

**Delaware Health Resources Board  
Meeting Minutes  
Thursday, February 15, 2018 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:** Chair Brett Fallon, Leighann Hinkle, Lynn Fahey, Mark Thompson, Ted Becker, Julia O’Hanlon, Carolyn Morris, Michael Hackendorn, John Walsh, Dennis Klima, Nick Moriello

**Board Members Absent:** Yrene Waldron and Vincent Lobo, Jr. D.O.

**Staff Present:** Latoya Wright and Sarah Goncher

***Call to Order and Welcome:***

Chair Brett Fallon welcomed the Board members and called the meeting to order at 2:51 p.m.

**Action**

**January 25, 2018 Meeting Minutes**

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

**Dover Behavioral Health Certificate of Public Review (CPR) application**

Dover Behavioral submitted an application to expand their facility by 16 beds. The capital expenditure is \$4,598,585. The Review Committee that reviewed the application was Julia O’Hanlon, Yrene Waldron and Ted Becker. There was a public hearing held on January 10. The Review Committee met on January 29<sup>th</sup> and February 12. All of these meetings were open to the public. The Chair of the Review Committee 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.**

While the Health Resources Management Plan does not specifically address psychiatric beds, the application notes there is a shortage of mental health and substance abuse beds for the residents of Kent and Sussex Counties. Projections indicate most of the state’s population growth will occur in Kent and Sussex Counties. There will be an even greater need for mental health and substance abuse services. The 16-bed expansion will increase access to behavioral health services. The Review Committee agrees the application supports the need and the location of the need.

**Action**

There was a motion to approve the Review Committee's recommendation that the application met criterion I. There was a voice vote, with all voting in favor, no abstentions, no opposing. Motion carried.

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

As of December 31, 2016 Dover Behavioral averaged a 98% daily occupancy of its licensed inpatient beds. In addition, the facility experienced 358 no bed diversions to other inpatient facilities primarily in New Castle County. From January through August of 2017, the facility has operated at an average capacity of 98% and diverted 316 patients despite having added eight additional beds. They believe the number of diversions to be much higher since this number only includes the number of times an emergency department, family or mental health provider called seeking an inpatient bed admission for a specific patient. Emergency rooms and mental health providers may have multiple admissions during a 24-hour period but typically would stop calling once they have been notified by the facility that it is on diversion. Admissions to New Castle County psychiatric facilities require a commute of 30-120 minutes for the Delaware residents south of the Chesapeake and Delaware Canal. It is also worth noting that most of those patients being sent to facilities in New Castle County are placed on a 24-hour hold which means they are transported in the back of a police car in handcuffs. With the lack of adequate public transportation downstate, those patient's families are then burdened with trying to find their own transportation to New Castle County for visitation, family sessions, and for a discharge conference.

The Review Committee discussed Dover Behavioral operating at 98% capacity levels. During the time the application was submitted, Dover Behavioral operated at 98% capacity, which has since increased to 99% for the year-end of 2017. This capacity is calculated as a percentage of overall daily consensus versus the beds available. It was mentioned that there is a shortage of mental health and substance abuse beds for the residents of Kent and Sussex County. The population is projected to increase over the years in those two counties.

The Treatment Advocacy Center has estimated the minimum number of public beds necessary for adequate psychiatric services for a population of 100,000. Estimates were solicited "from 15 experts on psychiatric care in the US, [including] individuals who have run private and state psychiatric hospitals, county mental health programs, and experts on serious psychiatric disorders." The estimates included beds for children and forensic patients. The consensus estimate of bed need by the 15 experts was 50 (range 40 to 60) public psychiatric beds per 100,000 populations. Given these findings, it seems reasonable to establish a range of 40 to 60 psychiatric beds per 100,000 populations as a minimum standard currently needed for reasonable psychiatric care in the US in light of the realities of the present funding system<sup>1</sup>. According to the Delaware Population Consortium, significant future population growth will take place in Kent and Sussex Counties.

According to the statistics above, the projected population growth the number of beds available today and considering the current substance abuse crisis in the state, the Review Committee agreed

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<sup>1</sup><http://www.treatmentadvocacycenter.org/storage/documents/backgrounders/how-many-psychiatric-beds-does-america-need.pdf>  
Treatment Advocacy Center March 2016

there is a need for the additional beds. In addressing the downstate needs, Dover Behavioral proposes to add 16 inpatient psychiatric beds to the existing facility capacity, bringing the total licensed bed capacity to 104. The addition is needed to ease the existing capacity issues, and to meet the needs of the patients that are presently being diverted to other facilities. Consistent with their mission to provide behavioral health services to the residents of Kent and Sussex Counties, the unit has been designed to allow for maximum flexibility to meet the needs of the patients in real time.

### **Action**

There was a motion to approve the Review Committee's recommendation that the application met criterion II. There was a voice vote, with all 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.

The application states at the present time, there are no alternatives that exist which are readily accessible by the residents of Kent and Sussex Counties. Dover Behavioral is the only inpatient behavioral health provider for adults and adolescents in the area. Dover Behavioral Health is a provider for Medicare, Medicaid, TRICARE and most commercial insurance plans. When the facility is full, patients in need of mental health hospitalization are required to wait in emergency departments, be admitted to intensive care units to wait for a bed, or travel to New Castle County when beds become available there. The Review Committee discussed the mental health population having to wait in emergency room departments for care and that this common practice.

### **Action**

There was a motion to approve the Review Committee's recommendation that the application met criterion III. There was a voice vote, with all voting in favor, no abstentions, no opposing. Motion carried.

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

Dover Behavioral Health plays a critical role in the healthcare provider community by providing necessary services and collaborating with many other providers, agencies, groups and individuals to ensure an effective system of care. At this time, it is the only inpatient behavioral health provider for adults and adolescents in the area and is a provider for Medicare, Medicaid, TRICARE and most commercial insurance plans. In addition, the facility has a contract with the Division of Substance Abuse and Mental Health to provide inpatient care to involuntarily admitted indigent individuals. The facility has agreements with three of the four downstate medical/surgical hospitals to provide psychiatric assessments in their emergency departments. Finally, Dover Behavioral financially supports and has representation on the Delaware Rural Health Initiative.

### **Impact on Existing Providers**

The impact of the 16-bed addition on the existing health care system will be overwhelmingly positive. There will be immediate greater access to behavioral health services for consumers in their own community, which will reduce the need for traveling upstate. Pressure will be relieved in emergency departments and hospitals, as they will spend less time housing psychiatric patients

while waiting on beds to become available or transportation being arranged. Patient, family and hospital employee satisfaction is expected to substantially increase.

### **Referral Arrangements**

When Dover Behavioral is at capacity, the following facilities are contacted to solicit bed availability:

Rockford Center

Meadowwood Hospital

Christiana Care Health System

Delaware Psychiatric Center

Peninsula Regional Medical Center

Shore Health System - Dorchester General Hospital

Dover Behavioral does not have formal referral agreements with these facilities but they collaborate in assisting callers to access appropriate services when there are no beds available in their facility. In the event that there are no psychiatric beds available, the referring hospital is obligated to keep the patient safe until a bed does become available. In regards to Dover Behavioral's referral process, patients are not required to be admitted in an acute hospital before they are admitted to their facility. Individuals can seek care directly at Dover Behavioral for a level of care assessment 24 hours a day, seven days a week, and 365 days a year. Dover Behavioral is a licensed hospital and a designated emergency receiving facility for individuals with behavioral health issues.

Testimony provided at the public hearing from Sun Behavioral Health, a new 90-bed inpatient psychiatric hospital in Sussex County Georgetown that is due to open August of 2018, stated that this proposal will have an impact on the existing providers in the health care delivery system. Sun Behavioral stated the addition of 16 beds right before the opening of their facility would have an impact. Sun Behavioral will be recruiting and providing services to a similar population. Dover Behavioral will be providing services to the same population drawing from the Kent and Sussex County populations. Sun Behavioral stated Dover Behavioral's proposal would affect their facility by 16 beds. Sun Behavioral stated this would affect their recruiting efforts. It was also noted that Dover Behavioral was in opposition of Sun Behavioral's proposal approved by the Board in 2015 in which they filed subsequent appeals opposing their application. The appeals filed delayed Sun Behavioral's opening of their facility by seven months.

Testimony provided from Meadowwood, a 93-bed inpatient psychiatric hospital in New Castle County, New Castle, stated that they submitted an application for additional beds in 2010/2011 as well as Dover Behavioral for additional beds during that time. Meadowwood supported Dover Behavioral's application because it was apparent that there was a need, however Dover Behavioral was not in support of their application at that time. Meadowwood questions Dover Behavioral's collaboration efforts with similar providers in the health care delivery system. Meadowwood also noted that they currently have an application for a seven-bed expansion and wants to know if Dover Behavioral is going to support their application.

Dover Behavioral provided a written response to staff on Friday afternoon January 26, 2018 addressing the testimony provided by Sun Behavioral and Meadowwood. Dover Behavioral stated their comments were devoid of any substantive basis. They asserted the comments appeared to be disgruntled gripes regarding the Board's scrutiny of their own applications and that the comments made were best for the commenting facility as opposed to what was best for the medical and treatment needs of the state of Delaware.

The Review Committee discussed the testimony provided at the hearing, Dover Behavioral's responses and statistical data provided by the Treatment Advocacy Center. It was stated that based on the statistics provided from the Treatment Advocacy Center, the population growth and the Opioid Crisis, the need is great for mental health services.

### **Action**

There was a motion to approve the Review Committee's recommendation that the application met criterion IV. There was a voice vote, with all 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.

Dover Behavioral is owned and operated by Universal Health Services, Inc. (UHS), one of the nation's largest and most respected healthcare management companies, in business for over 40 years. UHS is a publicly traded company and has access to capital through the company. A line of credit is available from JP Morgan at a variable interest rate. Through its relationship with UHS, Dover Behavioral is assured that the needed resources are readily available when necessary. The Pro Forma and completed schedules in the application provide detailed information.

### **Recruitment**

Dover Behavioral anticipates the need to hire approximately 10-15 new employees in year one of the 16-bed additions operation. There currently exists a proven track record of attracting talented and successful mental health professionals to their facility. Since 2010, the number of employees at Dover Behavioral has grown from 150 to 260, and from three (3) attending psychiatrist to six (6) as of December 31, 2016. In addition to this recruiting success and stability, most of the nursing school programs in Delaware rotate their students through the facility for their psychiatric rotations. Secondly, Delaware State University, Wilmington University, and Wesley College have agreements with Dover Behavioral that allow for students seeking mental health degrees to complete their internships. In addition to these local resources, UHS has national nursing and physician recruiters to assist with filling the vacancy needs of the facility. The Review Committee agreed the viability of any proposal is uncertain, however, given Dover Behavioral's history and network, it is assumed they have the financial resources.

### **Action**

There was a motion to approve the Review Committee's recommendation that the application met criterion V. There was a voice vote, with all voting in favor, no abstentions, no opposing. Motion carried.

Criterion VI. The anticipated effect of the proposal on the cost of and charges for healthcare.  
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:	\$ 1,430,421
Estimated effect on annual revenue:	\$ 3,868,757
Estimated effect on individual charges:	\$ 0.00

The financial Pro Forma included in the application provides additional financial detail. Based on the figures provided, it is interpreted that there will be no change in costs to the individual for this proposal.

The Review Committee also reviewed Schedule 4-Statement of Revenue and Expenses, which provides the financial data of Dover Behavioral's from 2015, 2016, and the first two years of operation with the 16 bed expansion.,

**Action**

There was a motion to approve the Review Committee's recommendation that the application met criterion VI. There was a voice vote, with all voting in favor, no abstentions, no opposing. Motion carried.

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

Dover Behavioral is certified by Medicare and Medicaid. They are also accredited by the Joint Commission on Accreditation of Healthcare Organizations. The 16- bed expansion will enable the facility to appropriately address the behavioral health needs of the community it serves. During construction the project was designed to minimize the interruption of existing services being provided, e.g. no programs were closed to accommodate the expansion. The 16 beds will afford the residents of Kent and Sussex County greater access to more services without needing to commute long distances. When patients require transportation to hospitals in New Castle County, they are frequently placed on a 24-hour commitment which is a traumatic experience for many. The additional bed capacity has been supported by the local healthcare community in which the letters of support are provided in the application. Greater access with less wait time will improve the quality of care and outcomes for down state residents as well as the local community of Kent County.

**Action**

There was a motion to approve the Review Committee's recommendation that the application met criterion VII. There was a voice vote, with all voting in favor, no abstentions, no opposing. Motion carried.

### Other Considerations

The expansion will improve the delivery of services for residents in Kent County. Dover Behavioral Health states they have spent considerable time reviewing demographic information about the community it serves, the number of no bed diversions experienced, the alternatives for care, and the availability of those alternatives. The number of people seeking behavioral health services is not going to decrease - there are no other facilities looking to expand inpatient mental health services in the Kent County community. The benefit to the community of having these resources decreases the potential for legal issues and improves the employability of those with mental health and substance abuse disorders. It costs significantly more to transport a patient from Kent and Sussex Counties to New Castle County than to Dover Behavioral. Dover Behavioral is currently a Medicaid provider. The facility provides a psychiatric assessment conducted by a qualified mental health professional, free of charge, to any individual who may require such services. The Emergency Medical Treatment and Active Labor Act (EMTALA) is a Federal regulation, which requires hospitals to stabilize and treat any patient that arrives with an emergency situation irrespective of the individual's ability to pay for services. Dover Behavioral Health System is in compliance with this statute.

The local economy benefits by increasing the number of jobs created by the expansion. In 2016, Dover Behavioral's average salary and benefits per full time equivalent (FTE) was \$69,168.69 or \$33.13 per hour. The state and local economy further benefit from tax revenues paid by the facility and the multiplier effects of Medicaid and matching Federal dollars that come from state Medicaid spending. It costs significantly more to transport a patient from Kent and Sussex Counties to New Castle County than to Dover Behavioral Health System. The expansion will meet the requirements for the Americans with Disabilities Act and also meet or exceed International Energy Code 2009.

### Action

There was a motion to approve the Review Committee's recommendation to approve the application submitted by Dover Behavioral Health to expand their facility by 16 beds. There was a voice vote, with all voting in favor, no abstentions, no opposing. Motion carried.

### Upcoming Items Before the Board

- Orthopaedic Specialists-Surgi Center Notice of Intent  
Orthopaedic Specialist submitted a Notice of Intent on February 8<sup>th</sup> to add two additional surgical suites to their existing facility in Newark, DE. The capital expenditure is \$3 million. The anticipation filing date of the application is April 2018.
- Beebe Healthcare  
Beebe Healthcare offers a range of outpatient services in Millville (walk-in care, physical rehab, laboratory and diagnostic imaging) Beebe submitted two Notice of Intent On February 14 for two separate projects:
  - a) Freestanding Emergency Department in Millville Delaware. It will serve the residents of the South Coastal region, including towns from Bethany Beach and Ocean View to Selbyville and Frankford. The capital expenditure is \$15 million. The anticipated filling date of the application is March 19, 2018.
  - b) Oncology Services: New Cancer Center Development. The existing Tunnell Cancer Center on the Health Campus in Rehoboth is running at capacity and needs to be expanded. Rather

than expand on that site, Beebe proposes to construct a second cancer center on Route 17 in Millville to improve access to care for residents in the region. The cancer center will include full multimodality cancer treatment, including Medical Oncology, Radiation and Chemotherapy. The capital expenditure is \$15 million. The anticipated filling date of the application is March 19, 2018.

**Public Comment**

There were no public comments

**Next Meeting**

March 22, 2018

**Adjourn**

The meeting adjourned at 3:30 p.m.

**Guests Attended**

Andrew Wilson	Morris James
Jean Charles Constant	Dover Behavioral Health
William Peters III	Dover Behavioral Health
Lauren Becher	Christiana Care
Meg Williams	Delaware Health Care Association