

**IN THE MATTER OF**

**ALPAS WELLNESS LA PLATA, LLC**

**Docket No. 22-04-2462**

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**BEFORE THE**

**MARYLAND HEALTH**

**CARE COMMISSION**

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**STAFF REPORT AND RECOMMENDATION**

**June 15, 2023**

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## **I. INTRODUCTION**

### **A. Background**

Alpas Wellness La Plata, LLC, (Alpas) proposes to establish a Track One 36-bed, alcoholism and drug abuse intermediate care facility (ICF) at 1014 Washington Ave, La Plata, Charles County. The Maryland Health Care Commission (MHCC or the Commission) defines ICF in the State Health Plan for Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services COMAR 10.24.14.08(13) as:

a facility designed to facilitate the sub-acute detoxification and rehabilitation of alcohol and drug abusers by placing them in an organized therapeutic environment in which they receive medical services, diagnostic services, individual and group therapy and counseling, vocational rehabilitation, and work therapy while benefiting from the support that a residential setting can provide.

This definition corresponds with a level of treatment for substance use disorder (SUD) defined by the American Society of Addiction Medicine (ASAM) for health care facilities that provide “medically monitored intensive inpatient services.” Maryland State agencies use the ASAM level of care taxonomy to classify facilities and programs providing SUD services. Medically monitored intensive inpatient service, categorized as Level 3.7 care in the ASAM taxonomy, is the highest level of sub-acute (i.e., non-hospital services) for SUD. (See Figure 1 below.) ICFs typically operate as facilities providing withdrawal management (WM), commonly referred to as “detoxification” services, and post-WM treatment services. The average length of stay at ICFs recently considered by the Commission can range up to 30 days.

The Maryland Department of Health’s Behavioral Health Administration (BHA) uses the ASAM level of care taxonomy, illustrated in Figure 1 below, to classify levels of treatment provided in Maryland.



the Commission's control of the inventory of ICF beds, it made the bed need projection standard in the State Health Plan (SHP), at COMAR 10.24.14.05B, obsolete.

There are two types of categories of ICF facilities under the SHP. "Track one" facilities contain "private beds" which are beds in private facilities not sponsored by local government and that derive no "significant funding by the state or local jurisdictions." COMAR 10.24.14.08B(20). The bed needs projection standard, when effective, was only applicable to "Track One" ICFs.

The second category of ICFs are "Track two" facilities. These facilities contain "publicly funded beds" which are "owned and wholly operated by the State or substantially funded by the budget process of the State; or in facilities substantially funded by one or more jurisdictional governments, which are established jointly by providers and the jurisdictions to meet the special needs of their residents and that reserve at least 50 percent of their proposed annual adolescent or adult bed capacity for indigent and gray area patients." COMAR 10.24.14.08B(21). The SHP's bed needs projection standard has never applied to "Track two" ICFs.

## **B. The Applicant**

Stephen Smith is the owner of Alpas Wellness La Plata, LLC, (Alpas) and Sean Smith is the proposed CEO of the facility. (DI #4, Exh. 1). John Beecroft is the proposed COO of the facility, and he has been the Executive Director of two treatment centers in Pennsylvania and a program director at the University of Pennsylvania Medical Center Horizon Health Addictions treatment center. The applicant's organizational chart is found in Appendix 3.

## **C. The Project**

Alpas is proposing to establish a 36-bed "Track One" ICF for adults at 1014 Washington Ave, La Plata, in a three-story facility which will also house 108 residential treatment beds. The project includes renovation of an existing 58,904 SF assisted living facility and construction of a 2,200 SF addition. The renovations were completed in March 2023 and will house 3.1/3.3/3.5 level residential patients until CON approval of 3.7 and 3.7WM services. (DI #4, p. 5). Completion of the 2,200 SF addition is expected to be finished in July 2023. The facility will eventually house the 36-bed ICF, a 36-bed SUD residential treatment unit, and a 36-bed unit for the treatment of process addictions including gambling and sex addictions, as well as eating disorders. The units will be housed on different floors of the building. The first floor ICF will have nine double-occupancy rooms with bathrooms for level 3.7 patients, nine double-occupancy rooms with bathrooms for level 3.7 WM patients, an admissions area, nurses' stations, common areas, a dining hall, and a kitchen.

The total estimated cost for renovation and addition are \$42,637,500, with the costs attributed to the ICF totaling \$8,703,802. Alpas will fund the project with \$31.8 million in loans and \$10.8 million in cash equity.

**Table I-1 Alpas – Project Budget Estimate – Uses and Sources**

<b>Project Element</b>	<b>Cost Estimate ICF</b>	<b>Cost Estimate Residential</b>	<b>Cost Estimate Total</b>
Building	\$1,733,333	\$3,466,667	\$5,200,000
Fixed Equipment	\$666,666	\$1,333,334	\$2,000,000
<b>Subtotal</b>	<b>\$2,399,999</b>	<b>\$4,800,001</b>	<b>\$7,200,000</b>
Contingency Allowance	\$100,000	\$200,000	\$300,000
Gross interest during construction period	\$250,000	\$500,000	\$750,000
<b>Total Capital Costs</b>	<b>\$2,749,999</b>	<b>\$5,500,001</b>	<b>\$8,250,000</b>
Land Purchase	\$0	\$16,000,000	\$16,000,000
Loan Placement Fees	\$0	\$500,000	\$500,000
Legal Fees	\$20,000	\$0	\$20,000
Debt Service Reserve Fund	\$250,000	\$500,000	\$750,000
<b>Subtotal</b>	<b>\$270,000</b>	<b>\$1,066,000</b>	<b>\$1,336,000</b>
<b>Working Capital Startup Costs</b>	\$5,683,833	\$11,367,667	\$17,051,500
<b>Total Uses of Funds</b>	<b>\$8,703,832</b>	<b>\$33,933,668</b>	<b>\$42,637,500</b>
<b>Sources of Funds</b>			
Cash	\$0	\$1,285,999	\$1,285,999
Mortgage	\$0	\$16,000,000	\$16,000,000
Working Capital Loans	\$5,703,833	\$10,647,668	\$16,351,501
Construction Financing	\$2,499,999	\$5,000,001	\$7,500,000
Interest Reserve	\$500,000	\$1,000,000	\$1,500,000
<b>Total Sources of Funds</b>	<b>\$8,703,832</b>	<b>\$33,933,668</b>	<b>\$42,637,500</b>

#### **D. Summary of Staff Recommendation**

Staff recommends approval of the Alpas project because it complies with the applicable standards in COMAR 10.24.14, the SHP Chapter addressing the review of ICF projects. The project is a cost-effective approach to expanding ICF capacity in Southern Maryland, making ICF care more available and accessible, with positive viability indicators. Staff recommends that, if the Commission approves a CON for this project, at an approved cost of \$8,703,832, to include the following five conditions regarding the provision of care to the indigent and gray area population, information regarding charges, accreditation, transfer agreements, and referral agreements with providers of outpatient alcohol and drug abuse programs:

1. Alpas Wellness La Plata 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 each July first following the issuance of first use approval and continuing for five years thereafter.

2. Alpas Wellness La Plata shall document that it has posted a statement of charges and information regarding the range and types of its services online and affirm that this statement of charges and information will be posted in a prominent place in the registration areas of its ICF and that it will also provide the statement of charges and the information of services to the public upon request.
3. Alpas Wellness La Plata must receive preliminary accreditation for the Level 3.7 services it will provide, including withdrawal management and post-withdrawal treatment programming, by The Joint Commission (TJC) or another accrediting body approved by the Maryland Department of Health prior to First Use approval by the Commission, and must timely receive final accreditation by TJC or another approved accrediting body. [COMAR 10.24.14.05H]
4. Alpas Wellness La Plata shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State license. If its accreditation has been revoked or suspended for reasons related to health or safety or it loses its State license, Alpas Wellness La Plata shall cease operation until the Behavioral Health Administration notifies the Commission that the deficiencies have been corrected. [COMAR 10.24.14.05H]
5. Prior to first use, Alpas Wellness La Plata shall provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from Acute care hospitals; Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs; Local community mental health center or center(s); The jurisdiction's mental health and alcohol and drug abuse authorities; the Behavioral Health Administration; and The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services. [COMAR 10.24.14.05L]

## **II. PROCEDURAL HISTORY**

### **A. Record of the Review**

Please see Appendix 1, Record of the Review.

### **B. Local Government Review and Comment**

No comments from local government have been received.

### **C. Other Support and Opposition to the Project**

Alpas submitted the following letters supporting the project:

- Jeannine E. James, Mayor of La Plata (DI #3, Exh. 7)
- Kelly Robertson-Slagle, Director, Charles County Economic Development Department (DI #3, Exh. 7)
- Paster John Lewis, Paster of the Jude House Substance Abuse Facility and founder of Point of Change Jail and Street Ministry, Inc. (DI #16, Exh. 23)
- Paster Willie R. Hunt, United Ministers Coalition of Southern Maryland (DI #16, Exh 23)

### III. REVIEW AND ANALYSIS

#### A. STATE HEALTH PLAN

***COMAR 10.24.01.08G(3)(a) State Health Plan. An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards, policies, and criteria.***

The relevant SHP chapter is COMAR 10.24.14, Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services (ICF Chapter). The ICF Chapter, at Regulation .05, which includes the following CON Approval Rules and Review Standards for New Substance Abuse Treatment Facilities and for Expansions of Existing Facilities:

**.05A. Approval Rules Related To Facility Size. Unless the applicant demonstrates why a relevant standard should not apply, the following standards apply to applicants seeking to establish or to expand either a Track One or a Track Two intermediate care facility.**

- (1) The Commission will approve a Certificate of Need application for an intermediate care facility having less than 15 beds only if the applicant dedicates a special population as defined in Regulation .08.**
- (2) The Commission will approve a Certificate of Need application for a new intermediate care facility only if the facility will have no more than 40 adolescent or 50 adult intermediate care facility beds, or a total of 90 beds, if the applicant is applying to serve both age groups.**
- (3) The Commission will not approve a Certificate of Need application for expansion of an existing alcohol and drug abuse intermediate care facility if its approval would result in the facility exceeding a total of 40 adolescent or 100 adult intermediate care facility beds, or a total of 140 beds, if the applicant is applying to serve both age groups.**

Alpas seeks to establish a 36-bed adult Track One ICF program. Maryland law was amended in 2019 to provide an exemption to the CON requirement for any increase or decrease in bed capacity to existing licensed ICFs<sup>2</sup> which has made bed need methodology obsolete. MHCC

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<sup>2</sup> The CON program requires the review and approval of certain types of proposed health care facility and service projects by the Commission in order to ensure that new health care facilities and services are developed only as

no longer has the authority to limit ICF bed supply by comprehensively regulating changes in such bed supply, in the way, for example, that MHCC controls hospital and nursing home bed capacity. The inventory of beds has increased significantly since the law freed existing ICFs to add any number of ICF beds without CON approval. Given the change in statute and planned updates to COMAR 10.24.14, which were identified as a priority for SHP redevelopment by MHCC earlier this year, the bed need methodology in the existing ICF chapter cannot logically be retained and applied in this review. Therefore, this CON application is consistent with Subsection (2) of this standard. Subsections (1) and (3) are not applicable.

#### Staff Analysis and Recommendation

Staff concludes that the project meets this standard.

#### **.05B. Identification of Intermediate Care Facility Alcohol and Drug Abuse Bed Need.**

**(1) An applicant seeking Certificate of Need approval to establish or expand an intermediate care facility for substance abuse treatment services must apply under one of the two categories of bed need under this Chapter:**

**(a) For Track One, the Commission projects maximum need for alcohol and drug abuse intermediate care beds in a region using the need projection methodology in Regulation .07 of this Chapter and updates published in the *Maryland Register*.**

The bed need projection methodology for Track One facilities has been made obsolete by the previously discussed 2019 amendments to Maryland law changing the scope of CON regulation. Using the SHP methodology to avoid oversupplying the market with ICF beds cannot be equitably achieved through its use because MHCC no longer has regulatory oversight of ICF bed capacity for an established ICF. The practical effect is that MHCC no longer has regulatory control over the supply of ICF beds. Its authority is limited to reviewing proposals to establish or relocate ICFs.

#### Staff Analysis and Recommendation

Staff recommends that the Commission set aside the bed need projection methodology in the ICF SHP, finding it to be inapplicable under the 2019 statutory changes in the scope of CON regulation changes in health care facility bed capacity. The bed need methodology cannot logically

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needed. House Bill 626 of 2019 (Ch. 15) Health Care Facilities – Change in Bed Capacity – Certificate of Need Exemption enacted April 5, 2019, was an emergency bill that provided an exception for a health care facility from the general requirement to obtain a CON before changing the bed capacity of a health care facility if the change in bed capacity will occur in (1) a licensed intermediate care facility that offers residential or intensive substance-related disorder treatment services or (2) an existing, licensed general hospice program.

or equitably be applied in this review. The Need criterion at COMAR 10.24.01.08G(3)(b), not the inapplicable need standard in the ICF SHP, is recommended for use in this review.

**.05C. Sliding Fee Scale. An applicant must establish a sliding fee scale for gray area patients consistent with the client’s ability to pay.**

Alpas states that the facility “will utilize a sliding fee schedule for uninsured and unfunded persons consistent with the individual’s ability to pay and based on the Federal Poverty Guidelines....” (DI #4, p. 18). The applicant indicates the following fee schedule utilizes “the discount percentages from the standard billing rate charged to insurance carriers charged for each service.” (DI #3, Exh. 8, pp. 1-2).

**Table III-1: Alpas Wellness La Plata, Sliding Fee Scale**

Individual’s Income based on Federal Poverty Guidelines (FPG)	Discount
< =100% of FPG	75%
<=150% but >100% of FPG	50%
<=200% but >150% of FPG	25%

Source: DI #4, p. 18.

Staff Analysis and Recommendation

Staff concludes that the applicant’s proposed policy for discounting charges complies with this standard.

**.05D. Provision of Service to Indigent and Gray Area Patients.**

**(1) Unless an applicant demonstrates why one or more of the following standards should not apply or should be modified, an applicant seeking to establish or to expand a Track One intermediate care facility must:**

**(a) Establish a sliding fee scale for gray area patients consistent with a client’s ability to pay;**

Alpas submitted a sliding fee scale, which was discussed in the prior standard.

**(b) Commit that it will provide 30 percent or more of its proposed annual adolescent intermediate care facility bed days to indigent and gray area patients; and**

This is not applicable. The facility is not proposing to serve adolescents.

**(c) Commit that it will provide 15 percent or more of its proposed annual adult intermediate care facility bed days to indigent or gray area patients.**

Alpas states that it is “committed to provide at least 15 percent of its proposed annual adult intermediate care facility bed days to indigent or gray area patients.” (DI #4, p.19). The applicant “anticipates that 15% of the ICF beds will serve Medicaid patients” by CY 2024. (DI #4, Tab 4, Table F, Revenues and Expenses, Uninflated, New Service).

To ensure that it meets this target, Alpas indicates it will track ICF bed utilization weekly by payor mix, including grey area and indigent patients (DI #13, p. 7). If the number of gray area or indigent patient days falls below 15 percent, it states that it will leverage its relationships with University of Maryland Charles Regional Medical Center and Elevate Recovery Center to recruit grey area patients. (DI #13, p. 7).

**(2) A existing Track One intermediate care facility may propose an alternative to the standards in Regulation D(1) that would increase the availability of alcoholism and drug abuse treatment to indigent or gray area patients in its health planning region.**

**(3) In evaluating an existing Track One intermediate care facility’s proposal to provide a lower required minimum percentage of bed days committed to indigent or gray area patients in Regulation D(1) or an alternative proposal under Regulation D(2), the Commission shall consider:**

**(a) The needs of the population in the health planning region; and**

**(b) The financial feasibility of the applicant’s meeting the requirements of Regulation D(1).**

**(4) An existing Track One intermediate care facility that seeks to increase beds shall provide information regarding the percentage of its annual patient days in the preceding 12 months that were generated by charity care, indigent, or gray area patients, including publicly-funded patients.**

Subsections .05D(2), (3), and (4) of this standard apply to existing Track One ICFs and are not applicable to this project.

#### Staff Analysis and Recommendation

Staff recommends that the Commission find the applicant complies with this standard and recommends that, if the Commission approves this application, it attach the following condition:

*Alpas Wellness La Plata 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 each July first following the issuance of first use approval and continuing for five years thereafter.*

**.05E. Information Regarding Charges.** An applicant must agree to post information concerning charges for services, and the range and types of services provided, in a conspicuous place, and must document that this information is available to the public upon request.

Alpas states that it “agrees to post a fee schedule describing the range and types of services, and their respective charges” in a conspicuous place and will make this information available to the public. (DI #4, p. 19).

Staff Analysis and Recommendation

Staff concludes that the applicant complies with this standard, but recommends that, if the Commission approves this application, it attach the following condition:

*Prior to first use approval, Alpas Wellness La Plata shall document that it has posted a statement of charges and information regarding the range and types of its services online and affirm that this statement of charges and information will be posted in a prominent place in the registration areas of its ICF and that it will also provide the statement of charges and the information of services to the public upon request.*

**.05F. Location.** An applicant seeking to establish a new intermediate care facility must propose a location within a 30-minute one-way travel time by automobile to an acute care hospital.

Alpas states that University of Maryland Charles Region Health in La Plata is approximately two miles and a five-minute, one-way automobile drive from its proposed ICF site. (DI # 4, p. 19).

Staff Analysis and Recommendation

Staff concludes that the facility location is consistent with this standard.

**.05G. Age Groups.**

- (1) An applicant must identify the number of adolescent and adult beds for which it is applying, and document age-specific treatment protocols for adolescents ages 12-17 and adults ages 18 and older.**
- (2) If the applicant is proposing both adolescent and adult beds, it must document that it will provide a separate physical, therapeutic, and educational environment consistent with the treatment needs of each age group including, for adolescents, providing for continuation of formal education.**

**(3) A facility proposing to convert existing adolescent intermediate care substance abuse treatment beds to adult beds, or to convert existing adult beds to adolescent beds, must obtain a Certificate of Need.**

The applicant states that the proposed 36-bed ICF will serve adults (18+ years). Additionally, the remaining 72 beds in the building that serve lower levels of care will also cater solely to adult populations. (DI #4, p.20).

Staff Analysis and Recommendation

The proposed project will only serve adults and does not propose conversion of existing adolescent ICF beds to adult beds. Thus, subparts (2) and (3) are not applicable in this review.

**.05H. Quality Assurance.**

**(1) An applicant must seek accreditation by an appropriate entity, either the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), in accordance with CFR, Title 42, Part 440, Section 160, the CARF...The Rehabilitation Accreditation Commission, or any other accrediting body approved by the Department of Health and Mental Hygiene. The appropriate accreditation must be obtained before a Certificate of Need-approved ICF begins operation, and must be maintained as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.**

**(a) An applicant seeking to expand an existing ICF must document that its accreditation continues in good standing, and an applicant seeking to establish an ICF must agree to apply for, and obtain, accreditation prior to the first use review required under COMAR 10.24.01.18; and**

**(b) An ICF that loses its accreditation must notify the Commission and the Office of Health Care Quality in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended.**

**(c) An ICF that loses its accreditation may be permitted to continue operation on a provisional basis, pending remediation of any deficiency that caused its accreditation to be revoked, if the Office of Health Care Quality advises the Commission that its continued operation is in the public interest.**

Alpas intends to apply for accreditation by the Joint Commission (TJC) and licensure by the Behavioral Health Administration of MDH<sup>3</sup> once the facility has been completed. (DI #4, p.20). The applicant states that it understands and acknowledges that if it loses its accreditation,

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<sup>3</sup> The Behavioral Health Administration accepts four accreditation organizations for ICFs. [https://health.maryland.gov/bha/Documents/MDH%20Approved%20AOs%20list%20updated%209.27.17%20\(1\).pdf](https://health.maryland.gov/bha/Documents/MDH%20Approved%20AOs%20list%20updated%209.27.17%20(1).pdf).

that Alpas will notify the Commission and the Office of Health Care Quality and will cease operations. (DI #4, p. 21)

#### Staff Analysis and Recommendation

Staff notes that the Behavioral Health Administration of MDH, rather than OHCQ, is the division currently overseeing this requirement. Based on Alpas's affirmation, staff concludes that the proposed project complies with this standard. It is recommended that, if the Commission approves this application, it attach the following condition:

*Alpas Wellness La Plata must receive preliminary accreditation for the Level 3.7 services it will provide, including withdrawal management and post-withdrawal treatment programming, by The Joint Commission (TJC) or another accrediting body approved by the Maryland Department of Health prior to First Use approval by the Commission, and must timely receive final accreditation by TJC or another approved accrediting body. [COMAR 10.24.14.05H]*

- (2) A Certificate of Need-approved ICF must be certified by the Office of Health Care Quality before it begins operation, and must maintain that certification as a condition of continuing authority to operate an ICF for substance abuse treatment in Maryland.**
  - (a) An applicant seeking to expand an existing ICF must document that its certification continues in good standing, and an applicant seeking to establish an ICF must agree to apply for certification by the time it requests that Commission staff perform the first use review required under COMAR 10.24.01.18.**
  - (b) An ICF that loses its State certification must notify the Commission in writing within fifteen days after it receives notice that its accreditation has been revoked or suspended, and must cease operation until the Office of Health Care Quality notifies the Commission that deficiencies have been corrected.**
  - (c) Effective on the date that the Office of Health Care Quality revokes State certification from an ICF, the regulations at COMAR 10.24.01.03C governing temporary delicensure of a health care facility apply to the affected ICF bed capacity.**

Alpas intends to apply for accreditation by the Joint Commission (TJC) and licensure by the Behavioral Health Administration of MDH once the facility has been completed (DI #4, p.20). The applicant states that it understands and acknowledges that if it loses its accreditation, that Alpas will notify the Commission and the Office of Health Care Quality and will cease operations. (DI #4, p. 21)

#### Staff Analysis and Recommendation

Staff notes that the Behavioral Health Administration of MDH, rather than OHCQ, is the division currently overseeing this requirement. Based on Alpas's affirmation, staff concludes that the proposed project complies with this standard. It is recommended that, if the Commission approves this application, it attach the following conditions:

*Alpas Wellness La Plata shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State license. If its accreditation has been revoked or suspended for reasons related to health or safety or it loses its State license, Alpas Wellness La Plata shall cease operation until the Behavioral Health Administration notifies the Commission that the deficiencies have been corrected. [COMAR 10.24.14.05H]*

#### **.05I. Utilization Review and Control Programs.**

**(1) An applicant must document the commitment to participate in utilization review and control programs, and have treatment protocols, including written policies governing admission, length of stay, discharge planning, and referral.**

Alpas states that it “commits to participating in continued utilization review, which includes but is not limited to: Evaluation of the services provided, as it pertains to over/under-utilization of services; periodic and consistent evaluation of documentation and ongoing review of clinical appropriateness for admission, continued stay and discharge.” (DI #4, p. 21). Alpas provided copies of its written policies including:

- Admissions Exclusion Criteria
- Discharge Procedures
- Initial Patient Care
- Utilization Reviews and Continued Stay
- Continued Stay Criteria (DI #4, Exh. 8)

**(2) An applicant must document that each patient's treatment plan includes, or will include, at least one year of aftercare following discharge from the facility.**

Alpas states that it commits to providing at least one year of aftercare following discharge from the facility. Aftercare planning will include access to a proprietary mobile phone application providing social networking and support, access to immediate connection to treatment center staff, and an opportunity to locate and track upcoming support events and activities. (DI #4, pp.21-22). Aftercare monitoring will also include telephone follow-up and support by outreach coordinators. (DI #4, p.22). Discharge planning will begin during the admission process. (DI #4, p. 22).

Staff Analysis and Recommendation

Staff review of the documentation provided supports a finding of compliance with this standard.

**.05J. Transfer and Referral Agreements.**

- (1) An applicant must have written transfer and referral agreements with facilities capable of managing cases which exceed, extend, or complement its own capabilities, including facilities which provide inpatient, intensive, and general outpatient programs, halfway house placement, long-term care, aftercare, and other types of appropriate follow-up treatment.**
  
- (2) The applicant must provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from the following types of facilities:**
  - (a) Acute care hospitals;**
  - (b) Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs;**
  - (c) Local community mental health center or center(s);**
  - (d) The jurisdiction’s mental health and alcohol and drug abuse authorities;**
  - (e) The Alcohol and Drug Abuse Administration and the Mental Hygiene Administration;**
  - (f) The jurisdiction’s agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services; and,**
  - (g) The Department of Juvenile Justice and local juvenile justice authorities, if applying for beds to serve adolescents.**

Alpas has submitted transfer and referral agreements to the following agencies for review:

**Table III-2: Alpas Wellness La Plata ICF, Transfer and Referral Agreements**

<b>Provider Category</b>	<b>Agreement confirmed or pending:</b>
Acute care hospitals	Medstar St. Mary’s Hospital
Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs	Elevate Recovery Centers, Amatus, Essentials, MARC, CARE Consultants, Open Arms Inc.
Local community mental health center or center(s)	Charles County Health Department,
The jurisdiction’s mental health and alcohol and drug abuse authorities	Charles County Core Service Agency

Provider Category	Agreement confirmed or pending:
The Behavioral Health Administration of MDH (formerly the Mental Hygiene Administration with its division of Alcohol and Drug Abuse)	Maryland Department of Health Behavioral Health Administration
The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services	Charles County Core Service Agency
Hospitals	University of Maryland Charles Regional Medical Center in La Plata, Maryland. Medstar Southern Maryland Hospital Center in Clinton, Maryland

Source: DI #4, p. 23.

### Staff Analysis and Recommendation

Staff concludes that Alpas is in the process of executing transfer and referral agreements and as a new agency in the state will be required to finalize these agreements prior to first use. Therefore, staff recommends that the Commission find the application in compliance with this standard with the following condition:

*Prior to first use, Alpas Wellness La Plata shall provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from Acute care hospitals; Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs; Local community mental health center or center(s); The jurisdiction's mental health and alcohol and drug abuse authorities; The Behavioral Health Administration; and The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services. [COMAR 10.24.14.05L]*

### **.05K. Sources of Referral.**

- (1) An applicant proposing to establish a new Track Two facility must document to demonstrate that 50 percent of the facility's annual patient days, consistent with Regulation .08 of this Chapter, will be generated by the indigent or gray area population, including days paid under a contract with the Alcohol and Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority.**

The applicant states that this standard is not applicable as it plans to establish a Track One ICF.

- (2) An applicant proposing to establish a new Track One facility must document referral agreements to demonstrate that 15 percent of the facility's annual patient days required by Regulation .08 of this Chapter will be incurred by the indigent or gray area populations, including days paid under a contract with the Alcohol**

**or Drug Abuse Administration or a jurisdictional alcohol or drug abuse authority, or the Medical Assistance program.**

Alpas provided a referral agreement with Elevate Recovery Centers, a partial care/intensive outpatient program that accepts individuals with Medicaid coverage and indigent/gray area populations (DI #4, Exh 15). Additionally, the applicant states that The Applicant working on a referral agreement with the UM Charles Regional Medical Group to provide care for its patients that present as indigent or gray area (DI #4, p. 24).

Staff Analysis and Recommendation

Staff concludes that the applicant meets this standard.

**.05L. In-Service Education. An applicant must document that it will institute or, if an existing facility, maintain a standardized in-service orientation and continuing education program for all categories of direct service personnel, whether paid or volunteer.**

The applicant stated orientation training will include, but not be limited to, modules on: Alpas Wellness Mission, Vision, and Philosophy; Patient Rights; Confidentiality and HIPAA; Patient and Staff Safety; Ethics; Diversity and Cultural Awareness, Customer Service, Medication Management; Infection Control, Emergency Evacuation Procedures; and Suicide Prevention (DI #4, pp. 24-25).

Additional training courses will be held throughout the year. The Clinical Director, Executive Director, and Director of Nursing are responsible for the oversight of staff training. The applicant provided a copy of the Wellness Addiction Severity Index Training, the Motivational Interviewing Training, and the Evidence Based Practices Training (DI #4, Exh. 9). The applicant states that its human resources department is responsible for tracking all in-service education attendance and ensuring that staff receive the appropriate ongoing continuing education units required (DI #4, p. 25).

Staff Analysis and Recommendation

Staff concludes that the applicant meets this standard.

**.05M. Sub-Acute Detoxification. An applicant must demonstrate its capacity to admit and treat alcohol or drug abusers requiring sub-acute detoxification by documenting appropriate admission standards, treatment protocols, staffing standards, and physical plant configuration.**

Alpas has provided a copy of its Sub-Acute Detoxification protocol (DI #4, Exh. 10). The applicant states that the detoxification and medically managed 3.7 levels of care will be monitored 24 hours a day, 7 days per week in two distinct ICF units (DI #4, p.25). The physician or nurse practitioner will assess each patient on these units within 24 hours of admission and provide medically necessary daily monitoring and evaluation of patients on the units. The facility will have

a total of 26 direct care staff to care for 36 patients in the ICF (DI #25, Table G). All patients on these units will be provided treatment for coexisting medical, emotional, and behavioral problems (DI #4, p. 25). Floor plans of the ICF show that patients will be housed in semi-private rooms, 9 rooms for Level 3.7 patients and 9 rooms for level 3.7 WM patients (DI #4, Exhibit 4, Table A). Each room has a private bathroom.

See Appendix 3 for a Floorplan Diagram. (DI # 4, Exh. 5, DI #13, pp.2-3, and DI #16, Exh. 20).

#### Staff Analysis and Recommendation

Staff concludes that the applicant meets this standard because it has the protocols in place, the staffing levels, and the physical plant configuration necessary to support and treat those with substance use disorders requiring sub-acute detoxification.

**.05N. Voluntary Counseling, Testing, and Treatment Protocols for Human Immunodeficiency Virus (HIV). An applicant must demonstrate that it has procedures to train staff in appropriate methods of infection control and specialized counseling for HIV-positive persons and active AIDS patients.**

Alpas submitted a copy of its HIV policy (DI #4, Exh. 11). The facility will provide initial HIV/AIDS counseling, risk assessment, and referral support for testing, post-test counseling, appropriate treatment, and related needs to patients. The applicant states that it will “ensure that all staff will receive appropriate training on infection control at the time of hire and annually thereafter” (DI #4, pp. 25-26). Additionally, the facility will offer HIV testing and counseling.

#### Staff Analysis and Recommendation

Staff concludes that the applicant meets this standard.

**.05O. Outpatient Alcohol & Drug Abuse Programs.**

- (1) An applicant must develop and document an outpatient program to provide, at a minimum: individual needs assessment and evaluation; individual, family, and group counseling; aftercare; and information and referral for at least one year after each patient’s discharge from the intermediate care facility.**
- (2) An applicant must document continuity of care and appropriate staffing at off-site outpatient programs.**
- (3) Outpatient programs must identify special populations as defined in Regulation .08, in their service areas and provide outreach and outpatient services to meet their needs.**

- (4) Outpatient programs must demonstrate the ability to provide services in the evening and on weekends.**
- (5) An applicant may demonstrate that outpatient programs are available to its patients, or proposed patient population, through written referral agreements that meet the requirements of (1) through (4) of this standard with existing outpatient programs.**

While Alpas does not have an outpatient program, it does have a referral agreement with Elevate Recovery Centers headquartered in Glen Burnie to provide the outpatient treatment services and/or behavioral healthcare required in Subsections 1-4 of this Standard (DI #4, Exh 13).

Alpas's aftercare and outreach team will coordinate care for all patients discharged from the facility and assist in finding outpatient providers close to the discharged patient's home. These outpatient programs will be vetted by the outreach team (DI #4, p. 26). Alpas states that it is working with an external agency, G.S. Proctor, and Associates, to further engage with community providers, local public representatives, and local religious organizations to develop additional relationships with aftercare providers, including agreements with partial hospital/intensive outpatient/outpatient providers in Maryland, Virginia, and the District of Columbia (DI #13, p.4). Additionally, Alpas states that discharge planning will be agreed upon by patient and staff and will include a warm hand-off<sup>4</sup> to the patient's next level of care (DI #4, p. 26).

In addition to the outreach and aftercare team, Alpas will provide an optional alumni program which will conduct follow-up with patients discharged from the program for a period of at least 2 years. In addition to maintaining contact with alumni to determine progress and address patient's concerns, the program will provide support services, and information about upcoming events (DI #4, p. 27).

Alpas provided a copy of its Aftercare Planning Policy (DI #4, Exh. 15). The applicant states that patients will have 24/7 access to an in-house telehealth platform which will offer outpatient care to those who wish to continue care from Alpas following discharge. The telehealth platform will provide patients "with the opportunity to participate in a sober closed social support network, track their mood and progress, respond to journal prompts, monitor recovery events, and remain in contact with Alpas clinical staff" (DI #4, p. 26).

#### Staff Analysis and Recommendation

Staff concludes that the applicant meets this standard.

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<sup>4</sup> According to the Agency for Healthcare Research and Quality (AHRQ), a warm hand-off is considered "a handoff that is conducted in person, between two members of the health care team, in front of the patient (and family if present)." <https://www.ahrq.gov/sites/default/files/wysiwyg/professionals/quality-patient-safety/patient-family-engagement/pfprimarycare/warm-handoff-guide-for-clinicians.pdf>.

**.05P. Program Reporting. Applicants must agree to report, on a monthly basis, utilization data and other required information to the Alcohol and Drug Abuse Administration’s Substance Abuse Management Information System (SAMIS) program, and participate in any comparable data collection program specified by the Department of Health and Mental Hygiene.**

As a proposed Track One facility, Alpas would not be required to report utilization data to the State. However, Alpas states, in response to this standard, that it will report any required information to the Behavioral Health Administration’s Substance Abuse Management Information System (SAMIS) program on a monthly basis and any comparable data collection program specified by the Department of Health (DI #4, p. 27).

Staff Analysis and Recommendation

Staff concludes that the applicant meets this standard.

**B. NEED**

***COMAR 10.24.01.08G(3)(b) Need. The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served and established that the proposed project meets those needs.***

As discussed previously in this report, MHCC staff believe that the State Health Plan need standard, which employs a bed need projection methodology for proposed Track One ICFs, is not applicable, because MHCC no longer regulates all changes in ICF bed capacity.

Alpas states that the primary service area for the proposed ICF will be Southern Maryland, defined as Anne Arundel, Charles, Calvert, and Prince George’s Counties. Within the Primary Market Area (PMA) of 30 miles, there exists a single Track One provider, RCA Waldorf which is located 5.5 miles from Alpas’ proposed location (DI #4, p. 32). The secondary service area, which Alpas identifies as a service area of 60 miles, has only one additional Track One provider, Maryland House Detox in Linthicum Heights<sup>5</sup>. Together, these facilities have a combined 104 beds available for level 3.7/3.7 WM patients (DI #4, pp. 32-33).

The applicant provided data from MDH that was published in June 2021, showing a rise in the number of deaths in Charles County due to opioids, cocaine, benzodiazepines, methamphetamine, or phencyclidine (DI #4, Exh. 3). Alpas states that the proposed 36-bed Track One ICF will provide much needed capacity to this underserved area of the state. In a projection calculation provided by Alpas, the applicant estimated that the region will require between 219

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<sup>5</sup> Behavioral Health Administration confirmed that Maryland House Detox, LLC, a 16-bed adult ICF closed in January 2023.

and 280 ICF beds by 2025 (DI #13, p. 7). The existing single Charles County facility with 64 ICF beds has insufficient capacity to meet this growing need (DI #4, pp. 32-33).

### Staff Analysis and Recommendation

Staff concludes that the applicant has submitted information to support a finding that the project is needed. The application supports the finding that the proposed ICF will predominantly serve a regional Southern Maryland population, but also draw clients from other regions of the State. Based on the population growth of the Southern Maryland region, the current bed inventory will not meet the expanding need. Staff notes that the Maryland House Detox in Linthicum Heights closed in early 2023 and the number of Track One ICF beds in the primary and secondary region is 64, far short of the 219 beds required.

On this basis, staff recommends that the Commission find that the proposed project meets the population's need for improved access to ICF services for an underserved region of the state.

### **C. AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES**

***COMAR 10.24.01.08G(3)(c) Availability of More Cost-Effective Alternatives. The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.***

Alpas states that the project, which involves renovation of an existing unoccupied structure to address an unmet need for substance use disorders is a cost-effective way to address this shortage. While considering which region of the state to locate the ICF, the applicant stated that the location in Charles County was selected “based on the lack of sufficient treatment beds to meet the needs of the proposed patient population” (DI #4, p. 29). Additionally, the planned renovation of an existing assisted living facility is less costly than the construction of a new building.

Alpas claims that the existing providers do not provide sufficient treatment beds to meet a demonstrated need for ICF care. The applicant provided data showing that the number of opioid related deaths in Southern Maryland more than tripled from 2010 to 2020 (DI #4, Exh. 3). Alpas notes that there is only one provider of Track One services in Charles County with 64 beds and calculates a need for more than 200 beds in the primary service area. Therefore, the existing services are not sufficient to meet the needs of the community (DI #4, pp. 32-33).

Alpas believes that it is offering a unique service to meet the needs of those with SUD, and states that the partnership with the academic programs at the University of Pennsylvania will lead to a more innovative approach to treatment and could address the high relapse rate seen in patients treated at more conventional treatment centers (DI #4, p. 29). Any decline in recidivism rates would lead to savings to the healthcare system.

## Staff Analysis and Recommendation

Staff recommends that the Commission find the proposed project is a cost-effective way to provide additional ICF service capacity available in Southern Maryland. The current number of Track One ICF beds is not sufficient to meet the needs of residents and the cost of renovating an existing structure is less costly than constructing a new building.

### **D. VIABILITY OF THE PROPOSAL**

***COMAR 10.24.01.08G(3)(d) Viability of the Proposal. The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.***

#### Availability of Financial Resources

The estimated cost to establish the proposed ICF is \$8.7 million, with the cost of renovation and construction of the entire building costing \$42.6 million in total (DI #26, Table B). The proposed building will be designed to also house a residential treatment center and a center for those with process disorders such as eating disorders and gambling and sex addiction. The entire project, including the \$8.7 M cost for the ICF portion of the project is being funded with loans. Alpas has recently completed the renovation for the ICF, and the 2200 SF addition will be available for occupancy in July 2023.

The accounting firm of Kreisher Miller, has reviewed financing of the project as well as the bank accounts of the applicant. and has found that sufficient funds remain after completion of the building renovation to implement the project (DI #16, Exh. 22). The applicant states that as of March 20, 2023, the remaining construction and renovation costs will be \$2,543,146, and that Alpas will have \$12,147,589 left in loan funds to cover the first year of operation of the facility (DI #19, p.1).

#### Projected Financial Performance

Table III-3 provides the current and projected utilization for the Alpas Wellness La Plata facility. With the projected start of ICF program operation for late 2023, the applicant projects the 36-bed program will have an average annual occupancy rate of 60.5 percent in the remainder of CY 2023 and stabilize at an average annual occupancy rate of 80 percent by CY 2024, the third full year of operation.

**Table III-3: Alpas Wellness La Plata Projected Utilization CY 2023 through CY 2027**

	Projected Years				
	CY2023	CY2024	CY2025	CY 2026	CY 2027
<b>Discharges</b>					
3.7/3.7WM	855	955	1,055	1,065	665
Residential (3.5 and Below)	136	192	327	369	399
Other addiction services*	39	175	327	369	399
<b>Patient Days</b>					
3.7/3.7WM	7,955	9,198	10,512	11,169	11,169
Residential (3.5 and Below)	3,808	7,555	9,198	10,512	11,169
Other addiction services*	1,092	3,948	9,198	10,512	11,169
<b>Average Length of Stay (days)</b>					
3.7/3.7WM	9.3	9.6	10.0	10.5	16.8
Residential (3.5 and Below)	39.3	28.1	28.5	28.0	39.3
Other addiction services*	28.0	22.6	28.1	28.5	28.0
<b>Licensed Beds</b>					
3.7/3.7WM	36	36	36	36	36
Residential (3.5 and Below)	18	36	36	36	36
Other addiction services*	9	18	36	36	36
<b>Bed Occupancy</b>					
3.7/3.7WM	60.5%	70.0%	80.0%	85.0%	85.0%
Residential (3.5 and Below)	58.0%	57.5%	70.0%	80.0%	85.0%
Other addiction services*	33.2%	60.1%	70.0%	80.0%	85.0%

Source: DI #4, Tab 4, Table E, Statistical Projections - New Facility or Service.

\*Eating Disorders/Gambling Addiction/Sex Addiction

The projected ICF average length of stay (ALOS) is 16 days by 2027 for patients using both 3.7 and 3.7WM services. This is an increase from a 9.6 day ALOS in 2023. The applicant explained that this increase is due to the increasing acuity of patients seen in ICFs over the past years (DI #13, p.11). The corresponding drop in discharges are due to the increase in ALOS. The applicant states that many of the patients discharged from 3.7/3.7 WM care will go on to receive lower levels of care at the facility (DI #13, p. 4)

Alpas's Revenue and Expense statement indicates that it anticipates the facility to open in 2023 and operate profitably beginning in CY 2024, the ICF's first full year of operation.

**Table III-4: Alpas Wellness La Plata  
Revenues and Expenses, CY 2023 through CY 2027**

	CY2023	CY2024	CY2025	CY2026	CY2027
<b>Revenue</b>					
Inpatient Services					
3.7 and 3.7WM	\$ 1,755,600	\$ 7,520,100	\$ 9,190,650	\$ 9,349,900	\$ 9,443,350
Residential SUD	\$ 2,510,400	\$ 8,594,400	\$ 10,116,000	\$ 9,349,900	\$ 9,443,350
Residential Process/ED	\$ 750,000	\$ 5,371,500	\$ 6,952,350	\$ 8,014,200	\$ 8,094,300
Gross Patient Service Revenues	\$ 5,016,000	\$ 21,486,000	\$ 26,259,000	\$ 26,714,000	\$ 26,981,000
Allowance for Bad Debt	\$ 516,000	\$ 2,208,000	\$ 2,699,000	\$ 2,746,000	\$ 2,773,000
Charity Care	\$ 75,000	\$ 420,000	\$ 540,000	\$ 660,000	\$ 780,000
<b>Net Patient Services Revenue</b>	<b>\$ 4,425,000</b>	<b>\$ 18,858,000</b>	<b>\$ 23,020,000</b>	<b>\$ 23,308,000</b>	<b>\$ 23,428,000</b>
<b>Expenses</b>					
Salaries & Wages	\$ 3,184,000	\$ 5,094,000	\$ 6,270,500	\$ 7,204,000	\$ 8,257,900
Current Depreciation	\$43,000	\$672,000	\$685,000	\$702,000	\$725,000
<b>Other Expenses</b>					
Dietary	\$ 308,000	\$ 752,000	\$ 873,000	\$ 904,000	\$ 931,000
Repairs and Maintenance	\$ 123,000	\$ 346,000	\$ 410,000	\$ 424,000	\$ 437,000
Transportation	\$ 271,000	\$ 384,000	\$ 396,000	\$ 408,000	\$ 420,000
Administrative	\$ 2,240,000	\$ 2,553,000	\$ 2,630,000	\$ 2,708,000	\$ 2,790,000
Marketing	\$ 5,000,000	\$ 5,150,000	\$ 5,305,000	\$ 5,464,000	\$ 5,628,000
Utilities	\$ 28,000	\$ 128,000	\$ 159,000	\$ 165,000	\$ 170,000
Insurance	\$ 279,000	\$ 432,000	\$ 445,000	\$ 458,000	\$ 472,000
Property Taxes	\$ 200,000	\$ 309,000	\$ 318,000	\$ 328,000	\$ 338,000
Interest Expense and Finance Fees	\$ 604,000	\$ 1,564,000	\$ 1,572,000	\$ 1,531,000	\$ 1,492,000
<b>Total Operating Expenses</b>	<b>\$ 12,280,000</b>	<b>\$ 17,384,000</b>	<b>\$ 18,694,500</b>	<b>\$ 20,998,000</b>	<b>\$ 22,385,900</b>
<b>Income</b>					
Income from Operation	(\$7,855,000)	\$1,474,000	\$3,956,500	\$3,012,000	\$2,187,100
<b>Net Income (Loss)</b>	<b>\$ (7,855,000)</b>	<b>\$ 1,474,000</b>	<b>\$3,956,500</b>	<b>\$3,012,000</b>	<b>\$2,187,100</b>

Source: DI #26, Table D Revenues & Expenses, Uninflated - Entire Facility.

With the proposed ICF program starting in late 2023, applicant anticipates losses of approximately \$7.86 million in CY2023. Alpas expects to make a net profit of over \$1.47 million by CY 2024, remaining profitable through CY 2027.

#### Work Force Projections

Alpas projects the ability to implement this proposed project by hiring 30 full time equivalent (FTE) direct care staff for the new ICF service, along with 13 administration staff and

13 support staff which will be shared with residential drug and process treatment services. Table III-5 shows the staffing levels and salary levels at the La Plata location. By CY2027, the average salary of direct staff will be \$73,194, and the average salary for support staff will be \$48,000. By the fifth year of the program, salary and benefit expenses will total \$8.26 million (DI #26, Table G).

**Table III-5: Alpas Wellness La Plata Staffing and Expenses by CY 2027**

Category	FTE's	Expense
Administrative	13	\$2,729,000
Direct Care (ICF and Res/Process)	77	\$4,904,900
Support Staff	13	\$624,00
<b>Total</b>	<b>103</b>	
Total Staff Expenses		<b>\$8,257,900</b>

Source: DI# 3, Tab 5, Table G, Workforce Information. Salaries include 30% for in benefits

Alpas states that it has already received numerous applications from those with experience in drug treatment. The applicant does not believe that there will be any difficulty attracting new staff to the facility (DI #13, p. 10; DI #16, p. 3).

#### Community Support

The proposed project received letters of support from:

- Jeannine E. James, Mayor of La Plata (DI #4, Exh. 7)
- Kelly Robertson-Slagle, Director, Charles County Economic Development Department (DI #4, Exh. 7)
- Paster John Lewis, Paster of the Jude House Substance Abuse Facility and founder of Point of Change Jail and Street Ministry, Inc. (DI #16, Exh. 23)
- Paster Willie R. Hunt, United Ministers Coalition of Southern Maryland (DI #16, Exh 23)

#### Staff Analysis and Recommendation

Staff concludes that the applicant has sufficient monetary resources to open the ICF and to see the facility through to the second year of operation at which time the facility should be profitable. Alpas has a reasonable plan for the hiring of staff for the ICF, and the staffing plan appears to be sufficient to care for the patients at the facility. Additionally, through its network of community support, Alpas will be able to engage with community organizations to reach patients in need of ICF services. Staff recommends that the Commission find the proposed project is viable on the basis of resource availability and documentation of support.

#### **E. COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED**

***COMAR 10.24.01.08G(3)(e) Compliance with Conditions of Previous Certificates of Need. An applicant shall demonstrate compliance with all terms and conditions of each previous***

*Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.*

Alpas Wellness La Plata has not received prior approval for a CON in Maryland and this criterion is not applicable (DI #4, p. 32).

## **F. IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM**

***COMAR 10.24.01.08G(3)(f) Impact on Existing Providers and the Health Care Delivery System. An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.***

Alpas states that the proposal to establish its 36-bed ICF in La Plata will have minimal adverse impact on existing providers in the region. The applicant states that the current need for ICF beds is significantly higher than the 36 beds proposed in this application. (DI #4, p. 32). It states that its proposed project will have a positive impact on availability and access to ICF services (DI #4, p. 33). The applicant states that the new facility will offer opportunities for working relationships with other area ICFs as it will be able to accept referrals of patients that have co-occurring process disorders (DI #13, p. 11).

Alpas does not anticipate that the establishment of the ICF will have a significant effect on the staffing of existing facilities. The applicant states that it has received numerous unsolicited resumes from candidates who are being laid off from an existing ICF through staffing cuts (DI #14, p. 11; DI #16, p. 3).

Additionally, Alpas states that it does not expect the establishment of its ICF will have an adverse impact on either costs or charges to the health care system (DI #4, p. 33). It claims that healthcare costs are not expected to increase as payment rates are generally maintained through contracted rates with public and private payors (DI #4, p. 33). For out-of-network providers, although conceding rates are negotiated with payors, it states that all charges are generally set within a narrow range.

### Staff Analysis and Recommendation

Staff recommends that the Commission find that the impact of the project is acceptable. State statute allows expansion of bed capacity at existing ICF beds without Commission approval, which has the effect of allowing ICFs to expand without regulatory involvement. The project will increase access to ICF services in Southern Maryland. If this project fails to operate at high bed occupancy, it is difficult to see, for this type of facility and service, how the public interest would be harmed by such oversupply. We would expect persistent conditions signaling an oversupplied

market would simply result in reductions in cost and eventually a reduction in supply to more optimal levels.

#### **IV. STAFF RECOMMENDATION**

Based on review and analysis of the CON application, staff recommends that the Commission find that the project proposed by Alpas Wellness La Plata, LLC complies with the applicable State Health Plan standards. The applicant has provided evidence to support the need for the project. Introducing ICF services at a renovated unoccupied assisted living facility is a cost-effective approach to establishing such services in Charles County. The project is likely to be viable. It will not have an adverse impact on accessibility, cost and charges, or other providers of ICF services.

Accordingly, Staff recommends that the Commission **APPROVE** the application to establish a 36-bed Track One Intermediate Care Facility for adults in Charles County, at an approved cost of \$8,703,832, with the following conditions:

1. Alpas Wellness La Plata 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 each July first following the issuance of first use approval and continuing for five years thereafter;
2. Alpas Wellness La Plata shall document that it has posted a statement of charges and information regarding the range and types of its services online and affirm that this statement of charges and information will be posted in a prominent place in the registration areas of its ICF and that it will also provide the statement of charges and the information of services to the public upon request;
3. Alpas Wellness La Plata must receive preliminary accreditation for the Level 3.7 services it will provide, including withdrawal management and post-withdrawal treatment programming, by The Joint Commission (TJC) or another accrediting body approved by the Maryland Department of Health prior to First Use approval by the Commission, and must timely receive final accreditation by TJC or another approved accrediting body. [COMAR 10.24.14.05H];
4. Alpas Wellness La Plata shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State license. If its accreditation has been revoked or suspended for reasons related to health or safety or it loses its State license, Alpas Wellness La Plata shall cease operation until the Behavioral Health Administration notifies the Commission that the deficiencies have been corrected. [COMAR 10.24.14.05H];

5. Prior to first use, Alpas Wellness La Plata shall provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from Acute care hospitals; Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs; Local community mental health center or center(s); The jurisdiction's mental health and alcohol and drug abuse authorities; The Behavioral Health Administration; and the jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services. [COMAR 10.24.14.05L]

**IN THE MATTER OF**

**ALPAS WELLNESS LA PLATA LLC**

**Docket No. 22-04-2462**

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**BEFORE THE**

**MARYLAND HEALTH**

**CARE COMMISSION**

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**FINAL ORDER**

Based on Staff’s analysis and recommendations, it is this 15<sup>th</sup> day of June 2023, **ORDERED** that the application of Alpas Wellness La Plata, Inc. for a Certificate of Need to establish a 36-bed Track One Intermediate Care Facility providing withdrawal management and treatment services for adults at an approved cost of \$8,703,832, be, and hereby is, **APPROVED**, with the following conditions:

1. Alpas Wellness La Plata 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 each July first following the issuance of first use approval and continuing for five years thereafter;
2. Alpas Wellness La Plata shall document that it has posted a statement of charges and information regarding the range and types of its services online and affirm that this statement of charges and information will be posted in a prominent place in the registration areas of its ICF and that it will also provide the statement of charges and the information of services to the public upon request;
3. Alpas Wellness La Plata must receive preliminary accreditation for the Level 3.7 services it will provide, including withdrawal management and post-withdrawal treatment programming, by The Joint Commission (TJC) or another accrediting body approved by the Maryland Department of Health prior to First Use approval by the Commission, and must timely receive final accreditation by TJC or another approved accrediting body; [COMAR 10.24.14.05H]
4. Alpas Wellness La Plata shall notify the Commission and the Behavioral Health Administration, in writing, within fifteen days after it receives notice that its accreditation has been revoked or suspended or should it lose its State license. If its accreditation has been revoked or suspended for reasons related to health or safety or it loses its State license, Alpas Wellness La Plata shall cease operation until the Behavioral Health Administration notifies the Commission that the deficiencies have been corrected; [COMAR 10.24.14.05H]
5. Prior to first use, Alpas Wellness La Plata shall provide documentation of its transfer and referral agreements, in the form of letters of agreement or acknowledgement from Acute care hospitals; Halfway houses, therapeutic communities, long-t Prior to first use, Alpas Wellness La Plata shall provide documentation of its transfer and referral

agreements, in the form of letters of agreement or acknowledgement from Acute care hospitals; Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs; Local community mental health center or center(s); The jurisdiction's mental health and alcohol and drug abuse authorities; The Behavioral Health Administration; and The jurisdiction's agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services. [COMAR 10.24.14.05L]

**APPENDIX 1:**

**RECORD OF THE REVIEW**

## Record of the Review

Item #	Description	Date
1	Alpas Wellness La Plata, LLC, submits its Letter of Intent to establish a 36-bed Track One Alcoholism and Drug Abuse Intermediate Care Facility in La Plata, Charles County.	6/8/2022
2	MHCC sends a notice soliciting additional Letters of Intent for Substance Abuse Services in Southern Maryland to the <i>Maryland Register</i> for publication.	6/15/2022
3	MHCC acknowledges receipt of Letter of Intent and confirms that no additional Letters of Intent were received	8/17/2022
4	Applicant submits a Certificate of Need application (CON) to establish a 36 bed Track One Level 3.7 Withdrawal Management (WM) Medically Monitored Intensive Inpatient and Level 3.7 Medically Monitored Intensive Inpatient treatment program.	12/5/2022
5	MHCC acknowledges receipt of application for Alpas Wellness La Plata to John Beecroft.	12/5/2022
6	Following completeness review, MHCC sends to applicant a request for completeness and additional information.	12/13/2022
7	Applicant requests and MHCC staff grants an extension of time to submit responses to May 19th request for completeness information to January 25, 2023.	1/3/2023
8	MHCC submits to Calvert Recorder a request to publish a notice of receipt of the CON application.	1/5/2023
9	MHCC submits to Maryland Register a request to publish a notice of receipt of the CON application.	1/5/2023
10	Applicant requests and MHCC staff grants an extension of time to submit responses request for completeness information to February 3, 2023	1/24/2023
11	<i>Calvert Recorder</i> provided certification that the notice on receipt of application was published.	1/13/2023
12	Applicant requests and MHCC grants an extension to file partial completeness information until the full information is available.	2/3/2023
13	Applicant submits applicant's partial responses for completeness questions.	2/3/2023
14	MHCC submits second request for completeness information and clarification to first round of completeness questions.	2/13/2023
15	Applicant requests and MHCC staff grants an extension of time to submit responses request for completeness information to March 10, 2023	2/28/2023
16	Applicant submits responses to second request for completeness information and clarification to first round of completeness questions.	3/10/2023
17	Applicant submits responses affirmations to second set of completeness questions.	3/14/2023
18	MHCC submits third request for completeness information and clarification to second round of completeness questions.	3/20/2023
19	Applicant submits responses to third request for completeness information and clarification to second round of completeness questions.	3/23/2023
20	MHCC sends notice to applicant of the docketing for formal review of Alpas Wellness La Plata with starting date on April 7, 2023.	3/24/2023
21	MHCC sends notice to <i>Calvert Recorder</i> for formal start of review of Alpas Wellness La Plata's CON application.	3/24/2023
22	MHCC sends notice to <i>Maryland Register</i> for formal start of review of Alpas Wellness La Plata's CON application.	3/24/2023
23	MHCC submits a request to Charles County Department of Health for review and comment on Alpas Wellness La Plata's CON application.	3/24/2023
24	Email communications between MHCC and applicant requesting a clarification of salary information for project.	4/5/2023

25	Applicant submitted revised salary information	4/6/2023
26	Applicant submitted amendment to revised salary information	4/7/2023

**APPENDIX 2:**

**AMERICAN SOCIETY OF ADDICTION MEDICINE**

**CONTINUUM OF CARE TREATMENT PROGRAMS**

Based on the American Society of Addiction Medicine’s (ASAM) Level of Care service definitions and placement criteria, the following provides a description for Level 3.7 and Level 3.7WM treatment programs:<sup>6</sup>

### **Level 3.7 Medically Monitored High Intensity Residential SUD Treatment**

Level 3.7 medically monitored, high intensity residential SUD treatment programs are required to provide a minimum of 36 hours of medically monitored, high intensity treatment to individuals with a SUD diagnosis who have subacute biomedical and emotional, behavioral, or cognitive problems that are so severe that they require 24-hour nursing care with physician availability. All individual, family, or group treatment services must be provided on-site and are inclusive of mental health treatment.

Medically monitored residential SUD treatment services are provided by a multidisciplinary treatment team and are applicable to Level 3.7. Medical monitoring is provided through direct patient contact, review of records, team meetings, 24-hour coverage by a physician, 24-hour nursing and a quality assurance program.

### **3.7 WM Medically Monitored High Intensity Withdrawal Services**

Withdrawal management and opioid treatment services, such as medication-assisted treatment (MAT), may be provided if the program’s license specifically authorizes the service. Individuals engaged in this level of care are experiencing severe withdrawal symptoms and require medication or have a recent history of withdrawal management at a less intensive level of care, marked by past and current inability to complete withdrawal management and enter into continuing addiction treatment. The individual needs 24-hour nursing care with physician oversight as necessary, and is unable to safely complete withdrawal management without 24-hour medical and nursing monitoring.

The following is an ASAM Criteria Crosswalk for Level 1.0 through 4.0 Services: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions<sup>7</sup>

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<sup>6</sup> 2020 Joint Chairmen’s Report – Report on Substance Use Disorder (SUD) Treatment Limitations in the Medicaid Program. Available at: <https://health.maryland.gov/mmcp/Documents/JCRs/2020/SUDtreatmentlimitsJCRfinal9-20.pdf>. <https://www.medicaid.gov/state-resource-center/innovation-accelerator-program/iap-downloads/reducing-substance-use-disorders/asam-resource-guide.pdf>. at pp. 10-11.

<sup>7</sup> Available at: [http://www.mtpca.org/wp-content/uploads/ASAM-Adult\\_Criteria\\_Crosswalk.pdf](http://www.mtpca.org/wp-content/uploads/ASAM-Adult_Criteria_Crosswalk.pdf).

## The ASAM Criteria Crosswalk: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions

<b>Adult Levels of Care</b>	<b>DIMENSION 1: Acute Intoxication and/or Withdrawal Potential</b>	<b>DIMENSION 2: Biomedical Conditions and Complications</b>	<b>DIMENSION 3: Emotional, Behavioral, or Cognitive Conditions and Complications</b>	<b>DIMENSION 4: Readiness to Change</b>	<b>DIMENSION 5: Relapse, Continued Use, or Continued Problem Potential</b>	<b>DIMENSION 6: Recovery/Living Environment</b>
<b>LEVEL 0.5</b>	No withdrawal risk	None or very stable	None or very stable	Willing to explore how current alcohol, tobacco, other drug, or medication use, and/or high-risk behaviors may affect personal goals	Needs an understanding of, or skills to change, current alcohol, tobacco, other drug, or medication use patterns, and/or high risk behavior	Social support system or significant others increase the risk of personal conflict about alcohol, tobacco, and/or other drug use
Early Intervention <b>OTP – LEVEL 1</b>	Physiologically dependent on opioids and requires OTP to prevent withdrawal	None or manageable with outpatient medical monitoring	None or manageable in an outpatient structured environment	Ready to change the negative effects of opioid use, but is not ready for total abstinence from illicit prescription or non-prescription drug use	At high risk of relapse or continued use without OTP and structured therapy to promote treatment progress	Recovery environment is supportive and/or the patient has skills to cope
Opioid Treatment Program <b>LEVEL 1</b>	Not experiencing significant withdrawal, or at minimal risk of severe withdrawal. Manageable at Level 1-WM (See withdrawal management criteria)	None or very stable, or is receiving concurrent medical monitoring	None or very stable, or is receiving concurrent mental health monitoring	Ready for recovery but needs motivating and monitoring strategies to strengthen readiness. Or needs ongoing monitoring and disease management. Or high severity in this dimension but not in other dimensions. Needs Level 1 motivational enhancement strategies	Able to maintain abstinence or control use and/or addictive behaviors and pursue recovery or motivational goals with minimal support	Recovery environment is supportive and/or the patient has skills to cope
Outpatient Services <b>LEVEL 2.1</b>	Minimal risk of severe withdrawal, manageable at Level 2-WM (See withdrawal management criteria)	None or not a distraction from treatment. Such problems are manageable at Level 2.1	Mild severity, with potential to distract from recovery; needs monitoring	Has variable engagement in treatment, ambivalence, or a lack of awareness of the substance use or mental health problem, and requires a structured program several times a week to promote progress through the stages of change	Intensification of addiction or mental health symptoms indicate a high likelihood of relapse or continued use or continued problems without close monitoring and support several times a week	Recovery environment is not supportive, but with structure and support, the patient can cope
Intensive Outpatient Services <b>LEVEL 2.5</b>	Moderate risk of severe withdrawal manageable at Level 2-WM (See withdrawal management criteria)	None or not sufficient to distract from treatment. Such problems are manageable at Level 2.5	Mild to moderate severity, with potential to distract from recovery; needs stabilization	Has poor engagement in treatment, significant ambivalence, or a lack of awareness of substance use or mental health problem, requiring a near-daily structured program or intensive engagement services to promote progress through the stages of change	Intensification of addiction or mental health symptoms, despite active participation in a Level 1 or 2.1 program, indicates a high likelihood of relapse or continued use or continued problems without near-daily monitoring and support	Recovery environment is not supportive, but with structure and support from the home environment, the patient can cope
Partial Hospitalization Services <b>LEVEL 3.1</b>	No withdrawal risk, or minimal or stable withdrawal. Concurrently receiving Level 1-WM (minimal) or Level 2-WM (moderate) services (See withdrawal management criteria)	None or stable, or receiving concurrent medical monitoring	None or minimal; not distracting to recovery. If stable, a co-occurring enhanced program is required	Open to recovery, but needs a structured environment to maintain therapeutic gains	Understands relapse but needs structure to maintain therapeutic gains	Environment is dangerous, but recovery is achievable if Level 3.1 24-hour structure is available
Clinically Managed Low-Intensity Residential Services <b>LEVEL 3.3</b>	At minimal risk of severe withdrawal. If withdrawal is present, manageable at Level 3.2-WM (See withdrawal management criteria)	None or stable, or receiving concurrent medical monitoring	Mild to moderate severity; needs structure to focus on recovery. Treatment should be designed to address significant cognitive deficits. If stable, a co-occurring capable program is appropriate. If not, a co-occurring enhanced program is required.	Has little awareness and needs interventions available only at Level 3.3 to engage and stay in treatment. If there is high severity in Dimension 4 but not in any other dimension, motivational enhancement strategies should be provided in Level 1	Has little awareness and needs interventions available only at Level 3.3 to prevent continued use, with imminent dangerous consequences, because of cognitive deficits or comparable dysfunction	Environment is dangerous and patient needs 24-hour structure to learn to cope
Clinically Managed Population –Specific High-Intensity Residential Services <b>LEVEL 3.5</b>	At minimal risk of severe withdrawal. If withdrawal is present, manageable at Level 3.2-WM (See withdrawal management criteria)	None or stable, or receiving concurrent medical monitoring	Demonstrates repeated inability to control impulses, or unstable and dangerous signs/symptoms require stabilization. Other functional deficits require stabilization and a 24-hour setting to prepare for community integration and continuing care. A co-occurring enhanced setting is required for those with severe and chronic mental illness	Has marked difficulty with, or opposition to, treatment, with dangerous consequences. If there is high severity in Dimension 4 but not in any other dimension, motivational enhancement strategies should be provided in Level 1	Has no recognition of the skills needed to prevent continued use, with imminently dangerous consequences	Environment is dangerous and the patient lacks skills to cope outside of a highly structured 24-hour setting
Clinically Managed High-Intensity Residential Services <b>LEVEL 3.7</b>	At high risk of withdrawal, but manageable at Level 3.7-WM and does not require the full resources of a licensed hospital (See withdrawal management criteria)	Requires 24-hour medical monitoring but not intensive treatment	Moderate severity; needs a 24-hour structured setting. If the patient has a co-occurring mental disorder, requires concurrent mental health services in a medically monitored setting	Low interest in treatment and impulse control is poor, despite negative consequences; needs motivating strategies only safely available in a 24-hour structured setting. If there is high severity in Dimension 4 but not in any other dimension, motivational enhancement strategies should be provided in Level 1	Unable to control use, with imminently dangerous consequences, despite active participation at less intensive levels of care	Environment is dangerous and the patient lacks skills to cope outside of a highly structured 24-hour setting
Medically Monitored Intensive Inpatient Services <b>LEVEL 4</b>	At high risk of withdrawal and requires Level 4-WM and the full resources of a licensed hospital (See withdrawal management criteria)	Requires 24-hour medical and nursing care and the full resources of a licensed hospital	Because of severe and unstable problems, requires 24-hour psychiatric care with concomitant addiction treatment (co-occurring enhanced)	Problems in this dimension do not qualify the patient for Level 4 services. If the patient's only severity is in Dimension 4, 5, and/or 6 without high severity in Dimensions 1, 2, and/or 3, then the patient does not qualify for Level 4	Problems in this dimension do not qualify the patient for Level 4 services. See further explanation in Dimension 4	Problems in this dimension do not qualify the patient for Level 4 services. See further explanation in Dimension 4
Medically Managed Intensive Inpatient Services						

## ASAM LEVELS OF CARE FOR ADULT DETOXIFICATION<sup>8</sup>

### Introduction

This review outlines the five levels of detoxification care outlined by the American Society of Addiction Medicine (ASAM). The following depicts the five levels of detoxification care that ASAM has identified.

### Level I-D

#### **AMBULATORY DETOXIFICATION WITHOUT EXTENDED ON-SITE MONITORING**

1. Organized outpatient service.
2. May be delivered in an office setting, healthcare or addiction treatment facility or in a patient's home.
3. Trained clinicians provide medically supervised evaluation, detoxification and referral services in regularly scheduled sessions.
4. Services should be delivered under a defined set of policies and procedures or medical protocols.

### Level II-D

#### **AMBULATORY DETOXIFICATION WITH EXTENDED ON-SITE MONITORING**

1. Organized outpatient service.
2. May be delivered in an office setting or healthcare or addiction treatment facility.
3. Trained clinicians provide medically supervised evaluation, detoxification, and referral services in regularly scheduled sessions.
4. Essential to this level of care is the availability of appropriately credentialed and licensed nurses (RN, LPN) who monitor patients over a period of several hours each day of service.

### Level III-D

#### **RESIDENTIAL/INPATIENT DETOXIFICATION**

There are two different parts within this level. The first is Level III-D, or Residential/Inpatient Detoxification. Criteria are provided for two types of Level III detoxification programs:

1. The "residential" level has in the past been synonymous with rehabilitation services.
2. Detoxification services and the "inpatient" level of care have been synonymous with acute inpatient hospital care.

### Level III.2-D

#### **CLINICALLY MANAGED RESIDENTIAL DETOXIFICATION**

1. Sometimes referred to as "social setting" detoxification.
2. Organized service that may be delivered by appropriately trained staff who provide 24 hour supervision, observation, and support for patients who are intoxicated or are experiencing withdrawal.

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<sup>8</sup> Source: <https://www.ci2i.research.va.gov/paws/pdfs/asam.pdf>.

3. Characterized by emphasis on peer and social support.

#### **Level III.7-D**

##### **MEDICALLY MONITORED INTENSIVE INPATIENT DETOXIFICATION**

The second part of this level is Level III.7-D, defined by the following characteristics:

1. Organized service delivered by medical and nursing professionals, which provides for 24-hour medically supervised evaluation and withdrawal management.
2. A permanent facility with inpatient beds and services that are delivered under a defined set of physician-approved policies and physician-monitored procedures or clinical protocols.
3. 24-hour observation, monitoring, and treatment are available.
4. Relies on established clinical protocols to identify patients who are in need of medical services beyond the capacity of the facility in order to transfer such patients to the appropriate level of care.
4. Provides care to patients whose withdrawal signs and symptoms are sufficiently severe to require 24-hour inpatient care.
5. Sometimes provided by overlapping with Level IV-D services (as a "step down" service) in a specialty unit of an acute general or psychiatric hospital.
6. Full resources of an acute general hospital or a medically managed intensive inpatient treatment program are not necessary.

#### **Level IV-D**

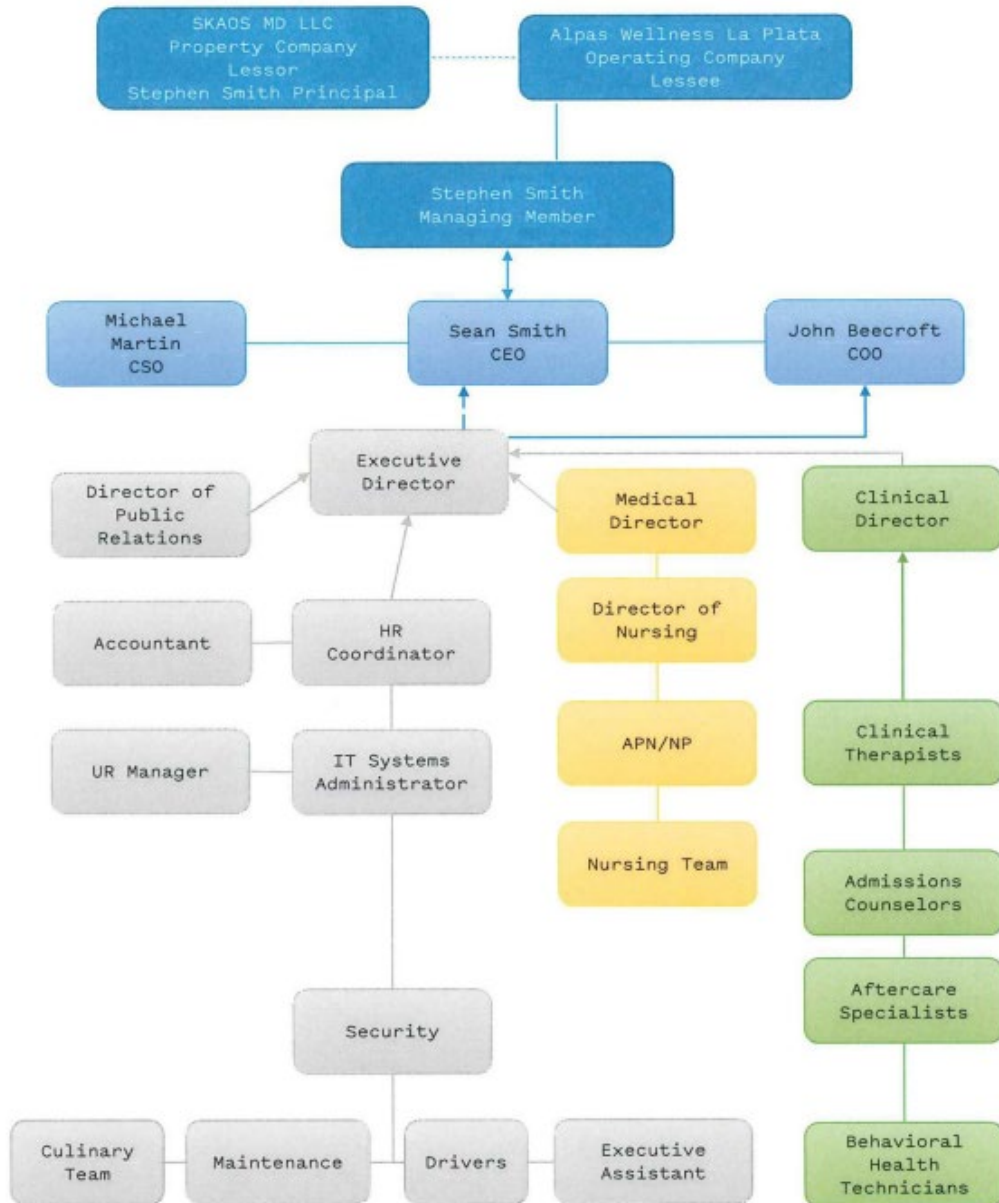
##### **MEDICALLY MANAGED INTENSIVE INPATIENT DETOXIFICATION**

1. Organized service delivered by medical and nursing professionals, which provides for 24-hour medically directed evaluation and withdrawal management in an acute care inpatient setting.
2. Provides care to patients whose withdrawal signs and symptoms are sufficiently severe to require primary medical and nursing care services.
3. 24-hour observation, monitoring, and treatment are available.
4. Specially designed for acute medical detoxification.

## **APPENDIX 3:**

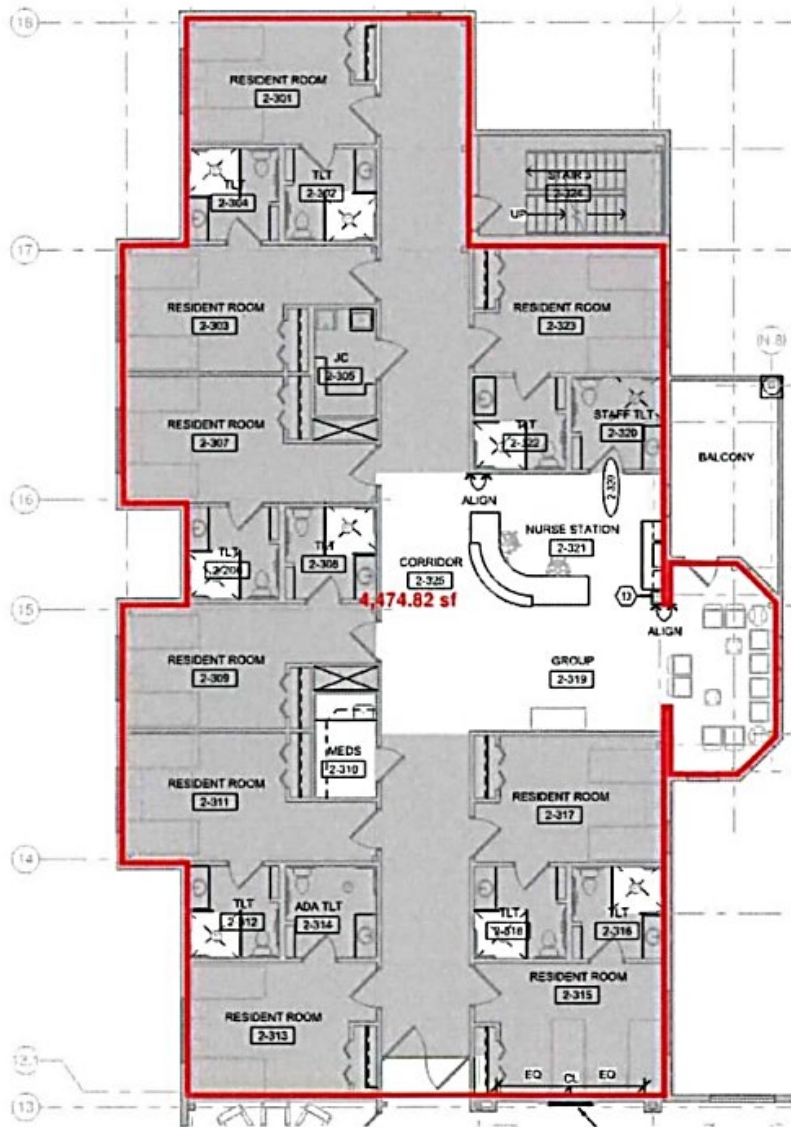
### **ORGANIZATIONAL CHART**

# Alpas Wellness La Plata Organizational Chart

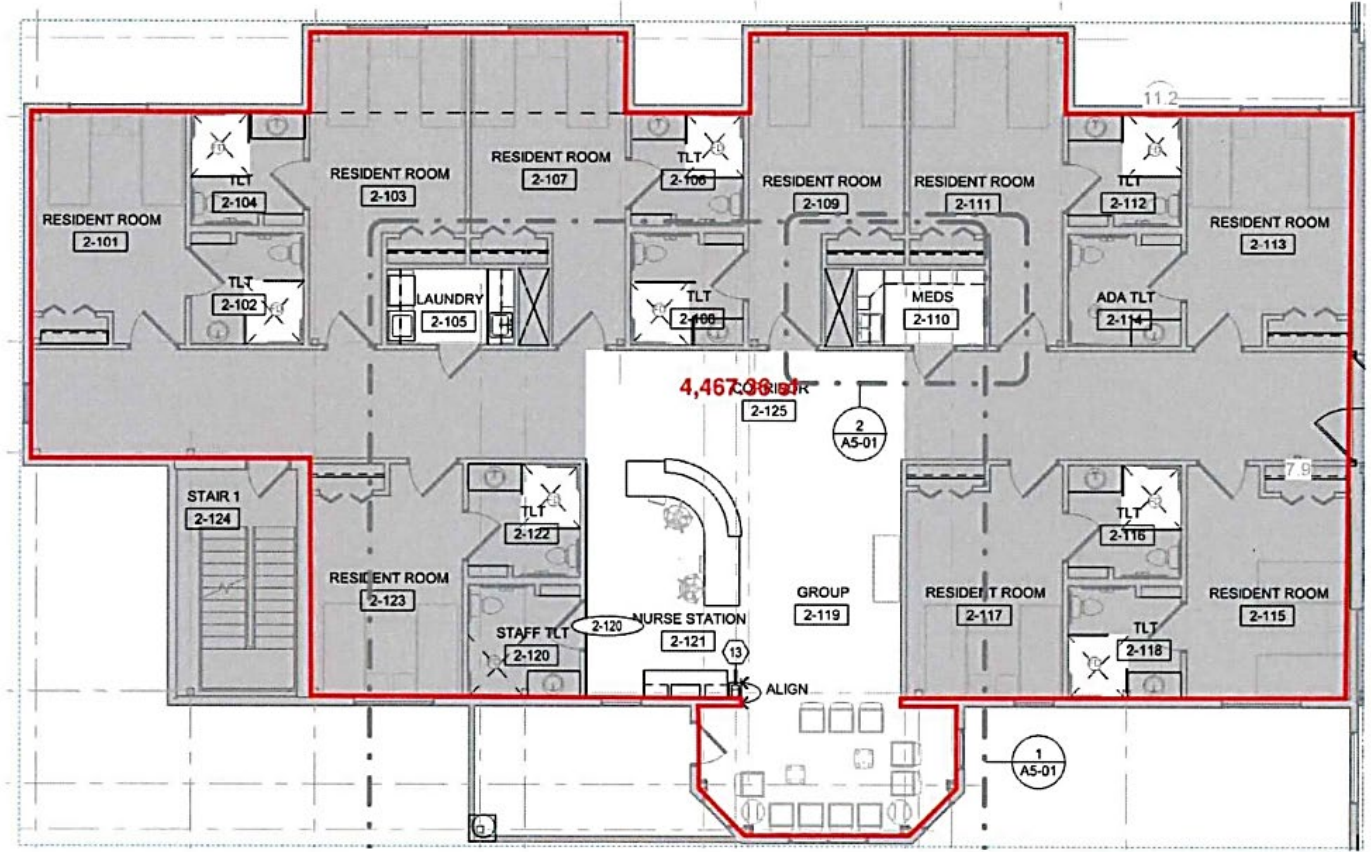


**APPENDIX 4:**

**FLOORPLAN DIAGRAM**



**NORTH UNIT FIRST FLOOR**



**WEST UNIT FIRST FLOOR**

**APPENDIX 4:**

**Kreischer Miller.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**March 8, 2023**

**(DI #16, Exh. 21).**



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March 8, 2023

Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215

Re: Alpas Wellness La Plata LLC

Dear Madam or Sir:

We are writing to you at the request of Alpas Wellness La Plata LLC.

The AICPA AT [section 9101](#), paragraph .27 of Interpretation No. 2 states that a practitioner is precluded from giving any form of assurance on matters relating to solvency or any financial presentation of matters relating to solvency. In accordance with paragraph .25 such matters include having the ability to pay debts as they mature.

Consequently, we are not able to respond directly to your request to reach a conclusion that adequate funds are available.

Management has provided us with a January 2023 bank account statement which indicates that Alpas Wellness La Plata LLC has \$493,376 of cash in its checking account at January 31, 2023. Management has also provided us with a Draw History Statement, as of January 31, 2023, that indicates Alpas Wellness La Plata LLC has \$15,852,357 available under its financing agreement.

We did not audit or review this financial information, nor were we required to perform any procedures to verify the accuracy, or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this information.

Very truly yours,

Eric C. Sakelaridos  
Director

ECS:mgc