

June 19, 2020

VIA EMAIL & HAND DELIVERY

Ms. Ruby Potter
Health Facilities Coordination Officer
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

**Re: University of Maryland Midtown SurgiCenter, LLC
Supplemental Submission for Certificate of Need Application to Establish an
Ambulatory Surgical Facility on the University of Maryland Medical Center
Midtown Campus**

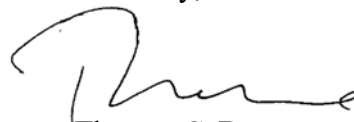
Dear Ms. Potter:

On behalf of the applicant, University of Maryland Midtown SurgiCenter, LLC, we write to provide a supplemental submission for the Certificate of Need (“CON”) application filed on June 5, 2020. Page 43 of the CON application references that “UMMC is actively involved in discussions with the Health Services Cost Review Commission (“HSCRC”) regarding the mix of regulated and unregulated services in the Midtown Ambulatory Care Building and is awaiting a final written determination that it will allow unregulated surgical services in the ASF.” UMMC received a final written determination from the HSCRC, which is enclosed and will serve as **Exhibit 22**.

Four copies of this supplemental submission are being submitted pursuant to the Maryland Health Care Commission’s standing order. I hereby certify that a copy of this submission has also been forwarded to the appropriate local health planning agency as noted below.

Please let us know if you have any questions regarding this matter.

Sincerely,



Thomas C. Dame



Mallory M. Regenbogen

#706506

Ms. Ruby Potter
June 19, 2020
Page 2

Enclosures

Cc: via email

Ben Steffen, Executive Director, MHCC

Paul Parker, Director, Center for Health Care Facilities Planning & Development, MHCC

Kevin McDonald, Chief, Certificate of Need, MHCC

Suellen Wideman, Esq., Assistant Attorney General, MHCC

Alison Brown, MPH, Interim President, UMMC Downtown Campus, President, UMMC
Midtown Campus

Dana Farrakhan, FACHE, Senior Vice President, Strategy, Community and Business
Development, UMMC

Craig Fleischmann, Vice President, Finance, UMMC

Scott Tinsley-Hall, Director, Strategy & System Market Intelligence, UMMC

William E. Tucker, MBA, CPA, Associate Dean for Practice Plan Affairs, UM School of
Medicine Chief Corporate Officer, Faculty Physicians, Inc.

Michele J. Wingate, CPA, Chief Financial and Business Development Officer, University
of Maryland Faculty Physicians, Inc.

Sandra H. Benzer, Esq., Associate Counsel, UMMS

Letitia Dzirasa, M.D., Commissioner of Health, Baltimore City Health Department

Andrew Solberg, Consultant, A.L.S. Healthcare Consultant Services

EXHIBIT 22

**State of Maryland
Department of Health**

**Adam Kane
Chairman**

**Joseph Antos, PhD
Vice-Chairman**

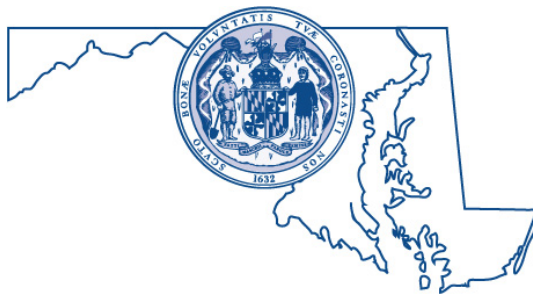
Victoria W. Bayless

Stacia Cohen

John M. Colmers

James N. Elliott, M.D.

Sam Malhotra



**Katie Wunderlich
Executive Director**

**Allan Pack, Director
Population Based
Methodologies**

**Chris Peterson, Director
Payment Reform &
Provider Alignment**

**Gerard J. Schmith, Director
Revenue & Regulation
Compliance**

**William Henderson, Director
Medical Economics &
Data Analytics**

Health Services Cost Review Commission

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June 4, 2020

Ms. Alison G. Brown
Interim President
UMMC- Midtown Campus
827 Linden Avenue
Baltimore, Maryland 21201

RE: Determination Request - UMMC-Midtown Outpatient Tower

Dear Ms. Brown:

This letter is written on behalf of the staff of the Health Services Cost Review Commission (“HSCRC”) and responds to UMMC-Midtown Campus’ (Midtown) recent written request for a determination as to whether the Health Services Cost Review Commission will assert rate setting jurisdiction over the services to be provided in the future UMMC Midtown Outpatient Tower (MOT) to be located at 827 Linden Avenue, Baltimore, Maryland. This 10-story building will include physician offices, regulated clinics, a Community Health Resource Center, a Conference Center, an unregulated Ambulatory Surgery Center (ASC), and additional parking. It is anticipated that the MOT will open in the fall of 2021.

According to Midtown, the new building allows for expansion and replacement of obsolete structures and is part of a longer-term campus master plan. It will serve as a visible commitment by Midtown to West Baltimore, the City, and the region as an anchor institution. The modern facility will enhance and build loyalty among patients, providers, employees, and the community.

The site of the future MOT is located on the Midtown's campus, however, there is no physical connection between the MOT and Midtown's principal hospital buildings. The first floor of the MOT will contain the main lobby and the unregulated ASC. The parking garage will be on Floors 2 through 6. The regulated Infectious Disease Clinic will be located on floor 7 and the regulated Diabetes & Endocrinology Clinic will be located on floor 8. Private physician practices providing Cardiology, Pulmonary, and GI services will be located on floor 9. Floor 10 is empty shell space.

Access to the building will be through the main lobby or through the parking garage. Appropriate signage will be placed in the main lobby and at the patient check-in area identifying the ASC as an unregulated provider. The signage for the ASC will not have the UMMC-Midtown branding or logo. Signage at the elevators and on floors 7 and 8 housing the regulated clinics will have UMMC-Midtown's branding and logo to identify the services as regulated.

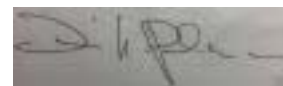
Midtown has also agreed that there will be no duplication of the services provided in the ASC in the Hospital, i.e., once the ASC opens, Midtown will no longer provide as scheduled non-emergent services the services provided in the ASC.

Hospital representatives have pledged to notify third party payers and existing patients of the status of the ASC. All ASC services will be billed on CMS 1500 with a nonhospital site of service. Additionally, a charity policy consistent with that of UMMC will be extended to ACS patients.

Based on consideration of the criteria of COMAR 10.37.10.07-1, as well as your representations, staff has concluded that from a rate setting perspective, the proposed ASC would not be subject to HSCRC rate setting jurisdiction. This determination is conditioned on your pledge to notify staff in writing, that if you contemplate changing the configuration of the outpatient services in the MOT which may affect staff's determination, you will notify staff at least 60 days before initiation of any such change. Failure to obtain prior staff approval, or a violation of this determination, may subject Midtown to fines for inaccurate reporting under COMAR 10.37.01.03R and paybacks for inappropriate charges. Additionally, at least 60 days prior to operationalizing these outpatient services, Midtown will notify staff of the intended name of the MOT and the ASC and of the proposed signage. Lastly, a request for determination does not satisfy the separate requirement for the Hospital under its Global Budget Agreement to notify the HSCRC of any changes in ownership and control and related service relocations.

If you have any further questions, I would be pleased to discuss them with you.

Sincerely,



Dennis N. Phelps
Deputy Director,
Audit & Compliance