



MEMORANDUM

TO: Commissioners

FROM: Wynnee Hawk Chief, Certificate of Need

DATE: March 17, 2022

SUBJECT: Alcohol and Drug Intermediate Care Facility Certificate of Need Hygea, Inc.
Docket No. 21-03-2450

Enclosed is the staff report and recommendation for a Certificate of Need (CON) application filed by Hygea, Inc., to establish a 50-bed Track One Intermediate Care Facility (ICF) for adults in Baltimore County, Maryland. The facility will offer American Society of Addiction Medicine (or ASAM) Level 3.7 medically monitored inpatient services and withdrawal management. The applicant states that the primary driver of the project is a need for more ICF beds in the Central Planning Region of Maryland as evidenced by the State Health Plan bed need formula projections for 2027 which yield a need for 23-65 beds. In addition to the bed need formula, the analysis of need also included a review of the Governor's Heroin and Opioid Emergency Task Force and the impact of the COVID-19 pandemic on substance use and drug overdoses. The applicant also provided evidence of long wait times for treatment and the rise of unintentional intoxication deaths in Maryland.

The applicant will be working with Middle River Ventures, real estate developers that will become the applicant's landlord. Middle River Ventures will absorb all of the costs related to the land and construction of the facility. The applicant's lease will include 7.27 acres with a new two-story 29,308 square foot facility. Hygea Detox proposes to enter a 12-year lease for the facility and surrounding land. The total project is over 11 million, however the applicant's portion of the total cost for this project is \$482,840 and will be funded with a business loan.

During the review process staff found issues that warranted conditions for this CON. Two conditions will require follow up by the applicant prior to first use of the facility and one condition will require reporting to the Commission for five years for compliance. These conditions listed below are included in the staff report:

1. Hygea Inc. shall document the provision of a minimum of 15% of patient days to indigent and gray area patients, as defined at COMAR 10.24.14.08B(9) and (11), by submitting annual reports auditing its total

days and the provision of days to indigent and gray area patients as a percentage of total days. Such audit reports shall be submitted to the Commission following each fiscal year, from the project's inception and continuing for five years thereafter;

2. Hygea Inc. must receive preliminary accreditation for the Level 3.7 services it will provide, including withdrawal management and post-withdrawal treatment programming, by the Commission on the Accreditation of Rehabilitation Facilities (CARF) prior to First Use Approval by the Commission and must timely receive final accreditation by CARF; and

3. Hygea Inc. shall document referral agreements, prior to First Use approval by the Commission, demonstrating that at least 15 percent of its annual patient days, required by COMAR 10.24.14.08, will be incurred by the indigent or gray area populations, including days paid under a contract with the Behavioral Health Administration or a jurisdictional alcohol or drug abuse authority, or the Medical Assistance program; [COMAR 10.24.14.05K(2)].

Staff concludes that Hygea's application for a Certificate of Need for a 50-bed Track One Intermediate Care Facility for adults in Baltimore County, Maryland meets the general CON criteria as well as the specific standards in the State Health Plan chapter governing ICF's. The project is needed, is viable and will not have an adverse impact on other providers. Therefore, staff recommends that the Commission **APPROVE** the project.





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