



December 23, 2025

Mallory Regenbogen, Esq.
Alison B. Lutich, Esq.
Gallagher, Evelius, and Jones
218 North Charles Street, Suite 400
Baltimore, Maryland 21201

Re: Change After CON Approval
Docket No. 23-20-2463
Shore Health System, Inc.
Relocation of University of Maryland
Shore Medical Center at Easton

Dear Ms. Regenbogen and Ms. Lutich:

The Maryland Health Care Commission (MHCC) staff has reviewed your request for a project change after Certificate of Need (CON) approval for Shore Health System, Inc. (SHS). SHS's project is to relocate and replace the acute care general hospital, University of Maryland Shore Medical Center at Easton. SHS requests a budget increase of \$124,903,000 to a total of \$664,461,871.

The MHCC staff has determined that additional information is required to review this request.

1. Explain the Target Value Design model being used in the planning process. Who is involved in the decision-making and what savings have been achieved through its use?
2. Explain the increase of \$9,475,877 (86%) in architect/engineering for the project.
3. Does SHS plan to seek an increase in its Global Budget Revenue related to this increase in the budget?

Please submit the responses to the above questions and the requests for additional information within ten working days of receipt. Please submit your answers electronically, in both Word and PDF format, to our CON mailbox at

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mhcc.confilings@maryland.gov. We will likely submit an additional set of questions requested by HSCRC in the near future.

As with the request itself, all information supplementing the request must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

If you have any questions concerning this request, please contact me by email at moira.lawson1@maryland.gov or phone at (410) 764-3232.

Sincerely,



Moira Lawson
Program Manager

cc: Kenneth Kozel, MBA, FACHE, President and CEO, UM SRH
LuAnn Brady, Sr. VP, Chief Operating Officer, UM SRH
Richie Stever, VP, Real Estate and Construction, UMMS
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Wynee Hawk, Director, Health Care Facilities Planning and Development, MHCC
Ewurama Shaw-Taylor, Chief, Certificate of Need, MHCC
Deanna Dunn, Health Care Facilities Coordinator MHCC
Jerry Schmith, Principal Deputy Director, HSCRC
Bob Gallion, Associate Director, Revenue and Regulation Compliance, HSCRC
Caitlin Tepe, A.A.G.
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