



CITY OF HAVRE DE GRACE

OFFICE OF THE MAYOR

William T. Martin

April 15, 2020

Ben Steffen
Executive Director, Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Mr. Steffen,

I hope this letter finds you well.

It is my understanding that the University of Maryland Upper Chesapeake Health's (UM UCH) application for a certificate of need, an exemption request, and a consolidation application are on the agenda for the Maryland Health Care Commission's (MHCC) next meeting to be held on April 16, 2020. Those applications include the closure of University of Maryland Harford Memorial Hospital (UM HMH) and the construction of a free-standing medical facility (FMF) in Aberdeen, the transfer of the licensed beds from UM HMH to University of Maryland Upper Chesapeake Medical Center (UM UCH), and the construction of a psychiatric hospital in Aberdeen.

The intent of this letter is not to address the merits of the various UM UCH applications; my administration has provided many documents to the MHCC regarding the City's position on these projects in the past. I desire to bring to your attention my concerns regarding the timing of the deliberation of these applications.

The world, our nation, and the great State of Maryland are currently in the throes of the COVID-19 pandemic. This pandemic is costing trillions of dollars on the federal level, and billions of dollars at the State level. Governor Hogan announced that the State's rainy-day fund may very well be depleted by the time this pandemic is over and his administration will likely not approve any bills which call for more spending. Clearly, the future financial stability of our great State, at this current time, is in question.

The various plans that UM UCH have proffered in their three applications cost hundreds of millions of dollars (\$62,991,120 for the psychiatric hospital, \$84,406,807 for the closure and transfer of UM HMH licensed beds, and \$56,665,400 for the construction of the FMF). Based on the information contained within the various UM UCH applications, these projects will be financed predominantly with debt. In the MHCC request for completeness information on modified application dated November 19, 2019 regarding the psychiatric hospital application, the MHCC asked, "Given the substantial profits and cash reserves, the applicant

proposes to fund this project entirely through borrowing.” Please explain why this is financially prudent and beneficial to the citizens of Maryland. If the MHCC had concern with UM UCH borrowing this volume of money and the potential negative effects it would have on the citizens of Maryland before the State was in financial straits, the prudent course of action, considering the dire financial position the State of Maryland is in, is for the MHCC to postpone any decisions regarding the various UM UCH applications until such time after the COVID-19 pandemic is over and the true financial picture of the State of Maryland is known. At that time and only that time, will the MHCC truly be able to understand the impact the borrowing of this much debt will have on the citizens of Maryland.

While I understand that if the commission approves the various UM UCH applications, the actual closure of UM HMH will not occur for a couple of years, I have great concern with deciding the fate of any acute care facility during a pandemic. The fact is that none of us know what things will be like after the pandemic has passed; however, what we do know is things will be different. Once this crisis has passed, there will be after-action reports completed at the local, State, and Federal level to determine what worked well, and what courses of action need to be taken in order to better prepare ourselves in the future. As such, the topic of healthcare and the delivery of that healthcare to the community will inevitably be at the forefront of these changes. Making a decision now regarding the closure or construction of any healthcare facility will have long-lasting and irreversible effects. Because of the certificate of need law in the State of Maryland, the decisions of the MHCC on April 16, 2020 will cement the healthcare delivery model in Harford County before the pandemic is over and before any best practices and recommendations for change could ever be discussed or considered. It is likely that the optimal healthcare delivery model which serves the best interests of the citizens of Maryland in general, and Harford County specifically, will change in light of the pandemic. If the MHCC approves the various applications during this pandemic, the fate of healthcare in Harford County is sealed and the ability to benefit from analyzing this pandemic and better preparing for the future is lost. Ultimately the citizens are left to face the consequences of a decision which was made prematurely. It is simply not in the best interest of the citizens of Maryland and Harford County for the MHCC to take action on the UM UCH applications before the MHCC, State of Maryland, and the Country has had an opportunity to learn from this COVID-19 pandemic experience.

Additionally, I find it disheartening that the MHCC has publicly posted documents, dated April 16, 2020, which already contain final order approval letters in them for all three UM UCH applications. While I understand that the MHCC staff must proffer a recommendation to the commission regarding applications, I am dismayed that your recommendation documents are accompanied by letters of approval. This has sent the message to me and my constituents that a decision has already been made regarding the UM UCH applications before a formal vote of the MHCC has had an opportunity to take place.

For your consideration, and keeping consistent with the transparency of my administration, I have included letters I have sent to both Governor Hogan and our State legislators as well for your consideration.

Mr. Steffen, I implore you to remove the three UM UCH applications from the April 16th agenda and do not place them on a future agenda until we as a nation, a State, and a local community have had the opportunity to evaluate this pandemic, the financial impacts, and the effects it has had on healthcare. Only at that time can the MHCC make an informed decision regarding the future of healthcare delivery in our community.

Throughout the course of our lives we have moments like this: moments where doing the right thing feels difficult, where we are tested, and where our character is defined. This is one of your defining moments, Mr. Steffen! This is your opportunity to do what is right; I hope you find strength in knowing that delaying the review of the UMUH applications today will create a better tomorrow for the citizens of Maryland.

Respectfully,

A handwritten signature in blue ink that reads "William T. Martin". The signature is written in a cursive style with a long horizontal stroke at the end.

William T. Martin

Mayor

City of Havre de Grace