

Delaware Health Resources Board
Christiana Care Inpatient Psychiatric Unit Expansion Review Committee Meeting Minutes
Thursday, September 14, 2017 10:00 AM
Thomas Collins Building
540 South Dupont Highway Dover, DE 19901
DDDS First Floor Conference Room 106

Review Committee Members Present:

Dennis Klima, Chair, Leighann Hinkle and Gina Ward.

Staff Present:

Roopa Sabesan and Latoya Wright.

Call to Order and Welcome

The meeting of the Review Committee for Christiana Care Health System was called to order at 10:15 a.m.

Review of Christiana Care Inpatient Psychiatric Unit Expansion Application

The Review Committee reviewed the application along with the Internal Staff Analysis document.

It was stated that on May 12, 2017, Christiana Care Health System (Christiana Care) submitted a Notice of Intent to expand their inpatient psychiatric unit from 24 beds to 30 beds. The application was received on June 19, 2017 with an estimated capital expenditure of approximately \$8.3 million. The public notice was posted on July 14, 2017. There were no requests for a public hearing which makes the application review period 90 days from the date of public notice. If the Review Committee derives at a decision on the application during the meeting today, the application will be presented to the Board for a vote at the September 28, 2017 Health Resources Board meeting.

Project Summary and Background Information

Christiana Care stated in the application, the need for behavioral health services in Delaware has increased causing the need to improve the way that they care for their patients. Christiana Care is expanding their current inpatient psychiatric unit at the Wilmington Hospital. The expansion will increase their capacity enabling Christiana Care to manage their current and future demand for services. The application asserted that behavioral health cases continue to increase throughout the country and are one of the top 10 chronic diseases in America. Within Christiana Care's inpatient psychiatric unit, they are seeing an increased demand for their medical, psychiatric and dual diagnosis patients. Christiana Care states they are the only local treatment option for patients with medical and psychiatric co-morbid diagnoses, and these patients rely on Christiana Care to provide their necessary care. However, increasing demand is forcing Christiana to care for these patients on a medical floor while waiting for a bed in the psychiatric unit, which is less than ideal. On the current inpatient unit, there are only five rooms that have oxygen and suction which is a necessity to care for the medically complex/dual diagnosis patient population.

Christiana Care's vision for this project is to build a state of the art inpatient psychiatric unit to provide timely, quality care. In order to do this, they will need to relocate their existing unit from 3 North to 7 North in Wilmington Hospital, renovate 20,830 square feet, and increase from a 24 bed unit to a 30-bed semi-private/private bed unit. The new unit will include the following four pods that will help Christiana Care better serve each patient population:

Geriatic Psychiatry

Medical Psychiatry (e.g., dialysis/psychiatry)

Dual Diagnosis (i.e., substance abuse/psychiatry)

Traditional Psychiatry

Christiana Care's mission is to serve their neighbors in a respectful, and caring way. Christiana Care will do this by creating innovative, effective, affordable systems of care that their neighbors value. Christiana Care will continue to accept patients with qualifying insurance plans, as well as provide care to uninsured patients. Christiana Care anticipates the same complexity of patients and average length of stay; this project will increase their capacity and modernize their space according to today's best practices. Lastly, all patients cared for in the psychiatric unit will continue to be inpatient only and admitted only on a voluntary basis.

The project renovations will include energy conservation principles.

Review Considerations

The Review Committee reviewed the following criteria for the proposal to determine whether the application meets or does not meet each criterion.

Criterion I: The relationship of the proposal to the Health Resources Management Plan (HRMP)

The Guiding Principles were discussed:

The application stated the project is consistent with the following Guiding Principles from the Health Resources Management Plan for Delaware:

Principle 1: Applications should demonstrate consideration of access, cost, and quality of care issues: The proposed project will increase access to behavioral health care and treatment in a cost effective manner. The underserved populations, such as dual diagnosis, medical psychiatric, and indigent populations will be able to receive enhanced care in a state of the art facility that will be equipped to cater to their unique health needs.

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: The expansion of the inpatient psychiatric unit will support a patient focused care model with enhanced efficiency, effective resource utilization, and quality and performance

improvements. All care will be coordinated with the patient's other healthcare needs and patients will receive referrals to outpatient facilities upon discharge.

Principle 6: Projects enhancing meaningful markets are to be encouraged: Currently, Christiana Care noted they are the only healthcare provider in New Castle County that can treat complex medical psychiatry, and will continue to accept indigent patients.

Principle 7: Projects improving the health status of Delawareans are essential: Christiana Care's investment in this project demonstrates their commitment to bettering behavioral health for Delaware residents. The new unit will be renovated to appear more modern and less like a hospital so patients do not feel institutionalized, helping to further eliminate the stigma of mental illness.

The Review Committee agreed the application meets criterion I.

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

The need of the proposal was discussed.

The application stated, the residents of New Castle County depend on Christiana Care for their medical and behavioral health needs, especially the residents that require both types of care simultaneously or who do not have insurance. For example, if a patient needs behavioral health care and dialysis or has a dual diagnosis, he or she cannot always go to the independent behavioral health centers or state facilities. Since Christiana Care has medical and behavioral health capabilities, they are able to treat the whole patient, and not just the patient's psychiatric needs. Christiana Care also accepts uninsured patients on a voluntary admission.

Christiana Care asserts that over the next five and ten years, multiple inpatient psychiatric discharges are forecasted to increase as the population ages and more people seek treatment for behavioral health issues associated with aging.

Christiana Care's primary service area, based on patient origin analysis, is New Castle County, Delaware. According to the application, Christiana Care states that New Castle County is expected to grow over the next years. Based on the Delaware Populations Consortium's population projections, Delaware is expected to see a 19.7% increase in population over the next 40 years. New Castle County is expected to see an 11.6 % increase.

	2010	2015	2020	2025	2030	2035	2040	2045	2050	2010-2050 Percentage Increase
Delaware	899,778	945,937	983,211	1,014,667	1,037,512	1,054,093	1,065,168	1,072,325	1,076,924	19.7%
New Castle	538,912	556,786	572,820	586,643	595,664	601,298	603,677	603,523	601,292	11.6%
Kent	162,978	173,529	180,912	187,199	193,038	198,264	202,731	206,665	210,262	29.0%
Sussex	197,888	215,622	229,479	240,825	248,810	254,531	258,760	262,137	265,370	34.1%

Source: Annual Population Projections, Delaware Population Consortium, Version 2016.0, October 2016

The Review Committee discussed Christiana's Care average length of stay of seven days and also discussed the need for the expansion due to the growing population as well as the need for behavioral health services.

The Review Committee agreed the application meets criterion II.

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.

The application noted, Wilmington Hospital is the only provider in New Castle County that can care for the whole patient and not just his or her psychiatric need. When a patient requires medical psychiatric care, Christiana Care states they are the only option. However, Christiana Care often has a wait for an available psychiatric bed, so these patients get treated on the medical floor before being transferred into the psychiatric unit.

The alternative providers for psychiatric care are Meadowood Behavioral Health Hospital, Rockford Center, Delaware Psychiatric Center, and Dover Behavioral Health System. As one of the few local non-profit inpatient behavioral health care providers, Christiana Care is committed to serving their community and will accept uninsured patients for voluntary admissions.

It was discussed that utilization out of state resources are not convenient for the patient population.

The Review Committee agreed the application meets criterion III.

Criterion IV: The relationship of the proposal to the existing health care delivery system.
Christiana Care is a regional provider that serves the emergency, inpatient/outpatient behavioral health, and general medical needs of its patients. Christiana Care states this project will not impact the existing providers in the market because they are right sizing the facility to meet current standards of care and plan to meet the needs of their current patient volume.

Referrals will be made to Wilmington Hospital for patients with medical-psychiatric needs and/or dual diagnosis, when other facilities cannot care for them. Referrals are received from Meadowood Behavioral Health Hospital, Rockford Center, Delaware Psychiatric Center, and Dover Behavioral Health System. Additionally, when Christiana Care discharges patients, they refer patients to an outpatient facility, either within their health system or in the community to ensure continuity of care.

The Review Committee agreed the application meets criterion IV.

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 that 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 for Work Life Balance programs. Christiana has 11,308 employees and 1,379 volunteers that contributed 78,901 volunteer hours. With turnover and vacancy rates lower than the national average, and an average length of service of 11 years, Christiana Care has been able to attract and retain the health manpower needed.

Schedule 7 in the application “Changes in Staffing illustrates the impact upon staffing by personnel category for the first year of operation following completion of the project. This proposal includes the addition of 10 FTEs.

The Inpatient Psychiatric Unit Renovation Project at Wilmington Hospital 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 and ~\$900,000 on equipment. Christiana Care Health System maintains an AA Bond rating and the use of operating cash to fund the project will not affect this rating.

The Review Committee agreed the application meets criterion V.

Criterion VI: The anticipated effect of the proposal on the costs of and charges for health care.

The application for the proposed project includes the following projected costs during its first full year of operations:

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 following provides detail related to the impact upon expenses for the first year of operation:

Salaries and Wages	\$575, 286
Fringe Benefits	\$176,613
Supplies	\$0.00
Depreciation	\$343,460
Ancillary	\$267,923
Total	1,363,282

The Review Committee discussed the reason for the increase in salaries and wages are due to the addition of more staff. It was also noted the application provided the “Statement of Revenues and Expense”. It illustrates the continued financial health of Christiana Care Health Services from the last two fiscal years through the first two years of full project operations.

The Review Committee agreed the application meets criterion VI.

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. 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.

The Review Committee agreed the application meets criterion VII.

Action

The Review Committee voted to recommend approval of Christiana Care’s application to expand their inpatient psychiatric unit from 24 to 30 beds.

Next Steps

The Board will vote on the application at the September 28, 2017 Health Resources Board meeting.

Adjourn

The meeting adjourned at 11:05 a.m.

Guests Attending

Lauren Belcher	Christiana Care
Erin Booker	Christiana Care
Linda Sigman	Christiana Care
Jason Colombo	Christiana Care
Mario Voli	Christiana Care