

July 21, 2021

Amended and Restated October 14, 2021

Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Mailstop C4-25-02, ATTN: Physician-Owned Hospital Exceptions
Baltimore, MD 21244-1850

RE: Request for High Medicaid Facility Exception to the Prohibition on Expansion of Facility Capacity Under the Hospital Ownership and Rural Provider Exceptions to Physician Self-Referral Prohibition

Dear Mrs. Brooks-LaSure,

Doctors Hospital at Renaissance, Ltd. (“DHR Health”) is formally requesting a high Medicaid facility expansion exception under 42 CFR §411.362(c)(3). DHR Health requests to be granted a high Medicaid facility expansion exception in order to increase the number of operating rooms, procedure rooms and beds allowed by 551, up to a total of 1,653.

1. Background

DHR Health had physician ownership on December 31, 2010 and a provider agreement under section 1866 of the Social Security Act. DHR Health has 551 baseline number of operating rooms, procedure rooms and beds that it was licensed on March 23, 2010.¹

In accordance with 42 CFR §411.362(c)(2), DHR Health applied for and received an expansion exception as an applicable hospital on September 17, 2015 and was approved for an additional 551 operating rooms, procedure rooms and beds.² DHR Health is currently licensed for 519 beds³, and currently has a total of 760 operating rooms, procedure rooms, and beds.⁴ DHR Health has not subsequently requested or been denied a facility expansion request by CMS in the last two years.

DHR Health meets the criteria to qualify as a high Medicaid facility under 42 CFR §411.362(c)(3):

- i. DHR Health is not the sole hospital in the county in which the hospital is located;
- ii. With respect to each of the 3 most recent 12-month periods for which data are available as of the date DHR Health submits its request, DHR Health had an annual percent of total inpatient admissions under Medicaid that is estimated to be greater than such percent with respect to such admissions for any other hospital located in the county; and
- iii. DHR Health continues to certify that it does not discriminate and does not permit physicians practicing at the hospital to discriminate against beneficiaries of Federal health care programs.

¹ **Appendix A.** CMS granting of DHR Health expansion request on September 17, 2015 and DHR Health Amended and Restated Applicable Hospital Expansion Exception Request. *See also:* <https://www.govinfo.gov/content/pkg/FR-2015-09-17/pdf/2015-23363.pdf>

² *Id.*

³ **Appendix B.** DHR Health current State of Texas hospital license.

⁴ **Appendix C.** Detailed information on DHR Health’s current beds, operating rooms, and procedure rooms.

2. About DHR Health

DHR Health is a homegrown, grassroots physician-owned community health system developed by local physicians with the goal of eliminating the need for our local residents to seek medical services outside the region by addressing all of the health care needs of our community. Located in the Rio Grande Valley of Deep South Texas, we serve an area of over 1.3 million people and provide access to high quality health care in one of the most underserved regions of the country. We are a safety-net hospital where a significant percentage (37%+) of our patients are Medicaid beneficiaries and 25% are Medicare according to CMS' Healthcare Cost Report Information System.

We are a full-service health system with 500+ beds, offering the most comprehensive medical care in the Rio Grande Valley with over 70 specialties and sub-specialties, 600 physicians, 1,400+ nurses, a rehabilitation hospital, behavioral hospital, the only dedicated women's hospital south of San Antonio, a level III neo-natal intensive care unit that ranks, in terms of outcomes, among the top 5% in the world, a designated Level I Comprehensive Trauma Facility, a robust clinical research division, and the flagship teaching hospital for the University of Texas Rio Grande Valley School of Medicine.

DHR Health is uniquely positioned to collaborate with CMS in addressing the needs of patients in the Rio Grande Valley and we look forward to continuing to work with CMS to not only improve care provided to our patients but to also make care more affordable and accessible.

TABLE 1. Hospital and Contact Information	
Name	Doctors Hospital at Renaissance, Ltd.
Address	5501 South McColl Road Edinburg, Texas 78539
National Provider Identification number (NPI)	1053317362 – Hospital
Tax Identification Number (TIN)	██████████
CMS Certification Number (CCN)	450869
County	Hidalgo
Contact Person Available for CMS	Roberto Haddad VP, Counsel for Government Affairs 5501 South McColl Road Edinburg, Texas 78539 (956) 362-7138 (o) (956) 662-9008 (c) R.Haddad@dhr-rqv.com

3. CMS Requirements for Expansion Exception as a High Medicaid Facility

TABLE 2. Requirements Matrix		
Item	Requirement	Compliant Response
42 CFR §411.362(c) – Criteria for an individual hospital seeking an exception to the prohibition on facility expansion.		
(1)	<i>General.</i> A high Medicaid facility may request an exception from the prohibition on facility expansion at any time, provided that it has not submitted another request for an exception to the prohibition on facility expansion for which CMS has not issued a decision.	Page 1
(3)	<i>Criteria for high Medicaid facility.</i> A high Medicaid facility is a hospital that satisfies all of the following criteria:	
(i)	<i>Sole Hospital.</i> Is not the sole hospital in the county in which the hospital is located.	Page 4 (Table 3)
(ii)	<i>Medicaid Inpatient Admissions.</i> With respect to each of the 3 most recent 12-month periods for which data are available as of the date the hospital submits its request, has an annual percent of total inpatient admissions under Medicaid that is estimated to be greater than such percent with respect to such admissions for any other hospital located in the county in which the hospital is located. For purposes of this paragraph, the most recent 12-month period for which data are available means the most recent 12-month period for which the data source used contains all data from the requesting hospital and every hospital located in the same county as the requesting hospital.	Page 4 (Table 3)
(A)	Until such time that the Healthcare Cost Report Information System (HCRIS) contains sufficiently complete inpatient Medicaid discharge data, a hospital may use filed Medicare hospital cost report data or data from an external data source (as defined in paragraph (a) of this section) to estimate its annual percentage of total inpatient admissions under Medicaid and the annual percentages of total inpatient admissions under Medicaid for every other hospital located in the county in which the hospital is located.	Page 4 (Table 3)
(B)	On or after such date that the Secretary determines that HCRIS contains sufficiently complete inpatient Medicaid discharge data, a hospital may use only filed Medicare hospital cost report data to estimate its annual percentage of total inpatient admissions under Medicaid and the annual percentages of total inpatient admissions under Medicaid for every other hospital located in the county in which the hospital is located.	Page 4 (Table 3)
(iii)	<i>Nondiscrimination.</i> Does not discriminate against beneficiaries of Federal health care programs and does not permit physicians practicing at the hospital to discriminate against such beneficiaries.	Page 5 (Table 4)
(4)	<i>Procedure for submitting a request.</i>	
(i)	A hospital must either mail an original and one copy of the written request to CMS or submit the request electronically. If a hospital submits the request electronically, the hospital must mail an original hard copy of the signed certification set forth in paragraph (c)(4)(iii) of this section to CMS.	
(ii)	A request must include the following information:	
(A)	The name, address, NPI(s), TIN(s), and CCN(s) of the hospital requesting an exception.	Page 2 (Table 1)
(B)	The county in which the hospital requesting an exception is located.	Page 2 (Table 1)
(C)	The name, title, address, and daytime telephone number of a contact person who will be available to discuss the request with CMS on behalf of the hospital.	Page 2 (Table 1)
(D)	A statement identifying the hospital as an applicable hospital or high Medicaid facility and a detailed explanation with supporting documentation regarding whether and how the hospital satisfies each of the criteria. The request must state that the hospital does not discriminate against beneficiaries of Federal health care programs and does not permit physicians practicing at the hospital to discriminate against such beneficiaries.	Pages 1 through 8
(E)	Documentation supporting the hospital's calculations of its baseline number of operating rooms, procedure rooms, and beds; the hospital's number of operating rooms, procedure rooms, and beds for which the hospital is licensed as of the date that the hospital submits a request for an exception; and the additional number of operating rooms, procedure rooms, and beds by which the hospital requests to expand.	Page 1 (FR footnote) Appendix A
(iii)	A request must include the following certification signed by an authorized representative of the hospital: "With knowledge of the penalties for false statements provided by 18 U.S.C. 1001, I certify that all of the information provided in the request and all of the documentation provided with the request is true and correct to the best of my knowledge and belief." An authorized representative is the CEO, CFO, or other comparable officer of the hospital.	Page 6
(5)	<i>Community input and timing of complete request.</i> Upon submitting a request for an exception and until the hospital receives a CMS decision, the hospital must disclose on any public Web site for the hospital that it is requesting an exception and must also provide actual notification that it is requesting an exception, in either electronic or hard copy form, directly to hospitals whose data are part of the comparisons in paragraphs (c)(2)(ii) & (c)(3)(ii) of this section.	Page 6

4. DHR Demonstration of Meeting CMS Requirements as a high Medicaid facility

(a) Sole Hospital in County and Medicaid Inpatient Admissions

- i. **Sole Hospital** - DHR Health is not the sole hospital in Hidalgo County, Texas.
- ii. **Medicaid Inpatient Admissions** - with respect to each of the 3 most recent 12-month periods for which data are available (2017, 2018, & 2019), DHR Health had an annual percent of total inpatient admissions under Medicaid that is estimated to be greater than such admissions for any other hospital located in Hidalgo County, Texas.

TABLE 3. Medicaid Inpatient Admissions for Hidalgo County (2017-2019)										
Provider Number	FY Begin	FY End	Hospital Name	City	State	County	Total Hospital Medicaid Discharges	Total Hospital Discharges	Medicaid HMO Discharges	Percent of Medicaid Discharges
2019 (8 facilities) - from CMS HCRIS data IME_GME2019.csv file										
450119	1/1/19	12/31/19	South Texas Health System	EDINBURG	TX	HIDALGO	2470	30336	6314	28.956%
450128	1/1/19	12/31/19	Knapp Medical Center	WESLACO	TX	HIDALGO	460	8478	0	5.426%
450176	1/1/19	12/31/19	Mission Regional Medical Center	MISSION	TX	HIDALGO	1125	8958	1255	26.568%
450711	10/1/18	9/30/19	Rio Grande Regional Hospital	MCALLEN	TX	HIDALGO	1767	15201	3841	36.892%
450825	1/1/19	12/31/19	Cornerstone Regional Hospital	EDINBURG	TX	HIDALGO	22	429	0	5.128%
450869	1/1/19	12/31/19	Doctors Hospital at Renaissance	EDINBURG	TX	HIDALGO	2836	31183	8836	37.431%
452095	9/1/19	8/31/20	Solara Hospital McAllen	MCALLEN	TX	HIDALGO	0	649	0	0.000%
453091	1/1/19	12/31/19	Weslaco Regional Rehabilitation Hospital	WESLACO	TX	HIDALGO	0	582	12	2.062%
2018 (8 facilities) - from CMS HCRIS data IME_GME2018.csv file										
450119	1/1/18	12/31/18	South Texas Health System	EDINBURG	TX	HIDALGO	2458	27125	5725	30.168%
450128	1/1/18	12/31/18	Knapp Medical Center	WESLACO	TX	HIDALGO	145	8523	0	1.701%
450176	1/1/18	12/31/18	Mission Regional Medical Center	MISSION	TX	HIDALGO	950	9169	1355	25.139%
450711	10/1/17	9/30/18	Rio Grande Regional Hospital	MCALLEN	TX	HIDALGO	1878	15560	4086	38.329%
450825	1/1/18	12/31/18	Cornerstone Regional Hospital	EDINBURG	TX	HIDALGO	1	490	0	0.204%
450869	1/1/18	12/31/18	Doctors Hospital at Renaissance	EDINBURG	TX	HIDALGO	2717	30986	11591	46.176%
452095	9/1/18	8/31/19	Solara Hospital McAllen	MCALLEN	TX	HIDALGO	0	667	0	0.000%
453091	1/1/18	12/31/18	Weslaco Regional Rehabilitation Hospital	WESLACO	TX	HIDALGO	0	569	4	0.703%
2017 (8 facilities) - from CMS HCRIS data IME_GME2017.csv file										
450119	1/1/17	12/31/17	South Texas Health System	EDINBURG	TX	HIDALGO	2529	26236	0	9.639%
450128	1/1/17	12/31/17	Knapp Medical Center	WESLACO	TX	HIDALGO	1153	8635	0	13.353%
450176	10/1/16	9/30/17	Mission Regional Medical Center	MISSION	TX	HIDALGO	689	7686	0	8.964%
450711	10/1/16	9/30/17	Rio Grande Regional Hospital [see note3]	MCALLEN	TX	HIDALGO	1656	13993	4318	42.693%
450825	1/1/17	12/31/17	Cornerstone Regional Hospital	EDINBURG	TX	HIDALGO	1	652	0	0.153%
450869	1/1/17	12/31/17	Doctors Hospital at Renaissance	EDINBURG	TX	HIDALGO	3356	30685	12606	52.019%
452095	9/1/17	8/31/18	Solara Hospital McAllen	MCALLEN	TX	HIDALGO	0	618	0	0.000%
453091	1/1/17	12/31/17	Weslaco Regional Rehabilitation Hospital	WESLACO	TX	HIDALGO	1	542	1	0.369%

Source(s): <https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Cost-Reports/Hospital-2010-form> [Files Last uploaded on 07/17/21]

(b) Non-Discrimination against Federal Health Care Program Beneficiaries

DHR does not discriminate against beneficiaries of Federal health care programs and does not permit physicians practicing at the hospital to discriminate against such beneficiaries.

The applicable requirement of 42 CFR §411.362(c)(3)(iii) reads as follows:

"(iii) Nondiscrimination. Does not discriminate against beneficiaries of Federal health care programs and does not permit physicians practicing at the hospital to discriminate against such beneficiaries."

DHR has over 600+ physicians who treat patients at its hospital. DHR's bylaws⁵ and admission policies⁶ iterate clearly the hospital's policy that no patient will be denied admission due to financial status or class, and that all attending physicians must take call on their specialty and must treat Medicare and Medicaid patients even if the individual physician on call does not have a Medicare or Medicaid number.

Additionally, DHR Health's Conditions of Admission Patient Bill of Rights provides that every "Patient has a right to: Receive services Receive services without regard to race, color, age, sex, sexual orientation, marital status, national origin, cultural, economic, educational, or religious background or the source of payment for care."⁷

Finally, while DHR Health has not had any incidents relating to a violation of this policy at the hospital, we deem it important to remind the medical staff of their obligations as physicians at DHR Health and to the community we serve; therefore, we sent each medical staff member a memorandum reminding them of our bylaws and policy.⁸

TABLE 4. Policies, Procedures, and Bylaws Prohibiting Discrimination	
• DHR Medical Staff Bylaws Excerpt (Appendix D)	Last Review and Approval - 2021
• DHR Policy Admit 1002 and 2002 (Appendix E)	Last Review and Approval – 2017 and 2020
• DHR Patient Bill of Rights (Appendix F)	Last Review and Approval – 2020
• DHR Memo to Medical Staff (Appendix H)	Issued 2015 and 2020

⁵ **Appendix D.** Section 3.5.3 Basic Responsibilities of Medical Staff Membership and Chapter D Emergency Service Call Responsibility of the Bylaws and Rules and Regulations of Medical Staff.

⁶ **Appendix E.** DHR Health Policy Admit-1002 stating that the medical staff shall admit all patients, regardless of social status, race, creed, color, age, national origin, religion, marital status, financial status, sexual orientation or handicap..." and Policy Admit-2002 stating that DHR Health "shall not deny admission to any patient due to race, color, religion, national origin, age, sex, sexual orientation, gender identity or expression, financial class, or disability."

⁷ **Appendix F.** DHR Health Patient Bill of Rights provided to patients as part of admission and registration packet.

⁸ **Appendix H.** DHR Health Notice to Medical Staff January 2020 and 2015.

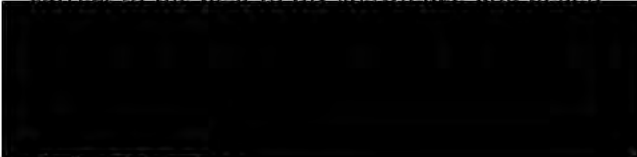
5. Other Notifications and Certifications

Notifications

DHR Health has disclosed on its public hospital web site⁹ that it is requesting an exception and will also provide notification that it is requesting an exception, in either electronic or hard copy form¹⁰, directly to hospitals whose data are part of the comparisons in paragraph (c)(3)(ii) of 42 CFR 411.362.

Certification

With knowledge of the penalties for false statements provided by 18 U.S.C. 1001, I certify that all of the information provided in the request and all of the documentation provided with the request is true and correct to the best of my knowledge and belief.


Manish Singh, MD
Chief Executive Officer
DHR Health

10/14/2021
Date

12:35 pm

⁹ DHR Health public website, www.dhrhealth.com, public notice of DHR Health requesting a high Medicaid facility located on bottom banner of website.

¹⁰ **Appendix H.** Copies of public website notice and notice sent to Hidalgo County hospitals providing notice of DHR Health requesting a high Medicaid facility physician-owned hospital expansion request pursuant to 42 CFR 411.362(c)(3).