Pascal Crisis Services, Inc.
Robert A. Pascal Youth & Family Services, Inc. • Pascal Crisis Stabilization Center
1215 Annapolis Road, Suite 204, Odenton, MD 21113
(410) 975-0067

VIA HAND DELIVERY

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

August 8, 2022

Re: Certificate of Need Application
Pascal Crisis Services, Inc.
Establishment of Track Two Alcoholism and Drug Abuse Intermediate Care Facility

Dear Ms. Potter,

On behalf of applicant Pascal Crisis Services, Inc., per Commission Staff's standing request, we are submitting six copies of its Certificate of Need Application and related exhibits. Searchable PDF files of the application and exhibits, and native Excel spreadsheets of the MHCC tables will be emailed to Mr. Kevin McDonald and yourself by the end of the day.

I hereby certify that the information contained within this application is true and accurate to best of my knowledge.

Katherine Bonincontri

Katherine Bonincontri, M.H.R., M.S., LCPC-S
President and Executive Director

CERTIFICATE OF NEED APPLICATION

INTERMEDIATE CARE FACILITY

Pascal Crisis Stabilization Center
43 Community Place
Crownsville, Maryland 21032

PASCAL
Crisis Stabilization Center

Applicant: Pascal Crisis Services, Inc.

August 8, 2022

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Table of Exhibits

PART I PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Facility: **Pascal Crisis Stabilization Center**
Address: **43 Community Place, Crownsville, MD 21032 Anne Arundel County**

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.

2. Name of Owner:
Pascal Crisis Services, Inc. is a non-profit 501(c)(3) controlled by a Board of Directors. There is no ownership of the agency.

3. APPLICANT. *If the application has a co-applicant, provide the following information in an attachment.* **N/A**

Legal Name of Project Applicant (Licensee or Proposed
Robert A Pascal Youth and Family Services, Inc.
(DBA) Pascal Crisis Services, Inc.)
Address: **1215 Annapolis Rd, Suite 204, Odenton MD 21113 Anne Arundel County**

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:
Applicant will be the licensee

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check ☑ or fill in applicable information below and attach and attach an organization chart showing the owners of the applicant (and licensee, if different).

A.	Governmental	□	
B.	Corporation		State & Date of Incorporation
	(1) **Non-Profit 501(c)(3)**	☑	**MD 01/27/1982**
	(2) For-Profit	□	
	(3) Close	□	
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: **Katherine Bonincontri, M.H.R., M.S., LCPC-S**
President and Executive Director
Email: **katherine.bonincontri@pascalcsi.org**
Office: **410-980-5537**
Fax: **410-975-0204**

Company Name: **Pascal Crisis Services, Inc.**

Mailing Address:
P.O. Box 180, Odenton, MD 21113 Anne Arundel County

If the company name is different than applicant, briefly describe the relationship.
N/A

B. Additional or alternate contact:

Name and Title: **Kimberly Lamb, Director of Administration**
Email: **kimberly.lamb@pascalcsi.org**
Office: **410-975-0067**
Fax: **410-975-0204**

If the company name is different than applicant, briefly describe the relationship.
N/A

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

Applicant Response:
Robert A. Pascal Youth and Family Services, Inc. DBA Pascal Crisis Services, Inc. (or "Applicant") is a Maryland corporation and referred to as the "Pascal Crisis Stabilization Center" and/or "Pascal CSI") seeks to establish a Track 2 Alcoholism and Drug Abuse Intermediate Care Facility (ICF) facility (as defined in the State Health Plan, COMAR 10.24.14) within the existing Pascal Crisis Stabilization Center located at 43 Community Place, Crownsville Maryland.

The Applicant currently operates a combined total of 44 CARF Accredited and Maryland State Licensed Residential Crisis Services (psychiatric crisis beds), State Opioid Response (SOR) beds, and Resolution beds and proposes to establish twenty-five (25) Track 2 ICF beds within the Pascal Crisis Stabilization Center, a fully staffed and operational facility which has provided an array of in-patient and out-patient behavioral health, substance use disorder and crisis stabilization services, including Withdrawal Management services, since opening in 2017. The Applicant relocated their critically important services after the Anne Arundel County Executive awarded a lease to the Applicant of a neighboring, county-owned 16,000 square foot facility in Crownsville in June of 2019. Upon Maryland Health Care Commission approval, twenty-five (25) beds currently operating as State Opioid Response (SOR) and Resolution beds will be converted to become 25 Track 2 ICF beds.

The Applicant implemented their highly successful, extremely cost-effective crisis stabilization center model in 2017 in Anne Arundel County which provides an innovative, non-traditional access point to treatment; the Applicant's model operates psychiatric crisis beds that are reimbursed entirely fee-for-service, in contrast to other models that are grant funded, which results in a significant cost savings to the overall health care system in Maryland. In order to safely provide the full continuum of services to include medically monitored in-patient detox in their proposed non-hospital setting, the Applicant must provide ASAM level 3.7 and 3.7WM.

The objective of the Applicant is to provide access to the best, most comprehensive co-occurring treatment for Marylanders in need of immediate mental health (with an emphasis on treatment for high acuity and historically hard-to-place persons) and substance use disorder treatment (including poly-substance use and historically hard-to-place persons), to include 3.7 and 3.7WM services, as the need for crisis services and cost-effective alternatives to non-hospital detox capacity has increased and is a vital component of the current health care landscape.

Brief History of the Applicant:

The Applicant has provided behavioral health outpatient services in Anne Arundel County for over forty (40) years. Named after its benefactor, former Anne Arundel County Executive Robert A. Pascal, the agency first served the needs of the community with a facility located in Severna Park, Maryland where it ultimately became licensed as an Outpatient Mental Health Clinic. The Applicant has remained an exceptional provider of outpatient behavioral health services for thousands of Marylanders for over four decades. The Applicant subsequently relocated its outpatient services to allow for needed expansion to Odenton, Maryland in addition to fulfilling a long-held desire to meet more of the unmet behavioral health needs of the community by opening a comprehensive crisis stabilization center in Anne Arundel County, Maryland in April of 2017.

With the award of a grant from the Maryland Community Health Resources Commission (MHCRC) and the support of the legislature, the Anne Arundel County Executive, the Anne Arundel County Police Department, the Anne Arundel Department of Health, as well as the community, the Pascal Crisis Stabilization Center opened its doors and implemented 16 Residential Crisis Services beds in a small, sub-leased space in Crownsville, MD. Within the first few months of operation, the need to expand the unique, barrier reduced access to immediate behavioral health care the Applicant provided rapidly became apparent. In establishing the first crisis center in Anne Arundel County with 24/7/365 access to quality behavioral health care, the Applicant quickly became the largest provider of Crisis Stabilization Services (CSS) in Anne Arundel County within months of opening its doors. In support of ongoing need, in September of 2019, the Applicant received a lease for one (1) dollar per year from the Anne Arundel County Executive for a 16,000 square foot county owned building, allowing for needed expansion where the Applicant's quality services have continued to operate since relocating to the larger facility in 2019. The Applicant remains the largest provider of State Opioid Response (SOR) beds and/or Crisis Stabilization Services (CSS) in Anne Arundel County, and the Applicant's capacity for 24/7/365 admissions for those in need of immediate detox has contributed greatly to the success of the highly regarded Safe Stations program.

The Applicant is CARF accredited in the following licensed services:

Assertive Community Treatment: Mental Health (Adults)
Call Centers: Mental Health (Adults)
Community Housing: Substance Use Disorders/Addictions (Adults)
Community Integration: Mental Health (Adults)
Crisis Stabilization: Mental Health (Adults)
Detoxification/Withdrawal Management - Residential: Substance Use Disorders/Addictions (Adults)
Intensive Outpatient Treatment: Substance Use Disorders/Addictions (Adults)
Outpatient Treatment: Mental Health (Adults)
Outpatient Treatment: Mental Health (Children and Adolescents)
American Society of Addition Medicine (ASAM) Levels of Care Certification in 3.1, 3.5 and 3.7.

Applicant is pending Partial Hospitalization: Substance Use Disorders/Addictions (Adults) in September 2022

The Applicant expanded rapidly to provide additional ASAM levels of care, added additional service locations, and continued to grow as a result of the overwhelming need for behavioral health and substance use disorder treatment in the state of Maryland.

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.

Applicant Response:

(1) The addition of 3.7 and 3.7WM services as part of the total continuum of care will not require any construction, capital expenditure, or renovation costs.
(2) No change of the facility's square footage is required. The second floor of the current facility will be converted for 3.7 and 3.7WM. The details of the location's internal layout, size, nursing and medication monitoring areas, etc. can be found in Exhibit 1, Building Plan and Project Layout.
(3) In addition, no state and local land use, environmental, or design approval are necessary; the applicant received a long-term lease (18 years) for the county owned building which underwent a full renovation in 2019 and meets all necessary life and safety requirements.
(4) The beds are currently in use inside the existing structure of the Pascal Crisis Stabilization Center, and will convert from their current use to be utilized for 3.7 and 3.7 WM.
(5)Upon approval, the Applicant expects to implement use for the newly designated beds within 30 days in compliance with the applicable performance requirements.

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

Applicant Response:

Table A: Physical Bed Capacity Before and After Project
The Applicant does not currently have a license to operate a 3.7 WM program. All before project numbers are zero. The Applicant will utilize the second floor of the Pascal Crisis Stabilization Center for the requested 25 bed 3.7 WM project. This floor contains 6 rooms of various sizes: See Exhibit 2, Table A

Room 201 Semi-private 5 beds, 324sqft
Room 202 Semi-private 2 beds, 180sqft
Room 203 Semi-private 3 beds, 230sqft
Room 205 Semi-private 5 beds, 331sqft
Room 206 Semi-private 5 beds, 330sqft
Room 208 Semi-private 4 beds, 310sqft
Room 209A Private 1 bed, 90sqft

10. REQUIRED APPROVALS AND SITE CONTROL

A. Site size: **5.5** acres
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: Anne Arundel County
(2) Options to purchase held by:
(3) Land Lease held by: Pascal Crisis Services, Inc. current lease termination is June 30, 2037 See Exhibit 7, Lease Agreement
Please provide a copy of the land lease as an attachment
(4) Option to lease held by: Anne Arundel County Real Estate Office
Please provide copy of the option to lease as an attachment
(5) Other:
Explain and provide legal documents as an attachment

11. PROJECT SCHEDULE
(Instruction: 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 N/A months from approval date.
B. Beginning Construction N/A months from capital obligation.
C. Pre-Licensure/First Use N/A months from capital obligation.
D. Full Utilization N/A months from first use.

For projects not involving construction or renovations.
Project Implementation Target Dates

A. Obligation or expenditure of 51% of Capital Expenditure N/A months from CON approval date.
B. Pre-Licensure/First Use N/A month from capital obligation.
C. Full Utilization N/A month from first use.

Applicant Response:
The project site is ready for immediate operation once licensure is approved.

For projects not involving capital expenditures.

Project Implementation Target Dates

A. Obligation or expenditure of 51% Project Budget 1 month from CON approval date.
B. Pre-Licensure/First Use N/A months from CON approval.
C. Full Utilization 1 month 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.

Applicant Response:

See Exhibit 1, Floor plan layout

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.

Applicant Response:

Utilities are available onsite and provided by the State of Maryland via Anne Arundel County Real Estate Office as follows:

Water and Sewage: Crownsville Water and Sewage Treatment System
Electrical: BGE
Gas: BGE

The Winterode Complex is comprised of 3 buildings - 41, 43 and 45 Community Place, Crownsville, MD 21032. The project site will occupy building 43. This building is 16,023 sqft with 4 floors of usable space to include a commercial kitchen, cafeteria, administrative offices and other facility areas. The project will be maintained on the 2nd floor of building 43.

The project site was approved for Residential Crisis Services, Outpatient Mental Health Clinic and 3.1 WM services in August of 2019 by Anne Arundel County Planning and Zoning. Also approved during August of 2019, were the following areas:

Fire Safety
Residential Smoke and Fire Alarms
Plumbing, Electrical, HVAC and all other relevant mechanical specialties

PART II – PROJECT BUDGET

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

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.).

Applicant Response:

Assumptions and Explanations

The applicant based its budgetary plan on its existing facility, the Pascal Crisis Stabilization Center located in Crownsville, Maryland. This facility is currently structured for Withdrawal Management 3.1 WM and accepts individuals via the State Opioid Response grant and as such, transitioning to a licensed 3.7 WM program will not require any capital expenditures above and beyond basic equipment.

The Applicant will not have any cost associated with New Construction, Renovations, Financing Cost and Other Cash Requirements. Other capital expenses include medical equipment and a contingency allowance for equipment replacement as needed. The Applicant has set aside $40,000 in cash to support the project startup costs.

See Exhibit 2, MHCC Tables, Table B

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.
   Pascal Crisis Services, Inc. 1215 Annapolis Rd, Suite 204, Odenton MD 21113
   Katherine Bonincontri, President and Executive Director, 1215 Annapolis Rd, Suite 204, Odenton, MD 21113

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.
   No

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.

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.

8/2/22
Date

Signature of Owner or Board-designated Official

Chairman of the Board
Position/Title

Bruce C. Bereano
Printed Name

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.
>
> (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.
>
> (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.

Applicant Response:

Standard .05A (1) does not apply: The Applicant seeks a total of (25) Adult ICF beds.

Standard .05A (2) does apply. The Applicant meets the standard as this project seeks approval for only twenty-five (25) adult ICF beds.

Standard .05A (3) does not apply: The Applicant is seeking initial licensure

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.*

Applicant Response:

Standard .05B(1)(a) does not apply as the Applicant proposes to establish a Track 2 ICF with 25 beds.

(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.

Applicant Response:

Standard 05(B)(1)(b): The Applicant proposes to establish a Track 2 ICF with 25 beds for adults. The Applicant will serve all persons in need at the ICF facility, including those indigent / gray area persons, and no beds will be reserved for private-pay patients. The Applicant is a credentialed Medicaid provider in the state of Maryland and already serves the indigent population, including Medicaid recipients, court referrals, and county-funded persons in this facility. The Applicant provides more than 80% of its annual patient days to indigent and gray area patients and will continue to serve all Marylanders regardless insurance status or ability to pay.

(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.

Applicant Response:

Standard .05(B)(2)(a) Applicant is proposing a new Track 2 ICF with 25 beds in Anne Arundel County, which is part of the Central Maryland region (comprised of Baltimore City and Baltimore, Harford, Howard, and Anne Arundel Counties) as outlined in the State Health Plan. The Applicant agrees with data cited in the Pyramid Walden-Joppa CON Application, Docket No. 20-12-2440, February 21, 2020, p. 33

> "It is our assertion that the need for ICF beds, and specifically Track 2 ICF beds that serve the indigent population, has increased commensurate with the population increase since that date. The US Census Bureau projects Maryland's 2019 Total Population to be 6,045,680. Assuming that each Maryland Region's population as a percentage of the State population remained stable, and using the State Plan's previous assumptions to estimate the rate of Substance Abusers (8.64%), Target Population (25%), and Range Requiring Treatment (95%); we have estimated the current Gross Private Bed Need Range for the State of Maryland to be between to be between 754 and 918; we have estimated the current Gross Private Bed Need Range for the Central Region to be between 367 and 441."

Utilizing this reference and taking into account the Maryland 2020 census data reported population increased to 6,177,224 (2% growth over 2019), which is greater than the average growth percent of less than 1% from 2010 to 2019, supports the conclusion that Maryland's population growth estimates will be higher in the next decade, coupled with the current and continuing opioid crisis, demonstrates the need for additional ICF beds now.

The Applicant recognizes that the bed need methodology outlined in the Maryland State Health Plan for Facilities and Services COMAR 10.24.14 relies on an outdated forecasting model and underestimates the number of actual beds needed as a result of the national opioid crisis.

Standard .05(B)(2)(b) The Applicant agrees to continue to serve indigent and gray area patients, and will serve all individuals in the same groups and treatment locations. All patients will be respected and treated together (comingled), regardless of ability to pay.

Standard .05(B)(2)(c) The Applicant agrees to ensure that indigents, including court-referrals, receive preference for care.

Standard .05(B)(2)(d) The Applicant agrees that if the facility license or Medicaid enrollment is terminated, applicant will notify the Commission and the Office of Health Care Quality immediately and agrees not to use its ICF beds for private pay patients without obtaining a new Certificate of Need.

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

Applicant Response:

The Applicant historically has never turned any client away from treatment due to their inability to pay for services. In fact, a sliding scale fee has not been necessary as all uninsured clients receive an uninsured authorization for services as well as an application for Medicaid, if the need exists; this function occurs during the care coordination process immediately after admission. To expand briefly, the care coordination function within the agency provides a wide range of services with a focus on meeting the specialized needs of persons unconnected to the public mental health system in Maryland.

The Applicant utilizes a sliding fee scale for privately insured persons for outpatient services at both locations consistent with the individual's insurance status and/or ability to pay. The fee schedule is summarized as follows, and represents discount percentages from the standard billing rate charged to insurance carriers for each service:
<100% of Federal Poverty Level 75%
<150% but >100% of Federal Poverty Level 50%
<200% but >150% of Federal Poverty Level 25%

.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;

(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

(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.

(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.

(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).

(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.

Applicant Response:

Standard .05D(1-4) does not apply. Applicant seeks to establish a new 25 Track 2 Bed ICF .

.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.

Applicant Response:

The Applicant agrees to post a fee schedule describing the range and types of services, and their charges, in a prominent place in the registration area. Standard registration information will include a statement that this information is available to the public via the Applicant's website www.pascalcsi.org on hard copy upon request.

ASAM III.7 per diem - $348.48 + $54.77 for room and board
ASAM III.WM per diem - $423.77 + $54.77 for room and board

.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.

Applicant Response:

The proposed location is within 30 minutes driving distance of two (2) hospitals:
1. Luminis Health Arundel Medical Center (6.3 miles, 14 minutes)
2. UM Baltimore Washington Medical Center (12.3 miles, 20 minutes)
The Applicant maintains a fleet of vehicles ready to provide transportation to a nearby hospital as necessary.
See Exhibit 3, Geographical location of hospitals

.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.

(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.

(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.

Applicant Response:

Standard .05G (1) does not apply: The Applicant seeks to establish a 25 bed Track 2 ICF for adults
Standard .05G (2) does apply: The Applicant seeks to establish a 25 bed Track 2 ICF for adults.
Standard .05G (3) does not apply: The Applicant seeks to establish a 25 bed Track 2 ICF for adults .

.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.

(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

Applicant Response:

Standard .05H: The Applicant understands and currently complies with all the above referenced standards and requirements. The Applicant is currently accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) under a 3-year accreditation. The Applicant will be certified by the Office of Health Care Quality before it begins operation and will maintain that certification as a condition of authority to operate an ICF for substance use treatment in Maryland. If the Applicant loses its CARF accreditation, applicant will notify the Commission and the Office of Health Care Quality in writing within fifteen days of receiving notice. If the Applicant loses its State certification, the Applicant will notify the Commission in writing within fifteen days of receiving notice and will cease operation until the Office of Health Care Quality notifies the Commission that deficiencies have been corrected. See Exhibit 4, CARF Accreditation

.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.

Applicant Response:

Standard .05I(1): The Applicant is committed to participating in utilization review and control programs. The Applicant has treatment protocols including written policies governing admission, length of stay, discharge planning, and referral. See Exhibit 5, Policies and Procedures, Performance Measurement and Improvement

(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.

Applicant Response:

Standard .05I(2): The Applicant currently incorporates follow-up procedures into each patient's treatment plan at a minimum, one-year of aftercare following discharge from the facility; patients will often continue in outpatient services with the Applicant due to the rapport created during residential services. See Exhibit 5, Policies and Procedures, Admission, Treatment Plan and Discharge

.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,

Applicant Response:

Standard .05J: The Applicant has transfer and referral agreements with agencies and providers that complement, extend, or exceed the service the Applicant will offer. To date, the transfer and referral agreements obtained are outlined in the table below.
See Exhibit 6, Transfer and Referral Agreements and MOU/MOA

Name of Organization	Agreement	Letter of Support	Notes
Anne Arundel County Health Department	✓		
Anne Arundel County Mental Health Agency	MOA		
Project Chesapeake	✓	✓	
Elevate Recovery	MOU	✓	
Avenues Recovery	✓	✓	
Grace House Recovery Services	✓	✓	
Chrysalis House	✓	✓	
Powell Recovery Center	✓	✓	
Harcum Homes	✓	✓	
Recovery Centers of America	✓	✓	
Harvest of Hope Wellness Center	✓		
Addiction Treatment of Maryland (ATOM)	✓		+ MOU
Evolve Life Centers	✓	✓	+ MOU
Hope's Horizon	MOU		
Opportunity Ministries	MOU		
Penn North Recovery	✓		+ MOU
Recovery 180	✓		
Anne Arundel County Drug Court		✓	
Believe, Evolve, Recover Behavioral Health Services	✓		

(g) The Department of Juvenile Justice and local juvenile justice authorities, if applying for beds to serve adolescents.

Applicant Response:

Standard .05J (2) (g) does not apply as the Applicant is only proposing 25 Track 2 ICF beds for adults age 18 years and older.

.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

Applicant Response:

Standard .05K: At our Crownsville location, the Pascal Crisis Stabilization Center, and at our 1226 Annapolis Rd, Odenton MD location, 97.3% of patient days are provided to persons funded by Medicaid, Federal Probation and Parole, and County contracts.

(2) Administration or a jurisdictional alcohol or drug abuse authority.

Applicant Response:

Standard .05K(2) does not apply

(3) 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.

Applicant Response:

Standard .05K(3) does not apply

.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.

Applicant Response:

Standard .05L: The Applicant will institute standardized in-service orientation and continuing education program for all categories or direct service personnel as it currently does for all its CARF accredited programs. See Exhibit 5, Policies and Procedures

.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.

Applicant Response:
Standard .05M: The Applicant will implement appropriate admission standards, treatment protocols, staffing standards and physical plant configuration in accordance with ASAM Patient Placement Criteria, CARF guidelines, and industry standards. See Exhibit 5, Policies and Procedures, Protocols

.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.

Applicant Response:
Standard .05N: The Applicant will provide all staff with training in appropriate methods of infection control and specialized counseling for HIV-positive persons and active AIDS patients. See Exhibit 5, Policies and Procedures, Universal Infection Control

.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.

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

(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.

Applicant Response:
The Applicant treats all patients who meet its admission criteria, including a projected 97.3% 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.

Applicant Response:
Both outpatient locations provide access to services in the evenings and weekends, with the following hours of operation: Monday through Friday 9AM

– 8PM and Saturday 9AM – 3PM. If any client requires a more urgent appointment, the individual is referred to the Pascal Crisis Stabilization Center for an evaluation to ensure there is no unnecessary wait for a person in need of services. With the expansion of telehealth as a result of the COVID-19 pandemic, the Applicant's clinicians are able to offer extended hours via telehealth, including on Sundays, and actively work with clients to best fit appointments to their schedules.

(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.

Applicant Response:

Standard .05O. (1-5): The Applicant is dedicated to providing a full range of behavioral health services along a continuum of care to best serve our clients. The Applicant has been operating an Outpatient Mental Health Clinic (OMHC) for over 40 years. The Applicant became licensed as an OMHC and continues to provide individual needs assessments and evaluations, individual, family and group counseling. Aftercare follow up, with information and referral following a client's discharge from ICF will continue for at least one year. The Applicant additionally provides Intensive Outpatient Program (ASAM II.1). All Applicant programs are designed to serve all individuals, including special populations as defined in Regulation .08. The Applicant is able to provide OMHC services out of their Odenton location for all ages, and out of our Crownsville location for adults.

.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.

Applicant Response:

Standard .05P: The Applicant 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.

Applicant Response:

Standard .06A does not apply. Applicant seeks to establish a Track Two 25 Bed ICF.

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).

Applicant Response:

Standard .06B does not apply. Applicant seeks to establish a new Track Two 25 Bed ICF.

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.

Applicant Response:

The need for both Residential Crisis Services beds and ICF Beds has increased substantially in the past decade as documented in the following:

According to the NIH,

> *"Provisional data show that drug overdoses have accelerated during the COVID-19 pandemic. More than 93,000 drug overdose deaths were estimated to have occurred in the United States in 2020, the highest number of overdose deaths ever recorded in a 12-month period and a nearly 30% increase from 2019, according to recent provisional data from the Centers for Disease Control and Prevention. This increase follows a steady rise in overdose deaths in the United States since at least the 1980s. Since 2016, drug overdose deaths have been driven largely by fentanyl and similar synthetic opioids. Experts note that factors related to the pandemic-such as social isolation and stress, people using drugs alone, an overall increase in rates of drug use, and decreased access to substance use treatment, harm reduction services, and emergency services-likely exacerbated these trends, though more research is needed to better understand this relationship."*

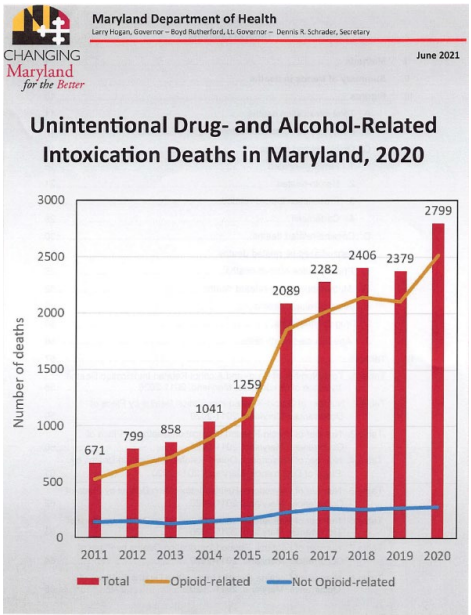
> *"Data indicated there have been large increases in many kinds of drug use in the United States since the national emergency was declared in March 2020. Researchers have found increases in the number of positive urine drug screens ordered by health care providers and legal systems. In these reports, positive screens for fentanyl, cocaine, heroin, and methamphetamine have all increased*

from previous years. Studies in the United States and other countries also suggest many people increased their use of alcohol and cannabis (marijuana), especially people with clinical anxiety and depression and those experiencing COVID-19-related stress. Social isolation and pandemic-related stress are likely contributing factors to increases in substance use and poor substance use outcomes ... "

Source cited: Excerpts from https://nida.nih.gov/research-topics/comorbidity/covid-19-substance-use

The Maryland Department of Health's Unintentional Drug and Alcohol-Related Intoxication Deaths in Maryland, 2020 reports in the "Summary of Trends in Drug Intoxication Deaths – 2011 to 2020" on page 6 the following:

- The number of drug-related and alcohol related intoxication deaths occurring in Maryland increased in 2020…ninety percent of all intoxication deaths that occurred in Maryland in 2020 were opioid-related
- The number of opioid-related deaths increased by 20% between 2019 and 2020.
- Fentanyl-related deaths continued to drive opioid-related deaths
- Between 2019 and 2020 the number of Fentanyl related deaths increase by 22%
- The number of prescription opioid deaths increased 23% between 2019 – 2020



Source Cited: Table *Unintentional Drug – and Alcohol-Related Intoxication Deaths in Maryland, 2020.* Data provided by the Vital Statistics Administration (VSA) of the Maryland Department of Health (MDH).

In response to the increasing overdose deaths, Anne Arundel County initiated a "Safe Stations" program in April 2017; every police and fire department in the City of Annapolis and Anne Arundel County was designated as a safe environment for those seeking help and suffering from heroin/opioid abuse 24 hours a day.

Despite this initiative, and a brief period of decreased overdose deaths in Anne Arundel County, the rate of fatal overdoses has continued to increase in recent years, driven by the introduction of fentanyl into the community.

In an excerpt from the September 2021, the University of Maryland's Opioid Treatment Programs in Maryland Needs Assessment Report reported the following:

> *"It is estimated that there are between 31,541 and 60,654 Marylanders age 15 or older in need of treatment for an opioid use disorder in the past year".*

The report stipulates that although one may want to give some consideration of methodological differences in the report as compared to the previous 2016 Needs Assessment, that *"Regarding estimated need, the claims data available to estimate treatment need only considered patients treated using Medicaid funding. The estimated treatment need would be higher if data were available for patients treated using Medicare or private insurance"* and when *"comparing treatment need to OTP capacity, it is estimated that there are over 11,000 Marylanders in need of OUD treatment that OTPs do not have the capacity to treat…five jurisdictions having a treatment need exceeding OTP treatment capacity by more than a thousand persons – Montgomery County, Prince George's County, Anne Arundel County, Baltimore County, and Frederick County….It is important to note that the NSDUH data available to estimate treatment need was before the COVID-19 pandemic began in 2020."*
Source Cited: Opioid Treatment Programs in Maryland: Needs Assessment Report, University of Maryland School of Medicine, September 2021.

The Pascal Crisis Stabilization Center opened six months before the COVID-19 pandemic, which created an escalation of behavioral health needs in the community. Many clients reported to the Applicant that they were unable to utilize their regular treatment providers, and those in crisis experienced the longest possible wait times in Emergency Departments due to the volume of acute somatic patients in need of care. The factors coalesced into a dramatic increase of clients in need of immediate treatment being referred to the newly expanded crisis stabilization center. The Applicant remained with its doors open, many times during extremely challenging circumstances, and managed the complex needs of people in psychiatric crisis and substance use crisis and in need of immediate stabilization; the Applicant became an extremely valuable resource to the community during the first year of operation after relocating to the larger facility. The Applicant experienced a dramatic and rapid need to expand their services that no other set of circumstances could possibly have caused by comparison.

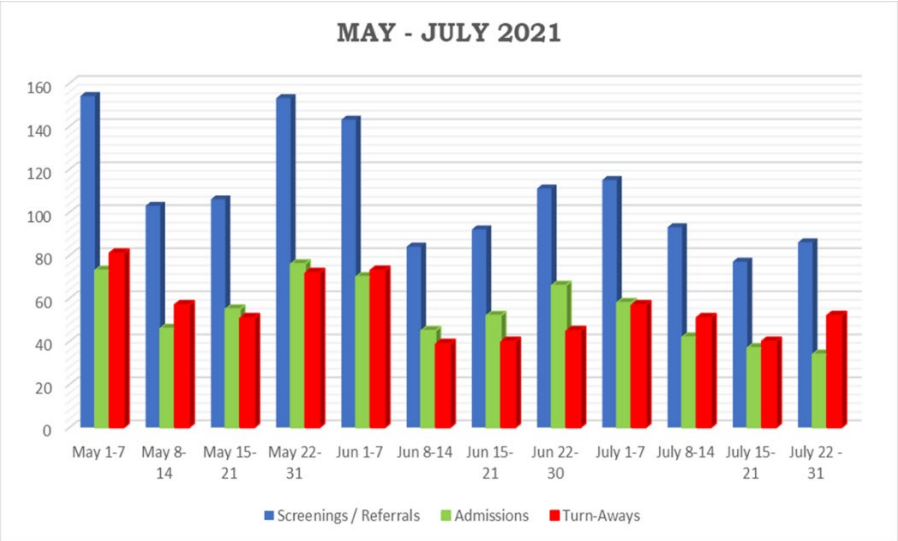
The Applicant's ability to immediately manage complex cases with high mental health acuity, along with withdrawal management services concurrently, has remained one of the greatest strengths of the Applicant and highlights the Applicant's unique rationale for the request for 25 Track 2 ICF beds. The Applicant receives daily referrals from the Anne Arundel Crisis Response System, Anne Arundel County Department of Health, as well as from other providers and courts from all over the State of Maryland.

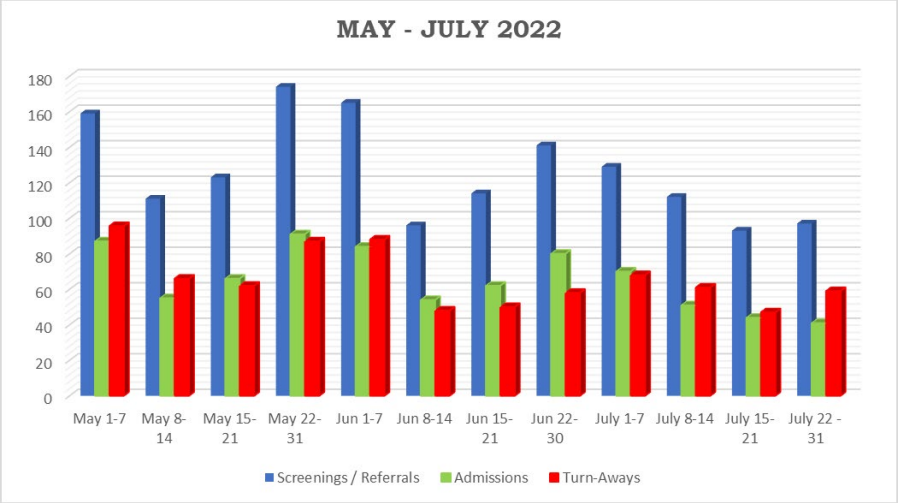
In fact, many other providers - to include other 3.7 providers (even those within close geographical proximity of our facility) refer clients for admission to the Pascal Crisis Stabilization Center due to the clinical capability of managing complex psychiatric cases involving persons with high mental health acuity (including those with Severe, Persistent Mental Illness or SPMI) coupled with high and/or polysubstance abuse in need of detox and co-occurring mental health crisis stabilization.

The Applicant has the unique capability of moving a client from a State Opioid Response (SOR) bed and referring them internally to a Residential Crisis Bed for mental health for further treatment without the client having to change providers or physical location. Many clients benefit from the co-located service arrangement and, in addition, the Applicant has been able to offer ongoing outpatient services for a client that may established a rapport with while utilizing the Applicant's residential crisis services. This is likely another reason for the steep increase in clients referred to the Applicant during the unexpected time in history in which the Applicant established services; the quality of care clients experienced supported many client's decisions to stay connected to the Applicant for ongoing services.

One unfortunate result of the sharp increase in client need during this time period was that individuals would call the Applicant Call Center hoping for an available bed, in order to return to residential care following substance use which could have been potentially life ending, only to be placed on a waiting list. At that point in time, the Applicant began tracking the number of persons contacting the Applicant directly and requesting a bed for detox or withdrawal management services that we were unfortunately unable to access treatment due to insufficient capacity. The Applicant's internal tracking of these "Turn Aways" was shared with the Anne Arundel County Department of Health to highlight the need for additional psychiatric Residential Crisis Services beds, State Opioid Response (SOR) beds and 3.7 and/or 3.7WM within the community.

Turn-Away Data was collected initially from May – July 2021 and for comparative reasons, May – July 2022 is included. For example, Turn-Away Data in the initial 90-day period during May-July 2021, resulted 658 persons unable to access services despite calling the Applicant directly requesting a bed. During the same period in 2022, the Applicant recorded 790 Turn-Aways, an increase of 17% over 2021.





The 2018 Maryland House Bill 384 presented a survey of Maryland ICF(s), in which 12 out of 17 providers reported wait times for alcohol and drug of 2 or more weeks.

The Applicant's call center, coupled with a transportation system, provides the access and ability to serve more persons in need of 3.7 WM treatment in the Central Maryland Region. If the Commission approves the Applicant's project request for 25 Track 2 ICF beds, the Applicant's goal of increasing capacity and access to care in the Central Region and throughout the State of Maryland.

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.

Applicant Response:

In the December 20, 2019 House Bill 626 (Chapter 15, 2019) and Senate Bill 649 (Chapter 473, 2019) Report on review of the chapter of the State Health Plan on Psychiatric Services: Emergency Medical Services, the Maryland Health Care Commission (MHCC) reported to the House Health and Government Operations Committee and the Senate Finance Committee that the Maryland Health Care Commission convened a workgroup in which the members discussed "…factors that may indicate an unmet need for acute psychiatric services…" and "to understand the factors contributing to inadequate access and how MHCC can play a role in resolving the issue". Work group members commented the following on pages 7-8:

"…it is important to understand who the community the mental healthcare system is trying to serve, and to consider from a CON perspective, how the availability of beds affects meeting the needs of patients. **Ms. Farinholt stated that there needs to be more community services, crisis beds, step-down beds, and stabilization centers.** However, the National Alliance on Mental Illness is also hearing from providers, families, and individuals that they cannot access inpatient beds when

needed. Part of the problem is educating people about when a patient should be placed in a psychiatric bed, but another part is that forensic patients are taking up beds in State hospitals, and patients are waiting a long time for psychiatric care when they present at an ED…Ms. Wilkerson stated that patients who are hard to place into an inpatient psychiatric bed are also hard to place when it is time for them to be discharged. She added that the limited number of beds to care for psychiatric patients is part of the reason why you both cannot get people into beds and cannot get patients out of beds…" page 8.

In addition, "Mr. Phelps asked whether information on the number of patients in need of crisis beds is currently captured. Mr. Wright clarified that crisis beds are a level of acuity lower than inpatient psychiatric beds, not a higher-level acuity; **access to crisis beds assists in keeping behavioral health patients out of an inpatient psychiatric bed**. Adrienne Briedenstine noted that Baltimore City has 21 crisis beds that are highly utilized, generally 90 percent. The beds are grant funded."

In Anne Arundel County, the Applicant's 16 Residential Crisis Beds (or psychiatric crisis beds) are also highly utilized but are not grant funded. The Applicant's psychiatric crisis beds operate completely fee-for-service. The Applicant operates a combined total of 44 CARF Accredited Residential Crisis Services (psychiatric crisis beds) and State Opioid Response (SOR) beds, and the co-location of these two critically important services in the Pascal Crisis Stabilization Center's Crownsville location allows for maximization of resources, which is extremely cost-effective due our strategic co-location.

In addition, the Applicant provides transportation for those in need at no cost to any client, and the costs associated are not reimbursed by any grant or fee-for-service billing in any form. The Applicant provides this as a value-added service which has, at times been the difference between life or death for a client. The Applicant transports clients from anywhere in the state of Maryland to the Pascal Crisis Stabilization Center in need of transportation, as well as at discharge to other locations and/or providers for continuing care.

The Applicant designed and implemented an extremely cost-effective model that delivers immediate access to high-quality care for co-occurring clients in need of psychiatric crisis beds and 3.7/3.7 WM beds co-located, when compared to other programs, and especially in comparison to the cost of inpatient hospital facilities.

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) E 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.

Applicant Response:

Assumptions and Explanations

Table D: Entire Facility – Revenues & Expenses, Uninflated - Entire Facility
Applicant is requesting to start a new service. Projected revenue and expenses are represented on Table F.

Table E: Statistical Projections - New Facility or Service

Applicant statistical data is based on the following assumptions:

1. 25 3.7 WM Beds approved and licensed operating at full capacity
2. Average stay of individual client, 7-days
3. New admissions every 7-days maintaining bed usage at 100%
4. Number of discharges estimated 1,200 annually assuming all 25 beds discharge and operating at capacity.
5. Following year estimates assume higher volume or shorter periods of admission due to chronic substance use increasing at a rate of 3% year over year.
6. Patient days calculated based on 25 beds with an average admission lasting 7-days and vacant beds being filled.
7. Occupancy percentage formula for CY2024 was updated to incorporate leap year and 366 days were used instead of 365.

Table F: Revenues & Expenses, Uninflated - New Facility or Service

Applicant Revenue & Expenses are based on the following assumptions:

1. Revenue is based on number of patient days multiplied by $423/service day. Billing rate based on the 2022 Medicaid Fee for Service @ $423/day for 8,400 days in year 1. Following year estimates assume higher volume or shorter periods of admission due to chronic substance use increasing at a rate of 3% year over year.
2. Nearly all expenses will consist of salaries and wages, and contractual clinical services. Supplies and other expenses will include medication management costs of the uninsured, agency professional insurance and transportation.

Table G: Workforce Information

Applicant retains on staff a Medical Director, Psychiatrist, Registered Nursing, Licensed Practical Nursing, Nurse Practitioners, Licensed Clinicians, Licensed Social Workers, Substance Abuse Counselors, Peer Support and direct care staff. Contractual services for food preparation and service are based on the Applicant's facility having a licensed commercial kitchen but contracting a licensed Chef for food preparation and service.

Applicant has included the last two fiscal years of audited financial statements in Exhibit 8.

- 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 <u>independent</u> Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.

- 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.

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

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).

Applicant Response:

The addition of 3.7 and 3.7WM services as part of the total continuum of care provided by the Applicant will not require any construction, capital expenditure, or renovation costs. The beds are currently in use inside the existing structure of the Pascal Crisis Stabilization Center, and will convert from their current use to be utilized for 3.7 and 3.7 WM. In addition, no state and local land use, environmental, or design approval are necessary; the Applicant received a long-term lease (18 years) for the county owned building which underwent a full renovation in 2019 and currently meets all applicable life and safety requirements. Upon approval, the Applicant expects to implement use for the newly designated beds within 30 days in compliance with the applicable performance requirements.

Community Support:

The Applicant has received recognition from the Anne Arundel County Executive, the Anne Arundel County Council, and many members of the Anne Arundel County Delegation. In addition, the community and many other providers have provided letters of support outlining that the vitally important, essential services of the Applicant have positively impacted the community and the relationships between agencies have been extremely successful and beneficial for client care. In addition, many Senators and Delegates, other government dignitaries, and the former Lt. Governor have all personally toured the facility, and remain tremendous advocates of the Applicant in the community.

Government Letters of Support
Mr. Peter Franchot, Comptroller of Maryland
Senator Ed Reilly
Delegate Nicholaus Kipke
Honorable Stacy McCormack, AACO Drug Court
Anne Arundel County Drug Court

Community Letters of Support
Project Chesapeake
Elevate Recovery
Avenues Recovery
Grace House Recovery Services
Chrysalis House
Powell Recovery Center
Harcum Homes
Recovery Centers of America
Evolve Life Centers

See Exhibit 7, Government and Community Letters of Support

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.

Applicant Response

This standard does not apply. Applicant is requesting a new Track 2 25 bed ICF.

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.

Applicant Response

The Applicant believes that the approval of twenty-five (25) Track 2 ICF beds will provide a state-wide benefit for Marylanders and yield a positive impact, as it will provide additional capacity for those in need of immediate 3.7 and 3.7WM services, help reduce the wait time experienced by individuals for urgently needed beds, and ultimately assist in the effort to reduce the amount of overdose deaths. The Applicant provides a unique service delivery model in Maryland due to the 24/7/365 Admission policy of the Pascal Crisis Stabilization Center, which simultaneously offers immediate mental health care by licensed clinicians for even the high mental health acuity clients upon an individual's arrival, in addition to other needed services. If an individual requires continued treatment for mental health after completion of 3.7 and/or 3.7WM services, the co-located Residential Crisis Services beds can be utilized, and no transportation to an alternate location is needed.

The Applicant believes that there will be no impact on costs or charges to the health care system from the project, as reimbursements rates are set by payors for those in the public mental health system, and privately insured rates are negotiated via insurance agencies and have set reimbursement rates unaffected by the approval for the addition of 25 Track 2 ICF beds for the Applicant. The Applicant expects that for the State of Maryland, the result of fewer in-patient hospitalization stays for those individuals diverted to the Pascal Crisis Stabilization Center will represent a cost savings to the health care delivery system.

Given the continued rise in substance use disorder deaths in the state of Maryland, the Governor's declared state of emergency due to the opioid epidemic, and the internal "turn away" data captured by the Applicant call center, documented need exists for additional Track 2 ICF bed capacity in the Central Maryland Region, and further approval for the Applicant will increase access to treatment for persons in need throughout the entire state of Maryland. Given the current need and population projections, the Applicant expects that other providers will not experience volume shift of any significant amount. The cost-effectiveness of services with the unique emphasis on admission for those in crisis and the availability to access immediate treatment for persons in need of high mental health acuity care presents a unique, affordable alternative to hospitalization for those in need of immediate detox and/or fully co-occurring behavioral health services.

The Applicant has provided immediate care to individuals, mainly indigent and gray area persons and underserved populations, for the past five years and rapidly became known state-wide as a provider of the highest quality. The Applicant is now the largest provider for crisis stabilization services for those suffering from substance use disorder and behavioral health crisis services in Anne Arundel County. The Applicant maintains that a client's needs come first, and the agency has shown the commitment to provide "radical compassion", driven by hope, and will continue to grow through innovation and collaboration in the pursuit of excellence.