

MARYLAND HEALTH CARE COMMISSION

Certificate of Need

To: Susan S. Lyerly
Associate General Counsel, State Regulatory &
Compliance
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Encompass Health
9001 Liberty Parkway
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Date: October 20, 2022

Re: Encompass Health Rehabilitation Hospital of
Southern Maryland, LLC – Addition of 10 beds
to its 60 bed Rehabilitation Hospital

Docket No.: 22-16-2458

PROJECT DESCRIPTION

This Certificate of Need authorizes Encompass Health Rehabilitation Hospital of Southern Maryland, LLC to add 10 beds to its previously established 60-bed special rehabilitation hospital in Bowie (Prince George's County), Maryland. The addition consists of 5,899 square feet of new construction including ten private patient rooms, a nursing unit, storage space, a day room and general circulation. The estimated total project budget to complete the ten-bed addition is \$13,109,242 which the applicant will fund with a cash loan from its parent company Encompass Health.

ORDER

The Maryland Health Care Commission reviewed the staff report and based on that analysis and the record in the review, ordered, on October 20, 2022, that a Certificate of Need be issued for the project, with the following conditions:

1. In its request for first use approval, provide information, acceptable to Commission staff, that details the activities it has undertaken for outreach to the community regarding the availability of charitable services.
2. Maintain compliance with the provisions of COMAR 10.24.09.04A(1) regarding the availability of charity care and a sliding scale of discounted charges for low income individuals who do not qualify for full charity care.
3. Prior to first use, provide written transfer and referral agreements, acceptable to Commission staff, with facilities, agencies, and organizations that are capable of

managing cases that exceed its own capabilities and/or provide alternative treatment programs appropriate to the needs of the persons it serves.

PERFORMANCE REQUIREMENTS

In accordance with the conditions of the Certificate of Need set forth above and COMAR 10.24.01.12C (2) and (3), the project is subject to the following performance requirements:

1. Obligation of not less than 51 percent of the approved capital expenditure, as documented by a binding construction contract, within 24 months, no later than October 20, 2024.
2. Initiation of construction within four months of the effective date of a binding construction contract.
3. Documentation that the project is complete no later than 24 months after the effective date of the binding construction contract.

Failure to meet these performance requirements will render this Certificate of Need void, subject to the requirements of COMAR 10.24.01.12F through I.

PROPOSED CHANGES TO THE APPROVED PROJECT

Before making any changes to the facts in the Certificate of Need application approved by the Commission, Encompass Health Rehabilitation Hospital of Southern Maryland, LLC must notify the Commission in writing and receive Commission approval of each proposed change, including the obligation of any funds above those approved by the Commission in this Certificate of Need, in accordance with COMAR 10.24.01.17.

DESIGN APPROVAL AND FACILITIES LICENSURE BY MDH

This CON does not constitute a license or replace any approvals required by the Office of Health Care Quality (OHCQ) or others within the Maryland Department of Health (MDH). Encompass Health Rehabilitation Hospital of Southern Maryland, LLC must provide OHCQ and MDH with all information required for facility licensure.

QUARTERLY STATUS REPORTS

In accordance with COMAR 10.24.01.13B, Encompass Health Rehabilitation Hospital of Southern Maryland, LLC must submit quarterly status reports to the Commission, beginning January 20, 2023, three months from the date of this Certificate of Need, and continuing at three-month intervals, until the completion of the project.

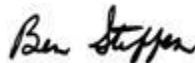
REQUEST FOR FIRST USE REVIEW

Encompass Health Rehabilitation Hospital of Southern Maryland, LLC must request in writing, not less than 60 days but not more than 120 days before the first use of the addition to the rehabilitation hospital, a first use review from the Commission, specifying the anticipated date of first use and documenting that the project has been substantially completed and will be completed, within 120 days or less, in a manner and consistent with this Certificate of Need. Commission staff will review the request in consultation with the Office of Health Care Quality, as provided in COMAR 10.24.01.18, to determine whether the project conforms to this Certificate of Need. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate a health care facility. Therefore, Encompass Health Rehabilitation Hospital of Southern Maryland, LLC should assure that OHCQ is notified of the imminent completion of the project and should arrange for completion of any inspections and or approvals required by OHCQ in a timely manner. First use approval remains in effect for 90 days. If first use of the new building does not occur within 90 days of approval, Encompass Health Rehabilitation Hospital of Southern Maryland, LLC shall reapply for first use approval.

ACKNOWLEDGEMENT OF RECEIPT OF CERTIFICATE OF NEED

Acknowledgement of your receipt of this Certificate of Need, stating acceptance of its terms and conditions, is required within thirty (30) days.

MARYLAND HEALTH CARE COMMISSION



Ben Steffen
Executive Director

cc: Patricia T. Nay, M.D., Executive Director, Office of Health Care Quality
Ernest L. Carter, MD, PhD, Health Officer, Prince Georges County
Ella Aiken, Esquire, Gallagher, Evelius & Jones
Alison Best Lutich, Esquire, Gallagher, Evelius & Jones