



DATE: May 12, 2022

TO: Commissioners

FROM: Wynee Hawk
Chief, Certificate of Need

SUBJECT: Second Request to Modify a Certificate of Need
Encompass Health Rehabilitation Hospital of Southern Maryland, LLC.
Docket No. 18-16-2423

Attached is a Staff Report and Recommendation requesting a second Project Change after Certificate of Need (CON) Approval issued to Encompass Health Rehabilitation Hospital of Southern Maryland, LLC (Encompass-Southern Maryland) on May 21, 2020. The original CON authorized the construction of a 60-bed Inpatient Rehabilitation Hospital in Bowie, Maryland. The MHCC approved a project Change after CON approval on March 18, 2021, authorizing a project budget increase from \$39,819,094 to \$45,982,206 because of construction cost inflation, government mandated design changes, and an underestimation of the original equipment costs.

The applicant requests a second Project Change after CON Approval for an additional increase of \$6,701,380 bringing the total project cost to \$52,683,586. Encompass-Southern Maryland attributes the additional cost to building design modifications; permitting delays; additional site work based on unsuitable soils; the unanticipated need to relocate a gas line, and additional paving, drainage, and changes in utilities requirements as a result of that relocation; and inflation.

Staff recommends that the Commission APPROVE the proposed modification of the Certificate of Need issued to Encompass Health Rehabilitation Hospital of Southern Maryland, LLC to construct a 60-bed Inpatient Rehabilitation Hospital in Bowie, Maryland, including the conditions issued with the CON:

1. In its request for first use approval, provide information, acceptable to Commission staff, that details the activities it has undertaken for outreach to the community regarding the availability of charitable services;
2. Maintain compliance with the provisions of COMAR 10.24.09.04A(1) regarding the availability of charity care and a sliding scale of discounted charges for low income individuals who do not qualify for full charity care; and



3. Prior to first use, provide written transfer and referral agreements, acceptable to Commission staff, with facilities, agencies, and organizations that are capable of managing cases that exceed its own capabilities and/or provide alternative treatment programs appropriate to the needs of the persons it serves.