

MARYLAND HEALTH CARE COMMISSION

Modified Certificate of Need

To: Jessica Farrar
Vice President, Strategic Planning and Decision
Support
2001 Medical Parkway
Annapolis, Maryland, 21401

Date: May 20, 2025

Re: Luminis Health Doctors Community Medical
Center (LHDCMC) Modified Certificate of Need for
a 16-bed Obstetrics Unit in Prince George's
County, Maryland

Docket No.: 23-16-2466

PROJECT DESCRIPTION

This Modified Certificate of Need (CON) allows Luminis Health Doctors Community Medical Center (LHDCMC or Doctors) to make changes to the physical plant design of its new acute care patient tower, to reduce bed capacity of the unit from 21 beds to 16 beds, and to reduce project costs to \$210,828,366 (a 29% reduction).

On December 14, 2023, the Maryland Health Care Commission (MHCC or Commission) approved a CON to construct a four-story patient tower on the west side of the existing hospital and a new loading dock and to renovate parts of the existing hospital. A key component of the approved project was the establishment of a 21-bed obstetrics unit in the patient tower. The Commission approved a total project budget of \$299,012,841 for a multi-phase project. The project would be paid for with State grants (\$95 million), authorized bonds (\$153 million), philanthropy (\$5 million), and cash (\$46 million).

On March 28, 2025, Doctors requested a project change to reduce the scale of the construction and the renovations to the existing hospital. Doctors will (1) change the location of the new tower from the west side to the east side of the hospital; (2) limit the new tower to mostly obstetrical services, with a 16-bed obstetrics unit; (3) expand the loading dock construction to include a pharmacy; and (4) renovate the surgical platform (and other supportive services) in the existing hospital rather than constructing new ones. The applicant states that the proposed changes, outlined below, will allow the hospital to deliver the full scope of obstetrical services, while lowering the project budget by one third, to a new estimated total cost of \$210,828,366. The project

would now be paid for with State grants (\$95 million), authorized bonds (\$76.3 million), philanthropy (\$5 million), and cash (\$34.6 million).

The applicant also requested a project implementation schedule change from a multi-phase project to a single-phase project.

ORDER

The Maryland Health Care Commission reviewed the staff report and based on that analysis and the record in this review, ORDERED, on May 15, 2025, that a Modified Certificate of Need be issued to Luminis Health Doctors Community Medical Center Inc. to establish an obstetrics program and new patient tower, subject to the following conditions:

1. Luminis Health Doctors Community Medical Center shall close its obstetric program, and its authority to operate will be revoked, if: (i) it fails to meet the minimum annual volume of 1,000 obstetric discharges annually for any 24 consecutive month period, and (ii) it fails to provide good cause for its failure to attain the minimum volume, and a feasible corrective action plan for how it will achieve the minimum volume within a two-year period
2. Luminis Health Doctors Community Medical Center shall continue to provide a patient with an estimate of out-of-pocket charges prior to arrival for surgery.
3. Before changing the funding mechanisms of the project, the applicant must submit a project change.

PERFORMANCE REQUIREMENTS

In a single phase plan of construction approved for an existing health care facility, the project has:

- (i) Up to 24 months after CON approval to obligate not less than 51% of the Commission-approved capital expenditure, as documented by a binding construction contract;
- (ii) Up to six months after the effective date of a binding construction contract for the first phase to initiate construction;
- (iii) Up to 36 months after the effective date of a binding construction contract to complete construction and renovation; and
- (iv) Up to 36 months after the effective date of a binding construction contract to place the new facility or modified facility in operation.

Failure to meet the performance requirement will render this Certificate of Need void, subject to the requirements of COMAR 10.24.01.12F through I.

PROPOSED CHANGES TO THE APPROVED PROJECT

Before making any changes to the facts in the CON application approved by the Commission, LHDCMC must notify the Commission in writing and receive Commission approval of each proposed change in accordance with COMAR 10.24.01.17.

DESIGN APPROVAL AND FACILITIES LICENSURE BY MDH

This CON does not constitute a license or replace any approvals required by the Office of Health Care Quality (OHCQ) or others within the Maryland Department of Health (MDH). LHDCMC must provide OHCQ and MDH with all information required for facility licensure.

SEMI-ANNUAL STATUS REPORTS

In accordance with COMAR 10.24.01.12, LHDCMC must submit semi-annual status reports to the Commission, beginning November 15, 2025, six months from the date of this CON, and continuing at six-month intervals, until the completion of the project.

REQUEST FOR FIRST USE REVIEW

LHDCMC must request in writing, not less than 60 days but not more than 120 days before the first use, a first use review from the Commission, specifying the anticipated date of first use and documenting that the project has been substantially completed and will be completed, within 120 days or less, in a manner and consistent with this CON. Commission staff will review the request in consultation with the Office of Health Care Quality, as provided in COMAR 10.24.01.18, to determine whether the project conforms to this CON. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate a health care facility. Therefore, LHDCMC should assure that OHCQ is notified of the imminent completion of the project and should arrange for completion of any inspections and or approvals required by OHCQ in a timely manner. First use approval remains in effect for 90 days. If first use does not occur within 90 days of approval, LHDCMC shall reapply for first use approval.

ACKNOWLEDGEMENT OF RECEIPT OF CERTIFICATE OF NEED

Acknowledgement of your receipt of this Certificate of Need, stating acceptance of its terms and conditions, is required within thirty (30) days.

MARYLAND HEALTH CARE COMMISSION

A handwritten signature in black ink, appearing to read 'David Sharp', is centered on the page.

David Sharp
Acting Executive Director

cc: Marta Harting, Esq., Partner, Venable LLP
Heather Reed, Office of Health Care Quality
Matthew Levy, M.D., Health Officer, Prince George's County Health Department