

Andrew N. Pollak, M.D.
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STATE OF MARYLAND

Ben Steffen
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MARYLAND HEALTH CARE COMMISSION

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

September 13, 2019

VIA E-MAIL AND REGULAR MAIL

Laurie Beyer, Chief Financial Officer
GBMC Hospital
6701 N. Charles Street
Towson, Maryland 21204

Re: GBMC Hospital Proposed Addition –
Matter No. 19-03-2439

Dear Ms. Beyer:

Staff of the Maryland Health Care Commission (“MHCC”) has reviewed the Certificate of Need application filed on August 9, 2019. We have the following questions and requests for additional information concerning this application. Please respond to this request, following the rules at COMAR 10.24.01.07.

PROJECT DESCRIPTION

1. Please elaborate on the civil monetary penalty paid to OHCQ (p.16 in the section on applicant history), describing the deficient practices that lead to this penalty as well as the corrective action that was implemented.
2. Has the amendment to the CRG for zoning approval been submitted and when is that approval expected (p.10)?
3. In Table A the “before” and “after” bed inventory entries show no overall changes to physical bed capacity, despite the fact that, while the application proposes to vacate 60 beds and relocate them to the new addition, the space housing the vacated beds will remain. Even without staffing, they still need to be counted in the hospital’s physical capacity. Please revise Table A accordingly.

PROJECT BUDGET

4. On Table E, please provide detail on the following:
 - a. \$895,000 in “other” capital costs (section 1, row c4)
 - b. \$435,000 in “other” CON related consulting fees (section 2, row c2)
 - c. \$2,438,000 in “other” Non CON consulting fees (section 2, row d2)

CONSISTENCY WITH GENERAL REVIEW CRITERIA (COMAR 10.24.01.08G(3))

a) The State Health Plan

COMAR 10.24.10 - ACUTE HOSPITAL SERVICES standards

Information regarding charges

5. For subpart (a) of this standard, describe where this information is accessible at the hospital. Is the information posted or is it strictly available upon request (p.19)?

Charity Care

6. For each of the subparts of this standard, the applicant should provide the language from the policy that meets the standard, as well as a citation showing where in the policy that language can be found. A worksheet – that will be provided to you in word format as well – is attached as Appendix 1 for your convenience.
7. Please provide a legible copy of the hospital’s Plain Language Summary.
8. Subpart b of the charity care standard states that *“A hospital with a level of charity care, defined as the percentage of total operating expenses that falls within the bottom quartile of all hospitals, as reported in the most recent Health Service Cost Review Commission Community Benefit Report, shall demonstrate that its level of charity care is appropriate to the needs of its service area population.”* Note that investments in community benefit programs are not defined as charity care. Given that GBMC falls in the bottom quartile on the level of charity care provided:
 - a) Why do the projections in Table G show charity care to decrease beginning in 2020 through 2026 (to 0.25% from the current level of 0.34%) rather than reflecting efforts to improve that performance?
 - b) Following on the above, describe plans the hospital has to raise the amount of charity care provided.
 - c) GBMC states on p. 21 of the application that “GBMC’s charity care experience is a function of the insured and self-pay populations that GBMC serves.” Please provide data to back up this statement.

Quality of Care

9. The application cites 20 areas below average but you have only reported on 19 areas that are below average. The area that was missed is flu prevention for patients at 71% compliance. Please provide your action plan for this measure

10. Quality measures associated with CT scans show two *below average* scores for contrast dye with a plan that reads “TBD.” Has GBMC made any progress on devising a plan for these measures?

11. For the three measures listed under *results of care* that are reported as falling below average, GBMC acknowledges that it is aware of this issue and “has created a multi-disciplinary team to generate an action plan...to improve quality outcomes.” If the teams have created plans, please update this information; if they have not, please estimate when that will be achieved.

12. Under “environment” the application states that the hospital continues to “implement performance improvement” but does not describe what type of performance improvement is being implemented.

Construction Cost of Hospital Space

13. Please recalculate the MVS valuation to correct the following:
 - a. The height multiplier that should be used for 12.7 foot high ceilings is 1.016, not the 1.046 used in the calculation of construction costs.

 - b. The differential cost factor of 0.96 should be used for the welcome and wellness center which are defined as office space.

14. Confirm that the Mechanical Penthouse will be 1 story with 20 foot ceilings, not 3 stories as described in Exhibit 13, Chart B.

15. Provide the assumptions that resulted in an estimated a MBE participation cost premium of \$2.5 million for the site and building.

Efficiency

16. The application describes a variety of ways in which the new units will be more efficient, but does not attempt to quantify how productivity will be reflected in FTEs per admission (or other appropriate measure). Please quantify the impact these changes will have.

NEED

17. Please provide the sources for the data presented in tables 7-23 in the NEED criterion. We note that the PowerPoint presentation you did for staff provided that information, but it needs to be entered into the record of the review by providing that information in your response to this completeness letter.

Availability of Cost Effective Alternatives

18. Note that the criterion requires that an applicant compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities. The applicant's response compared the proposal to *its existing facilities*; a proper interpretation of the criterion requires GBMC to provide an analysis of other existing facilities that provide the same services as GBMC (other acute care hospitals) and why they are or are not an appropriate alternative to this modernization project.

Viability of the Proposal

19. In the uninflated figures for FYs 2025 and '26 it is projected that the income from operations will be negative (-\$2.2 million in '26). In the inflated figures, income from operations is projected to lead to healthy profits (\$11,172 million in '26). Please explain.
20. Investment earnings shown on Tables G and H are projected to fall from a three year average of about \$29.3 million in 2019 to \$8.7 million in 2020, and remain around that level. Please explain.

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

All information supplementing the applicant 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."

Laurie Beyer
September 13, 2019
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Should you have any questions regarding this matter, feel free to contact me at (410) 764-5982.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne Marie Gawel". The signature is fluid and cursive, with a large initial "J" and "M".

Jeanne Marie Gawel
Health Analyst, Certificate of Need

cc: Tom Dame, Esquire
Hannah Perng, Esquire
Gregory Branch, M.D., Baltimore County Health Department

Appendix 1

	Quote from the policy	Section citation
<p>10.24.01.04A(2) (2) Charity Care Policy. Each hospital shall have a written policy for the provision of charity care for indigent patients to ensure access to services regardless of an individual's ability to pay.(a) The policy shall provide:</p>		
<p>(i) Determination of Probable Eligibility. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospital must make a determination of probable eligibility.</p>		
<p>(ii) Minimum Required Notice of Charity Care Policy.</p>		
<p>Public notice of information regarding the hospital's charity care policy shall be distributed through methods designed to best reach the target population and in a format understandable by the target population on an annual basis;</p>		
<p>Notices regarding the hospital's charity care policy shall be posted in the admissions office, business office, and emergency department areas within the hospital.</p>		
<p>Individual notice regarding the hospital's charity care policy shall be provided at the time of preadmission or admission to each person who seeks services in the hospital.</p>		