

Delaware Health Resources Board
Meeting Minutes
Thursday, November 16, 2017 2:30 PM
Delaware Technical Community College (Deltech Terry Campus)
Corporate Training Center Rooms 400A and B
100 Campus Drive
Dover, Delaware 19901

Board Members Present: Acting Chair Lynn Fahey, Leighann Hinkle, Vincent Lobo, D.O., Ted Becker, Yrene Waldron, Julia O'Hanlon, Carolyn Morris and Nick Moriello

Board Members Absent: Michael Hackendorn, Mark Thompson, Denis Klima and John Walsh

Staff Present: Ann Kempfski, Latoya Wright and Jennifer Singh

Call to Order and Welcome:

Acting Chair Lynn Fahey welcomed the Board members and called the meeting to order at 2:35 p.m.

Action

September 28, 2017 Meeting Minutes

The meeting minutes were reviewed. Yrene made a motion to approve the minutes. Ted Becker seconded the motion; there was a voice vote, no abstentions, no opposing. Motion carried.

Nationwide Healthcare Certificate of Public Review Application (CPR)

Nationwide Health care submitted an application to construct a 150 bed skilled nursing facility in Milford DE. The capital expenditure is a minimum of \$5 million to a maximum of \$6,014,000. The Review Committee members that reviewed the CPR application were Mark Thompson, John Walsh and Ted Becker. There was a public hearing held on September 25, 2017 in which testimony was provided by representatives from Nationwide, Cadia Healthcare, Genesis Healthcare, Eden Hill and Bayhealth. The Review Committee met on August 31 and October 13. It was noted that the report was in the meeting materials. Ted Becker provided a summary of the report to the Board.

The following background information of the proposal was provided:

- Nationwide submitted a Certificate of Public Review application for the construction of a 150 bed skilled nursing facility in Milford DE.
- The committee members met on August 31st and October 13th to review and discuss the application.
- The application consists of (2) components:
 - ✓ Skilled nursing facility
 - ✓ Wellness Village

- The skilled nursing facility is the subject of approval for the HRB
- There was a public hearing held on September 25th as a result of the CPR application.
- Testimony provided at the public hearing was received from the following entities: Nationwide, Cadia Healthcare, Genesis Healthcare, Eden Hill and Bayhealth.

The Review Committee and the Board discussed the project's overall goal of transforming the current Bayhealth Milford Memorial Hospital and surrounding buildings (the "Clarke Avenue Campus") into an innovative, healthcare-focused multi-use community known as the Nationwide Milford Wellness Village. This is consistent with Delaware's "Triple Aim" of improving the health of Delawareans, improving the patient experience of care, and reducing health care costs. It was stated the applicant plans to convert the second and third floors of the existing four-story Milford Memorial Hospital. The skilled nursing and rehabilitation facility will consist of 150 beds of which 30 will be a part of a dedicated Memory Care Unit focusing on patients with Alzheimer's and Dementia. The skilled nursing facility will have three components:

- 1) Rehabilitation for patient's post-acute care
- 2) Long term care for patients with chronic disease
- 3) Memory Care Unit

The Chair of the Review Committee also reviewed the seven criteria with the Board summarizing the Review Committee's findings.

Criterion I: The relationship of the proposal to the Health Resources Management Plan.

It was stated the project would increase access to skilled nursing and rehabilitation services for residents of the City of Milford, Sussex County and surrounding areas in a cost effective manner. Nationwide will utilize existing resources and infrastructure as the current Milford Memorial Hospital. The Review Committee and the Board considered Nationwide's contribution to the care of the medically indigent, Nationwide expects that many residents of the nursing facility will be dual eligible (Medicare/Medicaid). With its other Delaware facilities, Nationwide has made it a priority to provide outstanding care to the Medicaid and medically indigent populations in the surrounding communities, and it plans to continue that tradition with this proposed facility.

The proposed skilled nursing facility will be the centerpiece of the Nationwide Milford Wellness Village, and thus part of a system with a managed, coordinated approach to meeting the healthcare needs of service area residents. The Wellness Village itself will contain tenants and partners carefully selected to fulfill the continuum of care both pre- and post-acute care. The nursing facility is expected to be housed in the same complex as a LIFE Center, which will support a managed, coordinated approach to serving the healthcare needs of the senior population. The LIFE team will coordinate necessary nursing home care for program participants, and locating the LIFE Center and nursing facility together as part of the same complex will maximize the efficiency of that coordination. It is then the aim of the nursing facility to rehabilitate the patient so that he or she can return to the LIFE program.

It was discussed how Nationwide's project takes into account the availability of out of state resources. The application noted, the closest out-of-state skilled nursing facilities to the proposed Nationwide Nursing Home are located over 20 miles away in Denton, Maryland. Many potential residents of a skilled nursing facility are elderly, frail, and typically, not in a condition to travel long distances to receive the skilled nursing and rehabilitation services Nationwide plans to offer. Additionally, recovery in a setting close to home, where family and friends are able to conveniently visit in familiar surroundings, accelerates healing and eases the burden on family and friends during a stressful time. This makes travel out of state to receive skilled nursing and rehabilitation services an inconvenient option.

Nationwide's project will dis-incentivize overutilization and promote efficiency. The proposed nursing facility is designed to promote efficiency and decrease utilization. Nationwide plans to offer 150 beds, which is 74 fewer beds than the projected need for Sussex County contained in the most recent Health Resources Management Plan. Nationwide's team of expert professionals and the latest technology and equipment will provide residents with individualized, patient-centered care, intent on helping them reach their full potential and return home to their cherished routines. By expediting the residents' recovery, Nationwide will reduce Medicaid and Medicare days and, therefore, decrease the cost to the State and Federal government.

Nationwide's project will encourage enhancing meaningful markets. The new facility will address a demonstrated need in the healthcare continuum in Sussex County with respect to subacute care and rehabilitation. Nationwide states there is currently a shortage of nursing home beds in Sussex County. This results in few choices for patients, over-utilization of existing facilities, and a lack of competition in the market to drive down costs and improve quality. The interplay between the proposed nursing facility and the rest of the Wellness Village, as well as with the Bayhealth Sussex Campus, will also enhance the market.

The proposal will encourage prevention activities such as early detection and the promotion of healthy lifestyles. Nationwide promotes lifestyle elements such as:

- Deep Breathing Therapy
- Hydration
- Proper Nutrition
- Exercise
- Appropriate Rest
- Spiritual/Social
- Health Goals/Action
- Safety/Habits
- Health Metrics/Labs
- Doctors/Health Systems

The Review Committee agreed the application met criterion I.

Action

Leighann Hinkle made a motion to approve the Review Committee's recommendation that the application met criterion I. Nick Moriello seconded the motion. There was a voice vote, with six voting in favor, two abstentions, no opposing. Motion carried.

Criterion II: The need of the population for the proposed project.

Nationwide noted in the application, the number of admissions to private nursing homes in Sussex County between the years of 2005 and 2015 increased. According to the most recent data in the 2016 Delaware Nursing Home Utilization Statistics Report, the number of admissions increased 59.2% from 2006 to 2016. The 2016 bed need projections presented to the Health Resources Board on September 28, 2017 projected a statewide shortage of nursing home beds of 639. There was a shortage of 229 beds in Sussex County. Nationwide states, failure to increase the number of beds available could potentially create a critical shortage in the health care continuum that will increase costs. Patients are unable to be discharged out of high-cost acute care settings.

It was stated that Nationwide believes it will attract patients primarily from Sussex County, Delaware. Testimony provided at the public hearing from a representative from Genesis Healthcare stated all three of their facilities in Sussex County, Milford Center, Seaford Center and Lofland Park has seen a decrease in overall occupancy. It was stated the Seaford Center is participating in a CMS demonstration project for bundled payment and that bundled payment is moving toward a value-based system for reimbursement. It was noted the facilities are experiencing decreased lengths of stay moving those patients through the continuum much faster than before. Testimony also provided indicated the facilities are seeing a diversion of patients seeking services that are offered out into the community.

There was also testimony stating there is a concern for the new facility located in the Milford area duplicating existing services. Genesis Healthcare facilities currently provide dementia services. The Seaford Center has a 26 bed specialized care unit providing care for the memory impaired. The Lofland Park facility has a 20 bed unit. According to the 2016 Delaware Nursing Home Utilizations Statistics Report, Sussex County's weighted occupancy rate averaged 88.7%. Lofland Park's occupancy rate was 93.9%, Milford Center, 93.8% and Seaford Center, 88.2%.

Testimony at the public hearing from a representative from Cadia Healthcare questioned the need for the proposed project and the bed need projections. It was stated the weighted occupancy rates in Sussex County has declined to less than 90% in 2015. Data indicates that the licensed bed capacity was sufficient to meet patient needs without the need of additional beds. Testimony also disputed the need based on population growth. It was noted in 2014 and 2015 there was a declining trend. Cadia stated they are experiencing lower occupancy levels and understand the state and federal government are attempting to reduce long-term health care costs. Strategies have been implemented such as managed care by Medicaid and home health care services. These approaches shift the patient from an acute environment in which this the trend will continue. Testimony stated the occupancy rates are below 90% for Cadia's facilities (surrounding nursing homes) which dispute the need for an additional nursing home.

Testimony provided on behalf of Bayhealth supported the need for the nursing home. Bayhealth stated the proposal supports the triple aim which is consistent with their mission to strengthen the

health of the community. It was noted, additional Alzheimer's and dementia beds are needed in the area. The increasing population and the growth that exists in the community supports the need.

Eden Hill provided testimony that stated they were initially concerned of duplication of services due to proximity and overlapping of services. They have reflected upon the projected bed need of both Kent and Sussex Counties, review the application and speak to Nationwide representatives about the new facility. They stated Nationwide informed them they will focus on long term care and will be committed to accept patients that not be accepted at other facilities. Eden Hill noted that Nationwide was diligent in speaking with stakeholders in Milford to ensure the facility will fit the needs of the community. Ensuring Nationwide's intention is not duplicate services offered in Dover, Eden Hill therefore supports Nationwide's application.

The Review Committee agreed the application met criterion II.

Action

Julia O'Hanlon made a motion to approve the Review Committee's recommendation that the application met criterion II. Carolyn Morris seconded the motion. There was a voice vote, with six voting in favor, two abstentions, no opposing. Motion carried.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the State of Delaware.

There are no reasonable substitutes for skilled nursing and rehabilitation facilities. Home care is a less expensive delivery model, but is not adequate for the level of acuity of patients recently discharged from the hospital who are unable to function at home without constant supervision or special equipment. Acute care, while an adequate delivery model, can be three to four times as expensive as a skilled facility. Assisted living facilities are generally not equipped to handle subacute patients as they are intended for a more independent lifestyle, and costs can be higher than in a subacute setting.

The Review Committee agreed the application met criterion III.

Action

Leighann Hinkle made a motion to approve the Review Committee's recommendation that the application met criterion III. Nick Moriello seconded the motion. There was a voice vote, with six voting in favor, two abstentions, no opposing. Motion carried.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

The proposed skilled nursing facility is the result of strategic facility assessments and master planning by Nationwide. Negotiations with Bayhealth for the sale of the properties in the Clarke Avenue Campus were careful, precise, and directly responsive to the question of what would and would not be part of the new Wellness Village so there would be no duplications with the Bayhealth Sussex Campus, resulting in an integrated and efficient healthcare delivery system.

Nationwide states the next closest skilled nursing facilities are approximately 15-20 minutes away in Georgetown and Lewes. Traveling such a distance to receive skilled nursing care is not ideal for the elderly population which is an inconvenient option.

Through its Ancillary and Clinical Services division, Bayhealth is organizing post-acute care for its ancillary service lines, consisting of Orthopedics, Cardiovascular, Neurosciences, Oncology, and Rehabilitation Services with bundled payments in mind. Bundled payments involve reimbursement to providers according to expected costs for clinically defined episodes of care. Bayhealth and Nationwide are in discussions regarding clinical integration for Nationwide's nursing home services.

The Review Committee and Board discussed palliative care and whether Nationwide has agreements with palliative care providers. Nationwide stated they offer palliative and end of life care based on the individual choice of the resident and family members through facility based practices and protocols, as well as through contractual agreements with providers of hospice and palliation services. The subcommittee and Board also discussed whether Nationwide will have diagnostic services available on-site. Nationwide stated that diagnostic testing is provided to meet the needs of their residents through various means, primarily through contracted providers. If a diagnostic is required, that cannot be performed at the facility, such as a MRI, Nationwide coordinates with local hospitals and other providers to perform the required test.

The Review Committee agreed the application met criterion IV.

Action

Nick Moriello made a motion to approve the Review Committee's recommendation that the application met criterion IV. Lynn Fahey seconded the motion. There was a voice vote, with six voting in favor, two abstentions, no opposing. Motion carried.

Criterion V: The immediate and long-term viability of the proposal in terms of the applicant's access to financial. Management and other necessary resources.

It was stated Nationwide have previously demonstrated its ability to plan, develop, build, and operate quality healthcare facilities. As a result, Nationwide has relationships with several lending institutions that have financed its projects in the past and have expressed a high level of interest in financing the proposed project. The estimated financial capital required to fund the skilled nursing facility construction is \$4.5 million, which will be funded through a conventional mortgage and a line of credit.

Written comments submitted on behalf of Cadia Healthcare and Genesis Healthcare stated that due to the redaction of the Agreement of Sale, this limits the public's right to know what is included if Nationwide seeks reimbursement under the Medicaid and Medicare programs for the nursing home. It was stated the public has the right to know, if and what extent, the cost of the portions of the Wellness Village beyond the nursing home will be reimbursed by Medicaid nursing home program funds. The application should identify and describe the entity that will own, develop and rent out the Wellness Village (including the nursing home property). The economic terms of the proposed lease of the nursing home to its operator and the nursing

home's contributions towards the costs of other portions of the Wellness Center should be set forth. It was also noted, it is important to have a commitment and restrictive covenant from the applicant (including the entities that will actually own and operate the nursing home and Village). If the application is approved, the capital expenditure eligible for Medicaid and Medicaid reimbursement will not exceed \$6,014,000 which is stated in the application as being the maximum capital expenditure for the nursing home.

Testimony at the hearing provided by Nationwide stated that as with their other facilities, there are a number of payers they will be work with in respect to the nursing home, and the same will be true for their tenants with respect to the Wellness Village. Whether that is Medicaid, Medicare, Highmark, Aetna or another payer, the payers will determine what is reimbursable. Also Nationwide noted, the application is seeking approval only for 150 skilled nursing beds, including a memory care unit. The skilled nursing facility will stand on its own and is the only aspect of the proposal requiring approval from the HRB.

The Review Committee agreed the application met criterion V.

Action

Carolyn Morris made a motion approve the Review Committee's recommendation that the application met criterion. Julia O'Hanlon seconded the motion. There was a voice vote, with six voting in favor, two abstentions, no opposing. Motion carried.

Criterion VI: The anticipated effect of the proposal on the costs of and charges of healthcare.
The projected costs during the first year of operations was discussed to include:

Financial Impact (first full year of operations):

- Estimated effect on annual expenses: \$ 6,894,570
- Estimated effect on annual revenue: \$ 6,453,767
- Estimated effect on individual charges: \$ N/A

It was noted, because the Nationwide Nursing Home will provide capacity to accept patients in a timely manner from local hospitals, Nationwide anticipates the facility will have a positive impact on healthcare costs by providing a conduit for moving patients from a higher cost setting to a lower cost setting in a faster time frame than the system has been able to accommodate in the past.

The Review Committee agreed the application met criterion VI.

Action

Nick Moriello made a motion approve the Review Committee's recommendation that the application met criterion VI. Carolyn Morris seconded the motion. There was a voice vote, with six voting in favor, two abstentions, no opposing. Motion carried.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

The application noted the proposal will have a positive impact on the quality of health care to include a wide array of activities and services to include, memory care, respiratory programs, a

transition of care program, rehabilitation services and diagnostic services. The Review Committee discussed the state's behavioral health and substance needs and the possibility of integrating those needs with the skilled nursing care needs. The Review Committee sent a follow up question to Nationwide inquiring if they plan to integrate the skilled nursing care with those needs and does the application address those issues. In Nationwide's response, they stated they currently provide behavioral health services through facility based practices and through coordination with local hospitals and psychiatrists/psychologists. Nationwide would continue this practice at the new facility addressing that specific population need in coordination with local providers. During an individual's recovery, Nationwide provides skilled nursing care needs appropriate for the individual and the stage of their recovery. Nationwide intends to coordinate closely with providers of behavioral health and substance abuse to integrate their services when individuals may require those services.

The Review Committee agreed the application met criterion VII.

Action

Julia O'Hanlon made a motion approve the Review Committee's recommendation that the application met criterion VII. Carolyn Morris seconded the motion. There was a voice vote, with six voting in favor, two abstentions, no opposing. Motion carried.

Based upon the foregoing findings, the Review Committee hereby recommends approval of the CPR application submitted by Nationwide Healthcare Services LLC with the following condition:

Nationwide will agree to participate in the DHIN (Delaware Health Information Network) as the state designated health information exchange as a fully participating data sender at the prevailing fee structure, and to participate in additional functionality and data exchange features and services as made available by DHIN. The level of participation will be limited to what is permitted under State and Federal laws

Action

Nick Moriello made a motion to approve the Review Committee's recommendation that the Nationwide application is approved with the condition. Lynn Fahey seconded the motion. There was a voice vote, with six voting in favor, two abstentions no opposing. Motion carried.

Christiana Care Structural Heart Lab CPR application

Christiana Care submitted a CPR application to construct the addition of a structural heart interventional laboratory (lab). The capital expenditure is \$3.5 million. The Review Committee that reviewed the application was Carolyn Morris, Lynn Fahey and Dr. Lobo. Carolyn as Chair of the Review Committee, provided a summary of the report to the Board.

Christiana Care proposes to add a new laboratory for procedures at Christiana Hospital with hybrid capabilities to modernize and improve the cardiovascular patient experience. The new laboratory will enable them to treat cardiovascular diseases, provide innovative care and improve health outcomes for their aging, complex patient population. Christiana states there is an

increasing incidence of cardiovascular disease in an aging population who can have high rates of mortality and morbidity from traditional open surgeries. Structural heart disease interventions and minimally invasive cardiovascular surgery procedures are transforming health care delivery through a combination of advanced technologies and catheter based surgical techniques targeted for the high-risk patient population.

The core offering of a structural heart disease program is Transcatheter Aortic Valve Replacement (TAVR) and in FY 2016, Christiana Care's TAVR volumes grew 72% from the prior fiscal year. In August 2016, TAVR was approved by the FDA for use in intermediate-risk patients. According to market insights from The Advisory Board, indication expansion to intermediate-risk patients is poised to drastically grow the market size. Many patients may now be new candidates for TAVR.

This initiative has the potential to significantly change the way care is delivered over the next several years. It opens the door to a one-stop treatment approach where a specialized heart team has access to the necessary tools and advanced imaging capabilities they need in one place to execute complex procedures. This eliminates the need for multiple procedures and prolonged hospital stays. To the patient, the procedure experience will be simpler and more convenient. The procedures eliminate sternotomy, long recoveries in the hospital and at home, and reduce pain. According to providers, the procedures offer new options to more patients who previously may have been too high risk or simply too apprehensive for surgery.

The structural heart disease interventional laboratory (the lab) will be constructed on the second floor of Christiana Hospital using existing shell space within the Center for Heart and Vascular Health. The project includes renovation of the existing facility and equipment purchase with an estimated capital expenditure of \$3,500,000.

Criterion I: The relationship of the proposal to the Health Resources Management Plan.

Principle 1: Applications should demonstrate consideration of access, cost, and quality of care issues: The proposed project will increase access to TAVR and a handful of new, hybrid cardiovascular procedures that are becoming common across the health care industry (see Schedule 3). The evolution of care from an invasive open-chest procedure to a minimally invasive catheter-based procedure will help them serve a larger number of patients and will reduce the total cost of care through improved efficiency, a reduction in inpatient stay days, and an expedited recovery for the patient.

Principle 2: Applicants are expected to contribute to the care of the medically indigent: Christiana Care provides services regardless of ability to pay and provided in excess of \$10.6 million in indigent care in FY16.

Principle 3: Projects should support a managed, coordinated approach to service healthcare needs: Cardiac surgeons, interventional cardiologists, surgical nursing staff, anesthesiologists and diagnostic imagers will work together in the proposed laboratory to perform image-guided, surgical procedures in real time. The combined space will be more efficient because it will replace multiple visits for the patient and improve coordination among highly skilled staff.

Principle 4: Availability of out-of-state resources: Structural heart labs are available in adjacent states. In fact, they are becoming a common piece of many health systems' cardiovascular programs. Most recent Mercy Fitzgerald Hospital, a member of the Trinity Health System, publicized the opening of their structural heart program in Delaware County in their constituent newsletter and available online here

<http://www.mercyhealth.org/resources/newsletter/mercyfitzgerald/minimally-invasive-heart-surgery/>.

Principle 5: Discourage incentives for over-utilization: Not applicable: Surgeons at Christiana Care are performing minimally invasive heart procedures currently. The investment represented by this application is positioned to enhance efficiency and throughput for procedures that are in demand among the aging population. The intent of the health system is not to promote overutilization of procedures beyond the relevant population, but to provide an optimal setting for both the patient and surgical team. Growth in volume will be a result of natural population growth, especially within the older adult age cohort, and the expansion of indication for use in intermediate risk patients that was provided by the FDA in 2016.

Principle 6: Projects enhancing meaningful markets are to be encouraged: Structural heart issues are common in the aging population. As the Baby Boomer generation ages, the health system is seeking ways to more efficiently and effectively serve a larger proportion of older patients. The procedures performed in the lab provide the patient with a better chance of achieving optimal health, which may translate into fewer years of disability and dependency and a better chance of preventing or forestalling the need for institutionalized skilled nursing care.

Principle 7: Projects improving the health status of Delawareans are essential: The minimally invasive nature of the procedures to be performed in this space will allow Christiana to serve existing patients and offer lifesaving procedures to patients who in the past have been considered too medically fragile to undergo an open procedure. The ability to fix problems related to the structure of the heart is well within reach and now a larger proportion of the older adult population can receive these procedures so that they have a better quality of life. A permanent fix to a structural heart issue improves the patient's overall health and well-being. The Review Committee discussed the advantages of providing cardiovascular procedures that are less invasive as opposed to open chest procedures and the reduction in stays for the patient.

The Review Committee agreed the application met criterion I.

Lynn Fahey made a motion to approve the Review Committee's recommendation that the application met criterion I. Ted Becker seconded the motion. There was a voice vote, with eight voting in favor, no abstentions, no opposing. Motion carried.

Criterion II: The need of the population for the proposed project.

The application asserts there is an increasing incidence of cardiovascular disease in an aging population who can have high rates of mortality and morbidity from traditional open surgeries. The market for minimally invasive options that offer the same quality and outcomes to surgery is expected to grow rapidly arising from increased consumer demand and further technology advances making the intervention available to more patients. In August 2016, TAVR was approved by the FDA for use in intermediate-risk patients. Christiana Care expects significant

TAVR growth with indication expansion to intermediate-risk. Clinical trial data show TAVR in intermediate-risk patients has low complication rates, superior blood flow performance, and lower rates of stroke and mortality compared to open surgery (*Advisory Board*).

The Review Committee discussed the Advisory Board mentioned in the application. They submitted a follow up question inquiring about the Advisory Board and if the Board was an outside source or an internal source. Christiana Care's response stated the Advisory Board defines themselves as "a best practices" firm that uses a combination of research, technology and consulting to improve the performance of health care organizations around the world. Christiana Care partners with the Advisory Board, a separate entity, to better understand the healthcare market through data and to bring innovation solutions to the challenges of today's every changing health care environment. More information relative to this board can be found on their website at www.advisory.com. The inpatient cardiac market for Delaware, which includes cardiac catheterization, cardiac electrophysiology (EP), medical cardiology and cardiac surgery, is expected to decline over time as services shift to outpatient sites of care. In cardiac surgery, a percentage of the decline will be attributed to surgical valve case mix shifting to structural heart interventions. TAVR and endovascular valve volumes (DRG 266 and 267) are expected to soar over the same period of time.

The Review Committee agreed the application met criterion II.

Action

Vincent Lobo D.O. made a motion to approve the Review Committee's recommendation that the application met criterion II. Lynn Fahey seconded the motion. There was a voice vote, with eight voting in favor, no abstentions, no opposing. Motion carried.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the State of Delaware.

Alternative providers for this procedure are located outside of the state. Cardiovascular programs that offer the TAVR procedure generally have a specialized lab like the one described in the application. These include the University of Pennsylvania Health System, Inspira Health Network, Main Line Health and others in the larger region.

The Review Committee discussed the complexity of performing open surgeries as it relates to morbidity and the advantages of the proposed lab.

The Review Committee agreed the application met criterion III.

Action

Vincent Lobo D.O. made a motion to approve the Review Committee's recommendation that the application met criterion III. Ted Becker seconded the motion. There was a voice vote, with eight voting in favor, no abstentions, no opposing. Motion carried.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

Christiana Care is a regional provider that serves the full spectrum of patient needs ranging from trauma and emergency care to traditional inpatient care, routine and preventive health services.

Unlike some other surgical procedures, such as those related to total joint replacement and general surgery, heart procedures are high risk and typically not performed in a free-standing surgery center. Cardiac patients may, at any time, require acute life-saving intervention that only a tertiary care facility such as Christiana Hospital could provide. Christiana Hospital provides the highest level of care within this service category; no referral arrangements are necessary beyond their established discharge planning process where they ensure that the patient receives appropriate medical and home-based follow-up care.

The Review Committee agreed the application met criterion IV.

Action

Vincent Lobo D.O. made a motion to approve the Review Committee's recommendation that the application met criterion IV. Lynn Fahey seconded the motion. There was a voice vote, with eight voting in favor, no abstentions, no opposing. Motion carried.

Criterion V: The immediate and long-term viability of the proposal in terms of the applicant's access to financial. Management and other necessary resources.

Christiana Care continually strives to be a great place to work by appealing to a diverse employee population, offering competitive pay and flexible scheduling options. With turnover and vacancy rates lower than the national average and an average length of service of 11 years, Christiana has been able to attract and retain the health manpower needed for its operations. The inpatient psychiatric unit renovation will require an investment of \$8.3 million. The project will be funded in its entirety with cash. The majority of the cost will be construction and architectural engineering fees. Christiana Care maintains an AA Bond rating and the use of the cash to fund the project will not affect the rating.

The Review Committee agreed the application met criterion V.

Action

Vincent Lobo D.O. made a motion to approve the Review Committee's recommendation that the application met criterion V. Yrene Waldron seconded the motion. There was a voice vote, with eight voting in favor, no abstentions, no opposing. Motion carried.

Criterion VI: The anticipated effect of the proposal on the costs of and charges of healthcare.

The projected costs during the first year of operations was discussed to include:

Financial Impact (first full year of operations):

- Estimated effect on annual expenses: \$1, 363, 282
- Estimated effect on annual revenue: \$ 1,667,243
- Estimated effect on individual charges: \$ 0.00

In the first full year of operation, the project will increase Christiana Care Health Services operating revenues and expenses by \$1,667,243 and \$1,363,282 respectively. The projected first year operating revenue reflects the increased patient volume for the services, current

governmental reimbursement and existing contracts with private payers, and continued provisions of uncompensated care.

The Review Committee agreed the application met criterion VI.

Action

Ted Becker made a motion approve the Review Committee's recommendation that the application met criterion VI. Julia O'Hanlon seconded the motion. There was a voice vote, with eight voting in favor, one abstention, no opposing. Motion carried.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

Christiana Care is certified by Medicare and Medicaid. Christiana Care is also accredited by the Joint Commission on Accreditation of Healthcare Organizations. It was noted the Review Committee discussed the expansion of the inpatient psychiatric unit having a positive impact on the quality of care. The expansion will promote better access to psychiatric services which will provide a positive impact on the patient population.

Action

Leighann Hinkle made a motion approve the Review Committee's recommendation that the application met criterion VII. Ted Becker seconded the motion. There was a voice vote, with eight voting in favor, one abstention, no opposing. Motion carried.

Action

Julia O'Hanlon made a motion to approve the Review Committee's recommendation that the Christiana Care application to construct a structural heart intervention lab is approved. Yrene Waldron seconded the motion. There was a voice vote, with eight voting in favor, one abstention, no opposing. Motion carried.

Certificate of Public Review Application Presentations

- The Birth Center Holistic Women's Healthcare, LLC (The Birth Center)

The Birth Center's application to relocate their existing birthing center from Wilmington to Newark was deemed complete on October 10th. The capital expenditure is \$40,000. There was no request for a public hearing. Key dates are as follows:

-December –Review Committee meetings should be scheduled.

-90 day review period-The Board should vote at the January 25th meeting.

Representatives from The Birth Center provided a presentation of their proposal to the Board. Dorinda Dove provided The Birth Center's background, philosophy, long term goals, financial health and services. The Birth Center was established in 1982 as a Free Standing Birth Center and has been in continuous operation for 35 years. It is accredited by the Commission for Accreditation of Birth Centers (CABC). It is Owned and operated by Dorinda Dove CNM, MS & Kathleen McCarthy CNM, MSN since 1999. The Birth Center serves families from NJ, MD, PA and DE. It provides care to a diverse group of low risk women. The Birth Center accepts most insurances. Including Medicaid and Medicare. The Birth Center is committed to providing evidence based holistic care.

Long Term Goals

They continue to provide an option to clients for an out of hospital birth.
Increase the maternity caseload to 300 births per year.
Maintain a comprehensive educational program for parents.
-Pre-conception through postpartum and early parenting
-Increase the clients' self-help knowledge and skills with emphasis on active participation with their health care provider in maintaining optimal health
Provide well woman health care to women from adolescence through menopause.
Provide an out-of-hospital setting for the education of nurses and nurse-midwives.
Participate in research.

Financial Health

Independently owned and successfully operated since 1999.
Continue to experience growth.
Provide value based health care.

Services

Prenatal Care
Labor and Birth
Postpartum and Newborn Care
Home Visits
Doula Services
Breastfeeding services
Childbirth Education

The Birth Center is requesting to move their current location because they have outgrown their space. The current location does not meet current building regulations. The proposed location will enable them to grow and assure the longevity of The Birth Center. The new building will be comprised of a network of providers. The new facility will allow them to offer ultrasound and lab services, more easily incorporate their ancillary holistic services and will be closer to Christiana Hospital and can easily transfer patients if needed.

• Dover Behavioral Health

Dover Behavioral Health application to expand their inpatient psychiatric facility in Dover DE by 16 beds was deemed complete on October 19th. The capital expenditure is approximately \$4.5 million/ There was one request for a public hearing received from Sun Behavioral Health on November 3rd. The public hearing will be scheduled at a future date. The time and location will be forthcoming. Key dates are as follows:

-December –The first Review Committee meetings should be scheduled.
-January-Public Hearing scheduled and the second Review Committee Meeting
-February-The Board should vote at the February HRB meeting (this meeting will be determined).
Jean-Charles Constant (CEO) of Dover Behavioral Health provided a presentation of their proposal to the Board.

Dover Behavioral Health opened in 1996 as “St. Jones Center for Behavioral Health”. It was acquired in 2007 from Bayhealth by Universal Health Services. The name changed to Dover Behavioral Health System. Their mission is to be the behavioral health provider of choice delivering the highest quality and easily accessible care for residents of Delaware. Dover

Behavioral is the only downstate inpatient behavioral health facility. They provide inpatient, day hospital, and intensive outpatient program. Dover Behavioral treats adolescents and adults while providing behavioral health, dual diagnosis and detox services. The facility is seeking a 16 bed expansion due being at 99% occupancy. Community hospital emergency rooms are unable to access, behavioral health care services timely. Individuals in crisis are often displaced from seeking treatment in their county. Current conditions are causing access issues. Dover Behavioral's average length of stay is five to seven days. Fifteen patients per day travel to Sussex. County for treatment. They are seeking approval for increasing their bed capacity. The beds are available now. This will provide immediate relief to the behavioral health/substance use delivery system to accommodate needs.

- Christiana Care Health System (Christiana Care) Health Care Center (HCCC) Renovation
Christiana Care's application to renovate their HCCC facility in Newark DE was deemed complete on November 3rd. The capital expenditure is \$7.5 million. The deadline to request a public hearing is on November 20th. Key dates for the application are as follows:

- If no public hearing is requested, the application will have a 90-day review period.

- Early January-Review Committees will need to be scheduled.

- The Board should vote at the January 25th HRB meeting.

If a public hearing is requested, the application will have a 120-day review period; January or February, the Review Committee meetings will need to be scheduled.

- The Board should vote at the February HRB meeting.

Sharon Kurfuerst from Christiana Care provided a presentation of their proposal to the Board.

Christiana Care Health System is seeking to renovate parts of our HealthCare Center at Christiana (HCCC) facility in Newark, DE and consolidate existing outpatient Christiana Care physician practices into the building. HCCC is an outpatient facility offering the following services:

- Optometry
- Imaging Services
- Laboratory Services
- Cardiac Rehabilitation
- Physical Therapy
- Medical Aid Unit (to be re-opened in January 2018)
- Dermatology

The HealthCare Center facility was built over 30 years ago and is in need of infrastructure updates and re-design to accommodate physician practices. The goal is to transform the HCCC into a more comprehensive ambulatory care center by co-locating primary care, specialty care. Ancillary services and a medical aid unit in one facility. Additional physician practices will include:

- Primary Care
- Neurology
- Cardiology

The proposal anticipates a net loss from operations of approximately \$814,000 in Years 2019 and 2020. Christiana Care will fund the \$7.5 million investment entirely in cash.

Implementation Schedule

- Design Phase: March 2017 – December 2017
- County Applications: Building permits January 2018
- Construction: January 2018 - December 2018
- Fit-out: January 2018 - December 2018
- Anticipated Occupancy: December 2018

- Christiana Care Eugene duPont Preventative Medicine and Rehabilitation Institute (PMRI) Renovation

Christiana Care's application to renovate their PMRI facility in Greenville DE was deemed complete on November 3rd. The capital expenditure is \$8.2 million. The deadline to request a public hearing is on November 20th. Key dates for the application are as follows:

-If no public hearing is requested, the application will have a 90-day review period.

-Early January-Review Committees will need to be scheduled.

-The Board should vote at the January 25th HRB meeting.

If a public hearing is requested, the application will have a 120-day review period; January or February, the Review Committee meetings will need to be scheduled.

-The Board should vote at the February HRB meeting.

Sharon Kurfuerst from Christiana Care provided a presentation of their proposal to the Board.

Christiana Care Health System is seeking to renovate their PMRI a facility and consolidate existing outpatient Christiana Cate physician offices into the building.

- PMRI is an outpatient facility offering the following services:
- Physical Therapy
- Pulmonary Rehabilitation
- Laboratory Services
- Nutrition Services
- Primary Care and some limited specialty services

The facility is in need of a significant infrastructure investment, including a new heating, ventilation, and air conditioning system. The renovations will require a temporary suspension of services. The goal is to renovate the PMRI and consolidate nearby physician offices to create a multidisciplinary ambulatory health facility to better meet the healthcare needs of the community. Original services will be moved back into the building upon completion of construction.

Additional service offerings following the renovation will include:

- Expanded Primary Care
- Women's Health

- Cardiology
- Cardiac Rehabilitation

The project will be an \$8.2 million investment to include \$5.5 million funded from the duPont Trust and \$2.7 million funded in cash from Christiana Care.

Implementation Schedule

- Design Phase: March 2017 – December 2017
- County Applications: Building permits January 2018
- Construction: January 2018 - December 2018
- Fit-out: January 2018 - December 2018
- Anticipated Occupancy: December 2018

It was stated that the services for both Christiana Care applications would be billed as hospital charges.

Other Business

Population Projection Data

At the September 28th HRB meeting, the 2016 nursing home need projections were presented to the Board. After the presentation, there was a motion to obtain the population percentage increase broken down by 5-year increments or by decade as it relates to the 65+ population. At the September 28th HRB meeting, the 2016 nursing home need projections were presented to the Board. After the presentation, there was a motion to obtain the population percentage increase broken down by 5-year increments or by decade as it relates to the 65+ population. The breakdown of percentage information was distributed and discussed.

Journal of Certificate of Public Review Article

Julia O'Hanlon works for the University of Delaware and was asked to write an article for the Delaware Journal Public Health. The article would be in reference to the CPR process in Delaware. It would discuss the process and planning of new medical facilities in Delaware and the new Health Resources Management Plan (HRMP). The article would be aimed to inform the public of the statutory process regulating the review.

It was stated that these articles are typically written by a state agency. There were some concerns with the idea of the article based on the fact that the CPR program is an evolving process, the HRMP is an evolving plan and it is not certain that the plan is where it should be at this time. With all the shifts and changes in the healthcare continuum as it relates to the CPR program, it was stated that the Board members might not be comfortable contributing to the article. It was suggested to convey the message of the CPR progress being an evolving process. Another suggestion was that the article be written from a citizen of Delaware's perspective and not from the Board's perspective or written on behalf of a Board member.

Action

Vincent Lobo D.O. made that the journal article is written with a disclaimer that the content is based on a citizen's perspective and does not represent the members of the Board. Lynn Fahey seconded the motion; there was a voice vote, seven in favor, one abstaining, Motion carried.

Public Comment

No public comment was made

Next Meeting

January 25, 2018

Adjourn

The meeting adjourned at 4:54 p.m.

Guests Attended

Lindsay Orr	Drinker Biddle
Tom McGonigle	Drinker Biddle
Justine Deputy	The Birth Center
Dorinda Dove	The Birth Center
Katie Madden	The Birth Center
Sharon Kurfuerst	Christiana Care
Phil Chapman	Christiana Care
Leslie Mulshenock	Christiana Care
Lisa Lednum	Christiana Care
Lauren Becher	Christiana Care
Jason Powell	Powell Firm
Patrick Fugeman	Christiana Care
Mario Voli	Christiana Care
Francis Gott	Christiana Care
Rebecca Ford	Christiana Care
Jean-Charles Constant	Dover Behavioral Health
Mike Gavla	Dover Behavioral Health
Kim Wilson	RWA
Suzanne Raab-Long	DE Healthcare Association
Megan Williams	DE Healthcare Association
Sheldon Brown	Nationwide
Alan Levin	DBR
John Van Gorp	Bayhealth