



April 8, 2022

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

Jonathan Wolf, President  
Pyramid Healthcare, Inc.  
P.O Box 967  
Duncansville, PA 16635

**Re: Pyramid-Walden, LLC – Bowie ICF  
Facility**

Dear Mr. Wolf:

Commission staff has reviewed the application from the Pyramid Walden, LLC for Certificate of Need (CON) approval to establish a 50-bed Track Two Level III.7 medically monitored and III.7WM withdrawal management program in Bowie, Prince George's County. The total project cost is estimated to be \$9,861,600. There are areas in the original application which were found by staff to be incomplete, and therefore staff requests that you provide responses to the following questions:

**Project Identification and General Information**

1. Provide an organizational chart delineating the hierarchy of the entities listed in the Ownership and Control Information exhibit.
2. Confirm if Pyramid Healthcare Inc., which is listed as the name of the facility is also the legal name of the Project Applicant.
3. Provide the name of Licensee or proposed licensee, if different from the Applicant.

**Comprehensive Project Description**

4. Please include full size, legible drawings of the facility at least 1/16" scale. The drawings should include existing and proposed floor plans of the project with all rooms labeled.
5. Provide the total square footage of the new construction and that of the renovation.

### **Project Schedule**

6. Please provide a target date for first use of the facility.

### **Sliding Fee Scale**

7. Explain the basis of the scale, the source of data, parameters, factors will be used to determine the structure of the scale and an individual's ability to pay? When applying the facility's sliding fee scale, will total gross household income, equity in a primary residence, and/or a person's net worth be included? What documentation will be required to make a determination?

### **Information Regarding Charges**

8. Provide a list of proposed services and prices.

### **Sources of Referral**

9. Explain how Pyramid Walden will monitor the amount and proportion of bed days utilized for indigent or gray area patients (i.e., on a daily, monthly, quarterly, etc., basis), and if indicated, how it will adjust its outreach and admissions process to ensure that 50% or more of its annual bed days are allocated to indigent or gray area patients.

### **Identification of Bed Need**

10. The application states that there are only 10 existing track 2 ICF beds in Prince George's County, but Table 2 shows 59 beds at Hope House in Laurel. Explain the discrepancy.
11. The application documents the bed need by providing information about turndowns at their current call center. The information provided includes counties in both Maryland and Pennsylvania. Please provide call turndown numbers for Maryland residents only, by county.
12. The turndown chart provided in the application is labeled as representing a full calendar year, while the subsequent calculation of bed need identifies this figure as representing a 120-day period. Please explain the discrepancy.
13. What percentage of overall state need is represented by calls to the Pyramid Walden call center? What percentage of individuals who call into the center and are offered treatment accept and receive care?
14. The application provides data from the Pyramid Walden call center (Exhibit 7) that shows that the facility gets referrals from all over the state. In general, how far are patients willing to travel for care?



### **Outpatient Alcohol and Drug Programs**

15. What is the expected date of opening of the outpatient alcohol and drug treatment program?
16. How will your outpatient program, or outpatient partners serve special populations, defined as women, women with dependent children, elderly, poor, homeless, adolescents, patients with mixed- dependencies, hearing impaired, disabled, minorities and other special needs?

### **Transfer and Referral Agreements**

17. Provide the grid of transfer and referral agreements identified in the application. Include a list of the agencies and/or entities likely to be referring patients to Pyramid Walden and those that will accept Pyramid Walden patients for long-term or after-care.

### **In-Service Education**

18. Will your facility utilize volunteers and if so, will they have comparable training to salaried staff?

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

19. As required in **COMAR 10.24.01.08G(3)(c)**, 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.
20. Provide information on other alternatives considered outside of using existing facilities. Were other sites considered?

### **Viability**

21. Financial statements provided in Exhibit 19 are for Clearview Pyramid Acquisition Company, LLC, which is not listed in the ownership and control information in Exhibit 1. Identify and explain the relationship of Clearview Pyramid Acquisition Company, LLC to the applicant. Provide audited financial statements for Pyramid Walden, LLC.

### **Impact**

19. Provide a discussion of the impact of the project on other Track 2 facilities in the region and the state, not only Prince George's County. Include sources of data and all assumptions used.



**Physical Bed Count (Table A)**

22. Table A shows 100 level III.7 and III.7 WM beds and 100 level III.5 residential beds. The application states that 50 beds will be for III.7 and III.7 WM beds and 50 Residential. Explain the discrepancy.
23. Please explain your choice to use triple occupancy rooms in your new facility instead of private or double- occupancy rooms.

**Project Budget (Table B)**

24. Please provide a revised budget Table B that includes the sources of funds for the project, and the expenses broken down into the specific costs and funds attributable to the 50-bed level III.7/III.7 WM ICF and the costs and funds attributable to the 50-bed level III.5 residential unit. Please also list the assumptions relied on in creating the budget.
25. Please explain the calculations for the contingency allowance.

**Statistical Projections (Table E)**

26. Table E instructions required an attachment that provides an explanation or basis for the projections and specify all assumptions used. Also, explain why the assumptions are reasonable. Please provide this information.
27. In the discussion of need, a length of stay of 14 days was used to validate the need for the 50 level III.7/level III.7 WM beds requested for this project. However, in the statistical projections (exhibit 16, Table E), the expected length of stay is 20.1 days. Explain this discrepancy.
28. According to the application, 50 beds will be used for III-7 and III.7 WM patients, but in table E, line 5, only 9,041 patient days will be allotted to III.7 or III.7 WM level of care. This amounts to only a 49.5% occupancy for beds allotted to III.7 and III.7WM patients, not the 85% shown in the table. Will a significant number of 50 ICF beds be regularly used for III.5 patients? How does this effect the expected revenue for the facility? Explain how total occupancy was calculated.
29. Please explain the 80/20 breakdown of rehabilitation/comprehensive care beds.

**Revenue and Expenses (Table F)**

30. Table F instructions required an attachment to the application that provides an explanation or basis for the projections and specify all assumptions used and explain why the assumptions are reasonable. Please provide this information.



31. Table F includes up to \$100,000 for contractual employees in Year 2 which are not included on Table G. Please explain the discrepancy. Explain the reduction in contractual employee expenses from 2024 to 2025.
32. Specify what is included in "other expenses" Line 2j on Table F.
33. The application states that an outpatient drug program will be established at the Bowie site. What is the expected revenue and expenses for these on-site outpatient services?

#### **Table G Workforce Information**

34. Is the cost of benefits included in the salary information for staff? If not, include the cost of providing benefits.

#### **Exhibit 9**

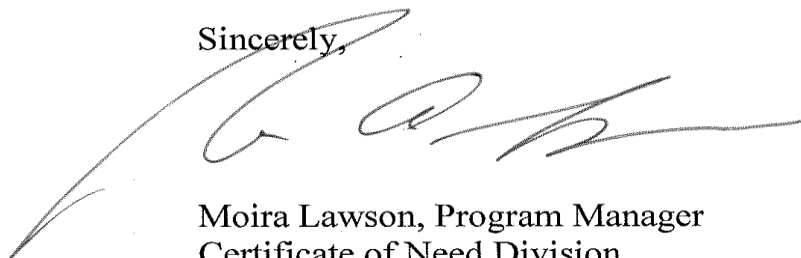
35. The first page of your utilization review policy is illegible. Please send a readable copy.

Please submit four copies of the responses to above questions and requests for additional information within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov). If additional time is needed to prepare a response, please let me know at your earliest convenience.

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

Should you have any questions regarding this matter, please contact me at (410) 764-3232.

Sincerely,



Moira Lawson, Program Manager  
Certificate of Need Division

cc: Jonathan Wolf, President Pyramid Healthcare Inc.  
Paul Parker, Director, Center for Health Care Facilities Planning & Development  
Wynee Hawk, Chief - Certificate of Need  
Ernest L. Carter, MD, PhD, Health Officer, Prince George's Health Department

