

MARYLAND HEALTH CARE COMMISSION

CORRECTED Certificate of Need

To: Walter Smith, Director, State Regulatory Affairs **Date:** December 19, 2019
Rehabilitation Hospital Corporation of America,
LLC, d/b/a Encompass Health Rehabilitation
Hospital of Salisbury Maryland, LLC
9001 Liberty Parkway
Birmingham, Alabama 35242

Re: Addition of 10 Acute Inpatient Rehabilitation **Docket No.:** 18-22-2435
Beds

PROJECT DESCRIPTION

This Certificate of Need authorizes Rehabilitation Hospital Corporation of America, LLC d/b/a Encompass Health Rehabilitation Hospital of Salisbury Maryland, LLC to add 10 inpatient rehabilitation beds. The proposed project would renovate about 13,000 SF, most of it space that was formerly used for an outpatient physical therapy service that has been discontinued, and add about 1400 SF. It would add 14 patient rooms and convert other semi-private rooms to private, for a net gain of 10 beds, while increasing the number of private rooms from 14 to 28. In addition to the bed increase, the project will add space to patient dining areas, therapy space, the business office and the library. This project has a total cost of \$5,717,015. The source of funds is cash.

ORDER

The Maryland Health Care Commission reviewed the Staff Report and Recommendation and, based on that analysis and the record in the review, ordered, on December 19, 2019 that a Certificate of Need be issued for the project with the following condition:

In its request for first use approval of any or all of the approved beds, Encompass-Salisbury shall provide information, acceptable to Commission staff, that: details the activities it has undertaken following approval of the Certificate of Need to increase the amount of charity provided to patients; and demonstrates its progress in achieving the level of charity care to which it has committed (i.e., charity care equivalent to two percent of total operating expenses). If staff concludes that Encompass-Salisbury's demonstration of progress is not satisfactory, further action regarding this Certificate of Need may be considered by the Commission at a public meeting.

PERFORMANCE REQUIREMENTS

In accordance with the conditions of the Certificate of Need set forth above and COMAR 10.24.01.12C (2) and (3), the 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, no later than December 19, 2021.
2. Initiation of construction within four months of the effective date of a binding construction contract.
3. Documentation that the project is complete no later than 24 months after the effective date of the binding construction contract.

Failure to meet these performance requirements 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, Encompass Health Rehabilitation Hospital of Salisbury Maryland, LLC 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.

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”). Encompass Health Rehabilitation Hospital of Salisbury Maryland, LLC must provide OHCQ and MDH with all information required for facility licensure.

QUARTERLY STATUS REPORTS

In accordance with COMAR 10.24.01.13B, Encompass Health Rehabilitation Hospital of Salisbury Maryland, LLC must submit quarterly status reports to the Commission, beginning March 19, 2020, 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

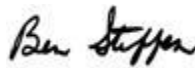
Encompass Health Rehabilitation Hospital of Salisbury Maryland, LLC must request in writing, not less than 60 days but not more than 120 days before the first use of the rehabilitation hospital, a first use review from the Commission, specifying the anticipated date

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, Encompass Health Rehabilitation Hospital of Salisbury Maryland, LLC 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 new building does not occur within 90 days of approval, Encompass Health Rehabilitation Hospital of Salisbury Maryland, LLC 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
Lori Brewster, Health Officer, Wicomico County
Carolyn Jacobs, Esquire, Jacobs & Dembert P.A. Law Offices
Katie Wunderlich, Executive Director of HSCRC