



MEMORANDUM

TO: Commissioners

FROM: Ewurama Shaw-Taylor
Chief, Certificate of Need

RE: Surgcenter at National Harbor, LLC
Certificate of Need for an Ambulatory Surgical Facility in
Prince George's County
Docket No. 24-16-2470

DATE: November 21, 2024

Surgcenter at National Harbor, LLC, d/b/a Harborside Surgery Center (Harborside) is an existing ambulatory surgery center (ASC-2)¹ that provides outpatient surgery procedures with two operating rooms (OR) and three procedure rooms located at 251 National Harbor Boulevard, Suite 200 in Oxon Hill, Prince George's County.

Project Description

Harborside seeks a Certificate of Need from the Maryland Health Care Commission to add one sterile OR to its existing center, resulting in three sterile ORs after project completion and thereby establishing an ambulatory surgical facility (ASF).² The applicant states that the project will renovate and convert an existing procedure room to an OR, resulting in a facility with three ORs and two procedure rooms.

¹ COMAR 10.24.11.07B(2) defines an "ambulatory surgery center" (ASC) as any center, service, office, facility, or office of one or more health care practitioners, a group practice, or a non-rate-regulated center owned by a hospital that has no more than two operating rooms, that operates primarily for the purpose of providing surgical services to patients who do not require overnight hospitalization, and that seeks reimbursement from payors for the provision of ambulatory surgical services. An ASC-2 is an ambulatory surgery center with two operating rooms.

² COMAR 10.24.11.07B(3) defines an ambulatory surgical facility as a health care facility that: (a) has three or more operating rooms; (b) operates primarily for the purpose of providing surgical services to patients who do not require overnight hospitalization and (c) seeks reimbursement from payors as an ambulatory surgical facility.

The estimated capital cost to renovate existing space into a third OR is \$247,985, to be paid for by the applicant in cash. Harborside states that the original facility was designed and built for three ORs, but only two were originally commissioned, with the third licensed as a procedure room. The existing procedure room to be converted was built to sterile OR standards and shares medical gas and HVAC equipment with the two existing sterile ORs.

Staff Recommendation

The relevant State Health Plan (SHP) chapter considered in the review of this project is COMAR 10.24.11, State Health Plan for Facilities and Services: General Surgical Services. Also considered are the general CON review criteria at COMAR 10.24.01.08G(3)(a) through (h).

Staff concludes that Harborside has complied with all applicable SHP standards in COMAR 10.24.11. Harborside's projected surgical case volume and OR surgical minutes support the need for the addition of a third operating room and the establishment of an ASF. Also, under the review criterion of COMAR 10.24.01.08G(3), staff concludes that Harborside's forecasts are credible, the project is financially viable, and that the project is a cost-effective option for delivering outpatient surgical services for physicians and residents within its service area. The project will have a positive impact on patient access and will not negatively impact the cost of outpatient surgery in the service area, nor will the project have a significant negative impact on existing providers of outpatient surgical services. Staff also concludes the applicant has appropriately responded to the criteria on Health Equity and Character and Competence.

Based on the conclusion that the proposed project complies with the applicable standards in COMAR 10.24.11, the General Surgical Services chapter of the State Health Plan, and with the Certificate of Need review criterion at COMAR 10.24.01.08G(3)(a)-(h), and as explained more fully in this Staff Report, Staff recommends the Maryland Health Care Commission find that applicant has met its burden and **APPROVE** Harborside's application for a Certificate of Need with the following conditions:

Prior to first use, Harborside shall provide to the public or patient, upon inquiry or as required by applicable regulations or law, information concerning charges for the full range of surgical services provided.

Prior to first use approval, Harborside shall ensure that it provides to the public, upon inquiry or as required by applicable law, the names of the health care carrier networks in which it and its surgeons currently participate.



Prior to first use approval, Harborside shall provide its plan to ensure that it provides charity care that is equivalent to or greater than the average amount of charity care provided by ASFs in the most recent year reported, measured as a percentage of total operating expenses, and that it reports charity care and bad debt as defined in the Freestanding Ambulatory Surgery Facility Survey.

Prior to first use approval, Harborside shall amend its brochure and website to include a link to the medical financial assistance and charity care policies.

Harborside will adopt a policy stating that annually, as part of the budgeting process, Harborside will include a discussion with its Board to discuss and identify necessary resources needed to address its commitment to Health Equity. Before first use, Harborside will identify the specific social determinants of health of their service area and submit a plan as to how this project plans to address it, including updated plans for the outreach clinic, and their discussions with Prince George's county department of health.

