

Delaware Health Resources Board
Meeting Minutes
Thursday, May 24, 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, Esq., Leighann Hinkle, Mark Thompson, Theodore (Ted) Becker, Julia O'Hanlon, Carolyn Morris, Dennis Klima, Nicholas (Nick) Moriello, Lynn Fahey, Yrene Waldron, John Walsh and Michael Hackendorn

Board Members Absent: Vincent Lobo, Jr. D.O and Edwin Barlow

Staff Present: Latoya Wright, Keanna Faison and Joanna Suder

Call to Order and Welcome:

The Chair Brett Fallon, Esq. welcomed the Board members and called the meeting to order at 2:30 p.m.

Action

April 19, 2018 Meeting Minutes

The meeting minutes were reviewed. Dennis Klima made a motion to approve the minutes. John Walsh seconded the motion; there was a voice vote, three abstentions, no opposing. Motion carried.

Beebe Healthcare Oncology & Freestanding Emergency Services Expansion Presentation

Beebe Healthcare's Certificate of Public Review (CPR) applications to construct an Oncology Center and Freestanding Emergency Department were deemed complete on April 20th (Oncology Center) and May 8th (Freestanding Emergency Department). The capital expenditure for the Oncology Center is estimated between \$18 million to \$22 million. The Freestanding Emergency Department is estimated between \$19 million to \$22 million. Public Notices were posted on April 26th (Oncology Center) and May 11th (Freestanding Emergency Department). There were no requests for public hearings on either application.

It was noted that Ted Becker and Mark Thompson will recuse from both CPR applications.

Key dates for both applications are as follows:

Both applications will have a 90-day review period.

Review Committee Meetings will need to be held in June.

The Board will need to vote on both applications at the July 26th HRB meeting.

Representatives from Beebe presented their proposals to the Board. Jeffery Fried, the CEO and Alex Sydnor, Vice President, External Affairs provided an overview of both proposals.

Oncology Center

Need of the Population

The new Oncology Center will improve access to care. The south coastal residents are farthest from health services. There is a 25-45 minute commute to the nearest hospital or cancer center for residents. Sussex County has experienced a growth in population throughout the years and it is projected to grow over the next several years. The 65+ population will make up approximately 30% of Beebe's primary service area.

Conformity to Health Resources Management Plan (HRMP)

Beebe is an independent, not-for-profit community health system guided by charitable mission to encourage healthy living, prevent illness, and restore optimal health.

- Medicare and Medicaid provider.
75% of total patient care expenditures for Medicare and Medicaid beneficiaries
- Charity Care Policy for income up to 400% of Federal Poverty Level
4.1% of total patient care expenditures.
- Participant with DHIN; user of EMRs.
- Beebe participates in Center for Medicare Services Bundled Payment for Care Improvement (BPCI) since 2015.
- All programs focus on improving care outcomes and lowering unnecessary utilization and cost.

Less Costly Alternatives

There are currently no cancer providers located in the south coastal communities. These residents must commute out of their community for cancer treatment. The construction of the Millville Cancer Center will be less costly than expanding an existing facility.

Relationship to Existing Healthcare

The same team of physicians, nurses and staff as the current Tunnel Cancer Center will lead the new center. There is currently an in-referral network in place with employed and private practice PCPs, GIs, OB/BYNs and Pulmonology. An out-referral network is in place to Christiana, John Hopkins and Nemours. Local surgeons will meet with patients in the Millville Cancer Center.

Financial Viability

Beebe anticipates in the first year of operation 330 new medical oncology patients and 148 new radiation patients. It is also anticipated that there will be \$715,560 operating surplus in year one.

Impact on Cost

There will not be an impact on cost or charges for oncology services. Improved access for patients will not increase costs for patients or payers. Integrated design will focus on patient experience, quality and will optimize efficiency. Onsite lab and pharmacy will support timely care for patients and efficient operations.

Quality

There will be a multi-disciplinary team of physicians, nurses, techs and care navigators focus on comprehensive, coordinated care; clinical Practice Groups and weekly team meetings to discuss

cases and create care plans. Beebe has clinical trials, in partnership with Christiana. Also, there are accreditation programs have multiple quality standards and measures.

Freestanding Emergency Department

The emergency department will have 16,741 square feet of dedicated space (9,697sq of shared support services). There will be a helicopter pad for transport to regional centers. The lab pharmacy and support services are shared with the new proposed cancer center.

Conformity to Health Resources Management Plan (HRMP)

Beebe charitable mission will guide management of emergency medicine services. They are a Medicare and Medicaid provider.

- 34% of emergency medicine patient care expenditures were for Medicare beneficiaries
- 25.2% of emergency medicine patient care expenditures were for Medicaid beneficiaries

Accredited with Beebe Healthcare by Joint Commission on Accreditation of Health Care Organizations (JCAHO).

Need of the Population

Access to timely care is a critical factor for the successful treatment of medical emergencies. Presently there are no emergency medicine departments located in the South Coastal region. 100% of residents and visitors must travel out of their community for emergency treatment. The distance between Millville ED and Lewes ED = 22.9 miles, Middletown ED to Christiana Care Health Systems in Newark is 21.2 miles. The Health System 100 report, The Future of Demand for Hospitals, projects national emergency visits per 100 residents between 46.5 and 49 by 2025.

Less Costly Alternatives

Portions of visits to emergency rooms are for non-emergent needs.

Beebe operates four Walk-In Care Centers – one in Millville – to offer less expensive appropriate care for non-emergent cases

-11,100 visits to Millville Walk-In Care in fiscal 2017

Walk-In Care volume has increased 109% between 2015 and 2017.

Urgent, level 1 & 2 emergency medicine visits at the ED in Lewes dropped by 18% over this same period.

Yet there is still no emergency medicine available in the South Coastal community.

Relationship to Existing Healthcare

Owned and operated by Beebe Healthcare.

Led by same team of physicians, nurses and staff as Lewes emergency room.

Governed by same policies and standards.

Formal transfer agreements in place with 52 receiving organizations.

Beebe is part of state Trauma System (though Millville Emergency will not be a trauma center).

Active relationship with Sussex EMS and Basic Life Support.

Financial Viability

15,000 annual visits projected to Millville Emergency.

- 3,750 of these would have been treated in Lewes
- 25% projected to be visitors to region

Assumes only 30% of total emergency medicine visits of patients living full time in South Coastal.

Anticipate \$8 million operating surplus in year one.

Impact on Cost

No anticipated impact on cost or charges for emergency services due to building and operating Millville Emergency Department.

Operation of Millville Walk-In Care will continue to offer low cost alternative (year round, open daily) for non-emergent care.

Continued investment in primary care will increase availability of low cost alternative.

Millville Emergency Medicine may lower costs for EMS services who will not have non-productive travel time back from Lewes or other hospitals.

Quality

Timely access to diagnosis and treatment of medical emergencies is the most significant influence of positive outcomes in emergency medicine.

Timeliness of care is expected to be faster in freestanding emergency department due to narrower range of case complexity.

Millville Emergency Medicine will offer tele-health psychiatric evaluations like in Lewes.

Will seek recognition by state under Emergency Medical Service for Children (EMSC), like in Lewes.

Will participate in state Trauma System, but Millville site will not be a trauma center.

Millville Emergency Medicine will be included in future Joint Commission accreditation reviews.

The Review Committees were selected for both applications and meetings will be scheduled at a later date.

Upcoming Items Before The Board

Beebe submitted a Notice of Intent on May 15, 2018 to construct a Specialty Surgical Hospital at its Rehoboth Health Campus on John J. Williams Highway, adjacent to the Bookhammer Outpatient Center, Tunnell Cancer Center and Medical Arts Building. The facility will specialize in short stay, scheduled inpatient and outpatient surgical procedures. The facility will include 24 short stay private inpatient beds, five operating rooms and seven recovery bays with 15 pre-operative bays. It will be licensed as a hospital and will include imaging, pharmacy, nutrition and three emergency treatment bays. The estimated capital expenditure is \$80 million. The anticipated filing date of the application is June 18, 2018.

Other Business

• Christiana Care Kitchen Renovation Progress Update

At the August 2015 Health Resources Board meeting, the Board voted to exempt Christiana's Care's kitchen renovation project of \$9.2 million from the Certificate of Public Review process because the project is necessary for maintaining the physical structure of the facility and not related to direct patient care in accordance to 16 *Del. C.* § 9304 (2). The Board requested that Christiana Care provide a progress status update every six months until completion of the renovation project. The update has been provided for review.

Highlights of the report are as follows:

- ✓ The project is currently in Phase 4 (of 6).
- ✓ Phase 4 consist of rebuilding the soil tray return and the cart washing areas.

- ✓ The project is anticipated to extend through March 2019.
- ✓ The Budget for the project is as follows:

	Budget	Expenditures
Construction	\$6,870,000	\$4,219,519
Kitchen Equipment	\$2,250,000	\$1,545,760
FF&E	\$45,000	\$37,663
Miscellaneous	\$35,000	\$12,552
Total	\$9,200,000	\$5,815,494

As of May 10, 2018

Christiana will submit another progress update in six months. No further action is required at this time.

- First State Surgery Center Facility Expansion Progress Update
Chair Brett Fallon, Esq. recused himself from this update and Ted Becker facilitated the discussion regarding First State Surgery Center’s progress update.

On June 20, 2017, the Board approved First State Surgery Center’s (FSSC) application to expand and renovate their existing surgery center located in Newark, DE. FSSC has provided an update for review.

Highlights:

- ✓ The project was delayed due to the age of the building and the need to determine the appropriate manner to bring the existing building and systems up to current code requirements. This required many days of on-site documentation of the existing systems and numerous meetings with the electrical, mechanical, plumbing, engineers and architect to determine the most appropriate and economical plan.
- ✓ FSSC met with officials from the Country Department of Lane Use, State Public Health Engineer and the State Fire Marshall.
- ✓ FSSC received final approvals for the project on April 25, 2018.
- ✓ The demolition phase is completed and the upgrades to meet current code requirements are well underway.
- ✓ Once the building meets current codes, the expansion project will begin.
- ✓ FSSC has met with the Office of Health Facilities and Certification to review the plans and have provided updates. A meeting is scheduled for the final review on May 25, 2018.
- ✓ FSSC anticipates the project being completed by the end of July 2018 with occupancy approvals in early August 2018.

There was a recommendation for a motion to have FSSC provide another update at the September HRB meeting due to the lack of progress made on the expansion project. John Walsh made the motion, Dennis Klima seconded the motion; there was a voice vote, Motion carried.

Public Comment

There were no comments from the public.

Adjourn

The meeting adjourned at 3:50pm

Next Meeting
July 26, 2018

Adjourn

The meeting adjourned at 3:40 p.m.

Guests Attended

Donna Owens	Bayhealth
Stacy Massaconi	Bayhealth
Jeffrey Fried	Beebe Healthcare
Alex Sydnor	Beebe Healthcare
Ray Krett Jr.	First State Surgery Center
Meg Williams	Delaware Healthcare Association
Lauren Becher	Christiana Care

DRAFT