IN THE MATTER OF	*	**BEFORE THE**
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	*	
RUXTON SURGICENTER, LLC	*	**MARYLAND HEALTH**
	*	
	*	
Docket No.: 25-03-2474	*	**CARE COMMISSION**
	*	

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STAFF REPORT AND RECOMMENDATION

May 21, 2026

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I. INTRODUCTION

A. The Facility and Applicant

Ruxton SurgiCenter (Ruxton or the applicant) proposes to establish a new ambulatory surgery facility in Towson, Maryland through its relocation and expansion. Ruxton is currently located at 8322 Bellona Avenue in Towson, MD.[1] Ruxton is seeking to expand from an ASC-2, with two operating rooms, to an ambulatory surgery facility (ASF) with five operating rooms and two procedure rooms.[2]

Ruxton plans to move to a new four-story ambulatory care building adjacent to the University of Maryland St. Joseph Medical Center (UM SJMC) campus (the Ambulatory Building). The University of Maryland Medical System Corporation (UMMS) will construct the ambulatory care building.[3] The Ambulatory Building will accommodate multiple outpatient medical service tenants, an ambulatory surgery center unaffiliated with Ruxton, and the applicant. (DI #4, p.9). Construction is scheduled to begin in April 2026 and conclude in the first quarter of CY 2028.

Ruxton is jointly owned by UM SJMC (70%), Ruxton Pain Group, LLC (9.963%), and Ruxton Orthopaedic Group, LLC. (20.037%) (DI #4, p.3) UM SJMC owns the real property where the ambulatory building will be located, while the building itself is owned by UMMS. The applicant will manage all ASF operations. (DI #4, p.7).

UMMS is responsible for constructing the building, including the core and shell, rough-ins, and finish work. Each tenant will complete the fit-out of its leased space. UMMS has engaged a project management firm to oversee construction and coordinate timelines with tenants. Ruxton's space will be ready for fit-out once UMMS finishes its work. However, UMMS may continue working in other areas of the building while Ruxton's renovations are underway. Ruxton anticipates beginning fit-out in the second quarter of 2027 and completing it in the first quarter of 2028. (DI #9, p.2).

B. The Project

Ruxton submitted a Certificate of Need (CON) application to expand its surgical capacity

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[1] COMAR 10.24.11.07B(2) defines an ambulatory surgery center or ASC to mean any center, service, office, facility, or office of one or more health care practitioners, a group practice, or a non-rate-regulated center owned by a hospital that has no more than two operating rooms, that operates primarily for the purpose of providing surgical services to patients who do not require overnight hospitalization, and that seeks reimbursement from payors for the provision of ambulatory surgical services. Subcategories of ASCs include: an ASC-P, which has only procedure rooms; an ASC-1, which has one operating room; and an ASC-2, which has two operating rooms.

[2] COMAR 10.24.11.07B(3) defines an ambulatory surgical facility as a health care facility that: (a) has three or more operating rooms; (b) operates primarily for the purpose of providing surgical services to patients who do not require overnight hospitalization and (c) seeks reimbursement from payors as an ambulatory surgical facility. October 1, 2019, Maryland law changed the definition of an ambulatory surgical facility subject to CON regulation to a center, service, office, or facility with three or more ORs.

[3] On October 15, 2025, the Maryland Health Care Commission (MHCC or Commission) issued a determination of coverage to the University of Maryland Medical System Corporation (UMMS) for a capital project to construct a four-story ambulatory care building adjacent to the University of Maryland St. Joseph Medical Center (UM SJMC) campus (the Ambulatory Building).

by establishing a new ambulatory surgical facility (ASF). Ruxton currently operates at full capacity with two operating rooms and two procedure rooms. (DI #4, p.10). The proposed ASF will add three sterile operating rooms, resulting in a total of five operating rooms and two procedure rooms in a new ambulatory care building adjacent to the UM SJMC campus. (DI #4, p.8). The ASF will also have space for one additional room, which can be either a sterile operating room or procedure room, depending upon need at a later date.

The primary goals of the project are to increase capacity to meet rising demand for outpatient surgical services and to shift appropriate cases from UM SJMC to a lower-cost, ambulatory setting. The proposed ASF will offer a convenient and cost-effective environment for lower-acuity outpatient surgical care. This shift from inpatient to outpatient settings aligns with Maryland's health care delivery objectives by promoting cost efficient care in medically appropriate environments.

The project will replace Ruxton's outdated facility with a modern ambulatory surgery center designed to improve efficiency, support advanced technology, and enhance the patient and provider experience. The new space will meet current codes and best practices, reduce maintenance challenges, and better accommodate future equipment needs, including robotics. (DI #4, p.10).

The ASF will be located at 7401 Osler Drive in Towson, Maryland 21204. Ruxton will lease and fit out approximately 22,145 square feet. Upon completion, the proposed ASF will include the following rooms (DI #4, Exhibit 2):

- Operating room 1 - 504-SF
- Operating room 2 - 525-SF
- Operating room 3 – 505 SF
- Operating room 4 – 511 SF
- Operating room 5 – 484 SF
- Procedure room 1 – 357 SF
- Procedure room 2 - 365-SF
- Future procedure room or operating room 491 SF. (proposed). (DI #4, Exhibit 2)

The total project is estimated to cost $16,598,326. Most of the project funding will be obtained through a $15.2 million bank loan. (DI #9, Exhibit 16). The bank has not yet been identified.

Table I-1Ruxton SurgiCenter LLC

Projected Budget

Capital Costs, Financing, and Sources of Funds

Section	Category	Item	Amount (USD)
Renovations	Renovations	Building	$7,267,398
Renovations	Renovations	Fixed Equipment (not included in construction)	$0
Renovations	Renovations	Architect/Engineering Fees	$907,362
Renovations	Renovations	Permits (Building, Utilities, etc.)	$98,862
Renovations	Subtotal		$8,273,622
Other Capital Costs	Other Capital Costs	Movable Equipment	$4,395,467
Other Capital Costs	Other Capital Costs	Contingency Allowance	$1,365,074
Other Capital Costs	Other Capital Costs	Gross Interest During Construction Period	$1,083,469
Other Capital Costs	Other Capital Costs	Low Voltage / IT	$871,821
Other Capital Costs	Other Capital Costs	Furniture	$257,241
Other Capital Costs	Subtotal		$7,973,072
Total Capital Costs	Total	Total Current Capital Costs	$16,246,693
Total Capital Costs	Total	Total Capital Costs	$16,246,693
Financing Costs	Financing Costs	Loan Placement Fees	$151,632
Financing Costs	CON Application Assistance	Legal Fees	$100,000
Financing Costs	CON Application Assistance	Other	$100,000
Financing Costs	Subtotal		$351,632
Total Uses of Funds	Total	Total Uses of Funds	$16,598,326
Sources of Funds	Sources	Cash	$1,435,101
Sources of Funds	Sources	Working Capital Loans	$15,163,225
Sources of Funds	Total	Total Sources of Funds	$16,598,326
Annual Lease Costs	Lease	Building	$1,321,350

Source: DI #9, Exh. 16, Table E - Project Budget

The applicant states that it will obligate 51percent of the approved capital expenditure for the project by the second quarter of 2027 or approximately 15 months following the CON approval. The applicant intends to complete renovations in the first quarter of 2028 and be fully operational by the second quarter of 2028. (DI #4 p.13).

C. Staff Recommendation

Ruxton will continue to provide orthopedic, joint, and pain management procedures and surgeries. Once the ASF is established, it will expand access to outpatient surgical services for residents of Baltimore and the surrounding counties by offering care in a modern facility equipped with updated technology and designed to reduce costs. The project will accommodate the growing demand for orthopedic surgeries and procedures, allowing providers to treat patients in the most appropriate and efficient setting. By locating the new facility within an ambulatory building, Ruxton will be able to shift suitable orthopedic cases from the hospital setting to a more efficient outpatient environment.

The proposed project complies with the applicable standards in COMAR 10.24.11, the General Surgical Services chapter of the State Health Plan, and with the Certificate of Need review criteria at COMAR 10.24.01.08G(3)(a) through (h), and as explained more fully in this Staff Report, staff recommends the Maryland Health Care Commission find this applicant has met its burden and APPROVE Ruxton SurgiCenter application for a Certificate of Need with the following conditions:

> Therefore, staff recommends that the Commission approve the expansion and relocation of Ruxton Ambulatory Surgical Facility with the following conditions:
>
> Ruxton must receive accreditation by the Joint Commission, the Accreditation Association for Ambulatory Health Care (AAAHC), or the American Association for Accreditation of Ambulatory Surgery Facilities or another accreditation organization recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification and approved by the State of Maryland within two years of first use.
>
> Ruxton must submit a CON application if they intend to utilize the designated “flex room” as an operating room in accordance with COMAR 10.24.11 D(1) and obtain approval from the Commission prior to such use. Alternatively, if the applicant elects to use the flex room as a procedure room, the applicant shall submit a determination of coverage letter to the Commission for review and confirmation prior to initiating such use.
>
> Ruxton shall commit to providing charitable surgical services to indigent patients that are equivalent to at least the average amount of charity care provided by ambulatory surgical facilities in the most recent year reported by the Maryland Health Care Commission, measured as a percentage of total operating expenses.
>
> .
>
> Ruxton shall provide its patients with an estimate of out-of-pocket charges prior to arrival for surgery.

Ruxton shall post copies of the financial policy and the financial assistance application on its website prior to first use.

For three years following first use, Ruxton shall submit annual reports to the Commission, including, at a minimum: patient demographics (age, race/ethnicity), insurance type, employment status, charity care volume and value, number of patients requesting transportation assistance, number of patients who are limited English proficient or prefer to communicate in a language other than English, number of patients requesting interpreters including American Sign Language (ASL) interpreters, and key quality, access, and outcomes indicators and improvement initiatives as tracked and reported through Ruxton's Quality Assessment and Performance Improvement ("QAPI") program including stratification.

Ruxton shall maintain processes to support access to care and improve patient outcomes for all patients, including:

- Verify a responsible adult and ride are available prior to surgery, and providing transportation assistance if requested and in alignment with applicable law;
- Verify whether a patient prefers to communicate in a language other than English;
- Based on patient verification, make real-time interpreter services for patients who prefer to communicate in a language other than English;
- Provide patients pre-operative education and post-operative discharge planning support in their preferred language, written at no higher than a 5th or 6th grade reading level.

Ruxton shall review on a quarterly basis key quality, access, and outcomes indicators through its QAPI program, stratified by sociodemographic information including, but not limited to race, ethnicity, age, and payer source, and identify any key trends and opportunities for improvement. Report findings of such review to Ruxton's leadership and formulate process improvement initiatives. Report such findings to the Commission as part of the annual report described in the condition above, including but not limited to improvement initiatives related to addressing observed health disparities.

II. PROCEDURAL HISTORY

A. Record of the Review

See Appendix 7, Record of the Review.

B. Interested Parties in the Review

There are no interested parties in this review.

C. Local Government Review and Comment

No comments were received from a local governmental body.

D. Community Support

The following individuals submitted letter of support for the expansion of Ruxton. Some of the letters were from affiliates of the University of Maryland. (DI #4, exh. 14):

- Mike Ertel, Chair of Baltimore County Council – Towson

Applicant and Affiliates Support

- Medical Director of Surgical Informatics Chief, Department of Surgery of the University of Maryland St. Joseph Medical Center;
- Chief Executive Officer of Towson Orthopedic Associates;
- Senior Vice President and Chief Clinical Officer of the University Maryland Medical System;
- Senior Vice President of Medical Affairs and Chief Medical Officer, University of Maryland St. Joseph Medical Center;
- Chairman of Ruxton and President of University of Maryland St. Joseph Medical Center;
- President of Towson Orthopaedic Associates

III. STAFF REVIEW AND ANALYSIS

A. The 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 State Health Plan Chapter that will be considered in the review of this project is:

COMAR 10.24.11.05A — General Standards.

The following general standards reflect Commission expectations for the delivery of surgical services by all healthcare facilities in Maryland, as defined in Health-General §19-114(d). Each applicant that seeks a Certificate of Need 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 and Network Participation.

Information regarding charges for surgical services shall be available to the public.

(a) Each ambulatory surgery center, ambulatory surgical facility, and hospital 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.

(b) Each ambulatory surgery center, ambulatory surgical facility, and general hospital shall provide to the public, upon inquiry or as required by applicable regulations, the names of the health carrier networks in which it currently participates.

(c) Each ambulatory surgery center, ambulatory surgical facility, and general hospital shall provide to the public, upon inquiry, the names of the health carrier networks in which each surgeon and other health care practitioner that provides services at the facility currently participates.

(d) The Commission shall consider complaints to the Consumer Protection Division in the Office of the Attorney General of Maryland or to the Maryland Insurance Administration when evaluating an applicant's compliance with this standard in addition to evaluating other sources of information.

(e) Providing a patient with an estimate of out-of-pocket charges prior to arrival for surgery shall be a condition of any CON issued by the Commission.

Applicant Response

Ruxton states that they maintain a list of charges that is routinely updated. It makes information concerning charges for the full range of surgical services available to the general public upon request. (DI #4, p. 19).

Ruxton states that it will provide the public, upon inquiry, with the names of all the health network carriers in which each surgeon and other health care practitioners providing services at the facility currently participates. Ruxton and its surgeons participate in the following health carrier networks: Aetna, Amerigroup, Cigna, Coventry, Golden Rule, Humana, Johns Hopkins Healthcare, Maryland Medical Assistance Medicaid/ MCO Plans, Medicare/ Part B Railroad Medicare, Plans under the Multi Plan/PHC, Tricare HealthNet Federal Services, and United Healthcare. All practitioners currently participate in the same networks as those proposed for Ruxton. DI #4, p. 19).

The applicant states that it is not aware of any complaints that have been filed with the Consumer Protection Division in the Office of the Attorney General of Maryland or to the Maryland Insurance Administration regarding current operations. (DI #4, p. 20).

Lastly, Ruxton states that it provides all patients with an out-of-pocket estimate prior to arrival at the surgery facility. (DI #4, p. 20).

Staff Analysis

Staff reviewed the applicant's responses indicating that Ruxton will provide all required information on charges and network participation. The applicant also provided a list of the health carrier networks in which the facility participates. Staff reviewed the websites at the Consumer Protection Division in the Office of the Maryland Attorney General of Maryland and the Maryland Insurance Administration and did not find any complaints or concerns raised about Ruxton.

Staff recommends the following conditions:

Ruxton shall provide its patients with an estimate of out-of-pocket charges prior to arrival for surgery.

Ruxton shall post copies of the financial policy and the financial assistance application on its website prior to first use (DI #4 p. 22).

2. **Information Regarding Procedure Volume**

Each hospital, ambulatory surgical facility, and ambulatory surgery center shall provide to the public upon inquiry information concerning the volume of specific surgical procedures performed at the location. A hospital, ambulatory surgical facility, or ASC shall provide the requested information on surgical procedure volume for the most recent 12 months available, updated at least annually.

Applicant Response

The applicant states that it will provide, upon inquiry, information concerning the volume of specific surgical procedures it has performed over the most recent previous 12 months available. This information is updated at least annually.(DI #4, p. 21).

Staff Analysis

The applicant stated its commitment to provide surgical procedure volumes to the public, upon request. Staff concludes that the applicant complies with this standard.

3. **Charity Care and Financial Assistance Policy.**

Each hospital and ambulatory surgical facility shall have a written policy for the provision of charity care and financial assistance regarding free and reduced-cost care to uninsured, underinsured, or indigent patients and shall provide ambulatory surgical services on a charitable basis to qualified persons consistent with the policy. The policy shall include, as applicable below, at a minimum:

(a) ***Determination of Eligibility for Charity Care or Financial Assistance.*** **Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospital or ambulatory surgical facility shall**

make a determination of probable eligibility and notify the patient of that determination.

(b) ***Notice of Charity Care and Financial Assistance Policy.*** **Public notice and information regarding the hospital or ambulatory surgical facility's charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the facility's service area population in a format understandable by the service area population. Notices regarding the facility's charity care policy shall be posted in the registration area and business office of the facility. This notice shall include general information about who qualifies and how to obtain a copy of the policy or may include a posted copy of the policy. Prior to a patient's arrival for surgery, the facility shall address any financial concerns of the patient, and individual notice regarding the facility's charity care policy shall be provided.**

(c) ***Criteria for Eligibility.*** **A hospital shall comply with applicable State statutes and HSCRC regulations regarding financial assistance policies and charity care eligibility. 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 ambulatory surgical facilities described in these regulations. An ambulatory surgical facility, at a minimum, shall include the following eligibility criteria in its charity care policies:**

(i) 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; and

(ii) 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.

(d) A hospital with a level of charity care, defined as the percentage of total operating expenses that falls within the bottom quartile of all hospitals, as reported in the most recent HSCRC Community Benefit Report, shall demonstrate that its level of charity care is appropriate to the needs of its service area population.

(e) A hospital shall be able to demonstrate that its historic level of charity care or its projected level of charity care is appropriate to the needs of its actual or projected service area population. This demonstration shall include an analysis of the socio-economic conditions of the hospital's actual or projected service area population, a comparison of those conditions with those of Maryland's overall socio-economic indicators, and a comparative analysis of charity care provision by the applicant hospital and other hospitals in Maryland. The socio-economic indicators evaluated shall include median income and type of insurance by zip code area, when available. The analysis provided may also include an analysis of the social

determinants of care affecting use of health care facilities and services and the health status of the actual or projected hospital service area population.

(f) An applicant submitting a proposal to establish or expand an ambulatory surgical facility 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 ambulatory surgical facilities 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;**
- **(ii) It has a specific plan for achieving the level of charitable care provision to which it is committed; and**
- **(iii) If an existing ambulatory surgical facility has not met the expected level of charity care for the two most recent years reported to the Commission, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of its service area population.**

(g) A health maintenance organization, acting as both the insurer and provider of health care services for members, if applying for a Certificate of Need for a surgical facility project, shall make a commitment to provide charitable services to indigent patients. Charitable services may be surgical or non-surgical and may include charitable programs that subsidize health plan coverage. At a minimum, the amount of charitable services provided as a percentage of total operating expenses for the health maintenance organization will be equivalent to the average amount of charity care provided statewide by ambulatory surgical facilities, measured as a percentage of total ambulatory surgical facility expenses, in the most recent year reported. 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 the health maintenance organization's track record is not consistent with the expected level for the population in the proposed service area, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of the population in the proposed service area.**

Applicant Response

Ruxton states that it currently offers charity care to patients and plans to adopt a more extensive Financial Assistance Policy. (DI #4, p. 21). The applicant submitted a copy of its Financial Assistance Policy which provides that "Within two business days following a person's request for charity care services, application for medical assistance, or both, Ruxton shall make a determination of probable eligibility and notify the patient of that determination." (DI #4, exh. 4). Ruxton plans to publish and disseminate information about its Financial Assistance Policy:

- The policy will be published on an annual basis in the Baltimore Sun or other local newspaper.
- The policy will be posted in the patient waiting room, reception area and administrative office.
- Individual notices of financial assistance availability will be discussed with the patient in advance of the scheduled procedure. (DI # 4, p.23).

The Financial Assistance Policy also includes the criteria for eligibility as follows:

- Persons with family income below 100 percent of the current Federal Poverty Guidelines who have no health insurance coverage and are not eligible for any public program providing coverage for medical expenses shall be eligible for services at no charge.
- 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. (DI #4, exh. 4)

The applicant states that it has committed to providing a level of charitable surgical services that meets the average amount of charity care provided by ASFs in Maryland.

Beginning in CY 2026, following adoption of its Financial Assistance Policy, Ruxton is committing to provide charitable care equal to or greater than $140,000 annually (as reported in CY 2023 Freestanding Ambulatory Surgical Facility survey data), which equates to approximately 0.7 percent to 0.9 percent of the facility's projected total operating expenses. (DI #4, p.24).

Ruxton projects providing $140,000 in charity care annually across CY 2028–2030. While the dollar amount remains constant, the percentage of total operating expenses decreases slightly over time, reflecting expected growth in operating costs rather than a reduction in charity care commitment. (DI #4, p.24).

Ruxton's plan for achieving the level of charity care includes:

- Establish an annual budget for charity care which shall not be less than the amount committed to the Commission.
- Notify the public and its patients of its financial assistance program.
- Monitor services provided no less than on a quarterly basis at its management committee meetings and report to the governing body, annually.
- Perform outreach to University of Maryland St. Joseph's Orthopaedic, LLC regarding the availability of its Financial Assistance Program.
- Review charity care reporting and determine whether additional methods of community outreach is necessary to inform the public of its financial assistance program to ensure they are meeting its charity care goals.

Subsections (d) and (e) is not applicable as this is not a hospital. Paragraphs (f)(iii) and (g) are not applicable.

Staff Analysis

Staff reviewed the "Financial Assistance and Charity Care Program" policy and concludes that the applicant meets the requirements in paragraphs (a) - (c). The policy includes language that addresses the key components of the charity care standard regarding patients' eligibility; public notice of the policy; and criteria for eligibility for charity care for individuals either below 100 percent of the current federal poverty guideline or above 100 percent, but below 200 percent of the federal poverty guideline. (DI #4, exh. 6).

Staff acknowledges Ruxton's historical efforts to provide charity care, although ambulatory surgery centers (ASCs) are not required to do so. However, staff notes that the applicant's proposed commitment of 0.9% in 2028 and 0.7% from 2029 through 2030, which equates to $140,000, represented the amount of charity care provided by ASFs in 2023. Updated calculations for calendar year 2024 show that ambulatory surgery facilities provided an average of 1.185% of operating expenses to charity care. MHCC will calculate this percentage each year and update this percentage on its website. Ruxton must allocate and adjust its charity care provision as a measure of operating expenses annually.

Therefore, staff concludes that Ruxton complies with parts of this standard and recommends the Commission impose the following condition:

> Ruxton must commit to providing charitable surgical services to indigent patients that are equivalent to at least the average amount of charity care provided by ambulatory surgical facilities in the most recent year reported by the Maryland Health Care Commission, measured as a percentage of total operating expenses.

4. **Quality of Care.**
   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.
   (b) A hospital shall document that it is accredited by the Joint Commission or other accreditation organization recognized by the Centers for Medicare and Medicaid and the Maryland Department of Health as acceptable for obtaining Medicare certification and Maryland licensure.
   (c) An existing ambulatory surgical facility or ASC shall document that it is:
      (i) In compliance with the conditions of participation of the Medicare and Medicaid programs;
      (ii) Accredited by the Joint Commission, the Accreditation Association for Ambulatory Health Care [AAAHC], the American Association for Accreditation of Ambulatory Surgery Facilities, or another accreditation organization recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification; and
      (iii) A provider of quality services, as demonstrated by its performance on publicly reported performance measures, including quality measures adopted by the Centers for Medicare and Medicaid Services. The applicant shall explain how its ambulatory surgical facility or each ASC, as

applicable, compares on these quality measures to other facilities that provide the same type of specialized services in Maryland.

(d) An applicant seeking to establish an ambulatory surgical facility shall:

(i) Demonstrate that the proposed facility will 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) Agree that, within two years of initiating service at the facility, it will obtain accreditation by the Joint Commission, the AAAHC, or the American Association for Accreditation of Ambulatory Surgery Facilities or another accreditation organization recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification and approved by the State of Maryland; and

(iii) Acknowledge in writing that, if the facility fails to obtain the accreditation in subparagraph (ii) on a timely basis, it shall voluntarily suspend operation of the facility.

(e) An applicant or a related entity that currently or previously has operated or owned one or more ASCs or ambulatory surgical facilities in or outside of Maryland in the five years prior to the applicant's filing of an application to establish an ambulatory surgical facility, shall provide details regarding the quality of care provided at each such ASC or ambulatory surgical facility including information on licensure, accreditation, performance metrics, and other relevant information.

Applicant Response

Ruxton submitted a copy of its license issued by the Maryland Department of Health on July 1, 2018. The applicant provided copy of its accreditation issued by The Joint Commission, which is valid through June 10, 2026, and has been a CMS-certified provider since November 16, 1997. (DI #4, Exh. 7,8, and 9).

Ruxton intends to obtain accreditation as an ASF through a recognized accreditation agency within two years of opening. If accreditation is not obtained within that period, Ruxton will voluntarily suspend facility operations. (DI #4, p. 27).

Ruxton participates in the CMS ASC Quality Reporting Program, a reporting program implemented by CMS that collects and publicly reports facility-level measure data from ASCs. (DI #4, p. 26). Proof of CMS accreditation was submitted. (DI #4, Exh. 9).

The applicant states that it currently meets or exceeds the minimum requirements for licensure in Maryland as an ASC-2 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. Ruxton will meet or exceed the minimum licensure requirements in these areas for an ASF if this application is approved. (DI #4, p. 27).

Staff Analysis

Staff reviewed the applicant's non-expiring license and verified that it is in good standing. Accreditation by The Joint Commission is current and not due to expire until June 10, 2026. The applicant provided evidence that it participates in the CMS Ambulatory Surgical Center Quality Reporting (ASCQR) Program. Ruxton provided a copy of the ASC data which was submitted May 15, 2025. (DI #4, exh 10). Ruxton demonstrated strong performance across all reported metrics, with no reportable events; an outcome that reflects its consistent delivery of high-quality patient care.

Staff concludes that the applicant meets this standard. However, staff recommends the commission impose the following condition:

> Ruxton must receive accreditation by the Joint Commission, the AAAHC, or the American Association for Accreditation of Ambulatory Surgery Facilities or another accreditation organization recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification and approved by the State of Maryland.

5. Transfer Agreements.

(a) Each hospital shall have arrangements for transfer of surgical patients to another hospital that comply with the requirements of Health-General Article §19-308.2.
(b) Each ambulatory surgical facility shall have a process for assuring the emergency transfer of surgical patients to a hospital that complies with the requirements of COMAR 10.05.05.09.

Applicant Response

Ruxton has a written transfer agreement with University of Maryland St. Joseph Medical Center, which is a local Medicare participating hospital. (D #4, Exh.11).

The Transfer Agreement attached as Exhibit 11 in the application sets forth the facility's processes for assuring emergency transfer of surgical patients in accordance with COMAR 10.05.05.09. (DI #4, p.28).

Staff Analysis

Staff reviewed the applicant's transfer policy and the transfer agreement with University of Maryland St. Joseph Medical Center, a Medicare participating hospital as required by the regulations. The transfer agreement identifies the responsibilities of Ruxton's staff in the notification, transportation, and transfer of a patient to the hospital who may need inpatient hospital care or emergency care in accordance with COMAR 10.05.05.09.

Staff concludes that the applicant complies with the standard.

COMAR 10.24.11.05B — Project Review Standards.

The standards in this regulation govern reviews of Certificate of Need applications involving surgical facilities and services. An applicant for a Certificate of Need shall demonstrate consistency with all applicable review standards.

1. **Service Area.**

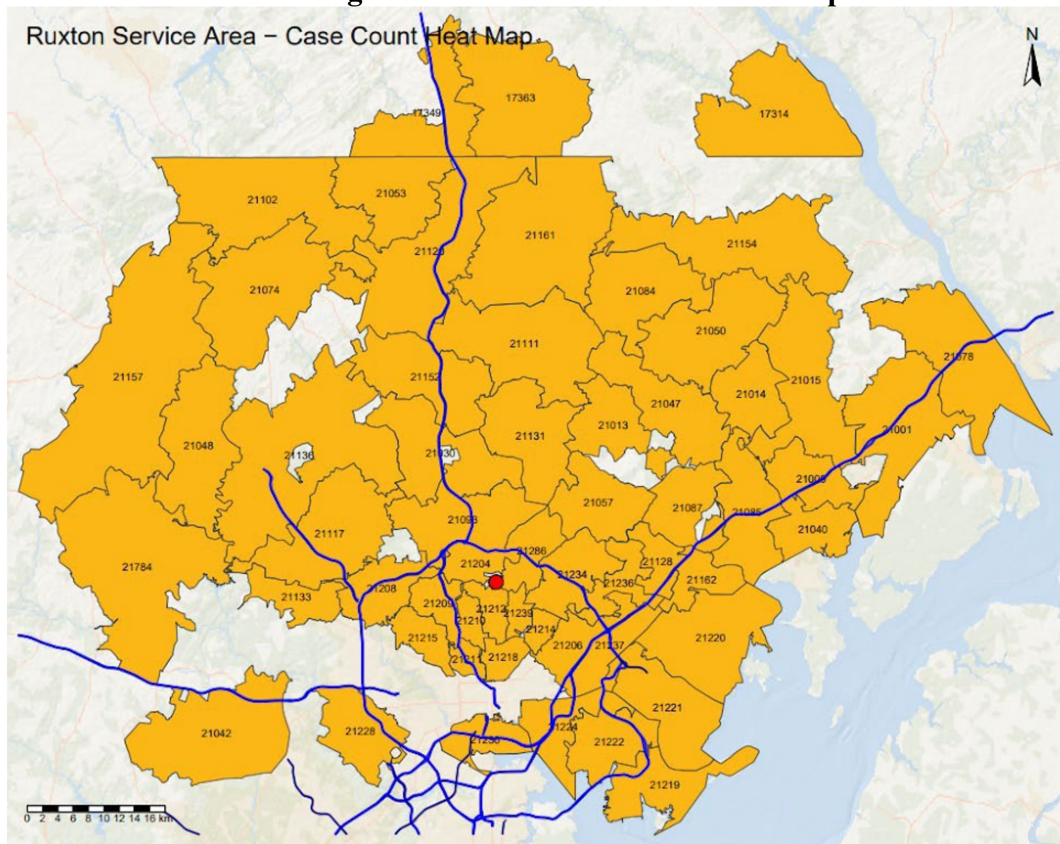
An applicant proposing to establish a hospital providing surgical services or an ambulatory surgical facility shall identify its projected service area. An applicant proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility shall document its existing service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

Applicant Response

Ruxton is in Baltimore County. The applicant states that the service area and most patients served by Ruxton in 2024 were from 58 zip codes which are inclusive of Baltimore City, and Baltimore, Harford, Howard and Carroll Counties in Maryland. The service area also includes patients from York County, Pennsylvania. (DI #4, p.29).

Ruxton is proposing to shift Same Day Surgery (SDS) from UM SJMC to the ASF. In year one (CY 2028), 675 SDS joint replacement cases from UM SJMC are projected to be performed in the new facility. In year two (CY 2029), 1,350 joint replacement cases from UM SJMC will be performed in the new facility. (DI #4. p. 34) Below is a map of the applicant's and UM SJMC service area during CY 2024. (DI #4, p.28). The data was accumulated by zip code and case count. Zip codes were ranked from those with the highest to lowest case counts from both Ruxton and UM SJMC SDS joint replacement cases to identify the top 85.1 percent of total cases (DI #4, p.29).

Figure III-1:Ruxton Service Area Map



Source: DI #4, p. 29.

The age cohorts of 0-17, 18-44, and 45-64 are projected to decline, while the 65+ age cohort is projected to increase by 9.7 percent, or roughly 28,000 people[4]. Increasing access to outpatient orthopedic surgical procedures addresses the needs of the senior population. (DI #4, p. 31).

The applicant states that, overall, the service area's total population remains relatively stable. There is a modest decline of approximately 2.6 percent over the projection period in the number of children and working-age adults gradually, while the senior population grows steadily. This demographic transition indicates increasing demand for aging-related services and may influence long-term needs related to workforce capacity, educational systems, and community infrastructure.

Staff Analysis

Staff reviewed the applicant's patient origin data and determined that approximately 95 percent of Ruxton's service area is Baltimore County, followed by Harford County and Baltimore City. The applicant projects that the increase in surgical volume will be driven by growth in the

[4] Nielson Claritas data.

older adult population, which historically requires greater access to outpatient orthopedic procedures, thereby addressing the needs of the aging population within its service area.

Staff recommends the Commission find that the applicant complies 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:

(a) Demonstrate the need for the number of operating rooms proposed for the facility, consistent with the operating room capacity assumptions and other guidance included in Regulation .06 of this Chapter.
(b) Provide a needs assessment demonstrating 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, consistent with Regulation .06 of this Chapter.
(c) An applicant proposing to establish or replace a hospital shall submit a needs assessment that includes:
  (i) Historic trends in the use of surgical facilities for inpatient and outpatient surgical procedures by the new or replacement hospital's likely service area population;
  (ii) The operating room time required for surgical cases projected at the proposed new or replacement hospital by surgical specialty or operating room category; and
  (iii) In the case of a replacement hospital project involving relocation to a new site, an analysis of how surgical case volume is likely to change as a result of the relocation.
(d) 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.

Applicant Response

Ruxton states that it currently performs orthopedic and pain procedures in its existing two ORs and plans to continue these services in the proposed five-OR ASF. In recent years, the two ORs have been operating at very high utilization levels. Optimal capacity for an outpatient OR is 97,920 minutes per year (80% of the full 122,400-minute capacity). To assess historical utilization, Ruxton added total OR minutes and turnaround time and divided the result by 244,800 minutes, the MHCC full-capacity standard for two ORs. (DI #4, p.33).

Utilization increased from 99.4% in CY 2022 to 109.5% in CY 2024. In CY 2023, cases declined by 3.8% following a physician retirement in 2022; although a replacement was recruited, ramp-up time temporarily reduced volume. Despite this, utilization remained high at 96.2%, well above the 80% optimal level. In CY 2024, with a fully onboarded replacement physician and full-year staffing, case volumes rose substantially, driving utilization to 109.5%. (DI #4, p.33).

The applicant proposes establishing a new ASF to accommodate Ruxton's existing cases, anticipated joint cases shifting from UM SJMC upon opening, and projected growth—primarily among the 65+ population.

Current waiting times range from two to eight weeks at Ruxton and two to 12 weeks at UM SJMC. Ruxton anticipates average wait times of two to three weeks once the ASF opens. (DI #9, p. 15). The new ASF is also expected to help reduce existing scheduling delays. (DI #4 , p.34).

Projections are based on two operating rooms from 2022 -2027; expanding to five operating rooms beginning in 2028.

Table III -1 Projected Surgical Volume and Total Time

Category	2022	2032
Surgery Volume – Orthopedic	2,435	3,470
Surgery Volume – Pain Management	65	135
Surgery Volume – Joint (UM SJMC)	Not applicable	1,350
Total Time (minutes)*	181,000	396,000

*Orthopedic and Pain cases are projected to average 72 minutes each; joint cases average time 100 minutes each with 25 minutes turnaround time between all cases

From CY 2024 to CY 2027, Ruxton's operating case volumes are projected to grow slightly, in line with the demographic growth in the service area. Volumes are otherwise expected to remain constant during this period given the significant capacity limits at the existing two-OR center. (DI #4 p.34). In CY 2028, upon opening the ASF, increases in case volume projections reflect the transition of same day surgery (SDS) joint replacement cases from UM SJMC to Ruxton, demographic growth, and the addition of three new physicians. (DI #4 p.34)

The proposed ASF will have five ORs to accommodate the aging population and transition clinically appropriate SDS joint cases from UM SJMC to the new ASF. (DI #3, p. 37).

Staff Analysis

Staff reviewed the historical orthopedic procedure volume from Ruxton and UM SJMC and projected surgical volume to be performed at the proposed ASF. The applicant demonstrates that the existing two OR, two procedure room ASC is operating at full capacity[5] and cannot

[5] COMAR 10.24.11.06 (A)(1) (a)(i) Full and optimal operating room capacity will vary depending on the range and type of surgical procedures for which the operating room is used. Four categories of operating room are recognized in this Chapter: dedicated inpatient general purpose operating rooms (hospital only); mixed-use general purpose operating rooms (hospital only); dedicated outpatient general purpose operating rooms; and special purpose operating rooms. (a) A dedicated inpatient general purpose operating room or mixed-use general purpose operating COMAR

accommodate projected growth. According to the information presented, the shift of joint replacement cases from UM SJMC, combined with demographic trends of increased aging population, there is sustained need for Ruxton to expand its surgical capacity. Additionally, three new physicians will begin performing cases at the new ASF in CY 2028. Utilization projections show that by CY 2029, the proposed ASF's five ORs will be required to meet demand.

Staff concludes that the standard is met.

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 shall:

(a) Demonstrate the need for each proposed additional operating room, utilizing the operating room capacity assumptions and other guidance included at Regulation .07 of this chapter;
(b) Demonstrate that its existing operating rooms were utilized at optimal capacity in the most recent 12-month period for which data has been reported to the Health Services Cost Review Commission or to the Maryland Health Care Commission; and
(c) Provide a needs assessment demonstrating that each proposed operating room is likely to be utilized at optimal capacity or higher levels within three years of the completion of the additional operating room capacity, consistent with Regulation .06 of this chapter. The needs assessment shall include the following:
(i) Historic and projected trends in the demand for specific types of surgery among the population in the proposed service area;
(ii) Operating room time required for surgical cases historically provided at the facility by surgical specialty or operating room category; and
(iii) Projected cases to be performed in each proposed additional operating room.

Applicant Response

This standard is not applicable. Ruxton is not proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility.

Staff Analysis

This standard is not applicable.

4. Design Requirements.

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

10.24.11 20 (i) Has full capacity use of 2,375 hours per year, which includes the time during which surgical procedures are being performed and room turnaround time between surgical cases; and (ii) Has an optimal capacity of 80 percent of full capacity, which is 1,900 hours per year and includes the time during which surgical procedures are being performed and room turnaround time between surgical cases.

Guidelines:

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

(b) **An ambulatory surgical facility shall meet the requirements in current Section 3.7 of the FGI Guidelines.**

(c) **Design features of a hospital or ambulatory surgical facility 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.**

Applicant Response

The applicant submitted a letter signed by a principal of the architectural design firm, Wilmot Sanz. The owner of the design firm attests that the architectural design for the proposed ambulatory surgical facility complies with Section 3.7 of the applicable current FGI Guidelines. (DI #4 Exh 12).

Staff Analysis

Staff reviewed the letter from applicant's architect stating that the proposed ASF was designed in compliance with the current FGI Guidelines.

Staff concludes that the applicant complies with this standard.

5. Support Services.

Each applicant seeking to establish or expand an ambulatory surgical facility shall provide or agree to provide laboratory, radiology, and pathology services as needed, either directly or through contractual agreements, in compliance with COMAR 10.05.05.

Applicant Response

The applicant states that it maintains a clinical laboratory improvement amendment (CLIA)[6] certificate of waiver to provide limited laboratory services, as needed. Ruxton does not perform routine onsite bloodwork. Patients are referred to by their medical practices for preoperative lab work, and results are forwarded to the facility in advance of surgery. Onsite testing is limited to waived tests, including urine pregnancy tests, blood glucose testing, and International Normalized Ratio (INR) testing to assess blood clotting. (DI #4, p.39).

Ruxton uses C-arm machines in the operating suites that produce real-time images during orthopedic and pain procedures. The C-arm machines are registered with the Maryland Department of Environment and preventative maintenance is performed annually. (DI.#4 p.39).

[6] A CLIA Certificate of Waiver (CoW) is a federal certification required for laboratories to perform simple tests with a low risk of incorrect results, such as blood glucose monitors, urine dipsticks, or rapid strep tests.

Ruxton maintains a contractual arrangement with UM SJMC for pathology services. Specimens and cultures from surgical cases are sent to UM SJMC's Pathology department. A third-party courier comes to the facility daily to retrieve specimens for delivery to the UM SJMC pathology department. Some specimens are processed onsite at UM SJMC while others may be sent out to third-party labs for processing. (DI.#4 p.39).

Staff Analysis

Ruxton satisfies the requirement to provide laboratory and radiology services through a combination of onsite CLIA waived testing and established external partnerships. Pathology needs are met through a formal contractual arrangement with UM SJMC, where all surgical specimens and cultures are transported daily by courier for processing, with results returned to Ruxton. Collectively, these arrangements demonstrate that the applicant ensures appropriate access to laboratory and diagnostic services necessary for patient care.

Staff concludes that applicant complies with this standard.

6. Patient Safety.

The design of proposed 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.

Applicant Response

The applicant states that the proposed facility was designed with features to promote patient and staff safety. Planning included collaboration with clinical leadership and infection prevention personnel from UM SJMC, as well as participation by Ruxton's physicians and surgeons to identify patient needs and address potential safety concerns. The project drawings will be reviewed by the Baltimore County Building Code reviewers, including the Fire Marshall. (DI #4, p. 40).

Ruxton's design employs the latest programming, planning, and design elements to maximize adaptability, efficiency, and patient safety and convenience. (DI #4, p. 40). The applicant incorporates several key design features, including properly zoned areas to support appropriate storage and workflow, a clearly defined progression from dirty to clean to sterile for staff, instruments, and supplies, and a dedicated exit to ensure discreet patient transfer in the event of an emergency. To ensure patient safety the proposed ASF design employs mechanical and electrical systems that will maintain appropriate pressure relationships, temperature and humidity control and monitoring, appropriate lighting and dedicated emergency power back-up.

Additionally, the finishes that were selected ensure maximization ability to clean, disinfect and maintain the space. (DI #4 p. 41).

Staff Analysis

Staff reviewed the design plan and concluded that it meets patient safety standards. The applicant has demonstrated that appropriate measures were implemented to protect both patients and staff, incorporating design features specifically aimed at maximizing safety and efficiency. All relevant regulatory and professional guidelines were addressed, reflecting a comprehensive approach to infection prevention, workflow efficiency, and overall risk reduction within the facility.

The proposed design complies with the applicable FGI Guidelines and American National Standards Institute standards. (DI #4, p.40). Staff recommends that the Commission find this standard has been met.

7. Construction Costs.

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

(a) Hospital projects.

(i) The projected cost per square foot of a hospital construction or renovation project that includes surgical facilities shall be compared to the benchmark cost of good quality Class A hospital 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, any adjustment of the hospital's global budget revenue authorized for the hospital related to the capital cost of the project shall not include:

1. The amount of the projected construction cost and associated capitalized construction cost that exceeds the Marshall Valuation Service® benchmark; and

2. Those portions of the contingency allowance, inflation allowance, and capitalized construction interest expenditure that are based on the excess construction cost.

(b) Ambulatory Surgical Facilities.

(i) The projected cost per square foot of new construction 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. This standard does not apply to the costs of renovation or the fitting out of shell space.

(ii) If the projected cost per square foot of new construction exceeds the Marshall Valuation Service® benchmark cost by 25% 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.

Applicant Response

This standard is inapplicable as this project does not involve new construction, but rather a fit out.

Staff Analysis

Staff concurs that this standard is not applicable.

8. Financial Feasibility.

A surgical facility project shall be financially feasible. Financial projections 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 projections.

(a) An applicant shall document that:

(i) Utilization projections are consistent with observed historic trends in use of each applicable service 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 hospital or ambulatory surgical facility will generate excess revenues over total expenses for the specific services affected by the project (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.

Applicant Response

The applicant states that the financial feasibility for the five-OR ASF is supported by the projected case volumes that are based on existing cases served by Ruxton's two-OR ASC and consideration of the following:

- A demographic growth rate of 1.9 percent based on population growth for the 65+ age cohort in the ASF's projected service area.
- Volume growth is attributed to the addition of three new surgeons.
- 1,350 outpatient joint cases from UM SJMC. (DI #4, p. 42).

Ruxton states 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. (DI #4, 43).

The applicant states that the projected revenue is expected to show a steady upward trend from CY 2025 through CY 2032. The projections reflects incremental growth conservatively and rising significantly by the final period. (DI #4 p.43).

Table III- 2:Projected Cases, Expenses, and Revenue by Year

Year	Total Cases	Total Operating Expense (USD)	Total Projected Revenue (USD)
2023	7,032	$7,265,443	$9,973,559
2024	7,486	$8,357,083	$12,243,396
2025	7,495	$8,776,640	$13,859,987
2026	7,535	$8,809,979	$13,933,956
2027	7,576	$8,852,325	$14,009,774
2028	8,886	$16,334,253	$23,425,111
2029	10,288	$20,670,366	$33,010,577
2030	10,557	$20,855,442	$33,508,020
2031	10,833	$21,040,049	$34,018,408
2032	11,117	$21,224,581	$34,543,590

Based on the volume, revenue, and expense assumptions outlined above, Ruxton projects that the new facility will be financially feasible beginning in the first year of operation (CY 2028) and through the projection period.

Subsection (b) of this standard is not applicable.

Staff Analysis

Ruxton used the historical utilization for CY 2022 through CY 2024 (DI #4, Exh. 1, Table 3) and projected utilization from CY 2025 through CY 2032 to develop its financial projections for the proposed ASF. The applicant's financial feasibility analysis considered current charge levels, reimbursement rates, contractual adjustments and discounts, bad debt, charity care, and overall operating expenses, including the cost for additional staffing, in developing its projected revenue and expense statements for the proposed ASF.

Utilization is projected to increase significantly from the beginning of first year of operations to CY 2029 followed by steady increase in utilization. This pattern suggests that the applicant anticipates a period of capacity expansion and service growth immediately after opening, followed by steady utilization growth consistent with demographic trends and physician recruitment.

Staff concludes that the applicant's projections are reasonable, methodologically consistent with Standard 05B (2), and supported by historical utilization and demographic trends. The projected steady growth in revenue, combined with variable expense assumptions tied directly to case volume, supports the conclusion that the proposed five-OR ASF is financially feasible beginning in CY 2028 and continuing throughout the projection period.

Staff concludes that the applicant complies with this standard

9. Impact.

(a) An application to establish a new ambulatory surgical facility shall present the following data as part of its impact assessment, in addition to addressing COMAR 10.24.01.08G(3)(f):

(i) The number of surgical cases projected for the facility and for each physician and other practitioner;

(ii) A minimum of two years of historic surgical case volume data for each physician or other practitioner, identifying each facility at which cases were performed and the average operating room time per case. Calendar year or fiscal year data may be provided as long as the time period is identified and is consistent for all physicians and other practitioners; and

(iii) The proportion of case volume expected to shift from each existing facility to the proposed facility.

(b) An application shall assess the impact of the proposed project on surgical case volume at hospitals:

(i) If the applicant's needs assessment includes surgical cases performed by one or more physicians who currently perform cases at a hospital within the defined service area of the proposed ambulatory surgical facility that, in the aggregate, account for 18 percent or more of the operating room time in use at that hospital, the applicant shall include, as part of its impact assessment, a projection of the levels of use at the affected hospital for at least three years following the anticipated opening of the proposed ambulatory surgical facility.

(ii) The operating room capacity assumptions in Regulation .06A of this Chapter and the operating room inventory rules in Regulation .06C of this Chapter shall be used in the impact assessment.

Applicant Response

The applicant reported historical case volumes for CY 2023 and CY 2024 and projected totals for CY 2028 through CY 2030 for the 21 physicians who will perform surgical cases at

Ruxton following project completion. Data was provided for each physician (DI #4, Exh. 15), detailing total cases, total minutes, most frequently performed procedures for CY 2023 and CY 2024, and three years of projected case volumes.

The applicant also submitted summary tables of cases performed by each physician at Ruxton and UM SJMC in CY 2023 and CY 2024, including average time per case (DI #4, pp. 46–48). In CY 2029, the 1,350 SDS joint cases projected to shift from UM SJMC to Ruxton will account for approximately one-third of the total projected case volume (1,350 of 3,986) for physicians transitioning cases to Ruxton. (DI #4, p. 48).

The applicant states that Ruxton and UM SJMC are the only facilities expected to be affected by the project. All cases currently performed at Ruxton ASC-2 will transfer to the proposed Ruxton ASF, along with 1,350 SDS joint cases now performed at UM SJMC. (DI #4, p. 49).

Staff Analysis

Staff reviewed the applicant's historical surgical volume for CY 2023 and CY 2024, projected surgical volumes for CY 2028 through CY 2030, and the distribution of cases across facilities for the physicians expected to perform procedures at the proposed ASF. The applicant provided physician-level data describing total cases, operative minutes, and most frequently performed procedures, as well as summary tables identifying the facilities where those cases were performed.

The applicant projects that 1,350 same-day surgery (SDS) joint procedures currently performed at University of Maryland St. Joseph Medical Center will shift to the proposed ASF by CY 2029. These cases represent approximately one-third of the total projected surgical volume (1,350 of 3,986 cases) for the physicians expected to perform procedures at the ASF. In addition, all cases currently performed at the existing Ruxton SurgiCenter ASC-2 facility are projected to transfer to the proposed ASF following project completion.

Staff notes that the projected volume shift is limited to procedures performed by physicians already affiliated with either Ruxton SurgiCenter or University of Maryland St. Joseph Medical Center. The applicant did not identify any additional hospitals or ambulatory surgery centers that are expected to experience reductions in surgical volume because of the project. Staff also note that three additional physicians are expected to begin performing procedures at the ASF, which contributes incremental volume rather than representing a shift from other facilities.

Based on the information provided, staff finds that the projected redistribution of cases primarily reflects the relocation of existing ASC activity and the movement of selected outpatient orthopedic procedures from a hospital setting to an ambulatory surgical facility. Given the limited number of physicians involved and the concentration of the projected case shifts between Ruxton SurgiCenter and University of Maryland St. Joseph Medical Center, staff concludes that the project is unlikely to have a significant adverse impact on surgical volumes at other hospitals or ambulatory surgical facilities within the service area

Staff concludes that the applicant complies with this standard.

B. 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.

The applicant refers to the response provided in Standard .05B (2) – Need – Minimum Utilization for Establishment of a New or Replacement Facility." (DI #4, p 50).

Table III-3 Statistical Projections – Entire Facility

Metric	CY 2022 (Actual)	CY 2023 (Actual)	CY 2024 (Current)	CY 2025 (Proj)	CY 2026 (Proj)	CY 2027 (Proj)	CY 2028 (Proj)	CY 2029 (Proj)	CY 2030 (Proj)	CY 2031 (Proj)	CY 2032 (Proj)
a. Number of Operating Rooms (ORs)	2	2	2	2	2	2	5	5	5	5	5
Total Procedures in ORs	-	-	-	-	-	-	-	-	-	-	-
Total Cases in ORs	2,500	2,406	2,753	2,772	2,774	2,777	3,713	4,649	4,748	4,850	4,955
Total Surgical Minutes in ORs**	180,945	175,236	199,341	200,752	200,891	201,062	287,492	373,867	381,055	388,450	396,059
b. Number of Procedure Rooms (PRs)	2	2	2	2	2	2	2	2	2	2	2
Total Procedures in PRs	4,075	4,626	4,733	4,723	4,761	4,799	5,173	5,639	5,809	5,983	6,162
Total Cases in PRs	-	-	-	-	-	-	-	-	-	-	-
Total Minutes in PRs**	98,655	91,590	96,675	99,185	99,973	100,785	108,633	118,427	121,980	125,639	129,409

<u>Staff Analysis</u>

Staff concludes that the applicant's historical and projected growth is steady and consistent, supporting the anticipated increase in volume associated with the addition of three operating rooms and the corresponding rise in procedures.

Staff recommends that the Commission find that the applicant demonstrates a need for the proposed project.

C. COMAR 10.24.01.08G(3)(c) Availability of more Cost-Effective Alternatives to the Project

The Commission shall consider alternative approaches to meeting the need identified for the project that were considered by the applicant in planning the project and the basis for the applicant's choice of the project among considered alternatives. In a comparative review of applications within the same review cycle, the Commission shall compare the costs and the likely effectiveness of alternative projects in meeting identified needs, improving the availability and accessibility of care, and improving the quality of care.

Applicant Response

The applicant states that Ruxton's two existing operating rooms are at full capacity, leading to patient wait times of two to eight weeks for surgery. Expanding to five operating rooms will significantly reduce delays and allow faster access to care. The current facility also poses operational challenges because it spans two floors and is more than 30 years old, requiring costly maintenance and updates to remain functional. Room sizes no longer meet modern standards and cannot accommodate advanced technologies such as orthopedic robotics, particularly for spine procedures. The planned expansion addresses these limitations, supports the shift of appropriate cases from inpatient hospitals to the ambulatory surgery setting, and enhances the efficiency and cost-effectiveness of care delivery.

In evaluating its options, Ruxton considered three alternatives:

1. Maintaining the status quo at the existing two-OR two-procedure room ASC site.
2. Expanding OR capacity within the existing building.
3. Relocating to a new site in the UMMS Ambulatory building and expanding to a five-OR two-procedure room facility.

Maintaining the current two-OR configuration would not resolve the capacity constraints. Patients would continue to face extended wait times, and some cases appropriate for the ambulatory setting would remain in the hospital environment, resulting in less cost-effective care and the potential for poorer outcomes due to delays in surgical intervention. (DI # 4 p. 53).

Expansion at the current location was determined not to be feasible. The site lacks sufficient parking to support additional square footage, and zoning and setback requirements would make expansion nearly impossible. (DI # 4 p. 53).

By contrast, relocation and expansion to a new site appropriately addresses Ruxton's needs. A new site provides adequate space to develop an ASF with this capacity, enabling appropriate cases to shift from the hospital setting and reducing patient wait times, thereby enhancing access to cost-effective care. The new facility will also resolve the infrastructure limitations of the current building. The proposed ASF will be a state-of-the-art facility constructed to modern codes and designed to optimize functionality and experience for patients, staff, and visitors. (DI # 4 p. 54).

Staff Analysis

Staff reviewed the alternatives considered by the applicant in planning the proposed project, including maintaining the existing facility configuration, expanding at the current location, and relocating the facility to a new site with additional operating room capacity. The applicant states that the existing facility currently operates with two operating rooms and two procedure

rooms and that surgical scheduling constraints have resulted in reported patient wait times of approximately two to eight weeks. Staff notes that continued operation under the current configuration would not address the reported capacity limitations or accommodate anticipated growth in outpatient orthopedic procedures.

The applicant also evaluated the feasibility of expanding the existing facility. According to the applicant, physical constraints at the current site limit the ability to expand the building footprint, including insufficient parking capacity and zoning setback requirements. In addition, the applicant reports that the existing building is more than 30 years old and configured across two floors, creating operational inefficiencies and space limitations that may restrict the installation of newer surgical technologies and limit the ability to reconfigure the facility to accommodate larger operating room layouts that are typical in contemporary ambulatory surgical facilities. Based on these constraints, the applicant concluded that expansion at the current location would not be a practical means of addressing the identified capacity and infrastructure limitations.

The applicant proposes instead relocating and expanding the facility to a new ambulatory site with five operating rooms and two procedure rooms. Staff notes that this alternative would allow the applicant to address the reported surgical capacity constraints while also replacing an older facility with one designed to meet current building codes and contemporary operating room size and layout standards. The proposed configuration would also accommodate the projected growth in outpatient orthopedic procedures and allow certain procedures currently performed in a hospital setting to be performed in an ambulatory surgical environment when clinically appropriate. In particular, the project is expected to shift a portion of same-day surgery orthopedic procedures currently performed at University of Maryland St. Joseph Medical Center to the expanded ambulatory surgical facility.

Based on its review of the alternatives considered, staff finds that the applicant reasonably evaluated maintaining the existing facility and expanding at the current location and provided a rational basis for concluding that those alternatives would not adequately address the identified operational and capacity constraints. Staff further finds that relocation and expansion of the facility represents a reasonable approach to meeting the identified need for additional surgical capacity and improved facility infrastructure.

Staff recommends that the Commission find that the applicant has adequately considered alternative approaches to meeting the identified need and has provided a reasonable basis for selecting the proposed project.

D. COMAR 10.24.01.08G(3)(d) Project Financial Feasibility and Facility or Program Viability

The Commission shall consider the availability of resources necessary to implement the project and the availability of revenue sources and demand for the proposed services adequate to ensure ongoing viability and sustainability of the facility to be established or modified or the service to be introduced or expanded.

Applicant Response

Ruxton intends to fund the project through debt financing obtained through a bank loan. Ruxton expects to obtain a $15.2 million loan at an eight percent interest rate and a ten-year term to finance the project. The applicant states the project is financially feasible and expected to break even and generate a profit during the first year of operation after project completion. (DI #4, p.55).

Ruxton states that they began the initial design process in May 2025, which focused on exploring high-level physical (program adjacencies) and operational (workflow) needs of the space. Beginning in July 2025, Ruxton progressed to the schematic design phase, which involved finalizing the space programming, including the types and locations of rooms and areas within the space, as reflected in the project drawings attached to the application. From September 2025 to December 2025, Ruxton focused on the design development phase and incorporated more detail into the program developed during the schematic design phase, including general furniture and equipment. Construction documents will be completed between January 2026 and March 2026 and will include all remaining details and design elements required for the contractor to construct the facility. The design timeline provides sufficient time for all final decisions and layouts to be completed prior to the initiation of renovations in the second quarter of 2027.(DI # p.55-56).

With the expanded capacity from two ORs to five ORs at the ASF and the shift of SDS total joints from UM SJMC, Ruxton will generate $12.5 million in income by the second year of operations. Ruxton states it will be able to meet its loan repayment obligations by generating ample cash flow to support the proposed financing. (DI #9, Table 4).

The applicant provided a letter from Solomon and Nislow, PA,CPA stating that they considered Ruxton's finances and conclude that there seems to be adequate availability of funds to implement and support the proposed CON project. (DI #14, Exh. 20).

The Ruxton ASF projects excess revenue over expenses beginning in its first full year of operation in FY 2028. In calendar year 2024, Ruxton earned $4.1 million in its current two-OR space, which supports its ability to maintain the terms of its loan. (DI #4, p 57).

Staff Analysis

Based on the proposed loan structure, operational performance, reasonable debt service coverage, projected operating profitability beginning in the first full year of operation, and a detailed and progressing project schedule, staff concludes that the project is financially feasible.

Staff recommends that the Commission find that the proposed project is viable.

E. 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.

Applicant Response

No Certificates of Need have been issued to Ruxton SurgiCenter in the prior 15 years.

Staff Analysis

Staff recommends that the Commission find that this criterion is not applicable.

F. COMAR 10.24.01.08G(3)(f) Impact

The Commission shall consider the impact of the proposed project on the costs and charges of existing providers of the facilities and services included in the project and on access to those facilities and services in the service area of the project.

Applicant Response

Ruxton states UM SJMC is the only provider that is expected to be impacted because of this project. Ruxton will create additional surgical capacity at UM SJMC by shifting joint cases that can be performed in an ASC setting to the Ruxton. (DI #4, p.60). UM SJMC plans to backfill with additional inpatient surgery cases that are required to be completed in the acute hospital setting. The service lines identified are cardiothoracic, spine, thoracic, and invasive cardiology, all of which include complex cases. (DI #9, p. 19).

The applicant does not anticipate an impact on payer mix for other existing healthcare providers. The volumes in the new ASF reflect the existing payer mixes of Ruxton and UM SJMC SDS orthopedic joint cases. (DI #4, 60).

By expanding to a five-OR ASF, Ruxton will obtain additional capacity to serve patients in this lower-cost setting and will reduce the current waiting times experienced by patients. The new ASF will provide convenient access to outpatient surgical services for the service area population by being centrally located adjacent to the UM SJMC campus. For patients with out-of-pocket costs or with health plans requiring high patient cost-sharing responsibilities, the proposed ASF will provide expanded access to more affordable services than the hospital setting.(DI #4, p.61).

Based on CY 2024 data, net revenue per joint case at Ruxton is estimated to be $2,855 lower than at UM SJMC. As a result, shifting same-day surgery (SDS) joint cases to this lower-cost setting is projected to generate approximately $3.8–$3.9 million in annual system-wide savings once fully implemented. These savings reflect the projected shift of 1,350 cases from UM SJMC by 2029. In the first year, 675 cases are expected to shift, generating about $1.9 million in savings. By 2029, with all 1,350 cases shifted, annual savings are projected to reach approximately $3.8 million and are expected to be sustained throughout the projection period. (DI #4, 61).

Table III-4:UM SJMC Case Performance

Category	Description	Amount (USD)
Payments	Estimated UM SJMC Payments for Joint Cases[1]	$15,064
Revenue	Projected Net Revenue for Joint Cases at Ruxton Surgi Center[2]	$12,209
Variance	Difference Between Payments and Revenue	($2,855)
Volume	Projected Shift of Cases[3]	1,350
System Impact	System Savings	($3,854,348)

Note 1: Based on CY2024 HSCRC abstract data, total joint cases which are included in CMS ASC fee schedule
Note 2: Consistent with current net revenue per case
Note 3: Projected shift in cases by 2029 from UM SJMC

Staff Analysis

The applicant does not anticipate a broader market impact on other healthcare providers, including changes in payer mix. Projected ASF volumes are based on the current payer mix of Ruxton and UM SJMC orthopedic joint cases, suggesting the shift represents a redistribution of cases within the same system rather than displacing other centers. The primary operational impact is internal to UM SJMC, with no anticipated adverse effect on competing providers or payer mix distribution.

Based on the information provided, staff concludes the applicant's project is not expected to have an adverse impact on existing providers and the health care delivery system. Staff recommends that the Commission find that the impact of this project is positive.

G. COMAR 10.24.01.08G(3)(g) Health Equity

- The Commission shall consider how a proposed project will address health care disparities in availability, accessibility, and quality of care among different populations within the service area. The Commission shall consider how social determinants of health within the service area of the proposed project create disparities in the delivery of health care.

Applicant Response

The applicant states that its service area serves a racially, ethnically, and economically diverse populations which is comprised of 46 percent non-white residents. Ruxton's service area population is also economically diverse, with approximately one in five households making less than $35,000 per year. (DI #4, p63).

Currently, Ruxton does not collect data on patient race/ethnicity or income so it is unable to provide details on these categories. Ruxton intends to continue providing access to high quality surgical services to members of its community regardless of demographics. (DI #9 p. 20).

Ruxton states that it works closely with physician practices to identify patients in need of financial assistance, guiding them through application processes and providing charitable surgical services based on financial need. It also helps address non-financial barriers to care, such as transportation challenges, through coordination with patients and referral partners. (DI #4, p.65).

In partnership with the UM SJMC St. Clare Medical Outreach Program, Ruxton provides free surgical services to uninsured individuals who lack access to healthcare, supporting a broader continuum of care that includes free primary care, health education, and specialist referrals. (DI #4 p.65). In calendar year 2024 and 2025, Ruxton provided $20,400 in charity care. (DI # 9, exh. 16, table 3).

Ruxton prioritizes culturally competent care by requiring all staff to complete cultural sensitivity and competency training upon hire. To further promote accessibility, the applicant offers free interpreter services to address language barriers and collaborates with patients and referring practices to help resolve transportation issues. While Ruxton does not directly fund transportation, Ruxton plays an active role in identifying needs and connecting patients with available support. (DI.#4 p.65). This process includes discussing available options, such as whether a patient has a caregiver or friend who may be able to provide transportation. (DI # 12 p.4) The applicant states that collectively, these efforts reflect its dedication to compassionate, inclusive, and accessible care for diverse patient populations. (DI.#4 p.65).

<u>Staff Analysis</u>

Staff reviewed the applicant's description of the demographic characteristics of the population within the service area and the policies and partnerships the applicant states are intended to promote equitable access to surgical services. The applicant reports that the service area population is racially and ethnically diverse, with approximately 46 percent of residents identifying as non-white, and that approximately 20 percent of households in the service area have annual incomes below $35,000. According to the updated Table 3, only 2 percent of Ruxton's total revenue and patient procedures come from Medicaid. Staff notes that income, transportation access, language barriers, and access to specialty providers are social determinants of health that may affect the ability of certain populations to obtain timely surgical care.

The applicant describes several mechanisms intended to reduce barriers to access. These include coordination with physician practices to identify patients in need of financial assistance, provision of charitable surgical services based on financial need, and efforts to address non-financial barriers such as language and transportation. The applicant states that it offers interpreter services and requires staff to complete cultural competency training. In addition, the applicant partners with the UM SJMC St. Clare Medical Outreach Program to provide surgical services to uninsured individuals who otherwise lack access to care. According to the applicant, this partnership supports a continuum of services that includes free primary care, health education, and referral to specialty services. Staff also notes that the applicant reported providing $20,400 in charity care in calendar years 2024 and 2025.

While these activities indicate that the applicant has implemented policies intended to reduce financial, language, and logistical barriers to care, staff notes that the applicant does not

currently collect patient-level demographic information related to race, ethnicity, or income. As a result, the applicant is not able to assess whether the populations served by the facility reflect the demographic characteristics of the broader service area or whether disparities in access to services may exist. Without such data, the applicant's ability to systematically evaluate whether its services are equitably accessible across different population groups is limited.

Staff also notes that the proposed project may have the potential to improve access to orthopedic surgical services by expanding outpatient surgical capacity and reducing reported wait times for procedures. To the extent that increased capacity reduces delays in obtaining needed surgical care, the project could improve access to services for patients across the service area, including those who may face barriers related to transportation, employment obligations, or caregiving responsibilities that make prolonged scheduling delays more burdensome.

However, given the absence of demographic utilization data, staff finds that additional reporting is necessary to allow the Commission to monitor whether the project improves access to care across diverse populations within the service area and whether disparities in utilization or outcomes emerge following project implementation. Collection of demographic and socioeconomic data will also enable the applicant and the Commission to better understand how social determinants of health may affect access to surgical services and whether additional interventions may be needed to address barriers faced by underserved populations.

Staff concludes that Ruxton's policies and partnerships demonstrate a commitment to promoting equitable access and culturally competent care. Overall, the applicant has established reasonable mechanisms to promote access for diverse and underserved populations, However, the lack of collection and reporting of patient demographic data limits the applicant's ability to measure and monitor access across racial, ethnic, and income groups. The payor mix of Ruxton shows that Medicaid and uninsured persons make up a smaller proportion of Ruxton's payor mix than commercially insured or Medicare patients, and there is also a smaller proportion of Medicaid and uninsured persons that receive care at Ruxton compared to Ruxton's service area. Therefore, enhanced data collection and reporting are necessary to support ongoing monitoring of health equity impacts associated with the project.

Accordingly, staff recommend the following conditions:

For three years following first use, Ruxton shall submit annual reports to the Commission, including, at a minimum: patient demographics (age, race/ethnicity), insurance type, employment status, charity care volume and value, number of patients requesting transportation assistance, number of patients who are limited English proficient or prefer to communicate in a language other than English, number of patients requesting interpreters including American Sign Language (ASL) interpreters, and key quality, access, and outcomes indicators and improvement initiatives as tracked and reported through Ruxton's Quality Assessment and Performance Improvement ("QAPI") program including stratification.

Ruxton shall maintain processes to support access to care and improve patient outcomes for all patients, including:

- Verify a responsible adult and ride are available prior to surgery, and providing transportation assistance if requested and in alignment with applicable law;
- Verify whether a patient prefers to communicate in a language other than English;
- Based on patient verification, make real-time interpreter services for patients who prefer to communicate in a language other than English;
- Provide patients pre-operative education and post-operative discharge planning support in their preferred language, written at no higher than a 5th or 6th grade reading level.

Ruxton shall review on a quarterly basis key quality, access, and outcomes indicators through its QAPI program, stratified by sociodemographic information including, but not limited to race, ethnicity, age, and payer source, and identify any key trends and opportunities for improvement. Report findings of such review to Ruxton's leadership and formulate process improvement initiatives. Report such findings to the Commission as part of the annual report described in the condition above, including but not limited to improvement initiatives related to addressing observed health disparities.

H. COMAR 0.24.01.08G(3)(h) Character and Competence

- The Commission shall assess the character and competence of an applicant based upon experience and past performance, including any records of violation in operating a health care service or facility.

Applicant Response

Ruxton states that none of the individuals or facilities identified has had its license suspended or revoked or been subject to any disciplinary action (such as a ban on admissions) in the last five years. The applicant states that none of the owners and individuals responsible for the project have ever pleaded guilty to or been convicted of a criminal offense in any way connected with the ownership, development, or management of the applicant facility or any other health care facilities. (DI #4, Part III). Applicant History and Statement of Responsibility, Authorization and Release of Information in Appendix I attest to Ruxton's character and competence

The applicant states that it creates a culture of competency and character through mandatory staff trainings. All new staff members are required to complete cultural sensitivity and competency training during their onboarding. Additionally, all physicians must complete continuing medical education (CME) biannually to maintain their medical licenses. Ruxton states it collects information regarding CME as part of each physician's medical staff reappointment process. (DI #4 p.67)

Staff Analysis

Staff reviewed the information submitted regarding quality of care, ownership, and character of the applicant.

The applicant identified all individuals and entities involved in the ownership, development, or management of the project, including University of Maryland St. Joseph Medical Center LLC as owner of the affiliated hospital. The applicant affirmed that none of the identified individuals or entities has been subject to license suspension or revocation, disciplinary action, or criminal conviction related to health care facility ownership or management within the past five years.

Ruxton encourages and provides all staff to attend cultural sensitivity trainings.

Based on the information provided, staff concludes there is no evidence of regulatory or compliance concerns and concludes that the applicant has demonstrated the criterion has been met.

IV. SUMMARY AND STAFF RECOMMENDATION

Based on the review of applicant's compliance with the Certificate of Need review criteria (COMAR 10.24.01.08G(3)(a) through h) and with the applicable standards in the General Surgical Services Chapter of the State Health Plan (COMAR 10.24.11), Commission staff recommends that the Commission issue a Certificate of Need to Ruxton to expand the current surgical capacity and establish an ambulatory surgical facility (ASF) by relocating its current ambulatory surgery center to ambulatory care building that will be constructed adjacent to UM SJMC. Staff concludes that the applicant demonstrated that the project complies with the applicable standards in the General Surgical Services Chapter, and all applicable criteria.

The applicant has demonstrated the need for a fifth operating room and two procedure rooms. The applicant has demonstrated that the proposed ASF will be financially viable and a cost-effective option for delivering outpatient surgical services for residents within its service area. Staff concludes that the project will have a positive impact on patient access and will not have an adverse impact on the other service providers, the health delivery system, and costs to patients for outpatient surgical services.

Based on the conclusion that the proposed project complies with the applicable standards in the State Health Plan chapter and the criteria for CON review, staff recommends that the Commission **APPROVE** Ruxton's CON project to establish an ASF at a new location. Staff recommends approval with the following conditions:

> Ruxton must receive accreditation by the Joint Commission, the Accreditation Association for Ambulatory Health Care (AAAHC), or the American Association for Accreditation of Ambulatory Surgery Facilities or another accreditation organization recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification and approved by the State of Maryland within two years of first use.
>
> Ruxton must submit a CON application if they intend to utilize the designated "flex room" as an operating room in accordance with COMAR 10.24.11 D(1) and obtain approval from the Commission prior to such use. Alternatively, if the applicant elects to use the flex room as a procedure room, the applicant shall submit a determination of coverage letter to the Commission for review and confirmation prior to initiating such use.

Ruxton shall commit to providing charitable surgical services to indigent patients that are equivalent to at least the average amount of charity care provided by ambulatory surgical facilities in the most recent year reported by the Maryland Health Care Commission, measured as a percentage of total operating expenses.

Ruxton shall provide its patients with an estimate of out-of-pocket charges prior to arrival for surgery.

Ruxton shall post copies of the financial policy and the financial assistance application on its website prior to first use.

For three years following first use, Ruxton shall submit annual reports to the Commission, including, at a minimum: patient demographics (age, race/ethnicity), insurance type, employment status, charity care volume and value, number of patients requesting transportation assistance, number of patients who are limited English proficient or prefer to communicate in a language other than English, number of patients requesting interpreters including American Sign Language (ASL) interpreters, and key quality, access, and outcomes indicators and improvement initiatives as tracked and reported through Ruxton's Quality Assessment and Performance Improvement ("QAPI") program including stratification.

Ruxton shall maintain processes to support access to care and improve patient outcomes for all patients, including:

- Verify a responsible adult and ride are available prior to surgery, and providing transportation assistance if requested and in alignment with applicable law;
- Verify whether a patient prefers to communicate in a language other than English;
- Based on patient verification, make real-time interpreter services for patients who prefer to communicate in a language other than English;
- Provide patients pre-operative education and post-operative discharge planning support in their preferred language, written at no higher than a 5th or 6th grade reading level.

Ruxton shall review on a quarterly basis key quality, access, and outcomes indicators through its QAPI program, stratified by sociodemographic information including, but not limited to race, ethnicity, age, and payer source, and identify any key trends and opportunities for improvement. Report findings of such review to Ruxton's leadership and formulate process improvement initiatives. Report such findings to the Commission as part of the annual report described in the condition above, including but not limited to improvement initiatives related to addressing observed health disparities.

IN THE MATTER OF	*	BEFORE THE
	*	
	*	
Ruxton SurgiCenter LLC	*	MARYLAND HEALTH
	*	
	*	
	*	CARE COMMISSION
Docket No.: 25-03-2474	*	
	*	

* *

FINAL ORDER

Based on the analysis and conclusions contained in the Staff Report and Recommendation, it is this 21st day of May 2026, by a majority of the Maryland Health Care Commission, **ORDERED**:

The Commission **APPROVE** Ruxton's CON project to establish an ASF at a new location. Staff recommends approval with the following conditions:

Ruxton must receive accreditation by the Joint Commission, the Accreditation Association for Ambulatory Health Care (AAAHC), or the American Association for Accreditation of Ambulatory Surgery Facilities or another accreditation organization recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification and approved by the State of Maryland within two years of first use.

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Maintain processes to support access to care and improve patient outcomes for all patients, including:

- Verify a responsible adult and ride are available prior to surgery, and providing transportation assistance if requested and in alignment with applicable law;
- Verify whether a patient prefers to communicate in a language other than English;
- Based on patient verification, make real-time interpreter services for patients who prefer to communicate in a language other than English;
- Provide patients pre-operative education and post-operative discharge planning support in their preferred language, written at no higher than a 5th or 6th grade reading level.

Ruxton shall review on a quarterly basis key quality, access, and outcomes indicators through its QAPI program, stratified by sociodemographic information including, but not limited to race, ethnicity, age, and payer source, and identify any key trends and opportunities for improvement. Report findings of such review to Ruxton's leadership and formulate process improvement initiatives. Report such findings to the Commission as part of the annual report described in the condition above, including but not limited to improvement initiatives related to addressing observed health disparities.

APPENDIX 1 - Applicant History and Statement of Responsibility, Authorization and Release of Information, And Signature

List names and addresses of all owners and individuals responsible for the proposed project and its implementation.

Applicant response

Owners: University of Maryland St. Joseph Medical Center, LLC, 7601 Osler Drive, Towson, MD 21204; Ruxton Pain Group, LLC, 8322 Bellona Avenue, Suite 330, Towson, MD 21204; and Ruxton Orthopaedic Group, LLC, 8322 Bellona Avenue, Suite 201, Towson, MD 21204. Responsible Individual: Thomas B. Smyth, President and CEO, University of Maryland St. Joseph's Medical Center, LLC, 7601 Osler Drive, Towson, MD 21204

Are the applicant, owners, or the responsible persons listed in response to Part 1, questions 2, 3, 4, 7, and 8 above now involved, or have they ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of these facilities, including facility name, address, and dates of involvement.

Applicant Response:

University of Maryland St. Joseph Medical Center LLC owns and operates University of Maryland St. Joseph Medical Center, an acute general hospital located at 7601 Osler Drive, Towson, MD 21204 and has always been the owner of this facility relevant to this Part.

Has the Maryland license or certification of the applicant facility, or any of the facilities listed in response to Question 2, above, been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant, owners or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

Applicant response

No

Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) received inquiries in last from 10 years from any federal or state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with any state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation including reports of non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.

Applicant response

No

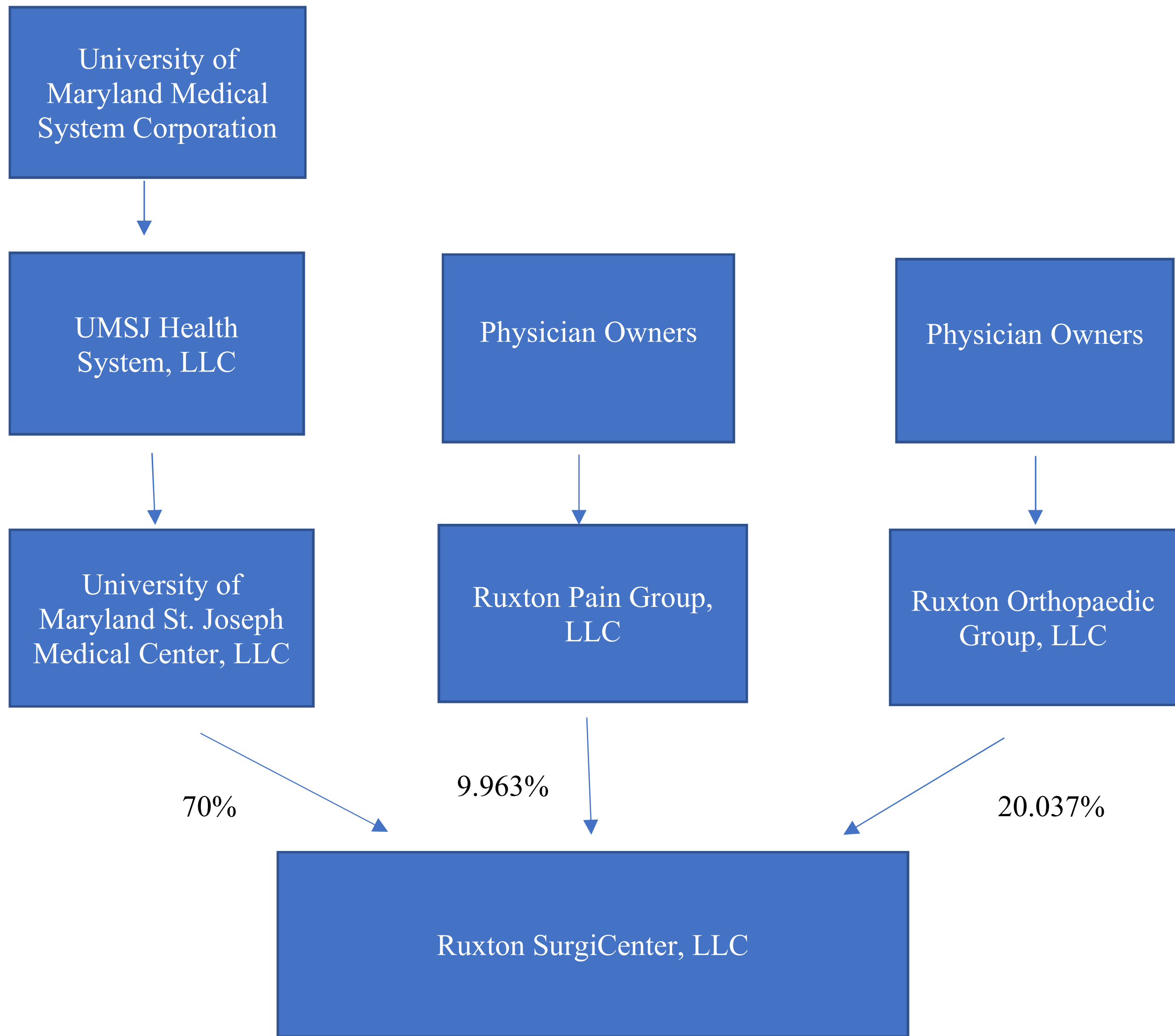
Have the applicant, owners or responsible individuals listed in response to Part 1, questions 2, 3, 4, 7, and 8, above, ever pled guilty to or been convicted of a criminal offense in any way connected with the ownership, development or management of the applicant facility or any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s)

Applicant response

No

APPENDIX 2 - Ownership Structure and Ownership List

Exhibit 2
Ruxton SurgiCenter, LLC Organizational Chart



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Physician Owners of Ruxton Orthopaedic Group, LLC

Member Name	Membership Percentage
Richard D. Winakur	4.990646%
Brian Shiu	15.446050%
Bruce S. Wolock	4.990646%
Jeffrey T. Brodie	4.990646%
Michael J. Marion	4.990646%
Brian D. Mulliken	4.990646%
Timothy P. Codd	4.990646%
David T. Schroder	5.614477%
Alvin J. Detterline, IV	20.923212%
Kenneth W. Defontes, III	5.614477%
Sarah J. Hobart	5.614477%
Elizabeth I. Langhammer	5.614477%
Theodore T. Manson	5.614477%
Jack Steele	5.614477%

Physician Owners of Ruxton Pain Group, LLC

Member Name	Membership Percentage
Brian Block	33.33%
Ayodeji Omosule	33.33%
Louis Panlilio	33.33%

APPENDIX 3 – Workforce Information

Workforce

Administration

Category	Value
Current FTEs	2.0
Average Salary	$153,500
Current Total Cost	$307,000
Project FTE Change	0.0
Project Cost Change	$0
Projected Total FTEs	2.0
Projected Total Cost	$307,000

Direct Care Staff

2.1 Registered Nurses (RN)

Category	Value
Current FTEs	15.1
Current Total Cost	$1,434,944
Project FTE Increase	5.2
Project Cost Increase	$493,926
Projected Total FTEs	20.3
Projected Total Cost	$1,928,870

2.2 Certified First Assistant

Category	Value
Current FTEs	1.0
Project FTE Increase	0.3
Projected Total FTEs	1.3

2.3 Surgical Tech

Category	Value
Current FTEs	8.0
Project FTE Increase	2.8
Projected Total FTEs	10.8

2.4 Medical Assistant

Category	Value
Current FTEs	1.0
Project FTE Increase	0.3

Category	Value
Projected Total FTEs	1.3

2.5 Imaging Tech

Category	Value
Current FTEs	0.5
Project FTE Increase	0.2
Projected Total FTEs	0.7

2.6 Total Direct Care Staff

Category	Value
Current FTEs	25.6
Project FTE Increase	8.8
Projected Total FTEs	34.4
Current Total Cost	$2,344,444
Projected Total Cost	$3,151,432

3. Support Staff

3.1 Registration

Category	Value
Current FTEs	2.0
Project FTE Increase	1.0
Projected Total FTEs	3.0

3.2 Billing & Coding

Category	Value
Current FTEs	1.0
Project FTE Increase	0.5
Projected Total FTEs	1.5

3.3 Total Support Staff

Category	Value
Current FTEs	3.0
Project FTE Increase	1.5
Projected Total FTEs	4.5
Current Total Cost	$215,000
Projected Total Cost	$322,500

4. Summary – Regular Employees

Category	Value
Current FTEs	30.6
Project FTE Increase	10.3
Projected Total FTEs	40.9
Current Total Cost	$2,866,444
Projected Total Cost	$3,780,932

5. Contractual Employees

Category	Value
Total FTEs	0.0
Total Cost	$0

6. Benefits

Category	Value
Benefits Cost	$451,398
Method	11% of salary costs

7. Total Workforce Cost Summary

Category	Value
Current	30.6 FTEs / $3,208,663
Project-Related	10.3 FTEs / $529,741
Other Changes	0.0 FTEs / $0
Projected Total	40.9 FTEs / $4,232,330

APPENDIX 4 – Revenue and Expense

Revenue by Year

Year	Outpatient Services	Gross Patient Service Revenue	Allowance for Bad Debt	Contractual Allowance	Charity Care	Net Patient Services Revenue
2022	28,285,826	28,285,826	(120,186)	(18,977,081)	(8,300)	9,180,258
2023	30,478,136	30,478,136	(82,017)	(20,397,597)	(50,600)	9,947,921
2024	36,429,851	36,429,851	(133,121)	(24,053,622)	(20,400)	12,222,709
2025	36,473,585	36,473,585	(364,736)	(22,228,462)	(20,400)	13,859,987
2026	36,982,228	36,982,228	(369,822)	(22,538,450)	(140,000)	13,933,956
2027	37,181,457	37,181,457	(371,815)	(22,659,868)	(140,000)	14,009,774
2028	61,922,200	61,922,200	(619,222)	(37,737,867)	(140,000)	23,425,111
2029	87,109,993	87,109,993	(871,100)	(53,088,316)	(140,000)	33,010,577
2030	88,417,127	88,417,127	(884,171)	(53,884,936)	(140,000)	33,508,020
2031	89,758,277	89,758,277	(897,583)	(54,702,286)	(140,000)	34,018,408
2032	91,138,300	91,138,300	(911,383)	(55,543,327)	(140,000)	34,543,590

Operating Expenses by Year

Year	Salaries/Wages/Prof Fees	Contractual Services	Interest Current Debt	Interest Project Debt	Depreciation & Amort	Supplies	Other Expenses
2022	2,677,663	493,279	3,551	-	(334,600)	(2,547,091)	725,193
2023	2,823,778	483,830	5,880	-	(216,389)	(2,806,966)	798,715
2024	3,184,938	640,603	17,304	-	(79,285)	(3,432,406)	872,662
2025	3,174,416	898,505	-	62,153	(129,885)	(3,576,952)	934,729
2026	3,187,525	902,727	-	62,153	(129,885)	(3,591,724)	935,965
2027	3,204,869	906,551	-	62,153	(129,885)	(3,611,267)	937,599
2028	3,642,243	1,295,415	-	997,727	129,885	7,086,454	2,006,762
2029	4,118,535	1,692,859	-	997,727	129,885	10,605,495	2,035,745
2030	4,232,330	1,717,947	-	997,727	129,885	10,733,719	2,046,469
2031	4,349,086	1,743,687	-	997,727	129,885	10,865,281	2,057,473
2032	4,469,226	1,770,173	-	997,727	129,885	11,000,656	2,068,795

Income Summary

Year	Income from Operations	Non-Operating Income	Subtotal	Net Income (Loss)
2022	2,268,997	-	2,268,997	2,268,997
2023	2,708,116	-	2,708,116	2,708,116
2024	3,886,313	-	3,886,313	3,886,313
2025	5,083,346	-	5,083,346	5,083,346
2026	5,123,977	-	5,123,977	5,123,977
2027	3,981,683	-	3,981,683	3,981,683
2028	7,176,505	-	7,176,505	7,176,505
2029	12,432,966	-	12,432,966	12,432,966
2030	12,753,032	-	12,753,032	12,753,032
2031	13,087,151	-	13,087,151	13,087,151
2032	13,436,830	-	13,436,830	13,436,830

Patient Mix by Year

Year	Medicare	Medicaid	Blue Cross	Commercial Insurance	Self-Pay	Other	Total
2022	36%	4%	33%	20%	0%	6%	100%
2023	38%	5%	31%	20%	0%	5%	100%
2024	43%	2%	28%	25%	1%	2%	100%
2025	43%	2%	28%	25%	0%	2%	100%
2026	43%	2%	28%	25%	1%	2%	100%
2027	44%	2%	27%	24%	1%	2%	100%
2028	42%	2%	28%	25%	1%	2%	100%
2029	43%	2%	28%	25%	1%	2%	100%
2030	43%	2%	28%	25%	1%	2%	100%
2031	43%	2%	28%	25%	1%	2%	100%
2032	43%	2%	28%	25%	1%	2%	100%

APPENDIX 5 – Floor Plan

BUSINESS OFFICE 4105
MANAGER 4104
ADMIT 4103
RECEPTION 4102
SHARED WORK 4101
ASC WAITING 4100
PAT. BELONGINGS 4201
PAT. TLT 4202
PREP/ RECOVERY 4200A
PREP/ RECOVERY 4200B
PREP/ RECOVERY 4200C
PREP/ RECOVERY 4200D
PREP/ RECOVERY 4200E
PREP/ RECOVERY 4200F
PREP/ RECOVERY 4200G
PREP/ RECOVERY 4200H
PREP/ RECOVERY 4200J
PREP/ RECOVERY 4200K
PREP/ RECOVERY 4200L
PAT. TLT 4203
PREP/ RECOVERY 4204
CORRIDOR 4200
CONSULT 4301
PREP/ RECOVERY ROOM 4303
PREP/ RECOVERY ROOM 4305
TEAM STATION 4302
EQUIP 4304
CLEAN SUPPLY 4209
EQ. ALCOVE 4208
MEDS 4211
TEAM STATION 4213
PREP/ RECOVERY 4212
PREP/ RECOVERY 4221
PREP/ RECOVERY 4214
PREP/ RECOVERY 4223
TEAM STATION 4222
ANESTHESIA TOUCHDOWN 4224
NOURISH ALCOVE 4310A
PAT. TLT 4207
PAT. TLT. 4226
EQ. ALCOVE 4206
STAFF TOILET 4231
TELECOM 4233
EQ. ALCOVE 4205
PROCEDURE #1 4332
CORRIDOR 4330
PROCEDURE #2 4334
COMMUNITY ROOM 4001
PUBLIC TLT 4002
PUBLIC TLT 4003
PUBLIC TLT 4004
PUBLIC CORRIDOR 4000
STAIR 1-3
ELEC 4009
DICTATION 4307
BIOHAZARD 4309
CORRIDOR 4310
WC ALCOVE 4300B
PREP/ RECOVERY 4310C
PREP/ RECOVERY 4310D
PREP/ RECOVERY 4310E
EVS 4328
SOILED 4329
PREP/ RECOVERY 4310F
PREP/ RECOVERY 4310G
PREP/ RECOVERY 4310H
CONTROL 4315
SEMI-RESTRICTED CORRIDOR 4320
SERVICE CORRIDOR 4010
WAITING 4500
ELEVATOR CONTROL 4005
TELECOM 4006
TRASH 4007
RECEIVING/ BREAKDOWN 4008
VENDOR DROP-OFF 4321
DIRTY LINEN 4322
WATER/EVS 4012A
SCRUB 4320C
SCRUB 4320D
OR #1 4323
OR #2 (ROBOT 4324
OR #3 4325
OR #4 4326
EQUIPMENT STORAGE 4327
NURSE MANAGER 4033
STAIR 2-4
STAFF TOILET 4031
STAFF TLT 4502
STAFF LOUNGE 4503
PAT TLT 4501
SOILED WORKROOM 4504
STEAM GENERATOR/ MEP SUPPORT 4011
DECONTAM 4012
CORRIDOR 4015
HW 4510G
INF 1 4510A
INF 2 4510B
INF 3 4510C
INF 4 4510D
INF 5 4510E
NURSE CHARTING 4511
PHARMACY CLEANROOM 4512
MEDICATION COLD STORAGE 4513
PRIVATE INFUSION ROOM 4514
NOURISH ALC. 4510F
FEMALE LOCKERS 4013
MALE LOCKERS 4017
PREP/PACK 4014
STERILE SUPPLY 4016
OFFICE 4018
OR #5 4029
SCRUB 4020A
CORRIDOR 4020
STAFF LOUNGE 4019
CENTRAL STORAGE 4021
ANESTHESIA STORAGE 4025
FUTURE PROCEDURE ROOM or OR 4027

149' - 11 7/8"
20' - 0" | 30' - 0" | 30' - 0" | 30' - 0" | 30' - 0" | 30' - 0" | 31' - 3 1/8"
201' - 3"

1 A104 LEVEL 4 - FLOOR PLAN
SCALE: 1/8" 1'-0"

TENANT LEGEND

- Building Support
- Infusion
- MEP
- Ruxton ASC

Autodesk Docs://UMMS St. Joseph Ambulatory MOB/2407.03_SJMC MOB_ARCH.rvt

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WILMOTSANZ
ARCHITECTURE INTERIOR DESIGN PLANNING

77 UPPER ROCK CIRCLE • SUITE 100
ROCKVILLE, MD 20850
301.590.2900 • WWW.WILMOTSANZ.COM

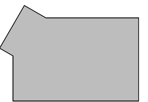
Architect/Engineer Seal:

MEP ENGINEER
WSP
330 ST. CHARLES WAY
YORK, PA, 17402
717-894-3903

BUILDING CORE SHELL
POWERS BROWN ARCHITECT
150 S. WASHINGTON ST., SUITE 300
WASHINGTON, DC
703-962-6643

STRUCTURAL
FMC STRUCTURAL DESIGN GROUP, LLC
11820 PARKLAWN DRIVE, SUITE 300
ROCKVILLE, MD 20852
301-545-6740

LJB, INC
2500 NEWMARK DRIVE
MIAMISBURG, OH, 45432
937-259-5000



PLAN NORTH
TRUE NORTH

KEY PLAN

REVISIONS	DATE	NO.
SCHEMATIC DESIGN	09-19-2025	

UMMS ST. JOSEPH MEDICAL CENTER

UMMS ST. JOSEPH AMBULATORY MOB
7601 Osler Dr,
Towson, MD 21204

1/8" FLOOR PLAN

Project Number:	2407.3
Scale:	1/8" 1-0"
Date:	09/19/2025
Drawing:	of
Print Date/Stamp:	9/10/2025 12:46:49 PM
Sheet No.:	A104

SCHEMATIC DESIGN

APPENDIX 6 – Record of Review

Ruxton SurgiCenter LLC – Docket Timeline

Docket Item #	Description	Date
1	Ruxton SurgiCenter LLC – Letter of Intent	07/11/2025
2	Pre- Application Conference Agenda and Minutes	07/23/2025
3	Amended Letter of Intent	09/10/2025
4	Ruxton SurgiCenter LLC submits a Certificate of Need (CON) application	09/12/2025
5	Receipt of Application – October 3 Published in Maryland Register Electronic Filing System	09/12/2025
6	Baltimore Sun Paper – Notice of Application Published	09/24/2025
7	Ruxton SurgiCenter – Completeness Questions	10/10/2025
8	MHCC letter designating University of Maryland Medical System (UMMS) as co-applicant	10/31/2025
9	Ruxton SurgiCenter LLC – Responses to Completeness Questions	10/10/2025
10	Ruxton SurgiCenter LLC – Response to MHCC Correspondence (Objection to UMMS Co-Applicant Designation)	10/31/2025
11	Round 2 Completeness Questions	12/05/2025
12	Ruxton SurgiCenter LLC – Responses to MHCC Completeness Questions	12/19/2025
13	Executive Engagement Letter with CPA	12/17/2025
14	Ruxton SurgiCenter LLC – Supplemental Response to Completeness Questions (sent 12/5/2025)	01/30/2026
15	General Notice – Formal Start of Review	02/05/2026
16	Docketing Letter – Ruxton	02/05/2026
17	Ruxton – Local Health Officer Notification	02/05/2026
18	UMMS Co-Applicant Withdrawal	02/09/2026
19	Notice in Baltimore Sun	02/09/2026