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services; and,**
 - (g) The Department of Juvenile Justice and local juvenile justice authorities, if applying for beds to serve adolescents.**

Transfer and referral agreements with other facilities are an intricate part of a patient's treatment. Avenues has established strong community partnerships, locally and across the State of Maryland. These relationships are the core of its practice and are essential in providing superior care to the patients served. Avenues has 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.

Utilizing a multidisciplinary team approach, staff meetings and patient input govern any referrals necessary to meet the needs of the patient. The team includes administrative staff, clinical staff, medical staff, and case management. Ongoing communication is key to providing the best care for the patients with any referrals necessary to enhance their treatment.

See Coordination of Care Policy at Exhibit 21.

Provided below is a list of the types of organizations that the applicant expects to receive referrals from. This list is based on the origin of current referrals to the facilities in both Prince Frederick and Cambridge and results in the high Medicaid percentages of patient days in both facilities. These types of organizations which, by definition, do not treat patients or clients (or inmates) based on ability to pay or payor source, are likely to refer patients/clients who are members of the indigent/gray area population.

1. Acute care hospitals - treat patients regardless of payor source/ability to pay;
2. Detention centers - likely to include inmates who are members of the indigent/gray area population; and
3. Health departments - provide services to clients regardless of payor source/ability to pay.

Furthermore, and in particular, the Prince Frederick facility already receives referrals from the following organizations, all of which serve patients/clients whose demographic/socioeconomic status result in such patients/clients being members of the indigent/gray area population:

1. Pascal Crisis Stabilization Center
2. Suburban Hospital (Johns Hopkins)
3. University of Maryland Charles Regional Medical Center
4. MedStar St. Mary's Hospital
5. Frederick Health Hospital
6. INOVA CATS (Comprehensive Addiction Treatment Services)

Please see Exhibit 22 for transfer and referral agreements and letters of acknowledgement and support and chart below. (To be supplied)

Applicant must document a transfer/referral agreement with at least one entity in each class of providers listed. A suggested format is shown below.	
Provider Category	Agreement(s) with:
Acute care hospitals	
Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse outpatient programs	
Local community mental health center or center(s)	
The jurisdiction's mental health and alcohol and drug abuse authorities	
The Behavioral Health Administration of MDH (formerly the Mental Hygiene Administration with its division of Alcohol and Drug Abuse)	
The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services	
The Department of Juvenile Justice and local juvenile justice authorities, if is serving or plans to serve adolescents	

.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.**

Not applicable.

- (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.**

As outlined in .05J of this application, Transfer and Referral agreements have been executed and after approval will continue to be executed with various different types of organizations, including for profit, non-profit, and FQHC facilities. Contacts have already been developed and relationships between Avenues and these organizations have been formed. These relationships demonstrate that Avenues will be able to

commit 15% of the annual patient days to indigent or gray area populations. Avenues will be creating and forming new relationships on an ongoing basis with local and statewide organizations to uphold this commitment.

.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.

See Exhibit 23 for description of staff orientation and continuing education programs which programs include:

- 1) All new hires receive an orientation that covers the following:
 - a) Mission
 - b) Culture
 - c) Person-centered philosophy
 - d) Performance measurement and management system
 - e) Environment of Care Plan
 - f) Emergency Preparedness Plan
 - g) Workforce policies and procedures
- 2) Workforce policies and procedures
 - a) All employees will also receive annual training updates.
 - b) This training includes, but is not limited to the following policies:
 - i) Cultural Diversity/Competency
 - ii) Consumer Rights and Confidentiality/HIPAA
 - iii) Facility Policy and Procedures
 - iv) Code of Ethics
 - v) Critical Incident Identification and Reporting
 - vi) Infection Control, Communicable Diseases, Universal Precaution - This includes specialized counseling for HIV-positive persons and active AIDS patients
 - vii) Emergency Medical Plan
 - viii) Basic Safety Precautions
 - ix) Emergency and Evacuation Procedures (e.g., fire) and Facility layout
 - x) Prevention of Violence in the Workplace and Weapons Policy
 - xi) Clinical Orientation for Clinical Personnel
 - xii) Person and Family Centered Services
 - xiii) Professional Conduct/Ethics
 - xiv) Child Abuse and Prevention Act
 - xv) Promoting Wellness of Persons Served

- xvi) Health and Safety
- xvii) Personal Privacy
- xviii) Customer Service
- xix) Unique Needs of Persons Served
- xx) Trauma Informed
- xxi) Medication Management
- xxii) Clinical Risk Factors, including suicide, violence, and other risky behaviors
- xxiii) Transportation Training (for those who transport patients)

.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.

Avenues has the appropriate admission standards, treatment protocols, staffing standards and physical plant configurations for sub-acute detoxification. These policies are in accordance with ASAM Patient Placement Criteria and in compliance with TJC guidelines. All Federal and state level regulations are followed.

Admission standards:

Individuals are admitted to this level of care based on a complete medical review and biopsychosocial history review.

Patients who are considered appropriate for this level of care:

- Eighteen (18) years of age or older.
- Meet ICD-10 criteria of substance use disorder.
- Meet appropriate ASAM (American Society of Addiction Medicine) placement criteria.
- Be able to perform basic self-help activities including eating, grooming, and maintaining a reasonable state of orderliness and cleanliness appropriate to the surrounding.
- Be free of suicidal or homicidal behaviors.
- Be willing to contract for safety.

Treatment protocols:

Treatment protocols for individuals needing sub-acute detoxification include a medical exam, medication needs review, complete substance use evaluation,

individual treatment plan, and 24 -hour medical supervision. All patients receive a comprehensive referral to the next appropriate level of care.

Staffing standards:

The program is staffed to ensure adequate biomedical and psychological assessment, observation and care, and referrals to meet the individual needs of the persons served.

Avenues maintains a 1:12 counselors-to-patients ratio and a 1:10 nursing-to-patient ratio.

The applicant's standards for handling sub-acute detoxification concerning admission standards, treatment protocols and staffing standards are set forth in Exhibit 24 and updated in attached Exhibit 25.

Please see Exhibit 24 Detoxification which documents the capacity of Avenues to admit and treat alcohol or drug abusers requiring sub-acute detoxification. Page 1-2 of this Exhibit describes the procedure for admission and admission standards. In particular and per Page 2 Paragraph 6 "In addition to the ongoing assessments listed in the "Assessments" policy, patients are assessed for their readiness to change." Page 2 Paragraph 7 describe the following written treatment protocols that: Address detoxification/withdrawal management for:

1. Alcohol and other drugs
2. Special populations
3. Co-occurring conditions

Which protocols will include:

1. Expectations regarding variances from protocol.
2. Under what circumstances a physician should be consulted.
3. Expected timeframe for physician reasons.
4. Monitoring of vital signs
5. Fact-to-face contact with the persons served
6. Documentation requirements.

Furthermore, "Appropriate detoxification protocols are based on the patients assessed needs."

Staffing standards are described on page 2 paragraphs 9 and 10:

7. Services are provided by an interdisciplinary team that includes at a minimum:
 - a. The patient
 - b. Family/support system (when appropriate)
 - c. Counselor
 - d. Medical staff
 - e. Other assigned personnel

8. A physician is available to the program 24 hours a day, seven (7) days a week.

With respect to physical plant configuration, 3.7 and 3.7WM beds at Avenues Recovery Center of Maryland will account for 20 out of 93 total beds at the facility. The bedrooms are located on two floors at the Inpatient Fairground Site which currently provide services at ASAM levels 3.3 and 3.5. as shown in the Floor Plan (See Exhibit 4). The intent is to convert 20 total beds (4 bedrooms) into 3.7 and 3.7WM beds located on the first floor as shown in the Floor Plan (Exhibit 5). Of the 4 bedrooms, 3 of them will have 6 beds per bedroom, and 1 bedroom will have 2 beds. The first floor was chosen because of the lesser chances of a fall risk if going up and down stairs, as well as the convenience of the elevator to easily go downstairs to the kitchen. The first floor bedrooms are grouped together at the west end of the hallway and are located close to both the nursing station and medication room, staffed by nurses for patients experiencing (i) withdrawal symptoms for level 3.7WM patients and (ii) post-acute withdrawal symptoms for level 3.7 patients. After the initial assessment of patients, Avenues at Prince Frederick will make every attempt to room patients together by presenting similarities. The intent is to have a therapeutic balance where patients may share their personal experiences with other patients to remind one another that they are not alone in this battle against addiction. Some examples of presenting similarities may be based on age and/or drug of choice. Avenues at Prince Frederick will make every attempt to keep 3.7WM patients in rooms together as well as 3.7 patients in rooms together. All rooms will be gender specific.

.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.

See Exhibit 25 in which Avenues Recovery Center of Maryland demonstrates that it has procedures to train staff in appropriate methods of infection control and specialized counseling for HIV-positive persons and active AIDS patients.

.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.**

When a patient is referred for outpatient care, the outpatient counselor performs or facilitates the following "Needs Assessment and Evaluation":

- Biopsychosocial
- ASAM assessment

- Suicide Risk Assessment

Once the assessment is complete, the outpatient counselor reports to the Clinical Supervisor whether outpatient care is the appropriate level of care.

Avenues ensures continuity of services by providing outpatient services on-location with a capacity of 35 patients with a counselor-patient ratio of 1:35. If a patient is unable to participate in the Avenues outpatient program, the Case Management Team facilitates alternate arrangements for patients near their residences or sober homes.

Avenues is committed to ensuring access to services on weekends and evenings by offering evening and weekend sessions. Appointments can be coordinated with the patient's case manager or counselor. Avenues has designated on-call staff who are available by phone twenty-four (24) hours a day, seven (7) days a week. If a patient needs service, on call staff contacts the Clinical Supervisor who arranges for services to be provided. Avenues can admit patients in need of inpatient treatment 24/7.

See Exhibit 26 Outpatient Treatment which describes how the enumerated services are provided at the referenced pages of the policy:

individual, family, and group counseling; page 2 Services Provided

aftercare; page 1 "aftercare planning begins upon admission (see Discharge Planning and LOS)"

- (2) **An applicant must document continuity of care and appropriate staffing at off-site outpatient programs.**

See Staffing at Exhibit 27 and Exhibit 26 Outpatient Treatment page 1 "The program is appropriately staffed to ensure quality and continuity of care (see Discharge and LOS)".

- (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.**

Avenues treats all patients who meet its admission criteria, including a projected 65% of Medicaid patients. By definition, the Medicaid population is likely to include special populations as defined by COMAR 10.24.14.08: "those populations that historically have not been or are not now served by the alcohol and drug abuse treatment delivery system including, women and women with dependent children, the elderly, the homeless, the poor, adolescents, persons with mixed dependencies, hearing impaired, the disabled, minorities, and others with special needs".

- (4) Outpatient programs must demonstrate the ability to provide services in the evening and on weekends.**

See Exhibit 26 at page 3 “Patients may access services on evenings and 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.**

Avenues Recovery Center of Maryland provides outpatient programs. See Exhibit 26

In addition, such programs are available to its patients and proposed patients through written referral agreements. See Exhibit 22

- .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.**

Avenues Recovery Center of Maryland agrees 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.

- .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;**
- (2) 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;**
- (3) 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;**
- (4) Provide specialized programs to treat an addicted person with co-**

existing mental illness, including appropriate consultation with a psychiatrist; or,

- (5) 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.

Not applicable.

B. 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).

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.

RESPONSE

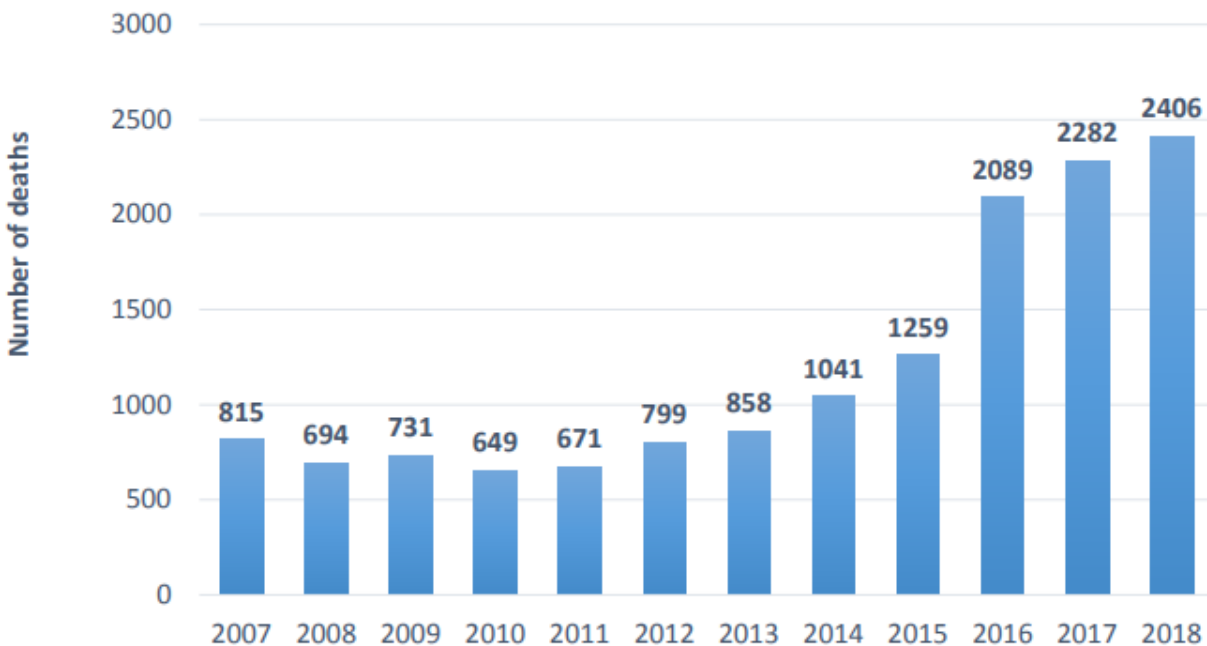
Attacking the addiction problem has been a major initiative of Governor Hogan. The September 20, 2020, issue of the *Baltimore Sun*, reported:

“From the beginning of my administration, I have offered the full support of my office and the resources of every agency in the state to solve this problem, and this plan provides the framework for us to do that right now,” the Republican governor said in a news release. “In spite of the other challenges that we face, our dedication to reversing the devastation of the opioid crisis has not wavered.”

Source: Baltimore Sun, 9/20/2020, “Drug and alcohol-related deaths across Maryland jump more than 9% due to the coronavirus, officials say”

The addiction problem is highlighted by the chart below showing the escalating number of drug and alcohol related intoxication deaths in Maryland from 2007 – 2018.

Total Number of Drug- and Alcohol-Related Intoxication Deaths Occurring in Maryland, 2007-2018.



Source: Unintentional Drug- and Alcohol-Related Intoxication Deaths in Maryland, 2018
https://bha.health.maryland.gov/Documents/Annual_2018_Drug_Intox_Report.pdf, Figure 1

Unintentional Drug- and Alcohol-Related Intoxication Deaths in Maryland 2020 -
https://health.maryland.gov/vsa/Documents/Overdose/Annual_2020_Drug_Intox_Report.pdf

The escalation in addiction and addiction related deaths has only worsened since 2018. The *Baltimore Sun* article previously cited reported:

As the coronavirus continues to claim the lives of Marylanders every day, state officials said Tuesday that fatal drug overdoses and alcohol-related deaths also are increasing throughout the region.

New state data released Tuesday revealed drug- and alcohol-related deaths increased 9.1% across the state from January to June this year compared with the same months of 2019, with opioids responsible for nearly 90% of the 1,326 deaths. The report reflects the anticipated impact of the pandemic for the first time.

The Maryland Department of Health and the state's Opioid Operational Command Center said it's "clear" that COVID-19 is responsible for the uptick, exacerbating people's addictions as they've quarantined inside their homes to help curb the virus.

Only One Track 1 Facility is Located in Southern Maryland

On February 7, 2022, Moira Lawson, Program Manager, MHCC provided the following inventory of ICF beds in Maryland which shows that there is only one Track 1 facility in Southern Maryland.

ICF BEDS BY REGION October 2021

TRACK 1

Region	Provider: Provider Name	Provider: Physical Street	Provider: Physical City	Service Description	Track	Beds
Central MD	Maryland House Detox, LLC	817 S. Camp Meade Road	Linthicum	3.7 and 3.7 WM	Track 1	40
Central MD	Baltimore Detox Center	1825 Woodlawn Drive	Baltimore	3.7 WM	Track 1	24
Central MD	Ashley, Inc.	800 Tydings Lane	Havre de Grace	3.7 and 3.7 WM*	Track 1	121
Region Total						185
Eastern Shore	RCA at Bracebridge Hall	314 Grove Neck Road	Earleville	3.7*	Track 1	123
Eastern Shore	Warwick Manor Behavioral Health, Inc.	3680 Warwick Road	East New Market	3.7 and 3.7 WM	Track 1	16
Eastern Shore	Hudson Health Services, Inc.	1500- 1506 Harting Drive	Salisbury	3.7 and 3.7 WM*	Track 1	9
Eastern Shore	Avenues Recovery Center of Chesapeake Bay	821 Fieldcrest Road	Cambridge	3.7 and 3.7WM*	Track 1	20
Region Total						168
Montgomery and Southern MD	RCA Capital Region	11100 Billingsley Road	Waldorf	3.7*	Track 1	64
Region Total						64
TRACK 1 TOTAL						417

TRACK 2

	Provider: Provider Name	Provider: Physical Street	Provider: Physical City	Service Description	Track	Beds
Central MD	Hope House Treatment Centers	26 Marbury Drive	Crownsville	3.7 and 3.7 WM	Track 2	49
Central MD	Pathways	2620 Riva Road	Annapolis	3.7 and 3.7 WM	Track 2	40
Central MD	Gaudenzia Crownsville	107 Circle Drive	Crownsville	3.7 and 3.7 WM	Track 2	27
Central MD	Pyramid Walden, Joppa	1015 Pulaski Hwy	Joppa	3.7 and 3.7 WM*	Track 2	50
Central MD	Gaudenzia - Baltimore	4615 Park Heights Avenue	Baltimore	3.7 WM	Track 2	124
Central MD	Mountain Manor	3800 Frederick Avenue	Baltimore	3.7 and 3.7 WM	Track 2	68

Central MD	Tuerk House	730 Ashburton Street	Baltimore	3.7 and 3.7 WM*	Track 2	29
Central MD	Baltimore Crisis Response	5124 Greenwich Avenue	Baltimore	3.7	Track 2	7
Central MD	Shoemaker Center	6655 Sykesville Road	Sykesville	3.7 and 3.7 WM	Track 2	40
Region Total						434
Western MD	Joseph S. Massie Unit	10102 Country Club Road SE	Cumberland	3.7	Track 2	74
Western MD	Maryland Treatment Centers, Inc. - Emmitsburg	9701 Keysville Road	Emmitsburg	3.7 and 3.7 WM	Track 2	118
Region Total						26
Eastern Shore	A.F.Whitsitt Center	300 Scheeler Road	Chestertown	3.7 and 3.7 WM	Track 2	26
Region Total						244
Montgomery and Southern MD	Maryland Treatment Centers, Inc. - Rockville	14701 Avery Road	Rockville	3.7 and 3.7 WM	Track 2	70
Montgomery and Southern MD	Hope House	429 Main Street	Laurel	3.7 and 3.7 WM*	Track 2	22
Montgomery and Southern MD	Hope House	419 Main Street	Laurel	3.7 and 3.7 WM*	Track 2	37
Montgomery and Southern MD	Pyramid Walden, LLC - Charlotte Hall	30007 Business Center Drive	Charlotte Hall	3.7 and 3.7 WM*	Track 2	27
Region Total						156
TRACK 2 TOTAL						860

Source: MHCC

Notes: According to the MHCC inventory, RCA is the only Track 1 facility in the region. While the table states that RCA has only 3.7 capability, not 3.7 WM, Avenues at Prince Frederick believes that it may be in error, as it was on the Eastern Shore.

While the MHCC approved a second RCA ICF facility in Southern Maryland in 2016 (in Upper Marlboro, Docket No. 15-16-2364), that facility appears to have never been built. It is not listed as one of RCA's Maryland facilities.

Hence, the approval of Avenues at Prince Frederick would increase the choice that people in need of recovery would have in Southern Maryland.

There is No Requirement for a Quantitative Need Projection

There is a need methodology in the Maryland State Health Plan. However, in the decision on Avenues at Chesapeake Bay in Dorchester County - Docket No. 21-09-2449, issued on October 21, 2021, approving the CON, the MHCC found (on pages 11 - 12):

“However, staff agrees with the applicant that this bed need projection methodology has been made obsolete, but not primarily because of its age. The steps and

assumptions, which are updatable, are not illogical as a forecasting model. Its obsolescence is primarily caused by the changes made to the scope of CON regulation in 2019 legislation, which were supported by the Commission. MHCC no longer has the authority to limit ICF bed supply by comprehensively regulating changes in such bed supply, in the way, for example, that MHCC controls hospital and nursing home bed capacity. The inventory of beds has increased significantly since the law freed existing ICFs to add any number of ICF beds without CON approval. This increase in the inventory of beds is driving the surplus bed capacity results produced by the methodology. Given the change in statute and planned updates to COMAR 10.24.14, which were identified as a priority for SHP redevelopment by MHCC earlier this year, the bed need methodology in the existing ICF chapter cannot logically be retained and applied in this review."

Consistent with the decision referenced above and because "MHCC no longer has the authority to limit ICF bed supply by comprehensively regulating changes in such bed supply," the need methodology in the State Health Plan does not apply to this review and Avenues at Prince Frederick should not have to show quantitative evidence of need.

Avenues has Proven that it is a Quality Provider

While the MHCC has eliminated its quantitative need requirement, clearly, the MHCC regulatory authority must continue to focus on keeping bad actors out of addictions recovery. As explained below, the MHCC adopted the Task Force recommendations.

In 2017, the MHCC formed a Certificate of Need Modernization Task Force, that considered whether ICFs should still be regulated by CON. On pages 26 and 27 of the final report (issued 12/20/18), it states:

"Alcoholism and Drug Abuse Treatment Intermediate Care Facility Services

Alcoholism and drug abuse treatment intermediate care facility (ICF) services are the only category of non-hospital substance abuse treatment facility regulated under the CON program. Proposed legislation that would eliminate CON regulation of these sub-acute inpatient facilities was introduced in 2018, but failed to advance. Stakeholders have stated that continued inclusion of ICFs as a CON-regulated facility category is necessary to prevent a substantial influx of new facilities providing poor quality care and engaging in undesirable practices aimed at maximizing revenue rather than effectively rehabilitating addicted patients. MHCC endorsed elimination of CON regulation in 2018 as part of an appropriate response to the opiate and opioid overdose crisis and the calls for more treatment programming.

The recommendations (pp. 28-29) state:

Reform Recommendations Related to Alcoholism and Substance Abuse Treatment ICF CON Regulation

• *Identify the State Health Plan chapters that are most in need of updating and which offer the greatest potential to meet reform objectives and prioritize their revision. Simultaneously review and revise the procedural regulations governing CON application review. The following SHP and procedural regulation reforms are included under this recommendation*

a. Limit SHP standards to those addressing project need, project viability, project impact, and applicant qualifications.

b. Create an abbreviated review process for all uncontested projects that do not involve:

a) establishment of a health care facility;

b) relocation of a health care facility;

c) the introduction by a hospital of cardiac surgery or organ transplantation.

c. Establish performance requirements for approved projects that include a deadline for obligating the capital expenditure and initiating construction but without project completion deadlines.

d. Establish a process for considering changes in approved projects that is primarily a staff review function with approval by the Executive Director.

(See last section of this report for more detail on this recommendation.)

• *Eliminate the capital expenditure threshold used to mandate CON approval for nonhospital health care facility projects, limiting all definitions of projects requiring CON approval to “categorical” projects involving establishment of facilities or specific types of changes to an existing health care facility, no matter what capital expenditure is required.*

• *Limit the required considerations in CON project review to: (1) Alignment with applicable State Health Plan standards; b) Need c) Viability of the project and the facility; d) Impact of the project on cost and charges; and e) Impact of the project on access to care. This would eliminate the current required consideration of the costs and effectiveness of alternatives to the project, impact of the project on other providers, and compliance with the terms and conditions of previous CONs the applicant has received.*

• *Establish deemed approval for uncontested project reviews eligible for an abbreviated project review process if final action by the Commission does not occur within 120 days after docketing.*

• *Eliminate the requirement to obtain CON approval of changes in bed capacity by*

an alcoholism and drug abuse treatment intermediate care facility or by a residential treatment center.

- *Consider structural changes in how the Commission handles CON project reviews in light of creating an abbreviated process for most reviews and providing meaningful participation by the public in the regulatory process. Possible changes could include use of a project review committee. The objective would be further streamlining the review process and facilitating more public engagement.*

- *Engage with the home health, hospice, alcohol and drug treatment, and residential treatment center sectors and the Maryland Department of Health on alternatives to conventional CON regulation for accomplishing the “gatekeeper” function of keeping persons or organizations with poor track records in quality of care and/or integrity from entering Maryland and accomplishing the objective of expanding the number of such facilities gradually. The objectives would be either to: (1) eliminate CON regulation for these health care facility categories with MDH incorporating the gatekeeper function into the facility licensure process; or (2) establish MHCC’s role in regulating these facility categories solely as a gatekeeper (e.g., any facility of this type that gets a clean bill of health following a rigorous background check and character and competence review and is compatible with limitations for gradual expansion of new providers would be issued a CON, without further review). Establish specific deadlines for recommendations.”*

The MHCC summary of the September 7, 2018, Task Force meeting, at which ICFs were discussed, shows that the participants were primarily concerned with keeping “bad actors” out of Maryland. It says:

“Agenda Item 4: Alcoholism and Drug Abuse Treatment Intermediate Care Facility (ICF)”

Mr. Parker reviewed the MHCC’s authority to issue CONs for alcohol and drug abuse intermediate care facilities (ICFs). He noted that MHCC supported legislation to remove ICFs from CON regulation in the 2018 General Assembly Session with the support of the Behavioral Health Administration (BHA), but the bill had not been voted out of Committee due to strong opposition from some existing ICFs. Dr. Redmon reviewed the “Issues Raised” for ICF, and the series of categorized reform proposals.

Minimal Reforms

- ***Eliminate capital expenditure threshold defining need for CON***
- ***Eliminate facility relocation and change in bed capacity as a project requiring CON approval for existing Track 2 ICFs (publically funded)***
- ***Update SHP to reduce review criteria and standards***

The Task Force generally approved of eliminating the capital expenditure threshold and bed capacity change and relocation review from the CON process. It was

suggested that this reduction in regulation should be expanded to all tracks (Track 1 ICFs are funded primarily through private sources, while Track 2 are primarily funded through Medicaid).

Moderate Reforms

- ***Eliminate need, cost and effectiveness, viability and all other criteria and standards, with the exception of impact and financial access for reviews involving establishment or expansion of Track 1 ICFs (funded primarily from private payment sources)***
- ***Limit scope of final action by Commission on Track 1 ICF projects to consideration of financial access and impact – i.e., approve the project unless it has made an insufficient commitment to serve low income clients and/or is likely to have an existential negative impact on one or more existing Track 1 ICFs.***

Richard Pryzwara, representing alcoholism and drug abuse treatment facilities, stated that addictions recovery must be distinguished from other health care facilities because of the common practice of “patient brokering.” More generally, he argued that addictions recovery is rife with bad actors in other states, and the CON process is a way to provide safe, quality care to Marylanders through the gatekeeper function of the CON process. Several Task Force members and Mr. Parker questioned the efficiency of the CON process as a monitor for safety and quality, given that the BHA exists and functions to monitor providers for such purposes.

Major Reforms

- ***Eliminate all CON regulation of alcoholism and drug abuse ICF treatment services***
- ***Mandate MDH to deny licensure applications to ICF applicants with nor previous experience in operating an ICF or specified deficiencies in their health care facility operational track record.***

The Task Force discussed alternatives to CON including strengthening the authority of the BHA and mandating accreditation as a means to eliminate bad actors.”

Avenues has two facilities in Maryland and has proven that it is an exemplary provider and not a “bad actor.” The proposed addition of 3.7 and 3.7 WM care at Avenues at Prince Frederick is exactly the kind of CON project at a high quality provider that the MHCC and its Task Force wished to see established.

If consumer views reflect satisfaction, Avenues at Prince Frederick has the highest Google ratings of any of the providers in the Southern Maryland/Montgomery County region.

Provider	City	Stars on Google (Out of 5 Stars)	Reviews
Avenues Recovery	Prince Frederick	4.3	61
RCA Capital Region	Waldorf	3.9	49
Maryland Treatment Centers, Inc. - Rockville	Rockville	2.7	29
Hope House	Laurel	3.6	36
Pyramid Walden, LLC - Charlotte Hall	Charlotte Hall	3	16

Source: Google search for each facility. 3/1/22

Avenues will Increase Access for Medicaid Enrollees.

The regional need methodology excludes the Medicaid eligible population from the projections. Avenues at Prince Frederick anticipates that approximately 68 % of its admissions will be Medicaid enrollees. In this way, Avenues at Prince Frederick is a hybrid between a Track 1 and a Track 2 facility. This was recognized in the MHCC approval of Avenues' CON in Dorchester County (at page 12).

“Staff also notes that the applicant would not appear to function in the same manner as other Track One facilities on the Eastern Shore by participating in serving Medicaid patients at a level that staff would consider indicative of a Track Two ICF.”

RCA, the only Track 1 provider in Southern Maryland, does not accept Medicaid patients. In a modification to RCA's CON for Waldorf (Recovery Center of America - Waldorf - Modified Application (5/18/15), P. 43), RCA stated:

“While Applicant's facility will not serve patients covered by Medicaid, the expansion in Medicaid coverage means that treatment services are now available to more Maryland residents”

In its CON application for its Dorchester County facility, Avenues at Chesapeake Bay noted that the RCA facility on the Eastern Shore did not accept Medicaid. MHCC staff telephoned RCA and confirmed that Avenues is correct.

Hence, Avenues would be the only Track 1 facility in Southern Maryland to which Medicaid recipients would have access.

Avenues will be a Statewide Resource

As explained in Avenues at Chesapeake Bay CON application, the Avenues organization has experience in Maryland demonstrating that its facilities and services meet the needs of all Maryland residents and not solely the needs of the jurisdiction or health planning region in which the facility is located. Avenues at Prince Frederick located in Prince Frederick Calvert County operates at almost full capacity. (Although there was a dip in the occupancy rate in 2021, this was the result of an increase in licensed beds at the facility. Initially Avenues at Prince Frederick was licensed for 48 beds. As of November 2021,

Avenues at Prince Frederick was licensed for 93 beds all of which were not immediately occupied.) At any given time there are approximately 150 persons on its wait list, and it receives approximately 200 inquiries per month from patients from all over Maryland. The data below concerning the patient origin of the Prince Frederick facility's patients in calendar year 2021 shows that more than half the patients come from zip codes requiring a 50-minute drive or longer - many from locations outside of Calvert County and Southern Maryland as well as out of state residents.

County	Sum of Count of Address Zip	Drive Time (Minutes)	
CALVERT	34	9	
SAINT MARYS	29	28	
PRINCE GEORGES	44	42	
CHARLES	41	44	
ANNE ARUNDEL	53	46	< 50 Minutes
HOWARD	18	76	201 (46.5%)
QUEEN ANNES	6	79	
MONTGOMERY	34	83	
BALTIMORE CITY	41	88	
CAROLINE	5	94	
BALTIMORE	29	100	
TALBOT	3	101	
FREDERICK	16	106	
KENT	12	114	
HARFORD	10	115	
CARROLL	5	117	
DORCHESTER	6	120	
WASHINGTON	6	126	
CECIL	3	129	
WICOMICO	9	151	
WORCESTER	3	176	
SOMERSET	1	189	
Out of State	24	> 50 Min.	> 50 Minutes
			231 (53.5%)
Total	432		432

Source: Avenues 2021 patient data. Drive time minutes are calculated using Google Maps, Directions, from the Zip Code to the facility.

The MHCC did not dispute that Avenues at Chesapeake Bay is a statewide resource. On page 23 of the Decision the Commission noted:

“The applicant has submitted information to support a finding that the project is needed. It indicates and provides information supporting the conclusion that its proposed ICF will likely serve the population residing throughout the State of Maryland, as well as out-of-state residents, and not just the Eastern Shore region.”

Likewise, Avenues at Prince Frederick is and will continue to be a statewide resource.

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.

RESPONSE

Avenues Recovery Center of Maryland currently operates a 93 bed TJC accredited alcoholism and drug abuse treatment facility. The objective of the proposed Project is to assure that Avenues Recovery Center of Maryland is capable of providing the full range of services and continuity of care needed by patients seeking alcohol and drug abuse treatment services. Continuity of care generally requires that patients detox upon admission. The true full continuity of care, however, also requires the provision of ASAM level 3.7. These services are not available to all patients, including Medicaid patients, in Southern Maryland. Therefore, to provide Southern Maryland and other Maryland residents with the full range of services, including an opportunity for those seeking recovery from substance abuse to safely and effectively detox on an inpatient basis in an affordable non-

hospital setting, Avenues Recovery Center of Maryland seeks to establish twenty (20) beds within the existing facility at ASAM levels 3.7 and 3.7 WM.

The planning process undertaken by Avenues of course included a review of existing Track One facilities in Southern Maryland. Although the MHCC approved 64 beds at RCA Capital Region, RCA neither accepts Medicaid Patients nor does it report any 3.7WM beds. Therefore, using facilities in Southern Maryland for needed 3.7 and 3.7WM services for all patients, including Medicaid, is not currently an option. Further, RCA Capital Region, which does not provide 3.7WM or accept Medicaid, is the only Track 1 ICF facility in Southern Maryland.

This proposal could not be more cost effective. The facility currently is operational and staffed. There are no additional project costs (other than the legal and consulting costs associated with this application) to establish the 20 bed ICF within the existing facility.

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.

See Exhibit 28 Letter from CPA documenting availability of funds.

- 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.

Not applicable.

- Describe and document relevant community support for the proposed project.

See Exhibit 29

- 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).

Pursuant to the applicable COMAR performance requirements at COMAR 10.24.01.12 C. (3) (c) "...a proposed new health care facility has up to 18 months to obligate 51 percent of the approved capital expenditure, and up to 18 months after the effective date of a binding construction contract to complete the project".

This Project does not involve a capital expenditure or a construction contract. Because the beds are part of an existing facility and no renovation is needed, there is no need for project design or obtaining State and local land use, environmental, and design approvals. Per above, Avenues anticipates first use within six (6) months of project approval. Therefore, Avenues Recovery Center of Maryland will be able to implement the Project in compliance with the applicable performance requirements.

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.

The applicant has not received any prior Maryland Certificates of Need.

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.

RESPONSE

The addition of 3.7 and 3.7 WM capability at Avenues Recovery Center at Maryland's existing facility in Southern Maryland will have a positive impact on the health care system of the entire state. Over 50 percent of its current patients come from outside Southern Maryland . Thus, as discussed in response to COMAR 10.24.14.05B (Identification of Intermediate Care Facility Alcohol and Drug Abuse Bed Need) and COMAR 10.24.01.08G(3)(b) (Need), the proposed project will be a statewide resource. Even using the MHCC's outdated methodology, there is need for more ICF facilities statewide.

In addition, there are no Track 1 3.7 WM facilities in Southern Maryland. Avenues

would be the only Track 1 facility in Southern Maryland with 3.7 WM capability. Moreover, there are no Track 1 facilities in Southern Maryland that accept Medicaid patients.

Given the statewide Track 1 need and the need for Track 1 beds for Medicaid and indigent patients in Southern Maryland, Avenues does not believe that its approval will adversely impact the volume of service provided by any other existing health care providers. For these same reasons, Avenues also does not believe that its approval will impact the payor mix of other facilities. Rather, the approval of Avenues will improve access to Track 1 3.7 and 3.7 WM services for Eastern Shore residents and residents from other parts of the state. The quick fill-up of the existing Avenues facility is evidence that another facility is needed.

Lastly, this project will have no impact on costs or charges to the health care system. For public payors, reimbursement rates are set by the payors. For other insurers, reimbursement rates are generally standard for in-network facilities. For out of network facilities, although rates are negotiated with the insurance companies, all rates are generally within a well-defined range of standard reimbursement. The approval of Avenues Recovery Center of Maryland will not impact reimbursement rates.

REMEMBER TO SUBMIT THE COMPANION TABLE SET FEATURING PROJECT BUDGET, STATISTICAL PROJECTIONS, REVENUE AND EXPENSE PROJECTIONS, AND WORKFORCE INFORMATION

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