



Marcia Boyle, MS, Vice Chair

TO: Commissioners

FROM: Ewurama Shaw-Taylor
Chief, Certificate of Need

SUBJECT: In the Matter of Luminis Health Doctors Community Medical Center
Request for Project Change after Project Approval
Docket No. 23-16-2466

DATE: May 15, 2025

Enclosed is the Staff Report and Recommendation for a Request for a Project Change after a Certificate of Need approval submitted by Luminis Health Doctors Community Medical Center (Doctors). On December 14, 2023, the Maryland Health Care Commission (MHCC or Commission) approved a Certificate of Need to construct a four-story patient tower on the west side of the existing hospital and a new loading dock and to renovate parts of the existing hospital. A key component of the approved project was the establishment of a 21-bed obstetrics unit in the patient tower. The Commission approved a total project budget of \$299,012,841 for a multi-phase project. The project would be paid for with State grants (\$95 million), authorized bonds (\$153 million), philanthropy (\$5 million), and cash (\$46 million).

On March 28, 2025, Doctors requested a project change to reduce the scale of the construction and the renovations to the existing hospital. Doctors will (1) change the location of the new tower from the west side to the east side of the hospital; (2) limit the new tower to mostly obstetrical services, with a 16-bed obstetrics unit; (3) expand the loading dock construction to include a pharmacy; and (4) renovate the surgical platform (and other supportive services) in the existing hospital rather than constructing new ones. The applicant states that since the original Certificate of Need approval, there have been significant increases in construction and operating costs, and that capital costs were outpacing an acceptable rate of inflation. The project change request is to address these changes.

The applicant states that the proposed changes will allow the hospital to deliver the full scope of obstetrical services, while lowering the project budget by one third, to a new estimated total cost of \$210,828,366 (Appendix 1). The project would now be paid for with State grants (\$95 million), authorized bonds (\$76.3 million), philanthropy (\$5 million), and cash (\$34.6 million).

In the revised plan, Doctors will construct a three-story 'Obstetrics Pavilion' on the east side of the existing hospital instead of the west side. The obstetrics unit will occupy Levels 1 and 2, with respiratory therapy and clinical support spaces also on Level 2. The building mechanics

and graduate medical education space will occupy Level 3. Doctors has designated the rooftop as Level 4, which will include the helipad and elevators. Doctors will retain the obstetrics and respiratory therapy units in the new building but will eliminate pharmacy, imaging, radiology, and other support services that were originally planned. The new loading dock will be constructed on the northeast corner of the existing structure, as in the original Certificate of Need , but as a two-story structure, with the pharmacy to occupy the second floor. The total square footage of new construction will be 95,671 square feet (SF). Lastly, as part of the project change, Doctors will renovate a smaller area of the existing hospital (24,775 SF) than in the original CON to achieve the same goal of improved flow, accommodating modern equipment, and facilitating efficient care.

Staff recommends that the Commission **APPROVE** the Request for a Project Change after issuance of Certificate of Need. Staff recommends that the original conditions in the December 14, 2023 Certificate of Need be incorporated in the order:

1. Luminis Health Doctors Community Medical Center shall close its obstetric program, and its authority to operate will be revoked, if: (i) it fails to meet the minimum annual volume of 1,000 obstetric discharges annually for any 24 consecutive month period and (ii) it fails to provide good cause for its failure to attain the minimum volume, and a feasible corrective action plan for how it will achieve the minimum volume within a two-year period.
2. Luminis Health Doctors Community Medical Center shall continue to provide a patient with an estimate of out-of-pocket charges prior to arrival for surgery.
3. If the proposed source of funds for the project should vary from what is approved in the Certificate of Need, the applicant must submit a project change.