

October 10, 2019

VIA EMAIL & U.S. MAIL

Ms. Ruby Potter
ruby.potter@maryland.gov
Health Facilities Coordination Officer
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: Application for Certificate of Need
Construction of a Cancer Center at the University of Maryland Medical Center

Dear Ms. Potter:

On behalf of applicant University of Maryland Medical Center, enclosed are six copies of its "Response to Additional Information Question Dated September 26, 2019" with respect to the CON Application for construction of a cancer center at the University of Maryland Medical Center.

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

Sincerely,



Thomas C. Dame

TCD:blr

Enclosures

cc: Kevin McDonald, Chief, Certificate of Need
Paul Parker, Director, Center for Health Care Facilities Planning & Development
Suellen Wideman, Esq., Assistant Attorney General
Dr. Letitia Dzirasa, Baltimore City Health Commissioner
Sandra H. Benzer, Esq., Associate Counsel, UMMS
Mohan Suntha, M.D., MBA, President and CEO
Dana D. Farrakhan, FACHE, Sr. VP, Strategy, Community and Business Development
Joseph E. Hoffman III, Senior Vice President and Chief Financial Officer, UMMC
Georgia Harrington, Senior Vice President, Operations, UMMC
Craig Fleischmann, Senior Vice President, Finance, UMMC

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Leonard Taylor, Jr., Senior Vice President for Asset Planning, UMMS
Janice Eisele, Senior Vice President, Development, UMMC
Stan Whitbey, Vice President, Cancer Services, UMMC
Brian Sturm, Senior Director, Financial and Capital Planning, UMMS
Marina Bogin, Senior Director, Finance Decision Support, UMMC
Nicholas Jaidar, Director of Oncology Operations, UMMC
Suzanne Cowperthwaite, Director of Oncology Nursing, UMMC
Scott Tinsley-Hall, Director, Strategic Planning, UMMC
Linda Whitmore, Director for Project Development, UMMC
Bret Elam, Project Manager, UMMS
Donald Steacy, Manager, Strategic Analytics & Program Development, UMMC
Deb Sheehan, Executive Director, Cannon Design
Andrew L. Solberg, A.L.S. Healthcare Consultant Services

**UNIVERSITY OF MARYLAND MEDICAL CENTER
CONSTRUCTION OF ADDITION FOR CANCER CENTER**
Matter No. 19-24-2438

**Response to Additional Information Question
Dated September 26, 2019**

1. Regarding the \$125.0 million in grants to UMMC, UMMC states on pp. 1-2 that:

To apply for funding through Capital Improvement Program ("CIP") and state Capital Budget, applicants must provide thorough descriptions of the goals of the proposed project, the nature of the proposed work and provide a highly detailed cost estimate to the DBM. In the State Capital Budget Volume, the DBM recommends the projects it believes deserve funding to the Governor. Not all proposed projects in the Capital Budget Volume receive the support of the Governor, who determines which projects to include in the proposed capital budget, which is presented to the General Assembly for passage.

UMMC continues by stating that the Governor proposed \$5,000,000 in funding for the Cancer Center in FY 2020, but "UMMC ultimately received \$3,000,000 in State funds for FY 2020."

Based on this response, it is possible that UMMC will not receive all of the \$125 million in state grants earmarked for the proposed Cancer Center. Please discuss what contingencies UMMC has in place to finance the construction of the cancer center in the case where there is a shortfall and UMMC does not receive all of the grant funding through the CIP and state Capital Budget process. Identify the source for these funds.

[Applicant Response](#)

As stated in response to Question 1 of the August 21, 2019 additional information questions, UMMC expects to receive full grant funding from the State of Maryland in the amount of \$125 million through the State Capital Improvement Program ("CIP"). UMMC does not agree with the premise of the question, *i.e.*, that the actual FY 2020 funding, which was less than originally proposed, reflects that UMMC may not receive the entire planned funding. The reduction in the FY 2020 funding was caused by the current progress of the project, not a lack of commitment by the State to fund the entire planned budget over time.

As noted previously, UMMC has extensive experience with the State CIP budget process and has a very strong track record of obtaining substantial State grants over the past 30 years for numerous other multi-year projects, including for the Shock Trauma Center, the Gudelsky Building, and the Weinberg Building, among others. The committed State funding for these projects totals nearly \$300 million.

In the unlikely event the State fails to fund the entire \$125 million for this project, UMMC will seek to fund any shortage with bond financed debt.

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Question Dated September 26, 2019 are true and correct to the best of my knowledge, information, and belief.

10/10/19

Date



Joseph E. Hoffman III
Senior Vice President and Chief
Financial Officer
UMMC