



April 4, 2023

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

Yinka Fadiora  
Chief Operating Officer  
1726 Whitehead Road  
Woodlawn, Maryland, 21207

Re: Hope Health System, Inc.  
Establish a Special Psychiatric Hospital for Children and  
Adolescents  
Matter No. 23-03-2465

Dear Mr. Fadiora:

The Maryland Health Care Commission (Commission) staff has reviewed the above-referenced Certificate of Need (CON) application. Please provide responses to the following questions:

**General**

1. Please provide the sources and assumptions made in all tables that support the CON application
2. As indicated on p. 4, please identify the facility and bed count for:
  - a. The seven Maryland hospitals that provide child psychiatric services; and
  - b. The eleven Maryland hospitals that provide adolescent psychiatric services.
3. Budget: Page 5 provides the estimated project cost, and later a working capital credit line is cited as the source (Exh. 7). What is the status of the application for the credit line and what other funding options is applicant exploring if the credit line is not approved?
4. As stated on p. 6, provide the final agreement which provides the relationship and role between HHS and Scott Migdole. Please identify these consulting costs in the Project Budget.
5. Please provide an organizational chart that shows the relationship of Hope Health Services, Inc., (HHS) to the following entities: (1) Hope Health Psychiatric Hospital (HHPH); Hope Health Properties, LLC (HHP); the four HHS offices located in Baltimore City, and Baltimore, Carroll, and Prince George's Counties; and any other entities or subsidiaries owned and

operated by HHS, either referenced in the application or in the financial statements. Please identify the ownership for each entity including the percentage ownership if there are multiple owners; include an entity relationship diagram that provides an overview of the hierarchy of the relationships within the entire organizational structure.

6. Project Description: Please provide the following:
  - a. A detailed description of the plans to minimize the disruption of current behavioral health services by HHS during the renovations?
  - b. Please describe how the 15,329 SF in renovations will meet the FGI Guidelines for a hospital-based pediatric behavioral and mental health patient care program.
7. Please provide full scale line drawings. Clearly identify each patient room, the square footage of all rooms and spaces, if a room is designated for a child or adolescent, and open areas in the proposed inpatient psychiatric program.
8. The plans show a distinct classroom in the children's program area. Describe the educational services planned to be provided to the child and adolescent population. Are the costs for the education program included in the Revenue and Expense Statements? If not, please update the appropriate tables to include.
9. In Exhibit 1, p. 18, the applicant indicates that the eligibility requirements for the child and adolescent programs at HHS are "ages 5-21 years." Please clarify whether this includes the proposed inpatient psychiatric child and adolescent program as well.
10. Please provide a detailed description of the security measures to be provided for HHPH, including the child and adolescent psychiatric rooms. Will HHS outpatient comingle with HHPH inpatients or will there be any security measures be considered about the potential access? Provide a detailed description of the security guard staffing plans, including whether the security staff will be shared with HSS outpatient facility. Are the costs for the security personnel and the security program included in the Revenue and Expense Statements and the Workforce Information?
11. Please describe how you will ensure compliance with federal and state requirements for closing a hospital, and HIPAA requirements to ensure all medical records are kept safe and confidential given the landlord's remedies under the lease agreement.
12. Exhibit 3, page 20, there is a blank which needs to be corrected: "(ii) the Landlord shall not be required to expend more than (insert amount) to complete the work requested by the Tenant".
13. Lease terms – Please explain the reasoning for having a five year term for a hospital lease.



## **State Health Plan**

### **COMAR 10.24.10., General Standards**

#### **Information Regarding Charges**

14. Please provide a response to each of subparagraphs (a) through (c) separately. Please indicate where in Exhibit 10 does this policy address each of these subparagraphs.

#### **Charity Care Policy**

15. Please provide the sliding fee scale for HHPH.

16. Please provide a copy or draft copy of the application used to determine probable eligibility for charity care.

17. Describe in more detail the eligibility for the charity care process and what is required by applicants before a decision is made within two days.

18. The applicant makes the following statement in Exhibit 10, p. 4, the third bullet item under “Determination of Charity Care Eligibility” :“HHS provides 100% charity to individuals enrolled in the Medicaid program and other means tested State & Local programs.” Please clarify how HHS will implement the provision of charity care provided to the Medicaid eligible patient population.

#### **Construction Cost of Hospital Space**

19. COMAR 10.24.21.05B(10) Construction Cost states that “a hospital construction project or renovation project shall be compared to the benchmark cost of good quality Class A hospital construction given in the Marshall Valuation Service guide.” Please revise your construction cost characteristics to meet the Construction Cost of Hospital Space for good quality Class A hospital, as required by the standard.

### **COMAR 10.24.21**

#### **Acute Psychiatric Services**

20. Access to Acute Psychiatric Services (p. 55). Please provide any policy or procedure and describe the process applicant will use to determine when a patient is turned away. In this situation, please discuss what steps would be taken to assure the individual obtains the appropriate services.



## **Other Criteria**

### **Viability**

21. Provide an audit letter and analysis from the new independent CPA for CY 2021 for both HHS and HHP with financial statements from HHS, Inc. (tenant), and HHP, LLC. (landlord), independently, that will affirm that each of these entities have the financial resources to complete their portion of the proposed inpatient psychiatric project. Please provide more detail or documentation that demonstrates that HHS and HHP are legally separate entities.

### **Impact**

22. Please provide numerical projected estimates of volume shifts from other providers. Please identify the facilities, hospital Emergency Departments or Observation Units that 80% of the first year of patients will be derived.

23. Please explain the impact of staff recruitment to existing psychiatric programs (both inpatient and outpatient) in the proposed Baltimore/Greater Washington service area?

### **Tables**

24. Please provide the assumptions used for each of the exhibits in the CON application tables package.

25. Tables E: Moveable equipment and “Other Costs” are excluded from either the HHS budget or the HHP budget. This must be accounted for in the budget. The IT equipment charge is also not listed. Please provide the complete budget for the project.

26. Tables G/J: Please address the following:

- a. What assumptions are used to calculate charity care and bad debt?
- b. Explain revenue line for professional services and how it differs from either inpatient or outpatient services.
- c. Please explain why depreciation was not included? Why is there no new amortization required?
- d. Please elaborate on line j. Other expenses.
- e. How is the “non-operating income” in the red after 2021? Please explain this value.

27. Please explain the discrepancy between Table J and Table H. Table H shows workforce totaling \$5,139,345 including contractual staff salaries; Table J shows salaries at \$5,139,345 and contractual at an additional \$546,547.



28. Table J: Rent (Exh 2, schedule 1, is \$19,250 per month), or \$231,000 per year. Please explain why the lease expense is listed as \$259,800 per year? Also explain or provide the assumptions for the lease expense in Table G, entire facility that shows an increase of \$388,800 per year starting in 2024, the first projected year of new project.

29. Provide an updated Table H (Workforce Table) only including the staff for the HHPH. Identify which staff members will be eligible for benefits and the method used to calculate the benefits.

30. Table H (Workforce Table). Please address the following:

a. Identify what current staff of the 78.82 FTEs in Direct Care and 6.08 FTEs in Contractual Employees will also staff the HHPH. What is the breakdown between existing HHS outpatient employees and HHPH employees?

b. The distinction between HHS and HHPH is not clear. With regard to the .0 FTEs and 17.7 FTES that HHPH proposes to hire, please clarify what entity these employees are proposed to staff: the proposed inpatient psychiatric care program for children and adolescents, or to the existing HHS outpatient staff.

c. Under category 2, contractual employees, please provide an explanation of why the professional staff are contractual? Please identify what personnel are included in the term professional services. Also, is the use of “professional staff” in this category an industry standard or practice?

d. Please describe what other expected changes in operations will activate the third grouping of personnel under “Other Expected Changes in Operations.”

e. Please explain the rationale for not having a registered dietician or nutritionist in the staffing plan for children and adolescents, including how their dietary needs will be met.

f. The MA assistant and purchasing positions appear to pay at a salary below minimum wage.

g. There is only one maintenance position, is that reasonable? What are the responsibilities of the maintenance position?

h. Explain the assumptions and rationale for the personnel projections in nursing, security, and maintenance.

i. The need for 27.60 full-time reception/assistant/clerical positions.

31. Please discuss what steps HHS and HHPH will use to recruit the additional 40.0 FTEs and 17.7 contractual employees. What resources will the applicant utilize to recruit the additional staff?

32. Please provide a staffing plan including a shift schedule that shows the employees that will staff the proposed inpatient psychiatric program 24 hours per day, seven days a week. A table with this breakdown by shift (i.e., day, evening, night) and by day of week (i.e., weekday, weekend) should be provided.



**ADDENDUM: PART III**

33. Please print the attached revised Addendum: Part III and have each responsible party sign the form.

As with all hospital CON applications, Commission staff has requested that the Health Services Cost Review Commission (HSCRC) review the application with regard to financial viability. They may have additional questions which will be forwarded to you separately when available. Please respond to their request for information in the same manner and including all required parties.

Please submit four copies of the responses to the above questions and the 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](mailto:ruby.potter@maryland.gov) ) and to [mhcc.confilings@maryland.gov](mailto:mhcc.confilings@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) 764-5982.

Sincerely,



Eric Baker  
Program Manager Certificate of Need

cc: Marta Harding, Esq., Venable  
Ruby Potter, MHCC  
Wynee Hawk, MHCC  
[mhcc.confilings@maryland.gov](mailto:mhcc.confilings@maryland.gov).  
Caitlin Tepe, AAG, MHCC  
Alexa Bertinelli, AAG, MHCC  
Gregory Wm. Branch, M.D., Health Officer, Baltimore County



**ADDENDUM: PART III –APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE:**

I hereby declare and affirm under the penalties of perjury that within the last ten years:

(a) No current or former owner or senior manager of the applicant or of any related or affiliated entity:

(i) Has been convicted of a felony or pleaded guilty, nolo contendere, entered a best interest plea of guilty, or received a diversionary disposition regarding a felony;

(ii) Has received a determination of exclusion from participation in Medicare or State health care programs, with respect to a criminal conviction or civil finding of Medicare or Medicaid fraud or abuse; and

(b) Neither the applicant, its operator, nor a current or related or affiliated entity:

(i) Has been convicted of a felony or pleaded guilty, nolo contendere, entered a best interest plea of guilty, or received a diversionary disposition regarding a felony;

(ii) Has received a determination of exclusion from participation in Medicare or State health care programs, with respect to a criminal conviction or civil finding of Medicare or Medicaid fraud or abuse; or

(iii) Has paid fines, penalties, or entered a monetary settlement that exceeds \$10,000,000 with or without an admission or finding of guilt with respect to any criminal or civil charges or investigation relating to allegations of Medicare or Medicaid fraud or abuse.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Owner or Board-designated Official

\_\_\_\_\_  
Position/Title

\_\_\_\_\_  
Printed Name

