

MARYLAND HEALTH CARE COMMISSION

Certificate of Need

To: Jeff Kagan, President
Sterling Care Hillhaven
709 Kersey Road
Silver Spring, Maryland, 20902

Date: June 20, 2024

Re: Hillhaven SNF Operator, LLC (Hillhaven)

Docket No.: 24-16-2469

PROJECT DESCRIPTION

This Certificate of Need authorizes Hillhaven SNF Operator, LLC (Hillhaven) to add a 32-bed wing to its existing facility in Prince George’s County Maryland. All of the rooms in the new wing will be private. The facility currently has 66 comprehensive care facility (CCF) beds, 56 semi-private and 10 private beds and after the project it will have 98 beds, 54 semi-private and 44 private. The proposed project has 24,834 square feet (SF) of new construction and 1,300 SF of renovations. The total estimated cost of the project is \$7,550,000 and will be funded by cash and a mortgage.

ORDER

The Maryland Health Care Commission reviewed the staff report and based on that analysis and the record in the review, ordered, on June 2024, that a Certificate of Need be issued for the project, with the following conditions:

1. For three years after receiving first use, Hillhaven shall demonstrate progress in increasing the number of Medicaid patient days as a proportion of total patient days. Hillhaven shall file reports semi-annually with the Commission that identify the number and percentage of patient days and total patient days at Hillhaven for the previous period for Medicaid and other payor sources;
2. Prior to seeking first use approval, Hillhaven shall document that the percentage of Medicaid patient days as a proportion of total patient days meets or exceeds the requirement in its most recently signed Memorandum of Understanding with the Maryland Medical Assistance Program; and
3. Hillhaven shall continue to maintain the minimum proportion of Medicaid patient days required in Prince George’s County in its Memorandum of Understanding with the Maryland Medical Assistance Program.

PERFORMANCE REQUIREMENTS

In accordance with COMAR 10.24.01.12A, the applicant has proposed the following project implementation schedule:

Obligation of 51% of capital expenditure from approval date	24	months
Initiation of Construction within 4 months of the effective date of a binding construction contract	12	months
Time to Completion of Construction from date of capital obligation	36	months

PROPOSED CHANGES TO THE APPROVED PROJECT

Before making any changes to the facts in the Certificate of Need application approved by the Commission, Hillhaven shall notify the Commission in writing and receive Commission approval of each proposed change 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). Hillhaven must provide OHCQ and MDH with all information required for facility licensure.

SEMI-ANNUAL STATUS REPORTS

In accordance with COMAR 10.24.01.12 Hillhaven shall submit semi-annual status reports to the Commission, beginning December 20, 2024, six months from the date of this Certificate of Need, and continuing at six-month intervals, until the completion of the project.

REQUEST FOR FIRST USE REVIEW

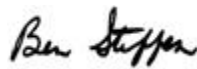
Hillhaven shall request in writing, not less than 60 days but not more than 120 days before the first use of the new wing, a first use review from the Commission, specifying the anticipated date of first use and documentation that the project has been substantially completed, the final cost of the project, a description of any differences in design, space or services in the completed project when compared to the description of the project reviewed and approved by the Commission. The request for first use shall state the completion date, within 120 days or less, 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, Hillhaven 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 does not occur within 90 days of approval, Hillhaven 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: Heather Reed, Office of Health Care Quality
Dr. Matther Levy, Health Officer, Prince George's County
Nancy Lane, PDA Consulting