

IN THE MATTER OF

WASHINGTON
ADVENTIST HOSPITAL
(NOW ADVENTIST
HEALTHCARE WHITE OAK
MEDICAL CENTER)

DOCKET NO. 13-15-2349

BEFORE THE MARYLAND

HEALTH CARE

COMMISSION

**REQUEST FOR APPROVAL TO MODIFY
A CERTIFICATE OF NEED CONDITION**

Adventist HealthCare, Inc. d/b/a Adventist HealthCare White Oak Medical Center (“WOMC”), through undersigned counsel, requests the Maryland Health Care Commission (“MHCC”) to approve an action consistent with an urgent care center (“UCC”) condition placed on the certificate of need (“CON”) issued to WOMC (the “Condition”). It states:

Adventist HealthCare, Inc. must open an urgent care center on its Takoma Park campus coinciding with its closure of general hospital operations on that campus. The urgent care center must be open every day of the year, and be open 24 hours a day. Adventist HealthCare, Inc. may not eliminate this urgent care center or reduce its hours of operation without the approval of the Maryland Health Care Commission.

Thus, the Condition contemplates that there may be a request to eliminate or reduce the hours of this UCC. This filing seeks approval to reduce the UCC hours

of operation from 24 hours per day, seven days per week to 12 hours per day (8am to 8pm), still at seven days per week.

A. BACKGROUND

WOMC obtained initial First Use Approval and opened its hospital facility in White Oak in August 2019. This included complying with the condition of opening a UCC on the Takoma Park campus. The UCC opened in the former emergency department (“ED”) space in Takoma Park on August 26, 2019 and has continued to operate on a 24/7 basis.

The Condition permits WOMC to seek approval to reduce the hours of the UCC. Sufficient experience has been gained to test the assumptions in the WOMC CON approval. This experience shows that the UCC will be more sustainable and continue to meet community needs by operating 12 hours daily, consistent with AHC’s three other UCCs.

The CON approval reflected AHC’s effort to project UCC utilization based on historical Washington Adventist Hospital (“WAH”) ED utilization. AHC estimated the proportion of WAH’s ED patients who could reasonably be served by a UCC by stratifying WAH’s 47,918 ED visitors in 2014 using an Emergency Severity Index (“ESI”). AHC estimated that 45% of the visits to the WAH ED could be served in a UCC.

The Reviewer largely agreed, finding that a substantial proportion of WAH’s ED visits, approximately 25%, could be adequately managed in a UCC (p. 35). The

Reviewer noted that because AHC was a known service provider in the area, there was a good chance that the UCC would be well-utilized, with a potential pool of 11,839 individuals at ESI level 4 and 5 (p. 38).

Even with these reasonable forecasts, the projected utilization rates did not materialize. As explained below, the current utilization data does not support operating the UCC 24/7.

B. THE UCC IS NOT NEEDED 24/7/365

AHC is an experienced operator of four UCCs with locations in Rockville, Germantown and Laurel, in addition to Takoma Park. It operates four hospitals with emergency departments, as well as the Germantown Emergency Center, a freestanding medical facility. AHC also has a broad array of primary care locations and extensive experience and knowledge of how these settings can deliver quality, cost effective services. More than most health systems, AHC has the clinical, operational and financial understanding of how emergency and primary care services are delivered.

AHC has acted in good faith, investing nearly \$450,000 in the Takoma Park UCC startup expenses including approximately \$250,000 in equipment such as an x-ray machine and a crash cart. AHC marketed the Takoma Park UCC through multiple forms of media and in multiple languages, including:

- Direct mail sent to local residents;
- Social media promotions (See: <https://www.facebook.com/AdventistUCTakomaPark/>)
- An article in the Takoma Park newsletter;

- Website updates on all AHC related sites;
- Inclusion of the UCC on material announcing the WOMC;
- Additional flyers and handouts distributed at public events;
- Inclusion of Takoma Park on AHC Urgent Care outdoor advertising.

Information on the hours of operation and public transportation options to reach the UCC are readily available on the UCC's website:

<https://www.adventisthealthcare.com/locations/profile/urgent-care-takoma-park/>.

Despite these efforts, and the reasonable projections of both AHC and the MHCC, patient volumes at the Takoma Park UCC have been far below what was expected and what is necessary to sustain 24/7 operations. From its opening in August 2019 through June 2021, the Takoma Park UCC saw 17,228 patients. Compare this to AHC's three other UCCs in Germantown, Rockville and Laurel that each treated between 30,000 and 35,000 patients in the same time period (See Exhibit A). From January through June of 2021, the other three AHC UCCs saw an average of 45 patients per day while the Takoma Park UCC saw an average of 23 patients per day (See Exhibit B) with all locations seeing volumes trend downward since the start of the year. It is important to remember that this significant disparity in volumes exists despite the Takoma Park UCC being the only facility of the four that is open 24/7. Breaking down the hours of operation for a direct comparison within that same time frame shows that the Takoma Park UCC saw an average of 17 people per day from 8am to 8pm and only 5 people per day from 8pm – 8am (See Exhibit C).

All the UCCs operated by AHC experienced increased volumes due to the COVID-19 pandemic, however, the experience so far in 2021 is consistent with the experience prior to the pandemic's outbreak. Additionally, even during those times of higher use, the Takoma Park UCC, remained far below the others. From March of 2020 through March of 2021, the Takoma Park UCC saw an average of 27 patients per day from 8am-8pm and only 7 patients per day from 8pm to 8am, compared to an average of 53 visits per day at the other AHC UCCs which only operate from 8am-8pm (See Exhibit B).

Regardless of COVID-19, the Takoma Park UCC sees the vast majority of its patients between 8am and 8pm – the hours proposed by this filing. Exhibit D demonstrates that patients are simply not using the UCC in a manner that supports 24/7 operations. Over 75% of patients are using the UCC during the hours proposed in this filing, including the vast majority of COVID-19 patients. It is simply not feasible for AHC to continue to operate the Takoma Park UCC 24/7 with these low patient volumes.

Also, it is important to note that Takoma Park is served by five urgent care centers in addition to the one operated by AHC (See Exhibit E). None of these are open 24/7 and yet utilization at the AHC UCC remains light during the hours that the other urgent care centers are closed. Maintaining 24/7 operations at an underutilized facility is simply not financially sustainable.

C. THE TAKOMA PARK UCC IS NOT SUSTAINABLE 24/7/365

The Takoma Park UCC lost \$1,918,315 since opening in August 2019 through May 2021, including nine months of six figure losses, for an average monthly loss of \$87,196. (See Exhibit F). The UCC experienced two months (November and December of 2020) of positive margins before slipping back to nearly six figure losses each month since February, resulting in nearly \$400,000 in losses so far in 2021 (See Exhibit G). This is in stark contrast to the experience of the other AHC UCCs. Since January 2021, the AHC Laurel UCC earned a positive margin of \$114,228, the Germantown UCC earned \$42,114 and the Rockville UCC had a negative \$4,973 margin (See Exhibit H). This disparity in financial performance is particularly noteworthy because the Takoma Park property is owned by AHC and has lower building and maintenance costs.

Significant staffing challenges add to the operational struggles of the urgent care and contribute to the financial losses. Recruiting staff to work nights has become so difficult that it is nearly untenable. AHC is forced to hire contract staff at a significantly greater cost and it is still a struggle to find people. Therefore, not only is 24/7 staffing inherently more costly, the staff themselves cost more. These higher costs exacerbate the financial distress caused by the low patient volumes.

Operating the UCC 12-hours a day is consistent with how the community is using the UCCs and how UCCs operate generally and will reduce expenses without materially affecting utilization.

D. CONCLUSION

AHC has served the healthcare needs within the Takoma Park community since 1907 and remains committed to doing so. As noted in the CON approval, AHC employs a range of services to support community-based care a:

Adventist has demonstrated a range of efforts it has taken, sometimes in partnership with other organizations that can be effective in reducing use of its emergency department for non-emergency medical care that can be obtained in physician office and clinic settings. It has been directly involved in development of these kinds of alternatives. In addition, AHC has been involved in health education and screening programs aimed at preventing serious illness, detecting illness at an earlier, more-easily treatable stage, and/or facilitating more effective and less expensive use of health care resources by patients. Finally, AHC has established programs aimed at better management and coordination of patients with chronic illness that frequently used ED facilities or have potential for such usage. (p. 79)

This commitment remains strong as demonstrated by the COVID-19 services AHC provided in the community during the pandemic, including free COVID testing, inpatient care, an outpatient COVID-19 infusion center, and a robust Community Vaccination Clinic that administered over 15,000 doses to the community.

To further demonstrate the commitment to the Takoma Park Community, AHC proposes that the approval of this petition be conditioned upon AHC submitting a plan at the October 2021 MHCC meeting to ensure access to long term, sustainable urgent and/or primary care services in Takoma Park. AHC is currently working on this plan given the anticipated upcoming sale of the property where the Takoma Park UCC is located.

Operating the UCC at Takoma Park 24/7 is simply not sustainable. In order to continue to provide quality, cost effective care while developing a long-term plan that will ensure access to sustainable care in the future, AHC must be permitted to reduce the hours of operation at the Takoma Park UCC from 24 to 12 hours per day. AHC respectfully requests the MHCC approve this petition.

Andrew R Nicklas

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Certificate of Service

I hereby certify on this 6th day of the July 2021 a copy of the Request For Approval To Modify A Certificate Of Need Condition was emailed to

Paul E. Parker
Director, Center for Health Care Facilities Planning & Development
Maryland Health Care Commission
paul.parker@maryland.gov

Andrew R Nicklas

Andrew R. Nicklas

Exhibit A

AHC Urgent Care Centers

Total Visits by Shift

August 2019 - June 2021

		GERMANTOWN		ROCKVILLE		LAUREL		TAKOMA PARK			
Year	Month	Total (8AM - 8PM)	Pre-COVID19 Average	Total (8AM - 8PM)	Pre-COVID19 Average	Total (8AM - 8PM)	Pre-COVID19 Average	8AM - 8PM	8PM - 8AM	Total	Pre-COVID19 Average
2019	August*	1100	1218	1034	1154	1241	1391	45	27	72	317
	September	1143		1025		1295		248	122	370	
	October	1019		1078		1451		260	159	419	
	November	1030		1058		1313		213	66	279	
	December	1422		1378		1508		306	69	375	
2020	January	1439		1248		1532		255	94	349	
	February	1373		1255		1398		262	94	356	
	March	1218		1030		1232		246	94	340	
	April	574		510		626		260	54	314	
	May	903		713		708		264	48	312	
	June	978		962		945		401	106	507	
	July	2067		1979		1935		1015	321	1336	
	August	2294	2233	2210	1211	333	1544				
	September	1534	1648	1635	919	188	1107				
	October	1857	1824	1985	1046	219	1265				
	November	2655	2262	2472	1729	472	2201				
	December	2702	2351	2679	1495	507	2002				
2021	January	2107	1765	2161	922	210	1132				
	February	1221	1057	1338	554	109	663				
	March	1281	1076	1423	543	112	655				
	April	1289	1007	1221	446	141	587				
	May	1203	1028	1167	359	141	500				
	June	1378	1224	1301	393	150	543				
Total		33787		30745		34776		13392	3836	17228	

*Patients seen at Takoma Park for 6 days in August 2019. The First service date at Takoma Park was August 26, 2019

Exhibit B

AHC Urgent Care Centers

Average Visits

August 2019 - June 2021

Year	Month	GERMANTOWN		ROCKVILLE		LAUREL		TAKOMA PARK			
		Total (8AM - 8PM)	Pre-COVID19 Average	Total (8AM - 8PM)	Pre-COVID19 Average	Total (8AM - 8PM)	Pre-COVID19 Average	8AM - 8PM	8PM - 8AM	Total	Pre-COVID19 Average
2019	August*	35	40	33	38	40	46	8	5	12	12
	September	38		34		43		8	4	12	
	October	33		35		47		8	5	14	
	November	34		35		44		7	2	9	
	December	46		44		49		10	2	12	
2020	January	46		40		49		8	3	11	
	February	47		43		48		9	3	12	
	March	39		33		40		8	3	11	
	April	19		17		21		9	2	10	
	May	29		23		23		9	2	10	
	June	33		32		32		13	4	17	
	July	67		64		62		33	10	43	
	August	74	72	71	39	11	50				
	September	51	55	55	31	6	37				
	October	60	59	64	34	7	41				
	November	89	75	82	58	16	73				
	December	87	76	86	48	16	65				
2021	January	68	57	70	30	7	37				
	February	44	38	48	20	4	24				
	March	41	35	46	18	4	21				
	April	43	34	41	15	5	20				
	May	39	33	38	12	5	16				
	June	46	41	43	13	5	18				

*Patients seen at Takoma Park for 6 days in August 2019. The First service date at Takoma Park was August 26, 2019

Exhibit C

Takoma Park Urgent Care

Average Visits

August 2019 - June 2021

Year	Month	8AM - 8PM	8PM - 8AM	Total
2019	August*	8	5	12
	September	8	4	12
	October	8	5	14
	November	7	2	9
	December	10	2	12
2020	January	8	3	11
	February	9	3	12
	March	8	3	11
	April	9	2	10
	May	9	2	10
	June	13	4	17
	July	33	10	43
	August	39	11	50
	September	31	6	37
	October	34	7	41
	November	58	16	73
	December	48	16	65
2021	January	30	7	37
	February	20	4	24
	March	18	4	21
	April	15	5	20
	May	12	5	16
	June	13	5	18

8PM to 10PM	10PM to 6AM	6AM to 8AM	Total
1	3	0	5
1	3	0	4
1	3	1	5
1	2	0	2
1	1	0	2
1	2	0	3
1	2	0	3
1	1	0	2
0	1	0	2
1	2	1	4
4	4	2	10
5	4	2	11
2	3	1	6
2	4	1	7
8	5	3	16
8	7	2	16
4	2	1	7
1	2	0	4
1	2	1	4
1	2	0	4
1	3	1	5

*Patients seen for 6 days in August 2019. The First service date was August 26, 2019

Exhibit D

Takoma Park Urgent Care

Total Visits

August 2019 - June 2021

Total Visits by Shift

Year	Month	8AM - 8PM	8PM - 8AM	Total
2019	August*	45	27	72
	September	248	122	370
	October	260	159	419
	November	213	66	279
	December	306	69	375
2020	January	255	94	349
	February	262	94	356
	March	246	94	340
	April	260	54	314
	May	264	48	312
	June	401	106	507
	July	1015	321	1336
	August	1211	333	1544
	September	919	188	1107
	October	1046	219	1265
	November	1729	472	2201
	December	1495	507	2002
2021	January	922	210	1132
	February	554	109	663
	March	543	112	655
	April	446	141	587
	May	359	141	500
	June	393	150	543

8PM to 10PM	10PM to 6AM	6AM to 8AM	Total
6	19	2	27
29	82	11	122
36	105	18	159
15	46	5	66
16	39	14	69
25	58	11	94
18	64	12	94
24	61	9	94
21	28	5	54
7	27	14	48
16	68	22	106
122	136	63	321
142	136	55	333
70	91	27	188
77	122	20	219
237	158	77	472
243	202	62	507
111	57	42	210
41	54	8	103
34	54	15	103
41	67	19	127
34	76	14	124
40	75	20	135

*Patients seen for 6 days in August 2019. The First service date was August 26, 2019

Exhibit E

Urgent Care Centers in the Takoma Park Service Area

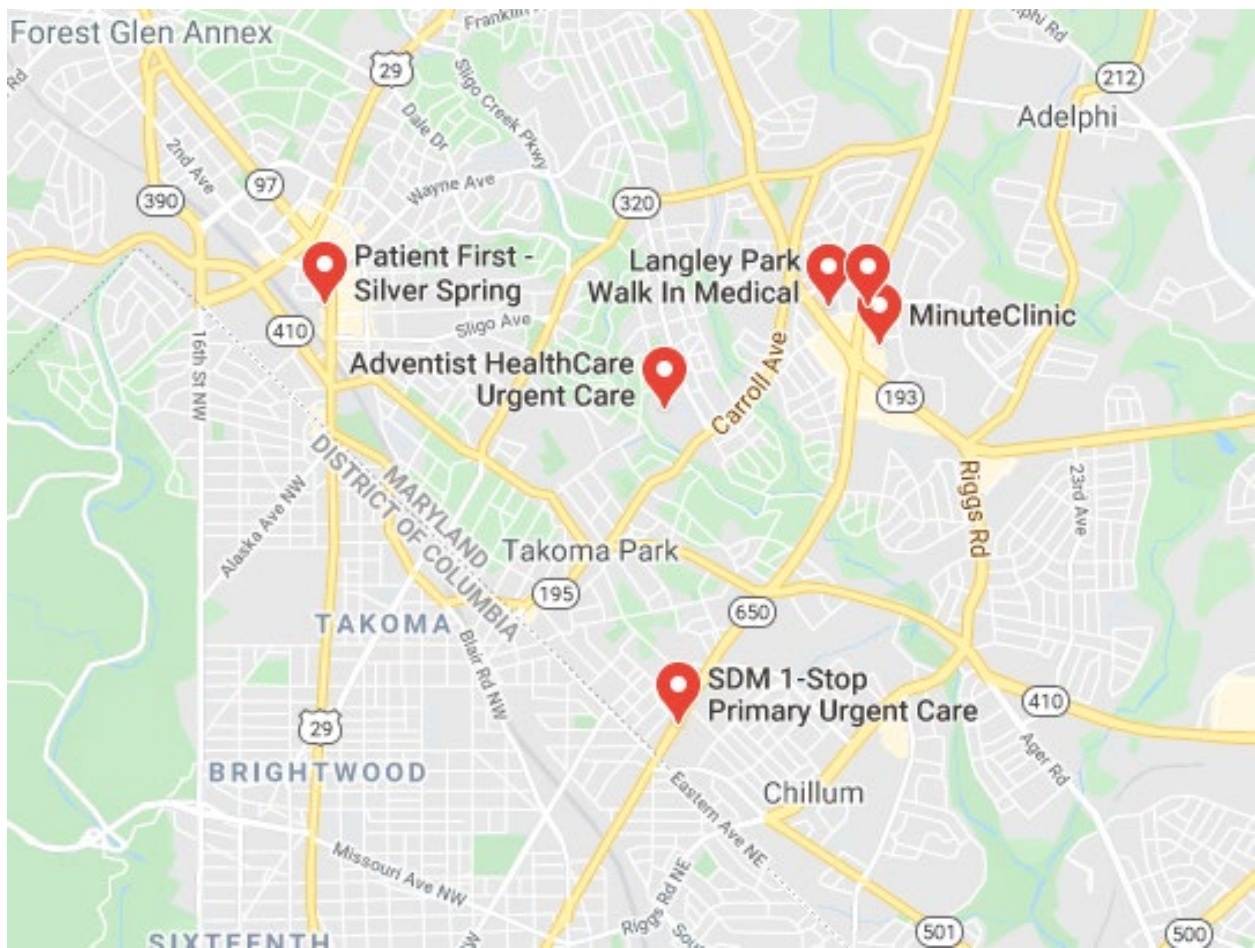


Exhibit F

Income Statement by Cost Center

Takoma Park Urgent Care Aug 2019 - May 2021

Monthly Trend

Ledger Account	Takoma Park UCC		
	August - 2019	September - 2019	October - 2019
Total Operating Revenue	8,924	51,036	58,885
Operating Expenses			
Salaries & Wages, Employee Benefits, & Professional Fees	115,551	157,239	181,071
Medical Supplies	7,729	2,229	0
General and Administrative, Purchased Services, & Building and Maintenance	31,315	20,202	22,939
Operating Expenses	154,595	179,670	204,009
Excess of Revenue Over Expenses from Operations	(145,671)	(128,634)	(145,124)

November - 2019	December - 2019	January - 2020	February - 2020	March - 2020	April - 2020	May - 2020	June - 2020	July - 2020
44,487	51,604	54,103	38,674	29,828	28,187	41,114	76,806	135,622
149,483	155,546	166,483	136,343	126,570	131,324	142,970	184,692	224,052
3,089	460	0	9,412	8,612	16	2,322	2,012	3,847
13,333	20,534	15,088	20,319	14,014	13,041	17,594	17,899	20,609
165,904	176,540	181,571	166,074	149,197	144,381	162,886	204,602	248,508
(121,418)	(124,936)	(127,468)	(127,399)	(119,369)	(116,194)	(121,771)	(127,796)	(112,886)

August - 2020	September - 2020	October - 2020	November - 2020	December - 2020	January - 2021	February - 2021	March - 2021
177,785	124,567	183,520	263,292	224,657	150,207	65,836	68,228
161,766	150,461	173,174	153,691	176,571	155,345	133,916	140,660
7,573	9,088	1,069	2,403	2,587	7,138	(145)	6,274
23,026	22,117	36,034	29,340	30,344	12,653	22,256	16,594
192,364	181,666	210,278	185,434	209,502	175,136	156,027	163,528
(14,579)	(57,098)	(26,758)	77,857	15,155	(24,929)	(90,191)	(95,300)

April - 2021	May - 2021	Total
61,344	57,250	1,995,958
132,375	135,880	3,385,162
3,695	4,003	83,412
14,519	11,929	445,699
150,589	151,812	3,914,273
(89,245)	(94,562)	(1,918,315)

Exhibit G

Exhibit G

AHC UCC Income Statement by Cost Center

Takoma Park Aug 2019 - May 2021

Ledger Account	Takoma Park			Total
	Aug 2019 -Dec 2019	Jan 2020 - Dec 2020	Jan 2021 - May 2021	
Total Operating Revenue	214,936	1,378,156	402,866	1,995,958
Operating Expenses				
Salaries & Wages, Employee Benefits, & Professional Fees	758,890	1,928,096	698,176	3,385,162
Medical Supplies	13,506	48,941	20,965	83,412
General and Administrative, Purchased Services, & Building and Maintenance	108,322	259,425	77,953	445,699
Operating Expenses	880,718	2,236,462	797,093	3,914,273
Excess of Revenue Over Expenses from Operations	(665,782)	(858,307)	(394,227)	(1,918,315)

Exhibit H

Exhibit H

AHC UCC Income Statement by Cost Center

All AHC Urgent Care Centers

Ledger Account	Germantown	Rockville	Laurel	Total
	Jan 2021 - May 2021	Jan 2021 - May 2021	Jan 2021 - May 2021	Jan 2021 - May 2021
Total Operating Revenue	897,823	770,579	838,336	2,506,737
Operating Expenses				
Salaries and Wages	333,461	293,646	368,444	995,551
Employee Benefits	75,212	58,073	74,249	207,534
Contract Labor	0	0	0	0
Professional Fees	17,101	10,492	10,609	38,202
Medical Supplies	25,671	20,838	20,075	66,584
Transfer from Other UCC centers (topside adjustment)	(7,519)	(7,519)	(7,519)	(22,557)
General and Administrative, Purchased Services, & Building and Maintenance	411,782	400,022	258,250	1,070,055
Operating Expenses	855,709	775,551	724,108	2,355,368
Excess of Revenue Over Expenses from Operations	42,114	(4,973)	114,228	151,369

