

February 16, 2022

Ms. Ruby Potter
Health Facilities Coordination Officer
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore MD 21215-2299

Re: Post-Approval CON Project Modification- Perioperative Services Facilities
University of Maryland St. Joseph Medical Center
Docket 18-03-2415

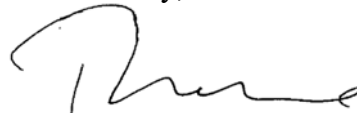
Dear Ms. Potter:

On behalf of University of Maryland St. Joseph Medical Center ("UM SJMC"), we are submitting an electronic copy of its Responses to Request for Additional Information Questions dated February 4, 2022 and related exhibit in the above-referenced matter. A WORD version will be forwarded in a separate email. Four (4) hard copies of this filing will be sent separately by Federal Express.

We hereby certify that a copy of this submission has also been forwarded to the appropriate local health planning agency as noted below.

Thank you for your assistance. Please contact us if you have any questions.

Sincerely,



Thomas C. Dame



Mallory M. Regenbogen

Enclosures

cc: Ben Steffen, Executive Director, MHCC
Wynne Hawk, RN, JD, Chief, Certificate of Need, MHCC
Laura Hare Nirschl, Program Manager, MHCC

February 16, 2022

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Aaron Rabinowitz, Esq., Senior Vice President and General Counsel, UMMS

University of Maryland St. Joseph Medical Center
Post-Approval CON Project Modification – Perioperative Services Facilities

Responses to Request for Additional Information Questions
Dated February 4, 2022

- 1. Will the proposed renovations result in surgical facilities designed in compliance with COMAR 10.24.11.05B(4)? If not, please clarify.**

[Applicant Response](#)

Yes. Please see **Exhibit 4**, which is a letter from the architect, HORD | COPLAN | MACHT, attesting that the revised floor plans that were attached as **Exhibit 2** to UM SJMC's Post-Approval CON Project Modification (the "Modification Request") were designed in compliance with Section 2.2 of the FGI Guidelines as required by COMAR 10.24.11.05B(4).

- 2. Discuss whether the renovations will include changes that address patient safety, in compliance with COMAR 10.24.11.05B(6).**

[Applicant Response](#)

As described on pages 2 to 3 of the Modification Request, the proposed project change involves minor renovations to OR #11 that will occur in Phase 5 of the project. The renovations to OR #11 have been planned in order to address patient safety, improve infection control, and bring this room up to current code.

OR #11's room layout will be updated to reflect the new standard OR design developed and implemented in UM SJMC's other ORs. A standardized OR design has been shown to reduce errors and improve patient safety. The standardized design features within the OR will include: seamless epoxy flooring, wipeable wall covering, laminar flow diffuser array to provide an even distribution of air throughout the OR, and relocating the entry door to closely align with the scrub sink directly across from the room. All of these features help improve infection control.

Integration capabilities will also be added within OR #11 that will link locally within the room and connect back to the OR control desk. Integration capabilities will support patient safety by allowing multiple video feeds to be sent to multiple panels within the room, allowing all staff members to see patient monitoring, scope images, PACS images, and reference information within their field of vision, and without interruption to the case. This seamless process creates a smoother surgical case with fewer interruptions and less risk to patient safety. By connecting to the control desk, it provides outside communications and the ability to observe the status of a room, such as when it is ready for turnover and confirming that the proper cleaning has been completed.

OR #11's HVAC systems will be updated to provide higher air flow and two low-air-returns in accordance with current design standards to provide additional infection prevention measures. The room will also get a second isolated power panel and a second, separate, emergency power feed to ensure that all outlets in the room are on emergency power, fed from two different

panels and sources, to provide redundancy and ensure all outlets have emergency power back-up in case of an electrical power failure.

3. Describe the proposed renovations in more detail and provide more specific details on the \$400,000 project budget.

Applicant Response

As described on page 12 of the Modification Request, the Commission approved this CON project with a total project budget of \$60,000,000. The approved project budget is not expected to increase as a result of this Modification Request. The additional renovations to OR #11 are estimated to cost \$400K and additional moveable equipment will cost \$100k, for a total of \$500K. UM SJMC has approximately \$1.3M remaining in its construction contingency and expects these funds to cover these additional costs.

The renovations to OR #11 are described more fully in response 2 above, and include upgrading existing mechanical and electrical to current FGI design standards. This involves updating the HVAC to provide dedicated air flow and updating electrical isolation panels. Additional interior room upgrades involve replacing the flooring, wall covering, and ceiling with materials used throughout the rest of UM SJMC's perioperative services program. UM SJMC does not have final itemized costs for each of these renovations as they are still being finalized with the construction contractor.

4. Provide all of the assumptions that were used in projecting FY 2022 surgical case volume and provide all data used in formulating these assumptions.

Applicant Response

The FY 2022 projected surgical cases are based on UM SJMC's actual experience of 9,079 cases in CY 2019 plus adjustments for: (1) the departure of surgeons, including retirements, in 2020 and 2021; (2) the recruitment of a spine surgeon in 2022; and (3) the affiliation with Kaiser Permanente ("KP") beginning in May 2022. The combination of these adjustments results in a net reduction of 561 cases from CY 2019 to the projection of 8,518 cases in FY 2022 as shown below in Table 12.

Table 12
UM SJMC FY 2022 Projected Surgical Cases

Actual CY 2019	Adjustments			Projected FY 2022
	Departures / Retirements	Recruitment of Spine Surgeon	Affiliation with Kaiser	
9,079	(842)	162	119	8,518

- a. Include relevant information on the new relationship with Kaiser Permanente (KP) and its impact on the demand for surgical services at University of Maryland St. Joseph Medical Center (SJMC), as well as information on the recent use of KP's ambulatory surgical facilities and the specific projected**

**shift to SJMC of case volume from KP facilities and from other hospitals
providing surgery to KP members**

Applicant Response

As described on pages 5 to 6 of the Modification Request and in **Exhibit 3**, KP's letter of support, UM SJMC and KP entered an agreement, which is expected to become effective May 1, 2022. As part of this arrangement, UM SJMC will provide surgical facilities and other services to KP members residing in the area. KP will be ending its existing Premier Partner Relationship with Greater Baltimore Medical Center ("GBMC") and UM SJMC will become a new KP Premier Partner hospital location.¹ This means KP will preferentially direct KP patients to seek care at UM SJMC, and KP physicians will be located on site 24 hours a day, seven days a week to care for KP members. KP surgeons will perform the KP surgical cases at UM SJMC, supported by UM SJMC clinical support staff and its facilities.

In July 2021, KP provided a forecast of inpatient and outpatient surgical cases that it expects will be performed at UM SJMC. From that projection, the annual percentage growth in inpatient and outpatient cases was calculated. In November 2021, KP also provided a schedule of 711 surgical cases performed for its members at GBMC during the 12 months that ended May 31, 2021 and are expected to shift to UM SJMC going forward, which are shown in Table 13 below.

Table 13
Kaiser Surgical Cases at GBMC
June 1, 2020 - May 31, 2021

IP	OP	Total
522	189	711

These historical cases performed at GBMC that KP expects to shift to UM SJMC are consistent with the surgical cases that KP performs at GBMC based on an analysis of KP surgical cases in CY 2020.

The annual percentage growth rates in inpatient and outpatient KP surgical cases that were included in KP's forecast were applied to the historical 711 cases to project future KP surgical cases at UM SJMC through fiscal year 2025. As the agreement between KP and UM SJMC is expected to become effective May 1, 2022, KP expects to transition approximately 119 surgical cases in the remainder of fiscal year 2022 and 756 cases in fiscal year 2023 to UM SJMC. The volume of KP member cases served at UM SJMC is expected to grow to 885 cases by fiscal year 2025, as shown in Table 3 in the Modification Request, replicated below for your convenience:

¹ More information on KP's Mid-Atlantic Premier Partner hospitals is available at: <https://premierhospitals.kaiserpermanente.org/premier-hospitals-in-mdvadc-copy/>.

Table 3
Projection of Kaiser Permanente Surgical Cases at UM SJMC
FY2022 – FY2025

	FY2022 Budget	Projected		
		FY2023	FY2024	FY2025
General OR Cases				
Inpatient	87	555	598	650
Outpatient	32	201	216	235
Total	119	756	814	885

None of the KP surgical cases slated to shift to UM SJMC are cases that could appropriately be performed at a KP ambulatory surgery center (“ASC”). KP requires all surgical procedures that are appropriate for the ASC setting to be performed in such setting, unless the patient’s high acuity level dictates that the procedure be performed in a hospital setting for patient safety. If capacity issues exist at KP’s ASCs, then it results in a backlog of cases at these facilities; KP does not redirect ASC-appropriate cases to a hospital setting due to a lack of capacity at its ASCs.

KP currently operates one ASC in the KP Baltimore Service Area, the South Baltimore County Medical Center, located in Halethorpe, Maryland. This facility has three ORs which are each currently operating 12 or more hours per day, using approximately 95% of the facility’s available block schedule. In March 2022, KP expects to open a second ASC in its Baltimore Service Area, the Lutherville-Timonium Medical Center, located in Lutherville-Timonium. This ASC will have three ORs and KP expects each OR to be used eight hours per day, at approximately 80% of its block schedule. The opening of the new Lutherville-Timonium ASC is expected over time to reduce the OR utilization levels at the South Baltimore County Medical Center to more optimal levels of eight hours a day at 80% of its block schedule.

- b. Also, provide information on changes in SJMC surgical practitioners, and the movement of outpatient surgical case volume from the hospital to outpatient settings, detailing the way in which these factors affected projections.**

[Applicant Response](#)

As described on page 6 of the Modification Request, UM SJMC anticipates growth in the volume projections for its spine and breast/plastic service lines related to surgeon recruitments and strategic partnerships. Two spine surgeons are retiring and UM SJMC is recruiting two new spine surgeons, one that will begin in fiscal year 2022 and another that will begin in fiscal year 2023. These newly recruited surgeons’ volumes are expected to ramp up in fiscal years 2024 and 2025. UM SJMC anticipates growth of 287 spine cases in fiscal year 2025 due to the addition of the two new spine surgeons over this timeframe as shown in Table 4 of the Modification Request, replicated below for your convenience.

Table 4
Projected Growth in UM SJMC Service Line Surgical Cases
FY2022 – FY2025

	FY2022 Budget	Projected		
		FY2023	FY2024	FY2025
General OR Cases (1)				
Spine (50% / 50%)	162	195	249	287
Breast / Plastic (5% / 95%)		200	250	300
Bariatric (100% / 0%)		50	75	100
Thoracic (100% / 0%)			25	50
Total	162	445	599	737

Source: UM SJMC senior management and clinical service line leaders

Note (1): Excludes cases included in Kaiser Permanente projection of surgical cases

The breast and plastics service line is anticipated to grow by 300 cases by fiscal year 2025 as shown in Table 4 above, which will return this service line to historical volumes through a newly recruited surgeon and a regional breast health model. Additional service line growth of 100 cases by fiscal year 2025 is anticipated in UM SJMC's bariatric service line due to UM SJMC's development of a Bariatric Center of Excellence in conjunction with UMMC. In addition, UM SJMC anticipates growth of 50 cases by fiscal year 2025 in its thoracic service line, due to its work with UMMC to strengthen a hub and spoke model to treat cancer patients in their communities, which is expected to return thoracic surgery volumes to historical levels.

As described on page 8 of the Modification Request, UM SJMC's need projection assumes that beginning in fiscal year 2023, 50 low acuity inpatient surgical cases and 279 outpatient surgical cases or a total of 329 surgical cases will move to the ASC setting as shown in Table 6, replicated below for your convenience. The shift in ASC volumes affects service lines with applicable cases in general surgery, gynecology, and breast/plastic surgery.

Table 6
Projected Shift of UM SJMC Hospital Surgical Cases to Freestanding ASCs
FY2022 – FY2025

	FY2022 Budget	Projected			
		FY2023	FY2024	FY2025	FY2026
General OR Cases					
Inpatient		(50)	(50)	(50)	(50)
Outpatient		(279)	(279)	(279)	(279)
Total	-	(329)	(329)	(329)	(329)

Source: UM SJMC senior management and clinical service line leaders

- 5. How will this project increase or reduce the cost of providing the surgery case volume projected for performance at SJMC? How will this project increase or reduce charges for the surgery case volume projected for performance at SJMC? Provide the relevant facts and assumptions underlying this assessment of cost and charge impact.**

Applicant Response

As noted on page 12 of the Modification Request, this project modification is expected to have only minor impact on UM SJMC's expenses. UM SJMC continues to maintain staffing in its general purpose ORs to adequately support its case volumes, and therefore, is not projecting an increase in staffing expenses related to retention of the 12th OR. UM SJMC expects this project modification will not impact the cost of providing the surgical case volume that will be served at the hospital, as costs per case for UM SJMC are expected to remain the same due to flexibility in scheduling and staffing for cases. UM SJMC anticipates that retaining the 12th OR will improve its operational efficiency and patient flow, through reduced patient wait times and providing better access to surgical care.

This project modification itself will have no impact on surgical charges for patients. However, UM SJMC anticipates it will receive a Global Budget Revenue ("GBR") increase from the HSCRC that will equal a percentage of the total value of the cases that are expected to shift to UM SJMC as a result of the KP agreement. As a result of this shift in cases and GBR modification, UM SJMC's average charge per case will decrease slightly.

- 6. Discuss how UM SJMC would function with only eleven ORs instead of adding the 12th general purpose OR?**

Applicant Response

If UM SJMC were required to function with only 11 general purpose ORs, it would require the hospital to prioritize acute, urgent surgical case needs in response to the anticipated increase in surgical case volume, which could significantly limit access to surgical care for patients requiring elective or non-urgent surgical procedures. Add-on cases would have to be delayed due to limited OR capacity and availability. Add-on cases are urgent cases where the patient's condition requires surgery that day or the following day. Typically, add-on cases are scheduled when cancellations or other issues create last-minute availability in the surgery schedule, but this availability would be significantly diminished with only 11 ORs. Inpatients at UM SJMC often must await add-on surgeries before they can be discharged, and scheduling delays for these cases would increase the length of stay for these patients. In addition, UM SJMC's goal of decreasing patient wait times for certain surgical cases (i.e., orthopedic cases which are currently scheduled four months out) and improving access to care would be even more limited due to less available OR time.

UM SJMC would be required to extend its surgery schedule into after hours, which would negatively impact its clinical teams, as discussed below, and patients and their support system. After-hours surgeries are not ideal for patients or their families and would impact patient satisfaction. Scheduling delays may also negatively impact patient safety and outcomes

by permitting progression of the underlying disease or condition that may increase risks of the surgery by treating the patient with a more advanced stage of the disease or condition.

The onboarding process for new surgeons at UM SJMC involves shadowing an established surgeon and then scheduling them to work side-by-side that same day. This process would likely be negatively impacted due to limited OR access which would lead to an extended onboarding process for new surgeons.

Due to the extended OR operating hours, adjustments would have to be made to hospital-wide staffing and resources during the nightshift hours, adding additional staffing expenses to UM SJMC. In addition, surgeons and staff will be challenged with significantly extended operating room hours, which will negatively impact retention issues and could increase turnover rates for an already stressed workforce. Additionally, surgeons' scheduling office staff would be impacted due to ongoing demands of changing OR scheduling for their providers.

Significantly extended OR hours and reduced OR availability may require emergency cases to be transferred to other facilities, which may not have immediate OR availability. This would extend the distance patients would need to be transported to receive urgent or emergent surgical care and may not honor the patient's preference for surgical facility or surgeon. In addition, if UM SJMC is required to serve its projected volumes with only 11 general purpose ORs, the resulting caseload backup would have an impact hospital-wide potentially resulting in increased ED boarding, decreased operational efficiency, and increased costs. In addition, it may result in poorer patient outcomes, increased patient safety risks, decreased patient satisfaction, and increased strain on UM SJMC's clinical teams.

TABLE OF EXHIBITS

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I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated February 4, 2022 and its attachments are true and correct to the best of my knowledge, information, and belief.

2/15/2022

Date

Paul Nicholson
MBA



Digitally signed by Paul Nicholson MBA
DN: cn=Paul Nicholson MBA, o=University of
Maryland St. Joseph Health System, ou=Senior Vice
President and Chief Financial Officer,
email=paulnicholson@umm.edu, c=US
Date: 2022.02.15 08:11:57 -05'00'

Paul Nicholson
Senior Vice President and Chief Financial Officer
University of Maryland St. Joseph Medical
Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated February 4, 2022 and its attachments are true and correct to the best of my knowledge, information, and belief.

2.14.22

Date

Robin L. Luxon

Robin Luxon RN BSN MBA FACHE
Senior Vice President, Corporate Strategy,
Business Development, Ambulatory/ Ancillary
Services
University of Maryland St. Joseph Medical
Center


I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated February 4, 2022 and its attachments are true and correct to the best of my knowledge, information, and belief.

2/14/2022
Date

Desirae Ford
Desirae Ford, MBA
Senior Manager, Decision Support
University of Maryland St. Joseph Medical
Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated February 4, 2022 and its attachments are true and correct to the best of my knowledge, information, and belief.

2/14/2022
Date



Kristen Mickins, MHA
Senior Planning and Business Development
Analyst, Decision Support
University of Maryland St. Joseph Medical
Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated February 4, 2022 and its attachments are true and correct to the best of my knowledge, information, and belief.

02-14-2022

Date



Elizabeth Groncki, MPH
Director, Planning, Business Development and
Clinical Integration
University of Maryland St. Joseph Medical
Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated February 4, 2022 and its attachments are true and correct to the best of my knowledge, information, and belief.

2/11/2022

Date



Jim Albert, AIA, ACHA, LEED AP
Principal
Hord Coplan Macht

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated February 4, 2022 and its attachments are true and correct to the best of my knowledge, information, and belief.

Hunter Robertson

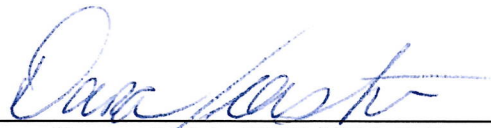
Digitally signed by Hunter Robertson
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E=hrobertson@covalus.com,
O="Covalus, LLC", CN=Hunter
Robertson
Date: 2022.02.15 07:43:16-05'00'

Date

Hunter Robertson
Senior Program Manager
Covalus

I hereby declare and affirm under the penalties of perjury that the facts stated in Response 4(a) to the Additional Information Questions Dated February 4, 2022 are true and correct to the best of my knowledge, information, and belief.

2-15-22
Date



Dana Forster MBA, BSN, NEA-BC
Vice President of Delivery System Operations
Kaiser Permanente

EXHIBIT 4

February 11th, 2022

Mr. Ben Steffen
Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215-2222

Re: UM SJMC Post-Approval CON Project Modification

Dear Mr. Steffen:

HORD | COPLAN | MACHT is the architectural design firm that designed the revised project drawings that were attached as **Exhibit 2** to UM SJMC's Post-Approval CON Project Modification Request (the "Modification Request") filed on January 4, 2022.

To the best of my knowledge, information, and belief the design set forth in the revised project drawings submitted with the Modification Request comply with Section 2.2 of the Guidelines for Design and Construction of Hospitals and Facilities – The Facilities Guidelines Institute (the FGI Guidelines).

If you have any questions or concerns, please feel free to contact me directly.

Sincerely,

HORD | COPLAN | MACHT

A handwritten signature in dark ink, appearing to read "James F. Albert", with a long, sweeping horizontal line extending to the right.

James F. Albert, AIA, ACHA, LEED AP
Principal