



July 27, 2023

VIA Email & U.S. MAIL

Arvin Singh
Vice President, Strategic Planning and Communications
University of Maryland Shore Regional Health
219 South Washington Street
Easton, Maryland 21601

Re: Shore Health System, Inc.
Relocation of University of Maryland Shore Medical Center at Easton
Matter No. 23-20-2463

Dear Mr. Singh:

The Maryland Health Care Commission (MHCC or Commission) Staff received and reviewed for completeness the application for a Certificate of Need (CON) for the project identified above. The application will be docketed for formal review as of August 11, 2023 and notice of the docketing of the application will be published in the Maryland Register on that date.

In making this decision, MHCC considered SHS responses to Commission and Health Services Cost Review Commission (HSCRC) requests for more information related to the \$70 million funding anticipated, but not yet guaranteed, from the State. In various responses, including the March 21, 2023 response, SHS stated it was confident of receiving additional State support based on the commitment of the Administration to meet the needs of rural communities, the strong community support in all five counties of the Mid-Shore, and the support of the Mid-Shore delegation. SHS reminded MHCC that State funds will likely be appropriated over several years, as was done on the other large capital projects, like the Prince George's Hospital Center. SHS expects to work with the Administration and leaders in Annapolis who have expressed interest in and a commitment to investing public funds in rural health care to secure the balance. SHS further stated that "in the event this source is unrealizable, SHS will amend sources of funds for the project budget..." (SHS Response to MHCC and HSCRC on March 21, 2023). Lastly, on July 14, 2023, the Commission received a memorandum from HSCRC indicating that the project may be financially feasible and viable on an ongoing basis should SHS need to borrow additional funds. The Commission Staff finds that with this additional information the application is now complete.

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Notwithstanding proceeding to docket the application, the Commission will continue to monitor SHS efforts related to the sources of funds and information related to the feasibility and viability of the project. Should you have any questions regarding this matter, please contact me at (410) 764-3261.

Sincerely,



Wynee Hawk, Director
Center for Health Facilities Planning and Development

cc:

Andrew Solberg
Thomas Dame, Esquire
Mallory Regenbogen, Esquire
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