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MEMORANDUM

TO: Commissioners

FROM: Kevin R. McDonald, Chief
Certificate of Need

DATE: November 21, 2013

SUBJECT: Cosmetic Surgery Center of Maryland d/b/a Bellona Surgery Center
Relocation of Previously Approved but Unbuilt Freestanding Ambulatory Surgical Facility
Docket No. 13-03-2344

Cosmetic Surgery Center of Maryland, d/b/a Bellona Surgery Center ("BSC") was approved to add a second operating room to its licensed physician's office surgery center on July 19, 2012. Thus, it was approved to establish a health care facility, namely, an ambulatory surgical facility, which, in Maryland, is a facility with two or more operating rooms. Bellona Surgery Center now seeks approval to relocate the previously approved ambulatory surgical center from 8322 Bellona Avenue to 1427 Clarkview Road in Baltimore County, Maryland. CON approval is required for a relocation as set forth in statutory language found at Health-General §19-120(g), which provides that "[a] certificate of need is required before an existing or previously approved, but unbuilt, health care facility is moved to another site."

The proposed relocation will involve the renovation of 4,025 square feet project for the surgery center, which will include the two approved operating rooms and two procedure rooms. The total estimated cost of the project is $890,500. The source of the funds for this project includes $86,000 in cash and the use of a small business loan totaling $804,500. The renovations and relocation are expected to be completed by March 1, 2014.

Commission Staff recommends approval of this project.

IN THE MATTER OF	*	BEFORE THE
	*	
COSMETIC SURGICENTER	*	MARYLAND
	*	
OF MARYLAND d/b/a	*	HEALTH CARE
	*	
BELLONA SURGERY CENTER	*	COMMISSION
	*	
DOCKET NO. 13-03-2344	*	
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* *

STAFF REPORT AND RECOMMENDATION

November 21, 2013

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I. INTRODUCTION

Cosmetic Surgi Center of Maryland, d/b/a Bellona Surgery Center ("BSC") is a licensed physician's office surgery center with one operating room and one non-sterile procedure room located at 8322 Bellona Avenue, Suite 380, in Towson, Maryland in Baltimore County. On July 19, 2012, the Maryland Health Care Commission ("MHCC" or the "Commission") approved a Certificate of Need ("CON") application for the addition of a second operating room through renovation of existing space at the current location (Docket No. 12-03-2327). Thus, the Commission approved the establishment of a health care facility, namely, an ambulatory surgical facility, which, in Maryland, is a facility with two or more operating rooms.

Bellona Surgery Center is now proposing to relocate the previously approved ambulatory surgical center from 8322 Bellona Avenue to 1427 Clarkview Road in Baltimore County, Maryland. CON approval is required for a relocation as set forth in statutory language found at Health-General §19-120(g), which provides that "[a] certificate of need is required before an existing or previously approved, but unbuilt, health care facility is moved to another site."

Background

BSC was established in July 2004 as a single specialty center providing plastic surgical services, and is one of three subsidiaries under the control of Cosmetic Organization for Practice Enhancement ("COPE"). COPE is the management company for the Cosmetic Surgi Center of Maryland as well as Michael D. Cohen, M.D., P.A., d/b/a Cosmetic Surgery Center of Maryland and MedSpa, and Skin, Inc. LLC, d/b/a Cosmetic Center of Maryland and MedSpa. All four companies are owned exclusively by Michael Cohen, M.D. (50%) and Mrs. Shari Cohen (50%). In 2008, the scope of surgical services at the center expanded to include the addition of surgeons performing procedures in general surgery, otolaryngology, podiatry, and urology, thus making BSC a multi-specialty center. In 2012, 93% of the cases were cosmetic surgery.

The CON project approved on July 19, 2012 involved the renovation of approximately 1,726 square feet. The resultant facility would have had two ORs, one approximately 255 square feet and the other 310 square feet in size, and the existing procedure room was to remain at 96 square feet. The total estimated cost of the project was $104,500, which included costs for architectural and engineering fees/permits and major movable equipment. BSC planned to fund this project with cash.

Current Proposal

Bellona Surgery Center's current proposal seeks to relocate the surgery center from 8322 Bellona Avenue to 1427 Clarkview Road in Baltimore, Maryland. The two locations are approximately 4 miles apart. Currently, the three businesses operated by COPE are located on three separate, non-contiguous floors at the Bellona location. The annual rent at the existing location is expected to increase to around $35 per square foot, whereas the rent at the proposed Clarkview location will be around $13.50 per square foot. And while the Bellona location does not have enough space to add staff offices and accommodate other needs, the Clarkview site has

17,000 square feet of unoccupied space. This will allow the proposed relocated Surgi Center to occupy 4,025 square feet, the MedSpa to occupy about 4,000 square feet and the medical practice to occupy the remaining 9,000 square feet. In addition, the parking situation at the current location is limited, and more plentiful at the prospective new site in Clarksville.

The applicant signed a lease with Bare Hills Lot 3, LLC on May 21, 2013. Said lease requires the landlord to provide heating, ventilation and air conditioning. The tenant, the parent company of BSC, is responsible for all other improvements. The Applicant anticipates completing the improvements and starting operations at the new location by March 1, 2014.

Upon completion, the ambulatory surgery facility will have the following room capacity.

Table 1: Current and Proposed Surgical Capacity
Bellona Surgery Center

	Current Room Inventory	Proposed changes	Post-Project Room Inventory
Operating Rooms	1	1	2
Non-Sterile Procedure Rooms	1	1	2
Total Rooms	2	2	4

Source: CON application (DI#2, p. 3).

The total estimated cost of relocating Bellona Surgery Center, which includes the costs of renovating 4,025 square feet of space is $890,500. The source of the funds for this project includes $86,000 in cash and the use of a small business loan totaling $804,500.

II. PROCEDURAL HISTORY

A. Record of the Review

See Appendix 1, Record of the Review.

B. Interested Parties

There are no interested parties in this review.

C. Support

Indications of project support from affected practitioners are part of the record. The record includes support from Dr. Patrick Byrne, Dr. Kelly Geoghan, Dr. Michael Cohen, Dr. Larry Lickstein, and Barbara Getlan, RN, BSN. No comments were provided by the local health department.

III. STAFF REVIEW AND ANALYSIS

The Commission considerations in the review of CON applications are outlined at COMAR 10.24.01.08G (3), (a) through (f). The first of these considerations is the relevant State Health Plan standards and policies.

A. The State Health Plan for Facilities and Services

The relevant State Health Plan for Facilities and Services ("SHP") chapter in this review is **COMAR 10.24.11, General Surgical Services**.

> ***.05 STANDARDS***
>
> ***A. GENERAL STANDARDS. The following general standards encompass Commission expectations for the delivery of surgical services by all health care facilities in Maryland, as defined in Health General §19-114(d). Each applicant that seeks a Certificate of Need for a project or an exemption from Certificate of Need review for a project covered by this Chapter shall address and document its compliance with each of the following general standards as part of its application***

(1) Information Regarding Charges.

Information regarding charges for surgical services shall be available to the public. A hospital or an ambulatory surgical facility shall provide to the public, upon inquiry or as required by applicable regulations or law, information concerning charges for the full range of surgical services provided.

BSC states that it provides to the public, upon request, information regarding charges for the range and types of services provided. The applicant submitted a copy of the list of charges for procedures performed in both the surgical suites and the procedure rooms (DI #9, CMR 28). The applicant also provided an example of the type of "Estimate of Surgical Fees" that BSC provides to the patient that includes items such as the procedure fees, costs for anesthesia, and facility fees (DI #7, CMR 17). Based on this information, staff fmds that BSC complies with this standard.

(2) Charity Care Policy.

(a) ***Each hospital and ambulatory surgical facility shall have a written policy for the provision of charity care that ensures access to services regardless of an individual's ability to pay and shall provide ambulatory surgical services on a charitable basis to qualified indigent persons consistent with this policy. The policy shall have the following provisions:***

> ***(i) Determination of Eligibility for Charity Care. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the facility shall make a determination of probable eligibility.***
>
> ***(ii) Notice of Charity Care Policy. Public notice and information regarding the facility's charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the facility's service area population and in a format understandable by the service area population. Notices regarding the surgical facility's charity care policy shall be posted in the registration area and business office of the facility. Prior to a patient's arrival for surgery, facilities***

should address any financial concerns of patients, and individual notice regarding the facility's charity care policy shall be provided.

(iii) Criteria for Eligibility. Hospitals shall comply with applicable State statutes and HSCRC regulations regarding financial assistance policies and charity care eligibility. ASFs, at a minimum, must include the following eligibility criteria in charity care policies. Persons with family income below 100 percent of the current federal poverty guideline who have no health insurance coverage and are not eligible for any public program providing coverage for medical expenses shall be eligible for services free of charge. At a minimum, persons with family income above 100 percent of the federal poverty guideline but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale of discounts for family income bands. A health maintenance organization, acting as both the insurer and provider of health care services for members, shall have a financial assistance policy for its members that is consistent with the minimum eligibility criteria for charity care required of ASFs described in these regulations.

BSC has a written policy for the provision of complete and partial charity care for indigent patients to promote access to all services, regardless of an individual's ability to pay. BSC posts notices regarding the availability of charity care in its patient waiting area and is committed to communicate this policy through an annual notice in at least one newspaper within its drawing area. The written policy states that "The financial status of each patient should be determined…on a case by case basis…within two business days of patient's initial request." The policy includes provisions that comply with subparagraph (a)(iii) regarding eligibility for charity care for persons with family income that are either below 100 percent of the current federal poverty guideline or for persons above 100 percent but below 200 percent of the federal poverty guideline. (DI # 7, CMR 19).

(b) A hospital with a level of charity care….that falls within the bottom quartile… shall demonstrate that its level of charity care is appropriate to the needs of its service area population.

Since BSC is an ambulatory surgical facility and not a hospital subpart (b) does not apply.

(c) A proposal to establish or expand an ASF for which third party reimbursement is available, shall commit to provide charitable surgical services to indigent patients that are equivalent to at least the average amount of charity care provided by ASFs in the most recent year reported, measured as a percentage of total operating expenses. The applicant shall demonstrate that:

(i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment; and

(ii) It has a specific plan for achieving the level of charitable care provision to which it is committed.

(iii) If an existing ASF has not met the expected level of charity care for the two most recent years reported to MHCC, the applicant shall demonstrate that the historic level of charity care was appropriate to the needs of the service area population.

The applicant's response to the MHCC in the 2011 and 2012 Annual Freestanding Ambulatory Surgery Facility survey confirms that it did not provide charity care during these two years; BSC reports that it has never received any requests for charity care. BSC has, however, made a commitment to provide a minimal level of charity care for the years 2014 to 2017 of between 0.15 and 0.18% as indicated in its projected revenues and expenses. While this level of charity care is less than the average for ambulatory surgical facilities in the state which was 1.11% in calendar year 2011, it is more than the median which was .05%.

BSC now has a written charity care policy and has provided public notice of such policy as required by the prior CON (Docket No. 12-03-2327) establishing it as an ambulatory surgical center. The policy provides for the consideration of the financial status of each patient so that each patient's situation can be evaluated.

(d) A health maintenance organization...if applying for a Certificate of Need for a surgical facility project...shall demonstrate...the historic level of charity care was appropriate to the needs of the population in the proposed service area.

Since BSC is an ambulatory surgical facility and not a health maintenance organization subpart (d) does not apply.

In conclusion, while MHCC staff believes that achieving the levels of charity care projected, though minimal, will be challenging given the nature of the surgical services provided, the applicant has made a commitment and taken the initial steps to provide charity care. Therefore, staff finds the facility and this proposal in compliance with this standard.

(3) <u>Quality of Care.</u>

A facility providing surgical services shall provide high quality care.

(a) An existing hospital or ambulatory surgical facility shall document that it is licensed, in good standing, by the Maryland Department of Health and Mental Hygiene.

(b) A hospital shall document that it is accredited by the Joint Commission.

(c) An existing ambulatory surgical facility shall document that it is:

(i) In compliance with the conditions of participation of the Medicare and Medicaid programs; and

(ii) Accredited by the Joint Commission, the Accreditation Association for Ambulatory Health Care, the American Association for Accreditation of Ambulatory Surgery Facilities, or another accreditation agency recognized by the

Centers for Medicare and Medicaid as acceptable for obtaining Medicare certification.

(d) A person proposing the development of an ambulatory surgical facility shall demonstrate that the proposed facility will:

(i) Meet or exceed the minimum requirements for licensure in Maryland in the areas of administration, personnel, surgical services provision, anesthesia services provision, emergency services, hospitalization, pharmaceutical services, laboratory and radiologic services, medical records, and physical environment.

(ii) Obtain accreditation by the Joint Commission, the Accreditation Association for Ambulatory Health Care, or the American Association for Accreditation of Ambulatory Surgery Facilities within two years of initiating service at the facility or voluntarily suspend operation of the facility

Bellona Surgery Center presented documentation that the Office of Health Care Quality issued a license on February 15, 2011 for this physician's office surgery center. The license is for three years, with the license expiration date of February 15, 2014. The Accreditation Association for Ambulatory Health Care, Inc. (AAAHC) granted a three-year term of accreditation to Cosmetic Surgi Center of Maryland, d/b/a/ The Bellona Surgery Center. Issued on November 9-10, 2011, the accreditation expires on December 11, 2014. Finally, the applicant also provided evidence that the Cosmetic Surgi Center of Maryland is certified to participate in the Medicare program. (DI #2, CMR 7) BSC states that it will comply with all applicable regulations, accreditation and certification standards and commits to continue to meet all mandated federal, state and local health and safety regulations. The applicant complies with this standard.

(4) <u>Transfer Agreements.</u>

(a) Each ASF and hospital shall have written transfer and referral agreements with hospitals capable of managing cases that exceed the capabilities of the ASF or hospital.

(b) Written transfer agreements between hospitals shall comply with the Department of Health and Mental Hygiene regulations implementing the requirements of Health-General Article, 19-308.2.

(c) Each ASF shall have procedures for emergency transfer to a hospital that meet or exceed the minimum requirements in COMAR 10.05.05.09.

BSC provided a copy of a signed transfer agreement with Greater Baltimore Medical Center and maintains a written *Policy and Protocol for Hospital Transfers* (DI # 2, CMR 8). The emergency transfer of patients by ambulance service is provided by calling 911 and contacting the Emergency Medical System. BSC meets this standard.

B. PROJECT REVIEW STANDARDS. The standards in this section govern reviews of Certificate of Need applications and requests for exemption from Certificate of Need review

involving surgical facilities and services. An applicant for a Certificate of Need or an exemption from Certificate of Need shall demonstrate consistency with all applicable review standards.

(1) Service Area.

An applicant proposing to establish a new hospital providing surgical services or a new ambulatory surgical facility shall identify its projected service area. An applicant proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility shall document its existing service area, based on the origin of patients served.

BSC's identified its service area as the Baltimore County area and the Delmarva Peninsula. (DI #2, Responses to SHP for General Surgical Services, p. 17). A breakdown of the patients served in 2012 by jurisdiction reported in the following table generally supports that assertion. BSC provided the following information for 2012

Table 2: Bellona Surgery Center Service Area

Jurisdiction	Geographic Region	%
Baltimore County	Central MD	25%
Anne Arundel	Central MD	9%
Baltimore City	Central MD	5%
Carroll	Central MD	5%
Caroline	Eastern Shore	5%
Cecil	Eastern Shore	5%
Dorchester	Eastern Shore	5%
Kent	Eastern Shore	5%
Prince George's	Southern MD	5%
Howard	Central MD	3%
Worcester	Eastern Shore	3%
Total		**75%**

Source: DI #9, CMR 29.

The Applicant has complied with this standard.

(2) Need – Minimum Utilization for Establishment of a New or Replacement Facility.

An applicant proposing to establish or replace a hospital or ambulatory surgical facility shall demonstrate the need for the number of operating rooms proposed for the facility. This need demonstration shall utilize the operating room capacity assumptions and other guidance included in Regulation .06 of this Chapter. This needs assessment shall demonstrate that each proposed operating room is likely to be utilized at optimal

capacity or higher levels within three years of the initiation of surgical services at the proposed facility.

(a) An applicant proposing the establishment or replacement of a hospital shall submit a needs assessment that includes the following....

Since this application does not concern establishment or replacement of a hospital this subpart is not applicable.

(b)An applicant proposing the establishment of a new ambulatory surgical facility shall submit a needs assessment that includes the following:

> ***(i) Historic trends in the use of surgical facilities for outpatient surgical procedures by the proposed facility's likely service area population;***
>
> ***(ii) The operating room time required for surgical cases projected at the proposed facility by surgical specialty or, if approved by Commission staff, another set of categories; and***
>
> ***(iii) Documentation of the current surgical caseload of each physician likely to perform surgery at the proposed facility.***

While Bellona has only had one operating room, for purposes of this review it is considered to also have the second OR as approved under docket number 12-03-2337. Thus for purposes of this review this is proposal to relocate an ambulatory surgical center. To meet this standard the applicant must demonstrate that the two operating rooms are likely to be utilized at optimal capacity or higher levels within three years of the opening of the relocated facility. Optimal capacity is defined in the General Surgical Services chapter of the State Health Plan as 80% of "full capacity use" (i.e., operating a minimum of 8 hours a day, 255 days a year, or 2040 hours annually). So, optimal capacity is considered to be 1,632 hours per year.

BSC reported its historical utilization as shown Table 3 below.

Table 3: Bellona Surgery Center
Historical Utilization for One Operating Room, CY 2010 – 2012.

Year	Number of Cases	Surgical Procedure Time (hours)	Turn-over Time (hours)	Total Hours	Utilization as Percentage of Optimal Capacity	Utilization as Percentage of Full Capacity
2010	891	1,536	222	1,758	108%	86%
2011	1,024	1,740	256	1,996	122%	98%
2012	1,128	1,911	282	2,193	134%	108%

Source: DI #7, Question 17

This shows that BSC has been operating above optimal capacity for the past few years and is now operating above full capacity as defined in the plan. This capacity constraint has required scheduling from 7 am to 5 pm Monday through Friday and often on weekends. It also leaves the center unable to accommodate all requests by current providers for OR time.

BSC projected future volume and use of ORs as shown in the following table based on the relocation and the addition of the second OR in March of 2014.

Table 4: Historical and Projected Utilization, Bellona Surgery Center's Operating Rooms, 2011 through 2017

Bellona Surgery Center	Utilization – Two Most Recent Years		Current Year Projected	Projected Years			
	2011	2012	2013	2014*	2015	2016	2017
Number of Operating Rooms	1	1	1	1.83	2	2	2
Total Cases in ORs	1,024	1,128	1,240	1,488	1,785	2,142	2,571
Total Surgical Minutes on ORs	104,400	114,660	125,240	150,288	180,285	216,342	259,671
Surgical Hours	1,740	1,911	2,087	2,505	3,005	3,606	4,328
Turn-over time	256	282	310	372	446	536	643
Total OR hours	1,996	2,193	2,397	2,877	3,451	4,141	4,971
Optimal Capacity (hrs)	1,632	1,632	1,632	2,992*	3,264	3,264	3,264
Full Capacity (hrs)	2,040	2,040	2,040	3,740	4,080	4,080	4,080
Utilization as % of Optimal Capacity	**122%**	**134%**	**147%**	**96%**	**106%**	**127%**	**152%**
Utilization as % of Full Capacity	**98%**	**108%**	**118%**	**77%**	**85%**	**102%**	**122%**

Source: DI #7, CMR 25, p. 14 and DI #9, CMR 30.
*Operations begin at Clarkview Road March 1, 2014.

The projected volume increases are expected in three areas: (1) growth in the practices of four surgeons and one podiatrist that currently perform surgery at the center; (2) the movement of surgical cases currently performed by these practitioners at other locations; and (3) the addition of two physicians to practice at BSC.

The current practitioners have identified the following additional volume that they would like to bring to BSC as result of growth in their practices and relocation from other locations (Table 5 below)..

Table 5: Potential Increase in Bellona Surgery Center Volume by Current Practitioners

Physician	New Surgical Cases	Surgical Cases Moved from Other Operating Rooms	Point of Origin for Moved Surgical Cases	Total Increase in Surgical Cases
Dr. Michael Cohen	25	220	Northwest Hospital	245
Dr. Larry Lickstein	20	230	Northwest Hospital	250
Dr. Patrick Byrne	15	250	Johns Hopkins Hospital	265
Dr. Karen Boyle	50	50	Summit Surgery Center – Owings Mills	100
Dr. Kelly Geoghan	125	100	White Marsh Foot and Ankle Surgery Center	225
Total	**235**	**850**		**1,085**

Source: DI #7, Question 17.

BSC stated that Drs. Cohen and Lickstein have experienced a reduction in block time at Northwest Hospital as a result of the closure of two operating rooms for renovations. Drs. Byrne and Boyle are developing non-insurance cosmetic practices within their current practices and are attracted by the fact that BSC has a cosmetic fee schedule that is not available at their other locations. They are also attracted to BSC because of its convenient location relative to their patients. Dr. Geoghan recently left a practice in Bel Air, and needs a surgery center that is closer to her patient base in the Baltimore County area. (DI #7, Question 17)

BSC stated that it has recruited two new physicians who will join the practice at BSC and perform surgical procedures at the Clarkview Road location. Dr. Adler is a new physician in private practice, and Dr. Martin currently performs procedures in his own office based procedure room. While the applicant anticipates that Dr. Martin will perform most of his cases in the two procedure rooms, Dr. Adler will utilize both the operating room and the procedure room. BSC expects Dr. Adler will contribute about 10 cases per month in the first year, and grow from there. (DI #9, Question 11).

This standard requires that applicant demonstrate the need for the two operating rooms that it proposes to locate in its new facility, the one currently in operation and the additional operating room approved by the Commission in July 2012, by the third year of operation at the new location. The standard requires that the demonstration utilize the operating room capacity assumptions and other guidance in the plan chapter. The applicant has used such assumptions and guidance and projects achieving optimal utilization of both operating rooms by the second year of operation. While the Applicant's projections of volume growth may be optimistic, Staff notes that BSC would achieve optimal utilization of its ORs with only 50% of the increase in utilization projected for its current practitioners[1].

[1] BSC projects an increase of 545 cases from 2013 to 2015 (1785-1240) which is approximately 50% of the additional surgical cases it expects its current practitioners to bring to its facility following the opening of its second operating room.

Staff also notes that that the Applicant has also recruited additional physicians that will add to the volume of cases. Therefore, Staff concludes that Bellona Surgery Center has demonstrated that both operating rooms are likely to be utilized at optimal capacity within three years of commencing operation at the new location.

(3) Need – Minimum Utilization for Expansion of an Existing Facility.

An applicant proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility…

Since BSC seeks to relocate the previously approved ambulatory surgical facility with two operating rooms from Bellona Avenue to Clarkview Road, both in Baltimore County, the proposal does not involve the expansion of the number of operating rooms

(4) Design Requirements.

Floor plans submitted by an applicant must be consistent with the current FGI Guidelines.

(a) A hospital shall meet the requirements in Section 2.2 of the FGI Guidelines.

(b) An ASF shall meet the requirements in Section 3.7 of the FGI Guidelines.

(c) Design features of a hospital or ASF that are at variance with the current FGI Guidelines shall be justified. The Commission may consider the opinion of staff at the Facility Guidelines Institute, which publishes the FGI Guidelines, to help determine whether the proposed variance is acceptable.

In consultation with Colimore/Architects, Inc. and Obrecht Properties, LLC, the contractor for this project, BSC has submitted line drawings that comply with section 3.7 FGI Guidelines. The applicant will employ the following green design principles to make the proposed facility eco- friendly (DI #7, Question 13):

1. Automatic lighting controls for turning off lights after hours;
2. Water efficiency measures – use of high performance plumbing fixtures and water conserving fixtures and fittings;
3. Use of high efficiency HVAC systems;
4. Use of Energy Star Appliances;
5. Use of NexTech EMR to reduce paper waste, assist the center in containing the costs of materials, increase patient safety, and utilizing online e-prescribing;
6. Use of locks and automatic controls on the heating system to prevent frequent changes; and
7. Recycling boxes for appropriate materials.

BSC has complied with this criteria.

(5) Support Services.

Each applicant shall agree to provide as needed, either directly or through contractual agreements, laboratory, radiology, and pathology services.

BSC utilizes Lab Corp, Quest, and Derm Path Diagnostics for pathology services. The applicant states that any patient requiring laboratory tests or radiology tests are referred to the appropriate facility according to the patient's insurance. BSC meets this standard.

(6) Patient Safety.

The design of surgical facilities or changes to existing surgical facilities shall include features that enhance and improve patient safety. An applicant shall:

(a) Document the manner in which the planning of the project took patient safety into account; and

(b) Provide an analysis of patient safety features included in the design of proposed new, replacement, or renovated surgical facilities.

BSC researched and took into account patient safety with the design of the proposed ASC. The applicant cites a chapter from the book *Patient Safety and Quality: An Evidence-Based Handbook for Nurses* titled "The Impact of Facility Design and Safety" as having been helpful with regard to design features for the facility. Some of the patient safety features incorporated in this project include (DI #7, Question 18):

1. The storage of laser technology or equipment not in use in an area away from heavily trafficked corridors.
2. An effective and efficient electronic medical record ("EMR") system to assist in consistency of procedures.
3. Make the OR manager a full time administrative staff member, with increased training opportunities for other staff members.
4. Increase lighting levels in medication dispensing areas.
5. Provide single occupancy preoperative rooms with plentiful family space, which will help to decrease patent anxiety levels before surgery.
6. Place viewing windows in the preoperative area for nurse monitoring of patients, increasing patient comfort and decreasing anxiety.
7. Use of IPADs with the EMR system, negating bulky workstations with dangerous cords.
8. Adding music throughout the suite to improve patient comfort levels.
9. Use of soundproofing to dilute noise pollution.
10. Having hand washing stations available in multiple areas to decrease potential for infections.

BSC also contracted with the engineering firm Leach Wallace Associates, Inc. to provide an analysis of emergency requirements for both electrical and lighting systems. The applicant has indicated that other patient safety issues that have been taken into account include the placement of a restroom close to the PACU for patient convenience and comfort, and locating the areas designated for trash and dirty linens in areas far away from patient areas. The applicant has complied with this standard.

(7) Construction Costs.

The cost of constructing surgical facilities shall be reasonable and consistent with current industry cost experience.

(a) Hospital projects.

Subpart (a) does not apply because BSC is not a hospital.

(b) Ambulatory Surgical Facilities.

> ***(i) The projected cost per square foot of an ambulatory surgical facility construction or renovation project shall be compared to the benchmark cost of good quality Class A construction given in the Marshall Valuation Service® guide, updated using Marshall Valuation Service® update multipliers, and adjusted as shown in the Marshall Valuation Service® guide as necessary for site terrain, number of building levels, geographic locality, and other listed factors.***
>
> ***(ii) If the projected cost per square foot exceeds the Marshall Valuation Service® benchmark cost by 15% or more, then the applicant's project shall not be approved unless the applicant demonstrates the reasonableness of the construction costs. Additional independent construction cost estimates or information on the actual cost of recently constructed surgical facilities similar to the proposed facility may be provided to support an applicant's analysis of the reasonableness of the construction costs.***

This standard requires a comparison of the project's estimated construction cost with an index cost derived from MVS. For comparison, an MVS benchmark cost is typically developed for new construction based on the relevant construction characteristics of the proposed project. The MVS cost data includes the base cost per square foot for new construction by type and quality of construction for a wide variety of building uses including outpatient surgical centers. The MVS guide also includes a variety of adjustment factors, including adjustments of the base costs to the costs for the latest month, the locality of the construction project, as well as factors for the number of building stories, the height per story, the shape of the building (such as the relationship of floor area to perimeter), and departmental use of space. The MVS Guide identifies costs that should not be included in the MVS calculations. These exclusions include costs for buying or assembling land, making improvements to the land, costs related to land planning, discounts or bonuses paid for through financing, yard improvements, costs for off-site work, furnishings and fixtures, marketing costs, and funds set aside for general contingency reserves.[2]

While the standard calls for a comparison to the benchmark cost of good quality Class A construction, the applicant states that the cost of renovations to the Clarkview Road location will be comparable to a good quality, Class C construction as indicated in the Marshall Valuation Service ("MVS") guide. The MVS cost index is based on the relevant construction characteristics of the proposed project, which takes into account the base cost

[2] Marshall Valuation Service Guidelines , Section 1, p. 3 (January 2012).

per square foot for construction by type and quality of construction for a wide variety of building uses.

The following table presents the MVS benchmark costs per square foot developed by Staff for the new construction of both a good quality class A and a good quality class C outpatient surgical center of similar building characteristics located in Baltimore, Maryland.

Table 6: Bellona Surgery Center
Marshall Valuation Service Benchmark Calculation

	Bellona Surgery Center	
Class	**Class A**	**Class C**
Type	**Good**	**Good**
Square Footage	4,025	4,025
Perimeter	277	277
Wall Height	15	15
Stories	1	1
Average Area Per Floor	4,025	4,025
Net Base Cost	$ 339.74	$ 268.56
Elevator Add-on	0	0
Sprinkler Add-on	4.64	4.64
Adjusted Base Cost	344.38	273.2
Adjustment for Department Differential	1	1
Gross MVS Base Cost	$ 344.38	$ 273.20
Perimeter Multiplier	1.0239	1.0239
Height Multiplier	1.069	1.069
Multi-story Multiplier	1	1
Combined Multiplier	1.09456	1.09456
Refined Square Foot Cost	$ 376.95	$ 299.03
Current Cost Modifier (Sept 2013)	1.07	1.07
Local Multiplier (Baltimore, July 2013)	1.03	1.03
CC & Local Multipliers	1.1021	1.1021
MVS Building Cost Per Square Foot	$ 415.43	$ 329.57

Source: DI #9, CMR 26, Marshall Valuation Service®, published by Marshall & Swift/Boeckh, LLC and Staff calculations

A comparison of BSC's estimated cost for the major renovations to the space to be used for the ambulatory surgical facility to the MVS benchmarks calculated by Commission staff is detailed in the Table 7 below.

Table 7: Bellona Surgery Center Construction Costs Compared to Marshall Valuation Service Benchmarks

	Bellona Surgery Center	
Project Budget Item	**Class A**	**Class C**
Building	$ 696,940	$ 696,940
Fixed Equipment		
Normal Site Prep.		
Arch./Eng. Fees	52,000	52,000
Permits	2,000	2,000
Capitalized Construction Interest	9,060	9,060
Total Project Costs	$ 760,000	$ 760,000
Total Adjustments	$ 0	$ 0
Net Project Costs	$ 760,000	$ 760,000
Square Footage	4,025	4,025
Cost Per Square Ft.	$ 188.82	**$ 188.82**
Adjusted MVS Cost/Square Foot	$ 415.43	**$ 329.57**
Over(Under) MVS Benchmark	$ (226.61)	$ (140.75)

Source: DI #9, CMR 27and Staff Calculations

BSC's proposed cost per square foot for the renovations are significantly less than benchmarks for comparable class A or class C new construction. Such a large difference is to be expected because the cost of renovating the space is compared to benchmarks for the cost of constructing comparable new space.

The standard requires that an applicant surgery center whose projected cost per square foot exceeds the MVS benchmark cost for good quality Class A construction by 15% or more demonstrate that the construction costs are reasonable. Because the project's construction cost is below the MVS benchmark no such demonstration is required. Therefore, the applicant is in compliance with this standard.

(8) Financial Feasibility.

A surgical facility project shall be financially feasible. Financial projects filed as part of an application that includes the establishment or expansion of surgical facilities and services shall be accompanied by a statement containing each assumption used to develop the projects.

(a) An applicant shall document that:

(i) Utilization projections are consistent with observed historic trends in use of the applicable service(s) by the likely service area population of the facility;

(ii) Revenue estimates are consistent with utilization projections and are based on current charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by the applicant facility or, if a new facility, the recent experience of similar facilities;

(iii) Staffing and overall expense projections are consistent with utilization projections and are based on current expenditure levels and reasonably anticipated future staffing levels as experienced by the applicant facility, or, if a new facility, the recent experience of similar facilities; and

(iv) The facility will generate excess revenues over total expenses (including debt service expenses and plant and equipment depreciation), if utilization forecasts are achieved for the specific services affected by the project within five years of initiating operations.

(b) A project that does not generate excess revenues over total expenses even if utilization forecasts are achieved for the services affected by the project may be approved upon demonstration that overall facility financial performance will be positive and that the services will benefit the facility's primary service area population.

The applicant's projections are based on the growth in cases at BSC, which has been approximately 10% per year, in spite of the high rate of utilization of the existing capacity, and the relocation of cases performed by its practitioners at other locations. Revenue projections are based on projected utilization and current charge levels. BSC made the following assumptions in projecting revenues and expenses:

1. Supplies include those inventory items used in the operating suite such as medical supplies, implants, paper, etc.
2. Other expenses include costs such as rent, utilities, telephones, accounting fees, etc. Since these costs are calculated as a fixed percentage (30%) of income, these expenses increase as utilization in the second OR increases and produces more revenue.
3. BSC assumes the ratio of third party payers remains the same annually.
4. The applicant states that the revenue and expense projections are all based on the historical data and utilization experienced at BSC.
5. BSC projects that staffing hours will increase by 20% annually until the facility reaches full utilization by CY 2017. Staffing is expected to increase from 4.0 FTEs in 2012 (one administrator, one scrub tech, and two RNs) to 7.0 FTEs by 2017 (one administrator, two scrub techs, and four RNs).
6. Cosmetic Surgi Center of Maryland, LLC is an LLC, and as such, does not pay income taxes on profits. The profits of the Center are reported on the owners' personal income tax returns; Dr and Mrs. Cohen submitted their individual income tax returns, which show that income tax was paid on the earnings. (DI #2, CMR 10)

The applicant projected that BSC will generate a profit in the first year of operation in the new location, CY 2014. Profits are projected to continue to grow through the projection period as reported in Table 9 on page 21 in the **Viability of the Proposal** section of this report. Based on these projections and its conclusions under standard 2, **Need – Minimum Utilization for Establishment of a New or Replacement Facility,** staff finds that the

proposed relocation is financially feasible even if all of the projected volume growth is not achieved.

(9) Preference in Comparative Reviews.

In the case of a comparative review of CON applications to establish an ambulatory surgical facility or provide surgical services, preference will be given to a project that commits to serve a larger proportion of charity care and Medicaid patients. Applicants' commitment to provide charity care will be evaluated based on their past record of providing such care and their proposed outreach strategies for meeting their projected levels of charity care.

Since the Bellona Surgery Center is the only applicant in this review, this standard is not applicable.

B. Need

COMAR 10.24.01.08G (3)(b) requires that the Commission 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.

The State Health Plan includes a "minimum utilization "standard (see subparagraph .05B(2)above) that is definitive with respect to the need criterion applicable to a proposal such as this, which is a regulated project because it relocates a previously approved but unbuilt health care facility. . It does not include a population-based projection method for assessing need for surgical facilities or operating rooms. Because the project complies with this standard, it has demonstrated need for the OR addition proposed.

C. Availability of More Cost-Effective Alternatives

COMAR 10.24.01.08G(3)(c) requires the Commission to compare the cost-effectiveness of providing the proposed service through the proposed project with the cost-effectiveness of providing the service at alternative existing facilities, or alternative facilities which have submitted a competitive application as part of a comparative review.

Shortly after BSC received CON approval on July 19, 2012 for the addition of a second operating room (Docket No. 12-03-2327), the applicant realized in August of 2012 the ASC's need for additional staff offices and space. Consideration was given for the relocation of not only the ambulatory surgery center, but the medical spa and medical practice offices as well to one large contiguous space.

In addition to the Clarkview Road site, the applicant identified five other potential locations for the relocation of the three businesses: two in Hunt Valley, one in each of Owings Mills and Pikesville, and one in Baltimore off of Falls Road. The primary reason for rejecting each of these locations was cost -- each would have required constructing a new building at an estimated cost of $4 to $5 million.

Relocating to the Clarkview Road site had the following advantages:

- the amount of space would meet the needs for BSC and the related endeavors
- rent is reasonable and would allow the applicant to keep the cost of doing business low
- the location is easily accessible and close to the current Bellona Avenue location
- parking is plentiful
- the new location will have multiple entrance points for ease of use and privacy by patients
- applicant would be able to lease the space instead of purchasing either the land or the building

With the lease for the current Bellona location expiring as of March 2014, the applicant was able to obtain funding for the lease and incorporate improvements to the proposed site. The selection of the Clarkview road location provides both a financial and practical advantage to BSC. The addition of a second operating room will allow the practice to increase the number of surgical procedures performed and ease any scheduling conflicts or pressure with having seven physicians in the practice. The selection of this alternative is the most cost effective approach to meeting the preferences of the physicians in utilizing the services at BSC.

D. Viability of the Proposal

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

The total cost of relocating BSC's physician office surgery center from 8322 Bellona Avenue and constructing a 4,000 square foot ambulatory surgery center with two operating rooms and two procedure rooms at 1427 Clarkview Road is projected at $890,500. Included with the relocation of the ASC, the applicant will relocate two other business components owned by Dr. and Mrs. Cohen, which includes the services for a medical spa and office space for the medical practice, consolidating all three components in an approximately 17,000 square foot facility. The applicant entered into an agreement with Bare Hills Lot 3, LLC to lease the space at Clarkview Road, with the term of the lease until February 29, 2024, with a monthly rent of $18,119.25 or annual rent totaling $217,431.

Table 8
BSC Project Budget

A. Use of Funds	
1. Capital Costs	
b. Renovations	
(1) Building	$ 696,940
(3) Architect/Engineering Fees	52,000
(4) Permits	2,000
SUBTOTAL	**$ 750,940**
c. Other Capital Costs	
(1) Major Movable Equipment	32,500
Contingencies	76,000
SUBTOTAL	**108,500**
Total Current Capital Costs	**$ 859,440**
e. Interest	9,060
TOTAL PROPOSED CAPITAL COSTS	**$ 868,500**
2. Financing Cost and Other Cash Requirements	
a. Loan Placement Fees	15,000
c. Legal Fees (CON Related).	7,000
SUBTOTAL	**22,000**
TOTAL USES OF FUNDS	**$ 890,500**
B. Sources of Funds For Project	
1. Cash	86,000
9. Other - SBA Loan	804,500
TOTAL SOURCES OF FUNDS	**$ 890,500**

Source: DI #9, CMR 27

The total cost of renovations is $868,500, which includes the interest during construction and $22,000 in financing and other cash requirements. BSC expects to obligate and begin construction about one month after CON approval, and anticipates having the facility open and operational by March 1, 2014. The applicant will provide $86,000 in cash for the ASC. The income tax returns indicate that Dr. and Mrs. Cohen have the equity for this project. The remaining $804,500 in costs is part of a $2.925 million small business loan from M and T Bank used to pay for project expenses. (DI #2, CMR 11) The length of the loan is for ten years, with the applicant setting aside $325,000 in a reserve account required during construction and separate from the 10% equity injection by the applicant for this project. The interest rate for this loan is variable, fluctuating with the lowest prime rate of interest published in the Wall Street Journal.

Table 9 projects BSC's revenues and expenses historically, as well as projected through the year 2017.

Table 9
Bellona Surgery Center
Projected Revenues and Expenses, 2011-2017

	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years			
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Revenue							
Outpatient Services	2,180,535	2,275,106	2,736,000	3,283,200	3,939,840	4,727,808	5,673,369
Gross Patient Revenue	2,180,535	2,275,106	2,736,000	3,283,200	3,939,840	4,727,808	5,673,369
Allowance for Bad Debt	0	0	0	0	0	0	0
Contractual Allowance	0	0	0	0	0	0	0
Charity Care (includes contractual allowances/non-covered portions of bills for patients)	0	2,999	3,606	4,327	5,193	6,231	7,478
Net Patient Services Revenue	2,180,535	2,272,107	2,732,394	3,278,873	3,934,647	4,721,577	5,665,892
Other Operating Revenue	0	0	0	0	0	0	0
Net Operating Revenue	**$2,180,535**	**$2,272,107**	**$ 2,732,394**	**$3,278,873**	**$3,934,647**	**$4,721,577**	**$5,665,892**
Expenses							
Salaries, Wages, Professional Fees (including benefits)	326,000	326,000	326,000	390,500	426,500	490,500	526,000
Contractual Services (anesthesia services)	432,247	504,353	547,200	656,640	787,968	945,562	1,134,674
Interest on Current Debt	8,796	15,535	14,000	13,000	13,000	12,000	12,000
Interest on Project Debt	0	0	0	61,178	103,266	92,282	80,821
Current Depreciation & Current Amortization	5,978	5,978	16,102	9,000	9,000	7,000	7,000
Project Depreciation	0	0	0	13,710	27,430	27,430	27,430
Current Amortization (included above)	0	0	0	0	0	0	0
Project Amortization	0	0	0	7,460	14,920	14,920	14,920
Supplies	660,522	697,713	820,800	984,960	1,181,952	1,418,342	1,702,011
Other Expenses (rent, utilities, telephones, accounting fees, etc.)	626,592	628,000	628,000	633,000	633,000	633,000	633,000
Total Operating Expenses	**$2,060,135**	**$2,177,579**	**$2,352,102**	**$2,769,448**	**$3,197,036**	**$3,641,036**	**$4,137,856**
Income							
Income from Operation	120,400	94,528	380,292	509,425	737,611	1,080,541	1,528,036
Non-Operating Income							
Subtotal	120,400	94,528	380,292	509,425	737,611	1,080,541	1,528,036
Income Taxes							
Net Income	**$ 120,400**	**$ 94,528**	**$ 380,292**	**$ 509,425**	**$ 737,611**	**$1,080,541**	**$1,528,036**

Source: DI #9, CMR 31.

The revenue and expense statement indicates that the applicant will make a profit in CY 2014, the first year of operation for the ambulatory surgery center; net income from operations are projected to increase by over 40% annually from CY 2014 to 2017. During this same time period, BSC expects staffing and expenses to increase by 20% annually through 2017. Table 10 below indicates that the manpower expenses and staffing assumptions are reasonable for BSC's aggressive growth projections.

Table 10: Bellona Surgery Center
Manpower Information

Position	2013 Current No. FTEs	Current Salary	Change in FTEs	2017 Projected No. FTEs	Projected Salary
Administration	1	120,000	0	1	120,000
RN	2	130,000	2	4	260,000
Scrub Tech	1	52,000	1	2	104,000
Total	**4**	**$302,000**		**7**	**$484,000**
Benefits *		24,000			42,000
Total Cost		**$326,000**			**$526,000**

*$6,000 benefit package per employee, which includes health insurance, vacation time, spa services, surgical services, and a profit sharing plan.

Source: DI # 7, Question 28, p. 15 and CMR #25, p. 8

The proposed project is feasible even if the applicant's aggressive growth projections are not fully met.

E. Compliance with Conditions of Previous Certificates of Need

COMAR 10.24.01.08G(3)(e) requires the Commission to consider the applicant's performance with respect to all conditions applied to previous Certificates of Need granted to the applicant.

The only previous CON granted to either BSC or its physicians was the approval on July 12, 2012 (Docket No. 12-03-2327). As previously mentioned, the Commission placed the following condition with this CON approval:

> Prior to the approval of first use of this project, Bellona Surgery Center will document that it has provided public notice and information regarding its charity care policy by a method of dissemination appropriate to the facility's patient population."

The applicant has provided a number of documents that support its position that BSC has complied with the condition placed on its July 2012 CON approval. These documents include a copy of BSC's Charity Care Policy (dated June 2012), a copy of the Public Notice informing patients regarding provisions of charity care for persons determined to be financially or medically indigent, and a copy of the Legal Notice published in the *Baltimore Sun* newspaper on June 1, 2013 regarding "Notice for Indigent Care." (DI #2, CMR 6) BSC has provided evidence of

efforts to comply with the condition placed with the prior CON approval, and is found consistent with this standard.

F. Impact on Existing Providers

COMAR 10.24.01.08G(3)(f) requires the Commission to consider information and analysis with respect to the impact of the proposed project on existing health care providers in the service area, including the impact on geographic and demographic access to services, on occupancy when there is a risk that this will increase costs to the health care delivery system, and on costs and charges of other providers.

The impact of the proposed relocation on other providers of outpatient surgical services is likely to be very small as BSC already has approval to add an operating room and the proposed project would only move the facility four miles. The total expected transfer of cases from other providers (850) has not changed from that submitted by the Applicant in the previous review. However, there have been some changes in the providers that are expected to be impacted. The hospitals that are expected to impacted are limited to Northwest Hospital Center and Johns Hopkins Hospital. About 450 surgical cases are expected to be transferred from Northwest Hospital, which is 4.6% of the most recently published outpatient case volume. Another 100 cases are expected to be transferred from Johns Hopkins Hospital representing less than 1% of the most recently published outpatient case volume for that hospital. Neither of these amounts are anywhere near the 18% impact that would trigger a more thorough assessment of impact as set forth in .06C(4) of the State Health Plan chapter. BSC is expecting the transfer of another 150 cases from other freestanding facilities.

As stated in BSC's CON approval in 2012, there is sufficient growing demand for surgical services in Baltimore County such that the impact of a single OR addition should be very limited in scope and time. To the extent that it creates more competitive market conditions among the county's multi-specialty FASFs, it should benefit private payers, their covered members, and prospective patients since BSC's impact on existing providers will be minimal. There is no basis for finding that this project will have a negative impact and staff recommends approval of this project.

V. SUMMARY AND STAFF RECOMMENDATION

Cosmetic Surgi Center of Maryland, d/b/a/ Bellona Surgery Center, seeks to relocate a previously approved, but unbuilt, ambulatory surgery facility to another site. The original CON was granted to establish the ASF at 8322 Bellona Avenue; the application before you is to relocate that previously-approved facility to 1427 Clarkview Road in Baltimore County, Maryland. The proposed ambulatory surgery center will consist of two operating rooms and two procedure rooms at a cost of $868,500.

Staff finds Cosmetic Surgi Center of Maryland's Certificate of Need application to be consistent with the general Certificate of Need review criteria at COMAR 10.24.01.08G(3)(a)

through (f) and the standards in the State Health Plan for Ambulatory Surgical Services at COMAR 10.24.11, and thus recommends that the Commission grant a Certificate of Need.

IN THE MATTER OF	*	**BEFORE THE**
	*	
COSMETIC SURGICENTER	*	**MARYLAND**
	*	
OF MARYLAND d/b/a	*	**HEALTH CARE**
	*	
BELLONA SURGERY CENTER	*	**COMMISSION**
	*	
DOCKET NO. 12-03-2327	*	
	*	

****

FINAL ORDER

Based on an analysis that finds compliance with applicable criteria and standards, it is on this 21st day of November, 2013 **ORDERED**, that the application for Certificate of Need by Bellona Surgery Center to relocate a previously-CON-approved but unbuilt ambulatory surgery center to a new site approximately 4 miles from its current location at a total project cost of $868,500 be APPROVED.

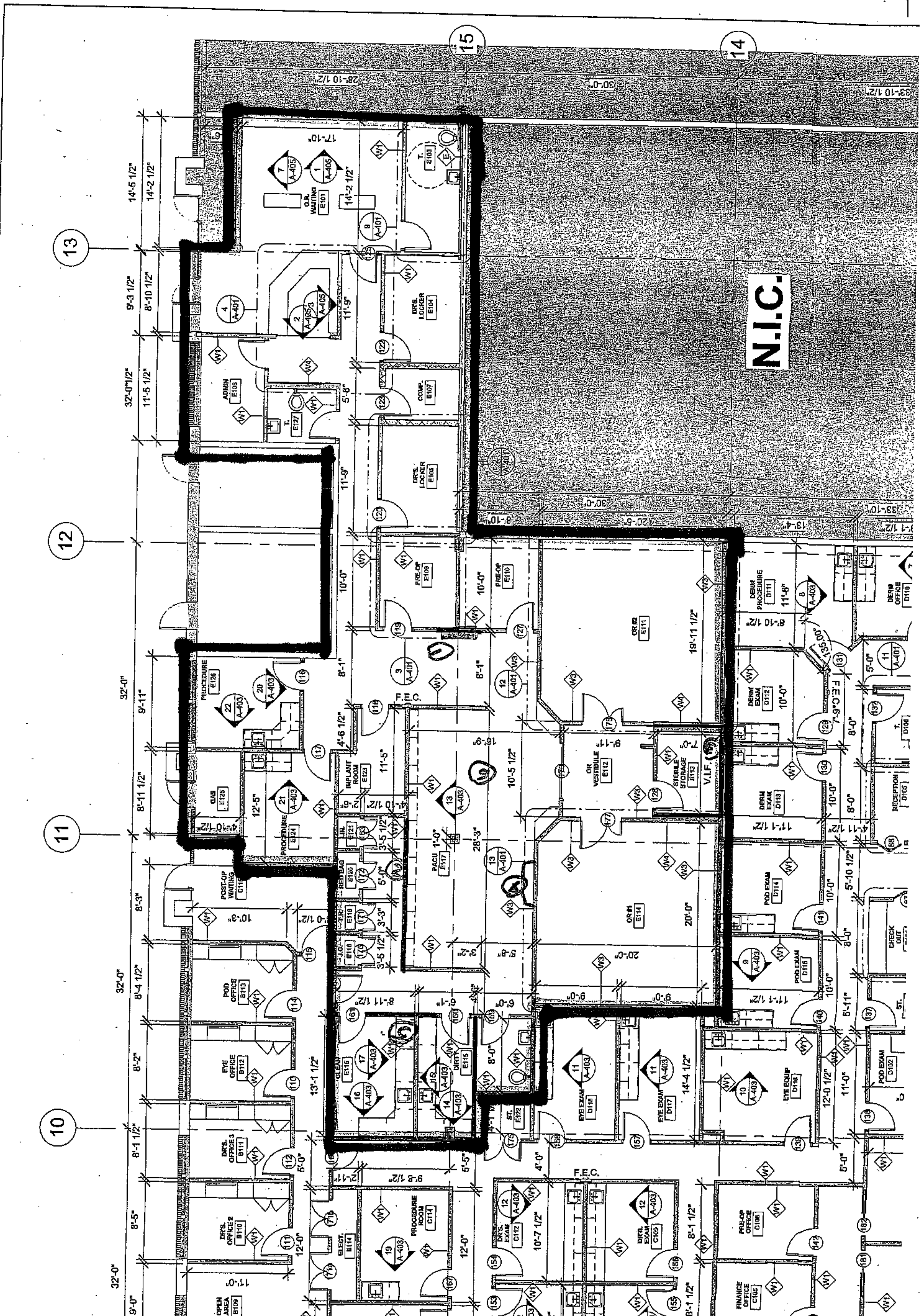
MARYLAND HEALTH CARE COMMISSION

APPENDIX 1: Record of the Review

Docket Item #	Description	Date
1	Michael D. Cohen, M.D., owner and medical director of Bellona Surgery Center ("BSC"), submitted a letter requesting a modification to a previously approved CON (Docket No. 12-03-2327) for the relocation of a health care facility that contains the addition of one (1) operating room to an existing one (1) operating room and one (1) procedure room facility, moving from 8322 Bellona Avenue, Suite 380 in Towson, Maryland to 1427 Clarkview Road in Baltimore, Maryland located in Baltimore County. Ben Steffen responded on May 23, 2013 that the statutory language found at Health-General §19-120(g) requires "[a] certificate of need....before an existing or previously approved, but unbuilt, health care facility is moved to another site," and that in accordance with COMAR 10.24.01.08A requires the submission of a CON application. Since BSC's request for modification on April 25, 2013 contained all the information required of a letter of intent, Commission staff accepted the April 22, 2013 letter as a letter of intent and instructed the applicant to file a CON application on July 5, 2013.	4/22/13
2	BSC submitted a Certificate of Need application proposing the relocation of a previously granted CON on July 19, 2013 (Docket No. 12-03-2327) to a new location in Baltimore County.	7/5/13
3	Commission acknowledged receipt of the application in a letter to BSC	7/9/13
4	Commission requested publication of notification of receipt of the BSC proposal in the *Baltimore Sun* and the *Maryland Register*	7/9/13
5	Notification published in the *Maryland Register*	7/26/13
6	Following a completeness review, Commission staff requested addition information needed before a formal review of the CON application can begin	7/19/13
7	Commission received responses to the July 19, 2013 request for additional information	7/26/13
8	Commission acknowledged receipt of BSC's July 26, 2013 responses and sent a second round of completeness questions to BSC	8/9/13
9	Commission received BSC's response to the August 9, 2013 request for additional information	8/21/13
10	Commission requested publication of notification of formal start of review for the BSC proposal in the *Maryland Register* with the date of publication on September 20, 2013	9/9/13
11	Commission notified BSC that its application would be docketed for formal review with a notice in the *Maryland Register* published on September 20, 2013 (	9/9/13
12	Commission requested publication of the docketing notice in the next edition of the *Baltimore Sun*	9/9/13
13	Baltimore Sun notification that notice of docketing was published on Friday, September 13, 2013	9/13/13
14	Copy of the application was sent to the Baltimore County Health Department for review and comment	10/25/13

MARYLAND HEALTH CARE COMMISSION

APPENDIX 2: Floor Plan



N.I.C.
O.R. WAITING E101
DR'S. LOCKER E104
ADMIN E106
COMP. E107
DR'S. LOCKER E105
PRE-OP E109
PRE-OP E110
OR #2 E111
OR VESTIBULE E112
STERILE STORAGE E113
OR #1 E114
PACU E117
IMPLANT ROOM E123
PROCEDURE E126
GAS E125
PROCEDURE E124
CLEAN E116
DIRTY E115
EYE EXAM D118
EYE EXAM D117
EYE EQUIP D116
POD EXAM D115
POD EXAM D114
DERM EXAM D113
DERM EXAM D112
DERM PROCEDURE D111
DERM OFFICE D110
RECEPTION D105
CHECK OUT
POD EXAM D102
POD OFFICE B113
EYE OFFICE B112
DR'S. OFFICE 3 B111
DR'S. OFFICE 2 B110
OPEN AREA B109
POST-OP WAITING
PROCEDURE ROOM C114
DR'S. EXAM C112
DR'S. EXAM C109
PRE-OP OFFICE C106
FINANCE OFFICE C105
F.E.C.
V.I.F.