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January 13, 2023

**VIA HAND DELIVERY AND  
VIA ELECTRONIC DELIVERY**

Paul E. Parker, Director  
Center for Health Care Facilities Planning and Development  
4160 Patterson Avenue  
Baltimore Maryland 21215

Re: Pascal Crisis Services, Inc. Docket No. 22-02-2459  
Interested Party Comments of Gaudenzia, Inc.

Dear Mr. Parker:

Enclosed please find the comments of Gaudenzia, Inc. regarding the above referenced Certificate of Need application. Gaudenzia seeks to be recognized as an interested party in this review for the reasons set forth in the enclosed comments pursuant to COMAR 10.24.01.01B(2) and (20).

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Carolyn Jacobs' followed by a stylized flourish.

Carolyn Jacobs

CJ:tmh  
Enclosures

cc: Wynnee Hawk, Chief, Certificate of Need  
Ruby Potter, Program Manager  
Kristy Blalock, Executive Director, Gaudenzia

**BEFORE THE MARYLAND HEALTH CARE COMMISSION**

**IN THE MATTER OF**

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**PASCAL CRISIS SERVICES, INC.**

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**DOCKET NO. 22-02-2459**

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**INTERESTED PARTY COMMENTS OF GAUDENZIA**

Pursuant to COMAR 10.24.01.01B(20)(e) and 10.24.01.08F(1), Gaudenzia, Inc. ("Gaudenzia") provides the following comments regarding the Certificate of Need application (the "Application") filed by Pascal Crisis Services, Inc. ("Pascal") to establish a twenty (20) bed 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.

**I. BACKGROUND**

**a. Gaudenzia**

Gaudenzia is a 53-year old non-profit provider of substance abuse treatment services. Gaudenzia operates 169 programs in 101 facilities located in Pennsylvania, Maryland, Delaware, and the District of Columbia. Its corporate offices are located in Norristown, Pennsylvania and its Chesapeake regional office is located in Anne Arundel County. Gaudenzia is the largest substance use provider in Pennsylvania and Maryland, with annual admissions of about 18,000 persons across its system. It operates multiple programs across five locations in Maryland.

Gaudenzia's programming includes prevention services, crisis intervention services, withdrawal management or detoxification, 28-day treatment programs, longer-term treatment, halfway houses, intensive and standard outpatient services, mental health services, day treatment, medication management, and sheltered programming for the homeless as well as specialized services for women, children, and clients with criminal justice involvement. Two of Gaudenzia's

Maryland facilities are in Baltimore City. One of these facilities, in the northwest quadrant of the City, is an ICF that provides ASAM Level 3.3 and 3.5 residential programming and 3.7WM services. Gaudenzia also operates two facilities in Anne Arundel County; an outpatient program and Outpatient Mental Health Clinic in Glen Burnie for adults and adolescents and Gaudenzia-Crownsville, a Track Two facility for adults that is particularly relevant to these comments.

Gaudenzia-Crownsville, located at 105 and 107 Circle Dr, Crownsville, MD 21032 is a 175- bed facility with multiple substance use and co-occurring disorders treatment programs that provide:

- Assessment Services
- W.A.R.M.S. Walk-In Crisis Stabilization Center
- Detox and/or Withdrawal Management
- High-Intensity Residential SUD Treatment
- Low-Intensity Residential SUD Treatment
- Medication-Assisted Treatment (MAT)
- Medication Management

Gaudenzia uses an evidence-based, person-centered treatment model in conjunction with trauma-informed, culture-informed, and gender-responsive care.

Gaudenzia-Crownsville provides outpatient (ASAM Level 1.0) and residential services (ASAM Levels 3.1, 3.3, and 3.5), as well as ASAM Level 3.7 and ASAM Level 3.7WM services. In 2019 Gaudenzia received a Certificate of Need for Gaudenzia-Crownsville to add ASAM Level 3.7 services by adding 27 beds in available building space and programming 15 of those additional beds for ASAM Level 3.7WM services and 12 of the beds for ASAM Level 3.7 treatment. Gaudenzia now provides (54) Level 3.7 and (12) Level 3.7WM beds at Crownsville. Thus, Gaudenzia provides a continuum of services on its Crownsville site, allowing individuals to “step down” from ASAM Level 3.7 services to longer-term and less intensive residential Level 3.3 and Level 3.5 services.

There are three (3) other facilities in Anne Arundel County (in addition to Gaudenzia) that provide medically monitored intensive inpatient services: Pathways in Annapolis is a 40-bed facility, Hope House Treatment Centers in Crownsville is a 49-bed ICF, and Maryland House Detox, in Linthicum, currently operates 40 Level 3.7WM beds. Pathways, Hope House, and Gaudenzia operate “publicly-funded” or “Track Two” beds, a classification used in the COMAR 10.24.14 (“ICF Chapter”) to designate ICFs that are operated by the State or substantially funded by the budget process of the State or in ICF substantially funded by one or more jurisdictional governments, which are established jointly by providers and the jurisdiction or jurisdictions to meet the special needs of their residents and that reserve at least 50 percent of their proposed annual adolescent or adult bed capacity for indigent and gray area patients.

**b. The Proposed Project**

Pascal Crisis Services, Inc. ("Pascal") seeks to establish 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. Pascal currently operates 44 CARF Accredited beds and proposes to establish twenty (20) Track 2 ICF beds within the Pascal Crisis Stabilization. Twenty (20) beds currently operating as State Opioid Response (SOR) and Resolution beds would be converted to become Track 2 ICF beds.

**2. GAUDENZIA QUALIFIES AS AN INTERSTED PARTY**

Gaudenzia is authorized to provide the same services as Pascal proposes to provide (alcohol and drug abuse intermediate care facility treatment services, including ASAM Level 3.7 and 3.7WM – Medically Monitored Inpatient Detoxification) in the same planning region (Central Maryland) and in the same jurisdiction (Anne Arundel County) in which Pascal seeks to establish

a new facility. Gaudenzia is located virtually next door to the proposed new facility (driving distance of .1 mile) and services patients from Anne Arundel County, the Central Maryland Planning Region, and across the entire State of Maryland. Located in Crownsville, it is reasonable not only that Pascal will serve patients that are currently served by Gaudenzia, who originate in the Anne Arundel County/Crownsville area, but draw patients from Gaudenzia's broader service area. Accordingly, the proposed new facility could reasonably provide services to residents in the Central Maryland region, including but not limited to Anne Arundel County specifically, so Gaudenzia qualifies as an interested party under COMAR 10.24.01.01B(20)(e) and .01B(2)(a).

### **3. STATE HEALTH PLAN STANDARDS AND REVIEW CRITERIA NOT MET BY PASCAL**

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.

Pascal's proposed project fails to meet this "more cost effective alternatives" standard because existing facilities, including Gaudenzia, have the ability to serve the population that Pascal proposes to serve. Pascal's assertions are that its clinical services in Anne Arundel County are unique are incorrect. According to Pascal, it has unique attributes which other existing providers do not have.

Pascal responded in its September 23, 2022 Completeness Response to the Commission's inquiry to describe "how existing facilities meet/cannot meet the demand" and "how and why PASCAL will be able to offer a more cost-effective alternative approach":

Pascal believes that the approval of twenty (20) 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. This unique capability to provide mental health services, residential crisis services and substance use withdrawal management in sequence or combination, sets Pascal apart from existing facilities that only offer substance use treatment. Pascal's expertise and experience in addressing co-occurring needs and crisis stabilization services provides a high level of return to the patient and the community. Pascal

provides a unique service delivery model due to the 24/7/365 Admission policy of the Pascal Crisis Stabilization Center...”

The statements above imply that existing providers do not have the capabilities referenced above. That is inaccurate. Gaudenzia – located virtually next door to Pascal – serves the same population of persons with co-occurring disorders – *i.e.*, persons with complex psychiatric disorders in need of detox and co-occurring mental health crisis stabilization. This is not a unique attribute of the Pascal project. Gaudenzia-Crownsville provides mental health services, crisis stabilization, and substance use withdrawal management – in sequence and in combination.

Pascal does not have a “unique service delivery model due to the 24/7/365 Admission Policy”. Gaudenzia admits all clients 24/7/365 into all levels of care. There are direct admissions into Gaudenzia-Crownsville and Gaudenzia also has a 24/7/365 HelpLine that answers calls, screens for admissions and arranges transportation into all Gaudenzia programs. In addition, Gaudenzia has the capability of immediately assessing someone in its W.A.R.M.S unit and placing the patient in the appropriate level of in-person care. The Crownsville W.A.R.M.S. Program is a **24-hour walk-in crisis stabilization center** that provides:

- Assessment Services
- Detoxification/Withdrawal Management
- Medication-Assisted Treatment (MAT)
- Individual Counseling
- Group Counseling

Pascal also maintains that it is unique because it has the “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. Pascal is not the only provider with the ability to move a patient from an SOR bed and refer a patient internally to a residential level of care. Gaudenzia also has SOR beds and is able to move a person from a SOR bed into a treatment bed within 24-48 hours

Last, Pascal also maintains that it has had to maintain a waiting list which makes no sense to Gaudenzia. Gaudenzia does not utilize a wait list as it has not been needed. Gaudenzia is able to flex its 3.7 beds and not turn any prospective client away from treatment.

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.

Per the representations made by Pascal, Gaudenzia maintains that the Pascal project is not financially viable and therefore does not meet the standard set forth above. The following statement was made by Pascal as reported in the November 3, 2022, Maryland Daily Record. The Daily Record reported that the head of Pascal Crisis Services, in a letter to the General Assembly, said the nonprofit has been unable to resolve issues with Optum and is concerned over its lack of a reliable system to track billed and paid services: "Pascal remains in limbo as Optum continues to be unable to account for their reconciliation of internal payment data," Phillip Bonincontri, chief operations officer at the nonprofit, wrote. Of course, Gaudenzia of course is all too familiar with the issues concerning Optum and funds allegedly owed by behavioral health programs in connection with the estimated payments made by Optum in 2020 and Optum's attempts to reconcile such payments. Nonetheless, such a statement certainly raises concerns about the financial viability of Pascal.

Gaudenzia understands that Pascal continues to dispute the assertion by Optum that the Pascal agency received \$750,000 in overpayments during the 2020 Administrative Services Office transition period from January 2020 – August 2020. Of course, no one can predict at this time how Optum will handle the chaos created by the estimated payments made during the January 2020 – August 2020 transition period.

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.

Pascal has failed to meet the “impact” standard. The Project will result in additional (and unnecessary) health care costs and negatively impact existing providers in the Central Maryland health planning region, particularly in Anne Arundel County.

Pascal also has failed to provide any meaningful analysis of the impact on existing providers, simply asserting that the project will have no or minimal impact and repeating its assertion that “There is no other provider in the jurisdiction that offers all of the behavioral health services and ASAM levels of care in one location with 24/7/3365 admissions providing access to care and immediate treatment similar to pascal”. (September 23 Pascal Response p. 16). As stated above, Gaudenzia offers “behavioral health services and ASAM levels of care in one location” and the W.A.R.M. Center (per above) is available 24/7/365. In addition, Gaudenzia has direct admits 24/7 with transportation available.

In its October 30, 2022 completeness response (page 9), when asked to describe the services provided by Pascal “and how this may impact existing providers – Pascal does not describe the impact but instead inaccurately maintains that “Pascal is the only provider that accepts admissions 24/7/365 in our jurisdiction.” Pascal fails to respond perhaps because it is aware that its project will negatively impact existing providers.

When asked about how approval of the Pascal application will impact other providers regarding staffing availability and costs” (September 23 Pascal Response p. 17), Pascal responded that the impact will be negligible – again without providing any specific data or analysis. Clearly the staffing shortages (identified by Pascal as “a Global challenge”) will impact existing providers



who need to staff existing 3.7 and 3.7WM beds. Expansion by definition will increase the demand for staff with the skills needed for medically monitored detoxification and treatment programs. Such staffing concerns are critical.

The existing facilities, particularly those located in Anne Arundel County which are located within a very short distance of Pascal: Gaudenzia and Hope House (located practically next door) and Pathways (less than 6 miles from the Pascal site), are likely to be negatively impacted due their close proximity and the number of beds Pascal is proposing. The Pascal project also is likely to erode Gaudenzia's existing referral base.

With respect to impact on costs and charges, expanding the availability of Type Two ICF beds has the potential for increasing public funding requirements for treatment, primarily Medicaid spending.

#### CONCLUSION

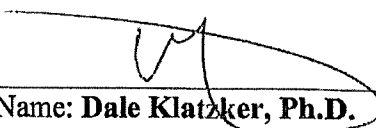
For the reasons stated above, Pascal's Certificate of Need Application should be denied.

Respectfully Submitted



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I hereby declare and affirm under the penalties of perjury that the facts stated in the Interested Party Comments of Gaudenzia are true and correct to the best of my knowledge, information and belief.

  
Name: Dale Klitzker, Ph.D.

PRESIDENT/CEO  
Title: CEO

Date: 1/12/2023