

# MARYLAND HEALTH CARE COMMISSION

## Certificate of Need

TO: Charles Weinstein, Esq. September 20, 2018  
Executive Vice President and (Date)  
Chief Real Estate and Facility Officer  
Children's National Medical Center, Inc.  
111 Michigan Avenue, N.W.  
Washington, D.C. 20010

RE: Children's National of Prince George's County 18-16-2413  
Establish ambulatory surgery center (Docket No.)  
In Glenarden, Maryland

### PROJECT DESCRIPTION

This Certificate of Need authorizes Children's Hospital ("CH"), a subsidiary of Children's National Medical Center, Inc., to establish an ambulatory surgical facility ("ASF") as part of a newly constructed regional outpatient center ("ROC") in Glenarden (Prince George's County). The proposed ROC, which will be called Children's National of Prince George's County, will be a part of a network of pediatric care providers that includes the flagship hospital, six health centers in the District of Columbia, and seven regional outpatient centers and include pediatric specialists in otolaryngology, general surgery, gastroenterology, ophthalmology, plastic surgery, urology, and orthopedics.

The ASF will include two operating rooms and consist of 10,550 square feet of space on the third floor of a newly-constructed multi-use commercial and residential property at 2900 North Campus Way. The total cost of construction is approximately \$10.4 million, with \$4.3 million for construction, \$5.7 million for moveable equipment, \$326,999 for contingencies, and \$57,000 for CON application assistance. CH will fund the project with cash.

### ORDER

The Maryland Health Care Commission reviewed the Staff Report and Recommendation and, based on the analysis and the record in the review, ordered on September 20, 2018 that a Certificate of Need filed by Children's Hospital to establish a freestanding ambulatory surgery facility with two operating rooms that would be located within a regional outpatient center called Children's National of Prince George's County, in Glenarden, Prince George's County, at a total project cost of approximately \$10.4 million is hereby approved, with the following conditions.

1. The ambulatory surgical facility at Children's National of Prince George's County shall maintain compliance with the provisions of COMAR 10.24.16.08E(1)-(4) regarding charity care; and

2. The ambulatory surgical facility at Children's National of Prince George's County shall provide an amount of charity care equivalent to 0.56% of its operating expenses.

## **PERFORMANCE REQUIREMENT**

In accordance with COMAR 10.24.01.12C(3)(c), this project is subject to the following performance requirements:

1. Obligation of not less than 51 percent of the approved capital expenditure, as documented by a binding construction contract, within 18 months of the date of this Certificate of Need;
2. Initiation of construction no later than four months after the effective date of the binding construction contract; and
3. Documentation that the approved project has been completed, has been licensed, and has met all legal requirements and is providing the approved services no later than 18 months after the effective date of the binding construction contract.

## **CHANGES TO THE APPROVED PROJECT**

Before making any changes to the facts in the Certificate of Need application approved by the Commission, Children's Hospital must notify the Commission in writing and receive Commission approval of each proposed change, including the obligation of any funds above those approved by the Commission in this Certificate of Need, in accordance with COMAR 10.24.01.17. Pursuant to COMAR 10.24.01.17B(2), the project cannot incur capital cost increases that exceed the approved capital cost, inflated by an amount determined by applying the Engineering News Record Building Cost Index published on a quarterly basis by Global Insight in *Health-Care Cost Review*, unless it obtains a modification of this Certificate of Need from the Commission. Instructions for determining the threshold that necessitates Commission review and approval of changes to the capital cost approved in this Certificate of Need are located on the Commission's website: <http://mhcc.maryland.gov/certificateofneed/mdreginflation.pdf>.

## **DESIGN APPROVAL AND FACILITIES LICENSURE BY DHMH**

This CON does not constitute a license or replace any approvals required by the Office of Health Care Quality or others within the Department of Health and Mental Hygiene ("DHMH"). Children's Hospital must provide OHCQ and DHMH with all information required for plan approval and facility licensure, including information pertaining to project design and specifications required for an ambulatory surgical facility.

## **QUARTERLY STATUS REPORTS**

Children's Hospital must submit quarterly status reports to the Commission, beginning December 20, 2018, 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**

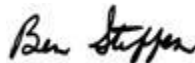
Children's Hospital must request a first use review of the freestanding ambulatory surgery center from the Commission and the Office of Health Care Quality, including providing proof of Medicare certification. Such request must be in writing, must specify the anticipated date of first use, and must be received not less than 60 days but not more than 120 days before the first use.

The Commission 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 DHMH to operate a health care facility. Therefore, Children's Hospital 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 of the freestanding ambulatory surgery center does not occur within 90 days of approval, Children's Hospital 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  
Executive Director

cc: Patricia T. Nay, M.D., Executive Director, Office of Health Care Quality  
Will Andalora, Office of Capital Planning, Budgeting, and Engineering Services, MDH  
Pamela Creekmur, RN, Health Officer, Prince George's County