

MARYLAND HEALTH CARE COMMISSION

Certificate of Need

TO: Dana Farrakhan
Vice President, Strategy/Business Development
University of Maryland Medical Center
22 S. Greene Street
Baltimore, Maryland 21201

May 16, 2019
Date

RE: Addition of Adolescent Inpatient Psychiatric Services
In Space Renovated to Accommodate
Both Child and Adolescent Patients

18-24-2429
Docket No.

PROJECT DESCRIPTION

This Certificate of Need authorizes the University of Maryland Medical Center to add a new service, acute inpatient psychiatric services for adolescents (ages 13-18), as part of a project that also relocates its inpatient child psychiatry beds to new, renovated quarters in the hospital. The proposed unit will have a total of 16 beds, with eight each for children and adolescents, and will manage them as separate populations. Both female and male patients will be accommodated and the design of the unit will allow for separation by gender in sleeping and toileting activity.

The proposed unit will be located in space that will be renovated for that purpose on the 11th floor of the North Hospital building. To accommodate the project, the University of Maryland Medical Center will completely renovate approximately 11,200 square feet ("SF") that had previously been used for adult inpatient psychiatric services and acute medical services. A portion of the 12th floor, approximately 2,600 SF, will also be renovated to provide activity and therapy space for the child and adolescent patients.

The project is approved at an estimated cost of \$9,580,000, which includes \$7.442 million for the building renovations; \$1.282 million in other capital costs; \$146,000 inflation allowance; \$675,000 for permits and building fees; and \$55,000 in legal fees and other cash requirements. The University of Maryland Medical Center will fund the project with cash reserves.

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 May 17, 2019, that a Certificate of Need be issued for the project.

PERFORMANCE REQUIREMENTS

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

1. Obligation of not less than 51 percent of the approved capital expenditure for the project, as documented by a binding construction contract, within 24 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. Up to 24 months after the effective date of the binding construction contract to complete the construction and to document that the approved project has been completed, has met all legal requirements, and is providing the approved new service.

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.

CHANGES TO APPROVED PROJECT

Before making any changes to the facts in the Certificate of Need application and other information provided to the Commission, University of Maryland Medical Center 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 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 at:

http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_cap_cost_index_1st_qtr_2015.pdf

DESIGN APPROVAL AND FACILITIES LICENSURE BY MARYLAND DEPARTMENT OF HEALTH

This Certificate of Need does not constitute a license or replace any approvals required by the Office of Health Care Quality ("OHCQ") or other divisions of the Maryland Department of Health ("MDH") to operate new space within an existing facility. University of Maryland Medical Center must provide MDH with all information it requires for plan approval or approval to put renovated space within the facility into use, including information pertaining to project design and specifications.

QUARTERLY STATUS REPORTS

University of Maryland Medical Center must file quarterly status reports on the approved project, beginning August 16, 2019, three months from the date of this Certificate of Need, and continuing through the completion of the project.

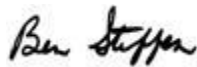
REQUEST FOR FIRST USE REVIEW

University of Maryland Medical Center must request in writing, not less than 60 days but not more than 120 days before the first use of the renovated space and initiation of adolescent psychiatric services, 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 at a cost consistent with this Certificate of Need. Commission staff will review the request in consultation, as necessary, with OHCQ, and in accordance with COMAR 10.24.01.18, to determine whether the project is in conformance with the Certificate of Need. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate new space within an existing health care facility. Therefore, University of Maryland Medical Center 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 renovated space does not occur within 90 days of approval, University of Maryland Medical Center 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, MD, Executive Director, Office of Health Care Quality
Katie Wunderlich, Executive Director, HSCRC
Letitia Dzirasa, M.D., Commissioner of Health, Baltimore City