MARYLAND HEALTH CARE COMMISSION

Certificate of Need

Date: December 14, 2023

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

Re: Luminis Health Doctors Community Medical Docket No.: 23-16-2466 Center (LHDCMC) Certificate of Need for a 21-bed

Obstetrics Unit in Prince George's County, Maryland

PROJECT DESCRIPTION

The proposed project consists of two main components: a new obstetrics program and a new acute care patient tower. The new obstetrics program will increase bed capacity and bring needed obstetric services to Prince George's County, which is currently experiencing outmigration of obstetric services. The increased bed capacity will also improve maternal/infant outcomes in the County and help to reduce disparities. In addition, the project will attract and retain providers of obstetric care to the community. The new tower will allow more room for support services such as the pharmacy, imaging, radiology, sterile processing, pre/post-op, food/nutrition, and patient flow. Surgical services will also move from the current space in the main hospital pavilion into the new pavilion. The project will include 301,952 square feet (SF) of new construction and renovation. The estimated total cost of the project is \$299,012,841. The applicant anticipates funding the project with \$33,688,629 in cash reserves, \$5,000,000 in philanthropic support, \$152,894,229 in interest income from bonds, and \$95,000,000 from the State of Maryland.

ORDER

The Maryland Health Care Commission reviewed the staff report and based on that analysis and the record in this review, ORDERED, on December 14, 2023, that a 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 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 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 multiphase plan of construction with more than one construction contract approved for an existing health care facility, the project has:

- (i) Up to 12 months after Certificate of Need approval to obligate 51 percent of the capital expenditure for the first phase of construction;
- (ii) Up to 24 months after the effective date of a binding construction contract for the first phase to complete the first approved phase of construction;
- (iii) Up to 12 months after completion of the immediately preceding phase of construction to obligate 51 percent of the capital expenditure for any subsequent approved phase of construction; and
- (iv) Up to 24 months after the effective date of a binding construction contract for a subsequent approved phase, to complete that phase;

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 Certificate of Need 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.

QUARTERLY STATUS REPORTS

In accordance with COMAR 10.24.01.13B. LHDCMC must submit quarterly status reports to the Commission, beginning March 14, 2024, three months from the date of this Certificate of Need, and continuing at three-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 Certificate of Need. 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 Certificate of Need. 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

Ben Steffen

Ben Steppen

Executive Director

cc: Marta Harting, Esquire

Patricia T. Nay, M.D., Executive Director, Office of Health Care Quality

Dr. Matthew Levy, Health Officer, Prince George's County