



MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3460 FAX: 410-358-1236

February 10, 2021

VIA E-MAIL

Mr. Thomas C. Dame, Esquire
Gallagher Evelius & Jones Attorneys at Law
218 North Charles Street Suite 400
Baltimore, Maryland 21201

Re: Encompass-Southern Maryland Modification
Docket No. 18-16-2423

Dear Mr. Dame:

Commission staff has reviewed the above-referenced modification to the Certificate of Need (CON) granted to Encompass-Southern Maryland on May 21, 2020. We have a number of completeness questions which will require a response before we can evaluate this request. Please respond to the following questions and requests for additional information or clarification.

BASIS FOR REQUESTED PROJECT CHANGE

1. Are there reasons other than inflation that contribute to the increased construction costs?
2. Are the current projected construction costs based on estimates or are there actual bids?
3. Describe the design changes required to gain regulatory approval?
4. Please include a detailed description of the site and infrastructure cost increases, and the conditions that made them necessary.

- The increase in the moveable equipment costs was almost 20%? Please explain what drove that increase.

IMPACT ON FINANCIAL PERFORMANCE

- Submit revised annual revenue and expense projections (Table G).

TABLE E: PROJECT BUDGET

- Please submit a revised budget by adding a column to the one you submitted making a comparison between the original budget and estimated modified budget. Here is a template:

A. Uses of Funds				
	Original CON	Estimate	Variance	% Change
New Construction				
Land Purchase				
Building				
Fixed Equipment				
Architect/Engineering Fees (Including Site Prep)				
Permits				
Subtotal – New Construction				
Land Purchase Cost or Value of donated land				
Total Capital Costs				
Legal Fees				
Total Uses of Funds				
B. Sources of Funds				
	Original CON	Anticipated	Variance	% Change
Cash				
Pledges				
Gifts				
State Grants				
Total Sources of Funds				

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Please submit four copies of the responses to completeness questions and the additional information requested in this letter within ten working day of receipt. Also submit a response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

All information supplementing the application 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, feel free to contact me at (410) 764-3371.

Sincerely,



Jeanne-Marie Gawel
Program Manager, Certificate of Need

cc: Ernest L. Carter, M.D., PhD, Prince George's County Health Officer
Patricia Nay, M.D., Executive Director, Office of Health Care Quality, MDH
Suellen Wideman, Assistant Attorney General
Kevin McDonald, Chief, Certificate of Need
Moirra Lawson, Program Manager MHCC