

***Delaware Health Resources Board
Meeting Minutes
Thursday September 26, 2019 2:30 PM
Delaware Technical Community College Corporate Training Center
Conference Room 400A&B
100 Campus Drive Dover DE 19901***

Board Members Present: Chair Brett Fallon, Theodore (Ted) Becker, Vincent Lobo Jr. D.O., John Walsh, Edwin Barlow, Carolyn Morris, Julia O’Hanlon, Mark Thompson , Dennis Klima and Michael Hackendorn

Board Members Absent: Lynn Morrison, Leighann Hinkle and Pamela Price

Staff Present: Latoya Wright, Elisabeth Scheneman and Joanna Suder

Call to Order and Welcome

Ted Becker Acting Chair welcomed the Board members and called the meeting to order at 2:35 p.m. in the Chair’s absence.

Action

August 15, 2019 Meeting Minutes

The meeting minutes were reviewed. Edwin Barlow made a motion to approve the minutes. John Walsh seconded the motion. There was a voice vote, one abstention, no opposing. Motion carried.

Peninsula Regional Health System-Nanticoke Health System Affiliation Certificate of Public Review (CPR) application

Peninsula Regional Health System (Peninsula) submitted an application for an affiliation with Nanticoke Health System (Nanticoke). There is no capital expenditure associated with the affiliation. The Review Committee that reviewed the application was Mark Thompson and Dennis Klima. Mark Thomson, Chair of the Review Committee provided the recommendation report to the Board.

Project Summary and Background Information

Nanticoke is a not-for-profit 501 (c) (3) organization that provides acute care and general healthcare services in southern Delaware and Maryland’s eastern shore. Nanticoke provides a broad range of inpatient and outpatient medical and surgical services to the local community through Nanticoke Memorial Hospital as well as a network of ambulatory locations and aligned physicians throughout Sussex County, Delaware and eastern Caroline County, Maryland. Nanticoke’s primary service area includes Bridgeville, Georgetown, Laurel and Seaford, Delaware and surrounding communities. Nanticoke operates the only full service community hospital in its primary service area, which has a growing population of more than 20,000.

For the past several years, Nanticoke has been exploring its strategic options, including whether some type of merger or acquisition with a third party would be in the best interest of Nanticoke and the Sussex County community. In 2017, based upon Nanticoke's operational and financial position, the Nanticoke Board, in the exercise of its fiduciary responsibility, concluded that it was prudent to explore whether some type of merger or affiliation was a reasonable means to secure continued access to health care services to the community served by Nanticoke. Nanticoke worked with Jefferies, Inc., an experienced, independent third-party consultant, to develop a communication that invited interested third parties, both nonprofit and for-profit, to submit an indication of interest. It described how a merger or affiliation with that entity could enhance the quality and scope of the services that Nanticoke would provide to the Sussex County community, improve the efficiency of Nanticoke's services, reduce costs, and improve Nanticoke's access to capital for future growth.

In order to begin the affiliation process, Nanticoke and Peninsula executed a non-binding Letter of Intent ("LOI"). The LOI has allowed Nanticoke and Peninsula to begin the due diligence process and to enter into good faith negotiations of an agreement that is intended to describe the formal legal relationship between Nanticoke and Peninsula and other terms and conditions that will govern their relationship. As the affiliation is currently envisioned, Nanticoke would become a member of the health system operated by Peninsula. The transaction would be structured as a membership substitution, and upon closing, Peninsula would become the sole corporate member of Nanticoke.

All of Nanticoke's assets and liabilities would remain with Nanticoke, which would operate as part of Peninsula and would become a wholly owned subsidiary of Peninsula. No cash consideration would be paid to consummate the affiliation. However, going forward, Peninsula would be committed to making capital expenditures for Nanticoke programs and facilities and would fund mutually agreed upon strategic initiatives. Nanticoke would continue to be managed at the local level, and would have representation on Peninsula's Board of Directors, with Peninsula having oversight responsibility for Nanticoke. The final terms of the proposed transaction and any final definitive agreement ultimately will be subject to Nanticoke and Peninsula Board review and approval and all applicable state and federal regulatory approvals, including the CPR process.

The assessment process in which Nanticoke engaged, provided Nanticoke with comprehensive and multi-dimensional information concerning potential affiliation partners, both for profit and not-for-profit, giving appropriate weight to non-monetary considerations and reflecting the careful thought used by Nanticoke's Board in fulfilling its fiduciary responsibilities. Nanticoke ultimately concluded that an affiliation with Peninsula best met the affiliation criteria established by Nanticoke's Board, as Peninsula proposed a commitment to the continuation of Nanticoke's clinical services and ongoing investments in plant, equipment and medical staff development that were of the greatest value to the local community in both economic and service terms.

For all of the reasons set forth above, Nanticoke fully supports Peninsula's application for a CPR. Nanticoke hopes that the Delaware Health Care Commission and the Delaware Health Resources

Board will look favorably upon the application. Nanticoke believes an affiliation between the two organizations is in the best interests, short and long-term, of Nanticoke and the community it has proudly served since 1945.

Conformity of Project with Review Criteria

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

Nanticoke is an existing provider that provides patient care services through Nanticoke Memorial Hospital, located in Seaford, Delaware, as well as a physician network with office locations throughout Sussex County, Delaware and in Federalsburg, Maryland. The physician network also operates three immediate care locations in Sussex County, Delaware. Nanticoke operates the only full service community hospital in its primary service area. Upon closing, Peninsula will become the sole corporate member of Nanticoke and Nanticoke will continue to be an existing nonprofit community hospital. The transaction does not add or subtract a health services provider.

The Board discussed that it is important to note that Nanticoke is the only inpatient facility in the western part of Sussex County.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion I. There was a voice vote, no abstentions, and no opposing. Motion carried.

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

It is the intent of the newly integrated health system to have Nanticoke continue to provide services after the affiliation as it did the day prior to the affiliation. This affiliation is in the best interest of the communities presently served by Nanticoke and Peninsula because it will improve access to quality health care services, enhance recruitment of personnel, and maintain and enhance medical services for the under-insured and under-served populations. While the development of a definitive long-term plan will await the completion of the affiliation transaction, it is the intent of the new health care system to facilitate the coordination of health care services throughout the respective service areas of Nanticoke and Peninsula. Since 1945, Nanticoke has been providing exceptional health care to the residents of western Sussex County. Nanticoke operates the only full service community hospital in its primary service area, which has a growing population of more than 20,000.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion II. There was a voice vote, no abstaining, and 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.

Nanticoke is an existing provider. Upon closing, Peninsula will become the sole corporate member of Nanticoke. Nanticoke will continue to provide health care services to the community as it did prior to the affiliation. Nanticoke evaluated other alternatives and determined that an affiliation with Peninsula is in the best interest of Nanticoke and the community it serve.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion III. There was a voice vote, no abstaining, and no opposing. Motion carried.

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

For over thirty years, Peninsula has had physical locations across lower Delaware. Over 20% of Peninsula's volume is Delaware residents and nearly 25% of the revenue is associated with Delaware residents. Peninsula will continue to expand the mission of both organizations and improve the health of the community. There are no anticipated impacts on the existing providers. It is the intent of the newly integrated health system to have Nanticoke and Peninsula continue to provide services post-affiliation as they did the day prior to the affiliation.

The affiliation will improve access to quality health care services, enhance recruitment of personnel, and maintain and enhance medical services for under-insured and underserved populations. While the development of a definitive long-term plan will await completion of the transaction, it is the intent of the new health care system to facilitate the coordination of health care services throughout the respective service areas of the parties. Nanticoke and Peninsula have longstanding referral arrangements with other providers to ensure appropriate continuity of care, accessibility and related considerations to enhance quality. It is the intent of the new health system to maintain and improve on the provision of health services in the respective service areas of the parties.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion IV. There was a voice vote, no abstaining, and 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.

Peninsula states their audited financial statements demonstrate that they have the resources, financial and human capital to maintain a strong and viable health care system. It is the intent of this affiliation to continue providing exceptional health care services to the region currently being served by Nanticoke and Peninsula.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion V. There was a voice vote, no abstaining, and no opposing. Motion carried.

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

Since this application seeks approval of the proposed integration of Nanticoke into a new health system with Peninsula, there are no historical statements of revenues and expenses for the future newly integrated health system. The transaction is not expected to close until January 2020 and the parties are engaged in due diligence. Therefore, Peninsula is not able to project the first two years of full operations. Nanticoke and Peninsula does not anticipate direct effects on the costs and charges of health care are anticipated in the short term. Over time, it is anticipated that the affiliation will lead to cost efficiencies through enhanced purchasing power, improved recruitment of physician and other providers, shared corporate structure, improved quality, enhanced patient experience and better management of the population health.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion VI. There was a voice vote, one abstaining, and no opposing. Motion carried.

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

Nanticoke is certified by Medicaid. Peninsula operates physician practices in Delaware and is certified by Medicaid. Historically, Nanticoke is operating between 25% to 23% of gross revenue attributed to Medicaid. Nanticoke and Peninsula are both Joint Commission accredited.

Action

There was a motion made to accept the Review Committee's recommendation that the application met criterion VII. There was a voice vote, two abstaining, and no opposing. Motion carried.

Other Review Considerations

Both Nanticoke and Peninsula have been recognized for their commitments to patient safety and outstanding quality. The new health system will build off the strengths of both organizations to promote even higher levels of quality and patient safety. Both organizations have a history in Delaware of providing health services to Medicaid patients and the medically indigent. Post-closing, it is Peninsula's intent to maintain and enhance the provision of health care services for all residents of western Sussex County, regardless of payor source. Nanticoke provides a broad range of inpatient and outpatient medical and surgical services to the local community through Nanticoke Memorial Hospital as well as a network of ambulatory locations and aligned physicians throughout Sussex County, Delaware and eastern Caroline County, Maryland. Peninsula likewise provides health care services that promote a continuum of care in its service areas. Peninsula provides a full scope of services that rival those offered in much larger metropolitan areas.

The project will enhance the health status of the user population. This application is for the integration of Nanticoke into Peninsula, and does not involve new construction.

It was stated the Review Committee requested further information from Peninsula during the CPR review process. Those follow up questions and responses are included as an Appendix in the recommendation report to the Board.

Action

There was a motion made to accept the Review Committee's recommendation that the application submitted by Peninsula for an affiliation with Nanticoke is approved. There was a voice vote, no abstentions, and no opposing. Motion carried.

Chair Brett Fallon entered the meeting and facilitated the remainder of the agenda items.

2018 Delaware Nursing Home Bed Need Projections

Dr. Allison Shevock presented the 2018 Delaware Nursing Home Bed Need projections. The presentation was accompanied by the 2018 Delaware Nursing Home Utilization Statistics Report. The 2018 Delaware Nursing Home Utilization Report reflects data from January 2018 to December 2018. This data is used to project future nursing home bed need. The 2018 bed count is used to project the 2019-2024 nursing home bed need. The increase in bed capacity or the construction of a nursing home are requirements for a Certificate of Public Review process.

According to the Delaware Population Consortium, Delaware is expected to experience an increase

	2015	2020	2025	2030	2035	2040	2045	2050	2015-2050 Percentage Increase
Delaware	945,929	989,803	1,021,441	1,044,965	1,062,816	1,076,165	1,086,324	1,094,704	15.7%
New Castle	555,115	571,165	586,021	596,221	602,884	606,346	607,227	606,162	9.2%
Kent	175,412	183,242	188,929	193,601	197,682	201,639	205,926	210,671	20.1%
Sussex	215,402	235,396	246,491	255,143	262,250	268,180	273,171	277,871	29.0%

in the population in all three counties. The PowerPoint presentation reflected the following information below:

Overall Population Growth in Delaware, 2015-2020

Source: Annual Population Projections, Delaware Population Consortium, Version 2018.0, October 2018

65+ Population Growth in Delaware, 2015-2050

	2015	2020	2025	2030	2035	2040	2045	2050	2010-2050 Percentage Increase
65-69	52,663	57,579	64,933	66,706	61,567	56,367	56,070	62,445	18.6%
70-74	38,939	49,254	53,280	60,036	61,770	57,077	52,415	52,296	34.3%
75-79	27,467	34,454	43,285	46,735	52,725	54,322	50,303	46,413	69.0%
80-84	19,069	22,484	28,101	35,297	38,084	43,005	44,421	41,296	116.6%
85+	19,553	22,919	26,856	32,843	41,163	47,461	53,851	57,964	196.4%
Total 65+	157,691	186,690	216,455	241,617	255,309	258,232	257,060	260,414	65.1%

Source: Annual Population Projections, Delaware Population Consortium, Version 2018.0, October 2018

The population projections show that overall from 2015-2050, Delaware is expected to experience a 15.4% population growth. The population is also expected to increase among the 65+ population. The population to experience significant growth is the 80-84 and 85+ cohorts.

Overview of Long-Term Support Services (LTSS) Categories:

Home Care Services

- Family Caregiving
- Home Health Care (wound care, medication management, physical therapy)
- Homemaker Services
- Home Telehealth

Community Services

- Adult Day Care / Senior Centers
- Transportation Services
- Meal Services
- Retirement Communities

Assisted Living Facilities

- 24-hour Supervision
- Assistance with ADLs
- Medication Management
- Homemaker Services
- Social / Recreational Activities

In Delaware, not included in CPR process

Nursing Home Facilities

- 24-hour Supervision
- Comprehensive Skilled Nursing Care
- Respite care

In Delaware, included in CPR process

It was stated Assisted Living facilities are not required to go through the CPR process in Delaware, however data is now being collected to analyze the Assisted Living utilization in Delaware to gain further insight into the shifts in healthcare. Also the data will be beneficial to the Health Resources Board if those facilities are included in the CPR process in the future.

Delaware Assisted Living Facilities & Private Nursing Homes (2019)

	Assisted Living (AL)	Private Nursing Homes (NH)	Ratio (AL / NH)
New Castle			
Facilities	23	27	0.85
Beds	1,433	2,629	0.55
Kent			
Facilities	4	7	0.57
Beds	373	764	0.49
Sussex			
Facilities	6	11	0.55
Beds	495	1,264	0.39
Delaware			
Facilities	33	45	0.73
Beds	2,301	4,657	0.49

Occupancy Rates

Delaware Nursing Home Occupancy Rates, 2007-2018

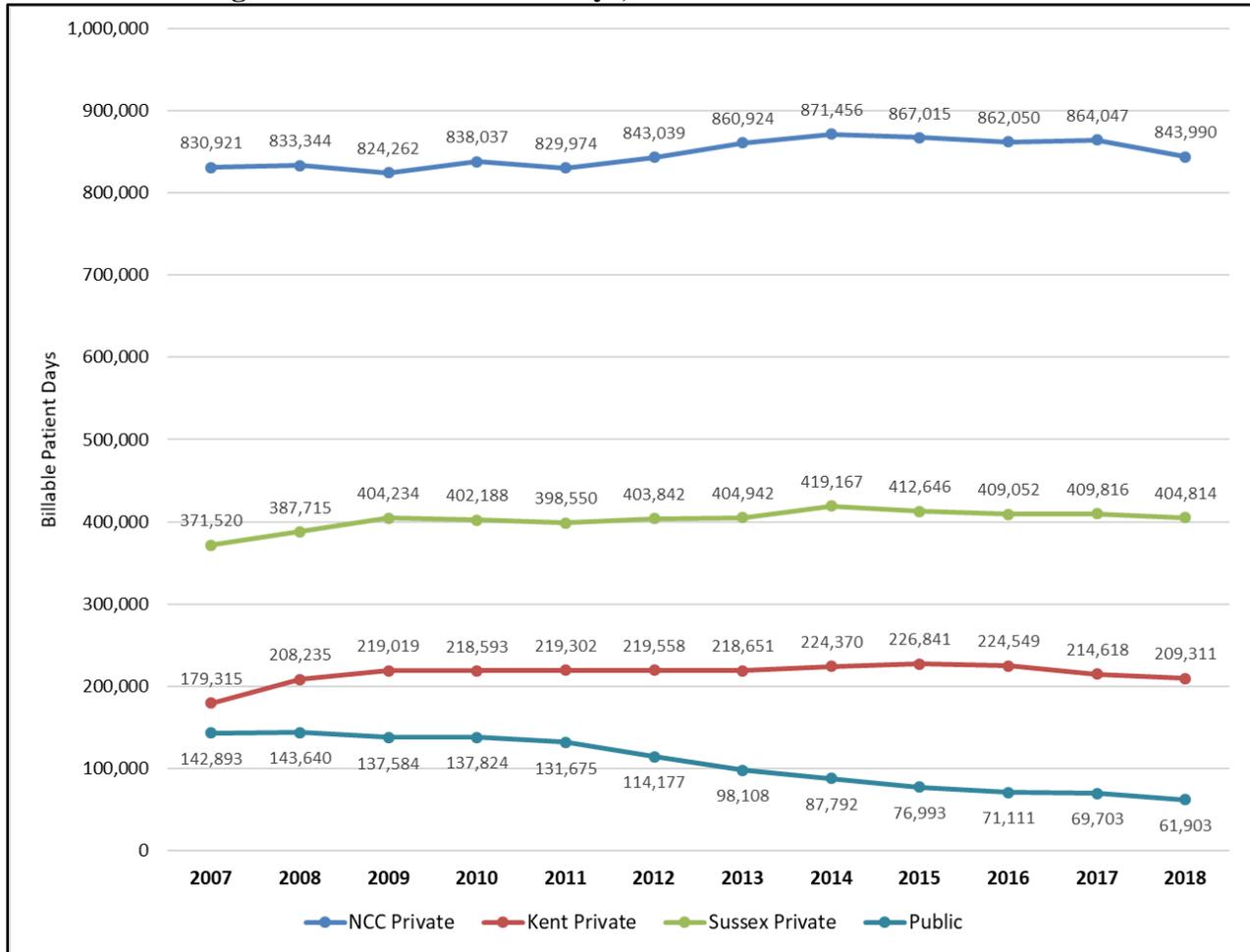
Year	Private Facilities				Public Facilities	All Facilities
	New Castle	Kent	Sussex	Total Private		
2007	90.2%	76.5%	89.1%	87.9%	62.5%	84.7%
2008	91.4%	88.9%	80.3%	87.7%	62.9%	84.7%
2009	89.6%	93.5%	89.7%	90.2%	60.2%	86.5%
2010	91.1%	93.3%	89.3%	90.9%	63.9%	87.7%
2011	90.3%	93.6%	88.5%	90.3%	61.0%	86.8%
2012	91.1%	89.5%	87.5%	89.8%	54.3%	85.8%
2013	89.0%	89.1%	87.8%	88.7%	51.5%	84.9%
2014	90.1%	91.5%	90.9%	90.5%	64.1%	88.5%
2015	89.8%	92.5%	89.4%	90.1%	67.7%	88.7%
2016	89.2%	90.7%	88.7%	89.3%	67.8%	88.0%
2017	89.6%	86.7%	88.8%	89.0%	67.5%	87.7%
2018	88.0%	77.8%	87.7%	86.3%	59.9%	84.8%

Source: 2018 Delaware Nursing Home Utilization Statistical Report

Billable Patient Days

- Billable Patient Day: a unit of time (i.e., one day) during which the facility’s services are used by one patient.
- For example, if a nursing home has 100 patients on a particular day, the facility has generated 100 billable patient days for that particular 24-hour period.
- If a facility’s number of billable patient days increases from one time period to the next, it is an indication that the facility is
 - a. Caring for **more** patients
 - b. Caring for patients for **longer periods of time**, or
 - c. A **combination** of these two factors.

Delaware Nursing Home Billable Patient Days, 2007-2018



Source: 2018 Delaware Nursing Home Utilization Statistical Report

Delaware Nursing Home Admissions

Delaware Nursing Home Admissions, by Race and Age, 2018

	Age Groups				Total Admissions (by Race)
	Under 65	65-74	75-84	85+	
White (N=9,308)	12.4%	18.1%	33.0%	36.4%	78.4%
Black (N=2,263)	23.8%	27.8%	29.1%	19.4%	19.1%
Other (N=299)	13.4%	31.4%	26.8%	28.4%	2.5%
Total (N=11,870)	14.6%	20.3%	32.1%	32.9%	100.0%

Source: 2018 Delaware Nursing Home Utilization Statistical Report

- White patients represented 78.4% of all DE NH admissions in 2018
- Larger percentages of Black NH admissions represent patients Under 65 and 65-74
- Discharge trends mirror admission trends

Delaware Nursing Home Discharges

Delaware Nursing Home Discharges, by Destination, 2018

Facility Type	Discharge Destination						
	Home	Hospital	Assisted Living	Private LTCF	State Owned LTCF	Death	Other
Private (N=11,149)	58.1%	22.9%	4.2%	3.0%	0.3%	10.8%	0.7%
Public (N=30)	6.7%	6.7%	0.0%	3.3%	3.3%	76.7%	3.3%
All facilities (N=11,179)	57.9%	22.9%	4.2%	3.0%	0.3%	10.9%	0.8%

2018 Delaware Nursing Home Utilization Statistical Report

Rebalancing Long Term Care Services (LTSS) in the U.S

Past two decades → gradual rebalancing of LTSS toward consumer-preferred HCBS

- Emphasis on community integration for seniors
- Increased number of and access to HCBS
- Policy changes related to reimbursement (patients staying for shorter lengths of time)
- Efforts to reintegrate NH consumers back into community settings
- AL and NH workforce challenges / caregiver shortage
- Multigenerational housing development

Gradual decline in Senior Living and Nursing Care occupancy rates in the U.S.

- AL occupancy fell to 85.1% in Q2 (2019), the lowest point since NICSHC began collecting data in 2006
- IL occupancy fell to 90.2% in Q2 (2019)
- Nursing Home occupancy rates dropped to 79.7% in 2016

Senior Living construction slowing slightly; supply will eventually better match demand

Delaware Nursing Home Bed Need Projections

The Health Resources Management Plan has a methodology that consists of six steps:

1. Obtain annual billable patient day data (by state and county)
2. Calculate projected population growth by age group (by state and county)
3. Calculate the proportion of NH admissions by age group (<65, 65-74, 75-84, and 85+) and use these proportions to calculate a weighted sum of population growth
4. Multiply weighted population growth factor by current year billable patient days to obtain projected billable patient days for each year of the projection period

5. Divide projected billable patient days by 365 to obtain projected bed need
6. Calculate the difference in current and projected bed need to obtain the projected shortage / surplus of NH beds (by state and county)

2019 – 2024 Delaware Nursing Home Bed Projections

Delaware	Available Beds (2018)	Projected Bed Need	Shortage / Surplus
2019-20	4,940	4,750	190
2019-21	4,940	4,884	56
2019-22	4,940	5,015	-75
2019-23	4,940	5,181	-241
2019-24	4,940	5,357	-417
Kent	Available Beds (2018)	Projected Bed Need	Shortage / Surplus
2019-20	701	627	74
2019-21	701	646	55
2019-22	701	661	40
2019-23	701	682	19
2019-24	701	704	-3
New Castle	Available Beds (2018)	Projected Bed Need	Shortage / Surplus
2019-20	2,889	2,788	101
2019-21	2,889	2,856	33
2019-22	2,889	2,928	-39
2019-23	2,889	3,026	-137
2019-24	2,889	3,129	-240
Sussex	Available Beds (2018)	Projected Bed Need	Shortage / Surplus
2019-20	1,351	1,331	20
2019-21	1,351	1,375	-24
2019-22	1,351	1,418	-67
2019-23	1,351	1,466	-115
2019-24	1,351	1,519	-168

NH Bed Projections: Summary Points

- Latest projections predict immediate surplus of beds in all three counties
- Over the next several years, given current bed counts, trends, and population projections, the surplus will transition to a bed shortage
- The magnitude of bed shortages largest in New Castle and Sussex Counties
- When considered in the context of beds missing per 1,000 persons age 65+, in 2024

- **Delaware:** 1.98 beds short per 1,000 persons age 65+
- **New Castle County:** 2.25 beds short per 1,000 persons age 65+
- **Kent County:** 0.09 beds short per 1,000 persons age 65+
- **Sussex County:** 2.40 beds short per 1,000 persons age 65+

Action

There was a motion made to accept the current Nursing Home Bed Need Projections (2019-2024) presented to the Board. There was a voice vote, no abstentions, and no opposing. Motion carried.

The full Nursing Home Bed Need Projections presentation is posted on the [Delaware Health Resources Board](#) website located under Meeting Presentations.

Upcoming Items before the Board

Exceptional Care for Children (ECC) Certificate of Public Review Presentation

Exceptional Care for Children submitted an application in July 2019 to construct a 22-bed skilled nursing building called the “Bridge Unit”. The estimated capital expenditure is approximately over \$10 million. The public notice was sent out on August 9, 2019. There were no request for a public hearing. The application will have a 90-day review period from August 9, 2019. Representatives from Exceptional Care for Children presented their proposal to the Board with the following highlights:

Project Objectives

- Increase overall bed capacity to a total of 54 beds
- The development of a deliberate transition of care not a transfer of care, which puts the child’s quality of life at the forefront and works to drive cost down
- Maintain quality measures to review, analyze, modify and implement strategies that will increase independence, decision making and prepare a young adult for transition in a methodical and less traumatic experience

Pediatric SNF

- ECC opened its doors in 2006 and initially housed just 4 residents
- Today, ECC is home for up to 42 children at any given time and has cared for over 125 children
- Despite multiple increases in certified beds over the years, ECC continues to have a waiting list for children in need of care

Who We Serve

Medically fragile and technology-dependent children between the ages of birth and 21 years old

- Types of Care: Long Term, Transitional Care, Palliative/End of Life Care, Respite Care
- Children must have specific skilled technological need to qualify for admission
- Currently home to 41 Delaware residents from the following counties
 - New Castle: 68%
 - Kent County: 15%
 - Sussex County: 17%

ECC’s Proposed Solution “Bridge Unit”

- Construct a building to the existing campus, which will add additional 22 private rooms designed for the teen/young adult population
- The unit will increase overall bed capacity which will expedite admission for those on the waiting list resulting in a decreased hospital length of stay
- The unit will allow pediatric and adult care providers the opportunity to collaborate on the care needs of residents to ensure a smooth transition for young adults and their family members
- The unit will maximize long-term functioning through the delivery of high quality, developmentally appropriate healthcare services

Bridge Unit

- 22 private bedrooms split between 2 floors
- Activity Center (Common Space) on each floor with appropriate technology components for teen/young adult population
- Outdoor patio on each floor
- Dining area/kitchen
- Office space
- Exterior oxygen building
- Nurse stations
- Medication rooms
- Storage
- Laundry facilities

Aging Out of ECC

Discharges since 2006

- 58 children discharged home
- 8 children transferred to partner providers upon the child reaching the age 21 years old as they no longer qualify for the pediatric health care SNF model

Estimated Capital Expenditure

\$10,742,169.00

Financing through grants, fundraising and other

It was discussed that ECC is the only pediatric SNF in Delaware. If the facility did not exist, the children would be admitted to hospitals out of state. Medicaid pays for their stay at ECC. ECC representatives mentioned that if a child is in the bridge unit beyond 21, ECC obtains a waiver from the Division of Medicaid and Medical Assistance (DMMA) for the child.

The full ECC presentation is posted on the [Delaware Health Resources Board](#) website located under Meeting Presentations.

Staff will reach out to the Board members to establish a Review Committee Meeting to begin the review of the CPR application.

Notice of Intents

- Nemours Alfred I duPont Hospital for Children Cardiac Catheterization lab
Nemours Alfred I duPont Hospital for Children submitted a Notice of Intent to install a new Hybrid Cardiac Cath Lab within the existing Cardiac Cath Lab. Currently Nemours has an existing 10 year old Hybrid Cath Lab serving pediatric patients. Due to the age, Nemours seeks to install a new Hybrid Cath Lab. The estimated capital expenditure is \$6,144,000. The application will be forthcoming.
- Post Acute Medical Cubed LLC 34-bed inpatient rehabilitation facility Georgetown DE
Post Acute Medical Cubed LLC an affiliate of Post Acute Medical LLC submitted a Notice of Intent to construct a 34-bed freestanding inpatient rehabilitation facility (IRF) in Georgetown, DE. The estimated capital expenditure is \$18 million. The application will be forthcoming.
- Beebe Healthcare 12 room fit out Specialty Surgical Hospital
In November 2018, The Health Resources Board approved an application submitted by Beebe to construct a Specialty Surgical Hospital on John J. Williams Highway between Rehoboth Beach and Millsboro. The approved project included unfinished space to accommodate 12 additional private inpatient rooms. Beebe submitted a Notice of Intent to fit out the remaining 12 private inpatient rooms. The estimated capital expenditure is \$3 million. The application will be forthcoming.

Other Business

Joint Legislative Oversight and Sunset Committee Questionnaire

At the August meeting, it was stated the Joint Legislative Oversight and Sunset Committee voted to conduct a comprehensive legislative oversight and sunset review of the Health Resources Board. Staff and leadership is responsible for completing the questionnaire for submission by October 16, 2019. The Board discussed the following items as feedback to include in the questionnaire:

Challenges with the HRB

- Filling vacancies on the Board
- Lack of a quorum for meetings due to the size of the Board
- Interpretation of the definition of a quorum (is it the number of seats filled on the Board or the total membership of the Board)
- Conflicts of interest-if a Board member recuses from a conflict of interest and the conflict no longer exists, why does the Board member need to continue to recuse from the matter
- Scheduling and availability of the HRB members
- Appeals process and legislation being introduced as a result of the Board's decision on an application

Accomplishments with the HRB

- The Board has reviewed significant amount of applications over the years
- The nursing home bed need methodology presentation process has evolved
- The revision of the Health Resources Management Plan
- Met the recommendations from the last 2012 Joint Sunset Review

There was a discussion surrounding the purpose of the Board and the alternative if there was not a CPR process in Delaware. It was stated the Board serves a good purpose for the oversight of overutilization of healthcare services, which could increase healthcare costs.

Updates

Christiana Care Kitchen Renovation Project 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 was 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. All phases of the kitchen project is complete. The kitchen is operational.

The Budget for the project was as follows:

	Budget	Expenditures
Construction	\$6,870,000	\$6,646,970
Kitchen Equipment	\$2,250,000	\$2,250,000
FF&E	\$45,000	\$56,883
Miscellaneous	\$35,000	\$13,162
Total	\$9,200,000	\$8,967,015

As of 8/12/2019

No action is required on this matter.

Public Comment

There was no public comment

Adjourn

The meeting adjourned at 4:22 p.m.

Next Meeting

TBD