



TO: Robert H. B. Cawood, Esq., Counsel for Pascal Crisis Services, Inc.
Carolyn Jacobs, Esq., Counsel for Gaudenzia, Inc.
Peter D’Souza, MA, MBA, LCADC, CEO Hope House Treatment Centers

FROM: Randolph S. Sergent, Esq., Commissioner Chairman

RE: Preliminary Matter: Exceptions
Pascal Crisis Services, Inc.
Intermediate Care Facility
Docket # 22-02-2459

DATE: May 12, 2023

The Maryland Health Care Commission (“MHCC”) is in receipt of letter correspondence from Peter D’Souza, dated May 2, 2023 (“the May 2 Letter”) on behalf of Hope House Treatment Centers (“Hope House”). The May 2 Letter sets forth general statements of opposition to the MHCC’s Recommended Decision to award a Certificate of Need (“CON”) to Pascal Crisis Services, Inc (“Pascal”), but does not identify specific findings and conclusions to which exception is taken, and does not cite portions of the record to provide a basis for such exceptions. The May 2 Letter therefore does not meet the requirements of written exceptions.

Under COMAR 10.24.01.09B(3), “[w]ritten exceptions shall specifically identify each finding and conclusion to which exception is taken, citing those portions of the record on which each exception is based.” The May 2 Letter reiterates Hope House’s interested party letter of January 12, 2023 to the MHCC, which sets forth general opposition to the CON and the basis for Hope House’s status as an interested party. Such general statements do not meet the regulatory threshold for exceptions to a Recommended Decision, and the May 2 Letter will not be treated as exceptions to the Recommended Decision. Because no proper exceptions have been filed, Pascal’s response to the May 2 Letter is moot and will not be considered.

Sincerely,

Randolph Sergent, Esq.
Commission Chairman

cc: Wynee Hawk, Director, Center for Health Care Facilities Planning and Development
Caitlin Tepe, Assistant Attorney General
Ari S. Elbaum, Assistant Attorney General
Nilesh Kalyanaraman, MD, Health Officer, Anne Arundel County



May 2, 2023

Attn: Ruby Porter
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore
Maryland 21215

RE: CON Application by Pascal Crisis 2459

There are two facilities, Hope House Treatment Centers and Gaudenzia providing the same services that Pascal wants to implement, 3.7 and 3.7WM. Both Hope House and Gaudenzia are located less than 1,000 feet from the Applicant. Both the facilities have open beds for 3.7 and 3.7WM Levels of Care. There is another facility named Pathways @ 10 miles away in Annapolis that has detoxification services just like ours. There is no NEED for another Detoxification Facility.

Hope House operates an Inpatient Program for Psychiatric and Substance Use Disorder, Level 3.7 and 3.7WM. We have a bed capacity of 82 beds since 2018 when we acquired the Laurel Facility. We have not been able to fill our beds to capacity. In fact, due to COVID the number of referrals have decreased dramatically.

On page 27 of the application it states “In fact, many other providers – to include other 3.7 providers (even those within close geographical proximity of our facility) refer clients for admission to the Pascal Crisis Stabilization Center due to the clinical capability of managing complex psychiatric cases involving persons with high mental health acuity (including those with Severe, Persistent Mental Illness or SPMI) coupled with high and/or polysubstance abuse in need of detox and co-occurring mental health crisis stabilization.” This is patently false.

We do Not and have NEVER referred patients for Detox to the Pascal Crisis Center. How can we refer patients to them for Detox when we are licensed and they are not?

We provide a whole continuum of care from Inpatient to Outpatient Levels of Care.

The ‘Turn Away’ Data provided by the applicant on page 28 is in direct contrast with our admissions data. We really need to look at data that is relevant to our local situation. We also provide transportation to patients that need it.

On page 20 of the application the State asks for the availability of cost effective alternatives. The applicant response on page 30 states "The Applicant designed an extremely cost-effective model that delivers immediate access to high-quality care for co-occurring clients in need of psychiatric crisis beds and 3.7/3.7WM beds co-located , when compared to other programs..." This is false once again.

95% of the patients we serve are indigent, homeless, gray area and underserved population. We are reimbursed mostly through Medicaid, the same rate that the applicant has provided. We do not charge any money to the patients and provide free transportation.

Hope House has been providing services to our Maryland community for 45 years. Pascal Crisis Center has been referring patients to us after their Crisis Stabilization. The Anne Arundel Mobile Crisis Unit and the Judicial System refer patients to our Program. All the three programs (Pathways, Gaudenzia and Hope House Treatment Centers) more than adequately meet the needs of our community and Anne Arundel County.

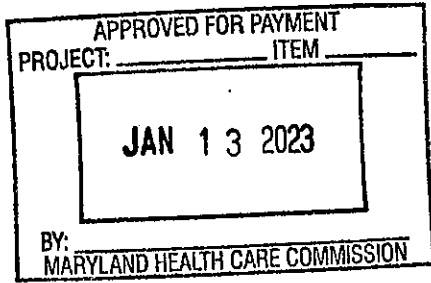
Awarding the CON to the applicant will hasten the demise of Hope House Treatment Centers. We do not need a duplication of the same services provided.

Sincerely,



Peter D'Souza, MA, MBA, LCADC
CEO

Addiction Recovery Inc. dba Hope House Treatment Centers.
410-991-6642.



January 12, 2023

Attn: Ruby Porter
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore
Maryland 21215

RE: CON Application by Pascal Crisis 2459

There are two facilities, Hope House Treatment Centers and Gaudenzia providing the same services that Pascal wants to implement, 3.7 and 3.7WM. Both Hope House and Gaudenzia are located less than 1,000 feet from the Applicant. Both the facilities have open beds for 3.7 and 3.7WM Levels of Care.

Hope House operates an Inpatient Program for Psychiatric and Substance Use Disorder, Level 3.7 and 3.7WM. We have a bed capacity of 82 beds since 2018 when we acquired the Laurel Facility. We have not been able to fill our beds to capacity. In fact, due to COVID the number of referrals have decreased dramatically.

Exhibit 1 shows the number of beds occupied from 2018 to November, 2022.

We are right now in the process of temporarily closing our Laurel Facility due to the lack of referrals to 3.7 and 3.7WM

On page 27 of the application it states "In fact, many other providers – to include other 3.7 providers (even those within close geographical proximity of our facility) refer clients for admission to the Pascal Crisis Stabilization Center due to the clinical capability of managing complex psychiatric cases involving persons with high mental health acuity (including those with Severe, Persistent Mental Illness or SPMI) coupled with high and/or polysubstance abuse in need of detox and co-occurring mental health crisis stabilization."

We do Not and have NEVER referred patients for Detox to the Pascal Crisis Center. How can we refer patients to them for Detox when we are licensed and they are not? Yes, we have referred patients for Crisis Stabilization.

We provide a whole continuum of care from Inpatient to Outpatient Levels of Care.

The 'Turn Away' Data provided by the applicant on page 28 is in direct contrast with our admissions data provided in Exhibit 1. We also provide transportation to patients that need it.

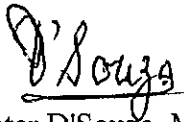
On page 20 of the application the State asks for the availability of cost effective alternatives. The applicant response on page 30 states "The Applicant designed an extremely cost-effective model that delivers immediate access to high-quality care for co-occurring clients in need of psychiatric crisis beds and 3.7/3.7WM beds co-located , when compared to other programs..."

95% of the patients we serve are indigent, gray area and underserved population. We are reimbursed mostly through Medicaid, the same rate that the applicant has provided.

Hope House has been providing services to our Maryland community for 45 years. Pascal Crisis Center has been referring patients to us after their Crisis Stabilization. The Anne Arundel Mobile Crisis Unit are referring patients to our Program. In the last couple of months Pascal has stopped referring patients for Detox. Our staff has found out that they are Detoxifying their patients. I have sent a letter to this effect to the Anne Arundel Department of Health on January5, 2023.

Awarding the CON to the applicant will hasten the demise of Hope House Treatment Centers. We do not need a duplication of the same services provided.

Sincerely,



Peter D'Souza, MA, MBA, LCADC
CEO

Addiction Recovery Inc. dba Hope House Treatment Centers.
410-991-6642.

EXHIBIT 1

HOPE HOUSE MONTHLY AND YEARLY BED OCCUPANCY
DATA

The average numbers of bed days and funding sources were as follows:

	<u>Total</u>			<u>Crownsville</u>						<u>Laurel</u>			
	Count	% Medicaid	% Private	Count	Medicaid	Private	OTF	Self	Other	Count	Medicaid	Private	Self
FY16	40.1	57%	34%	17.6	0.0	13.8	2.7	0.4	0.3	22.6	22.6	-	-
FY17	39.1	65%	27%	15.1	1.4	10.2	2.3	0.4	0.7	24.0	24.0	-	-
FY18	58.3	93%	7%	32.8	29.0	3.6	0.1	0.1	-	25.5	24.9	0.5	-
FY19	66.0	92%	8%	40.5	35.9	4.5	-	0.1	-	25.5	24.8	0.6	-
FY20	53.1	95%	4%	31.7	29.5	2.0	-	0.2	-	21.4	21.1	0.3	-
FY21	42.8	92%	8%	24.8	22.2	2.5	-	0.1	-	17.9	17.1	0.8	-
July	46.0	95%	5%	25.7	23.7	2.0	-	-	-	20.2	20.0	0.2	-
August	37.3	94%	6%	16.9	15.0	1.7	-	0.2	-	20.4	19.9	0.4	-
September	50.0	95%	3%	33.7	31.4	1.7	-	0.7	-	16.2	16.2	-	-
October	52.9	93%	7%	34.8	32.4	2.4	-	-	-	18.1	16.8	1.3	-
November	49.6	93%	5%	31.2	29.0	1.9	-	0.3	-	18.3	16.9	0.4	-
December	40.0	97%	3%	25.6	24.3	1.0	-	0.3	-	14.5	14.5	-	-
January	36.9	94%	5%	24.4	22.2	1.9	-	0.3	-	12.6	12.6	-	-
February	54.9	92%	8%	34.8	32.0	2.8	-	-	-	20.1	18.5	1.6	-
March	48.7	93%	7%	32.3	29.7	2.6	-	-	-	16.4	15.6	0.8	-
April	48.5	90%	10%	31.4	29.5	1.9	-	-	-	17.1	14.0	3.1	-
May	42.9	91%	9%	29.2	26.2	2.9	-	-	-	13.7	12.6	1.1	-
June	36.6	95%	5%	22.0	21.3	0.7	-	-	-	14.7	13.6	1.0	-
July	40.7	94%	6%	25.4	23.1	2.3	-	-	-	15.3	15.3	-	-
August	41.4	93%	7%	23.8	22.1	1.7	-	-	-	17.6	16.4	1.2	-
September	37.7	93%	7%	23.6	21.9	1.7	-	-	-	14.1	13.2	0.8	-
October	42.4	96%	4%	30.1	28.9	1.2	-	-	-	12.3	11.9	0.4	-
November	28.5	96%	2%	17.2	16.0	0.5	-	0.7	-	11.3	11.3	-	-
Change	-33%			-43%						-8%			

There has been a significant decrease in the bed counts starting in March 2020 due to COVID-19.

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May 7, 2023

Via Electronic Mail - ruby.potter@maryland.gov and
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Maryland Health Care Commission
Attn: Marcus L. Wang, Esq.
4160 Patterson Avenue
Baltimore, MD 21215

Re: Pascal Crisis Services, Inc. ("Pascal")
Intermediate Care Facility
Docket # - 22-02-2459

Dear Commissioner Wang:

Our firm represents Pascal Crisis Services, Inc. ("Pascal"). We are in receipt of the Recommended Decision dated April 18, 2023 and Hope House Treatment Center's two (2) page dated May 2, 2023, which purports to be a written exception letter ("exceptions").¹ Please accept this letter as Pascal's response to the exceptions.

Preliminary Matter

The Recommended Decision transmittal letter states that "[w]ritten exceptions must identify specifically those findings or conclusions to which exception is taken, citing the portion of the record on which each exception is based." *Id.* at p. 3. COMAR 10.24.01.09 (B)(3) further provides: "[w]ritten exceptions shall specifically identify each finding and conclusion to which exception is taken, citing those portions of the record on which each exception is based."

Hope House's exceptions fail to comply with the procedures set forth above and should be preliminarily overruled. Indeed, calling Hope House's May 2, 2023 letter "exceptions" is a misnomer as the "exceptions" are nothing more than a regurgitation of Hope House's two (2) page letter dated January 12, 2023 commenting on Pascal's Certificate of Need Application. Pascal already responded to this letter previously on February 15, 2023. Copies of these letters are attached.

¹ Hope House did not send Pascal a copy of its exceptions, which were received from the MHCC.

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Attn: Marcus L. Wang, Esq.
May 7, 2023

You already had this information when you issued the Recommended Decision, and Hope House's "exceptions" provide no new information.

Instead of filing proper exceptions, Hope House has decided to use emotionally charged language, such as wrongfully accusing Pascal of making statements that are "patently false," curiously deleting from its exceptions the admission made in its January 12, 2023 response that "Yes, we [Hope House] have referred patients for Crisis Stabilization," and deleting that Hope House has temporarily closed its Laurel facility.

The exceptions fail to comply with either of the procedures set forth in the Recommended Decision or COMAR and appear to have been written in a vacuum without regard to the Recommended Decision. They do not cite *any* finding or conclusion at all, nor *any* findings or conclusions to which exception is taken. In fact, they do not cite *any* portion of the record. It seems as if Hope House simply decided at the last minute to recycle the same arguments that have already been considered without regard to the Recommended Decision, put a new date on it and submit its letter as its "exceptions." Accordingly, the exceptions should be overruled.

Response to Hope House's Purported "Exceptions"

Without waiving the failure of Hope's House's exceptions to comply with the procedures set forth in the Recommended Decision and COMAR, Pascal offers the following response. As previously stated in Pascal's response to Hope House's now rejected arguments presented in its January 12, 2023 letter, which are incorporated herein, Hope House's initial claim regarding referral of patient for detoxification is factually incorrect.

Providers within the same jurisdiction have referred clients to Pascal who are in need of Detoxification/Withdrawal Management, a licensed and accredited service by CARF and the State of Maryland that Pascal operates, due to the clinical capability of managing complex psychiatric involving persons with high mental health acuity in need of crisis stabilization.

Hope House has referred individuals to the Pascal thirty-six (36) times since October 1, 2021. These referrals are predominantly to stabilize the individual prior to admission to Hope House Treatment Center's Detox inpatient program. The vast majority of these referrals were for individuals in need of Detoxification/Withdrawal Management from alcohol, or other substances which defies explanation; these individuals were not directly accepted for admission to Hope House despite the fact they claim to operate an inpatient program for Psychiatric and Substance Use Disorder for 3.7 and 3.7WM.

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Hope House's next claim regarding "Turn Away" data is also in error. Pascal's Turn Away does not correspond to Hope House's data regarding lack of referrals and/or bed occupancy.

Pascal's beds remain at full occupancy, requiring the need for a wait list at times due to the Pascal's unique service delivery system and desirable environment Pascal provides for individuals seeking substance use treatment, the majority of which also have co-occurring mental health needs which cannot adequately be served by other providers.

Hope House has abandoned its previous erroneous arguments that "[i]n the last couple of months Pascal has stopped referring patients for Detox" and that Hope House's "staff has found out that they [Pascal] are Detoxifying their patients." Pascal's offers no additional response except to point out Pascal has not "stopped referring patients for Detox" and Hope House's claim is disproven by the referral numbers. Since March 2021, Pascal has referred 46 clients to Hope House Treatment Centers for detoxification treatment, including recently. In addition, Pascal is accredited by CARF for Detoxification/Withdrawal Management and is licensed by the State of Maryland to provide Withdrawal Management services at the Pascal Crisis Stabilization Center.

Hope House has also abandoned its previous argument that its Laurel Facility is temporarily closed, and accordingly Pascal's offers no additional response except to point out that Hope House's closure – temporary or otherwise - of its Laurel Facility is contrary to the well documented need for detoxification services and the analysis and findings of the Recommended Decision that:

Maryland lacks sufficient ICF [Intermediate Care Facility] capacity for low-income individuals and that this deficit is substantial. The ICF Chapter of the State Health Plan relies on an assumption that this dearth of needed resources for the indigent and gray area population is a long standing condition of the healthcare delivery system in Maryland, and that the deficit is likely to persist. Also, Maryland lacks routine and uniform data collection to make reliable findings on demand and use of ICF service capacity....*Id.* at p. 30

The needs of patients to access ICF capacity is well demonstrated in the record, prior ICF staff reports and the ICF Chapter of the State Health Plan. Hope House's suggestion to the contrary based upon their business model is demonstrably incorrect and serves to reduce access to much needed services.

As your Recommended Decision correctly concludes, the proposed plan meets the needs of the community in a cost effective and financially viable manner to provide the availability and

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May 7, 2023

access to alcohol and drug treatment, especially for lower income individuals and families. *Id.* at p. 31.

The Recommended Decisions thoroughly analyzed Hope House's financial based arguments, specifically concluding that the granting of Pascal's CON to provide much needed care in the community:

should not have a negative impact on costs and charges or on other providers of healthcare services...All indicators suggest that the impact of this project will be positive because it will make ICF services for low-income individuals marginally more available and accessible.

This is so because:

tight labor market conditions cannot fairly be used to wall off development of new ICF bed capacity, when market demand is not in decline and appears to be increasing...

Any impact of the project on charges will be muted by the very limited volume of service expected to be provided to private payers in which the applicant can exercise some price setting power *Id.* at 30.

Leading to the conclusion and recommendation that:

The applicant has documented the need for the project and shown it to be a cost-effective and an efficient alternative to meet its stated goals. The proposed project appears to be financially viable and should have a very acceptable impact on availability and access to alcohol and drug treatment, especially for lower income individuals and families. *Id.* at 31.

Simply put, the Recommended Decision analyzed the issues raised by Hope House in its initial response to Pascal's CON and the exceptions present nothing new. Pascal respectfully requests that Hope House's exceptions be overruled and that the Maryland Health Care Commission issue the proposed Final Order attached to the Recommended Decision.

Conclusion

Hope House's exceptions fail to comply with either of the procedures set forth in the Recommended Decision or COMAR. They do not cite the record, or the findings and conclusions of the Recommended Decision. The failure to comply with the bare minimum requirements of an

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May 7, 2023


exception is the equivalent of not filing an exception at all. Accordingly, Hope House's purported exceptions should be overruled on this procedural failure.

In the substance of the claims previously made by Hope House, for the reasons stated in detail in Pascal's February 15, 2023 response and above, Hope House's purported exceptions should be overruled.

Moreover, the Hope House's comments have already been responded to by Pascal and recommended for rejection. The purpose of exceptions is not to reconsider rejected arguments, which is what Hope House presents. On this basis, Hope House's purported exceptions should also be overruled.

Thank you for allowing Pascal the opportunity to provide its response. Should you have any questions or additional requests please feel free to contact the undersigned. Thank you for your courtesy regarding these matters.

Very truly yours,



Robert H.B. Cawood

RHBC/se

Enclosure: Letters

cc: Ruby Potter, Health Facilities Coordinator, ruby.potter@maryland.gov
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