In The Matter Of:

Delaware Health Care Commission

Bayhealth & Beebe Freestanding Emergency Department

Public Hearing

May 16, 2019

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DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DELAWARE HEALTH CARE COMMISSION

IN RE: Bayhealth and Beebe Freestanding Emergency Department Public Hearing

Delaware Technical Community College
Owens Campus
21179 College Drive
Carter Partnership Center
Room 529 Lecture Hall
Georgetown, Delaware 19947

Thursday, May 16, 2019
10:30 a.m.

BEFORE: LEIGHANN HINKLE
CAROLYN MORRIS
JOHN G. WALSH

ALSO PRESENT: JOANNA S. SUDER, ESQ., Deputy Attorney General for the Delaware Health Care Commission

LATOYA WRIGHT, MBA, Management Analyst III

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MR. WALSH: Good morning, everyone.

My name is John Walsh. I'm a member of the Delaware Health Resources Board and the Chair of this Certificate of Review Committee. This is for Bayhealth and Beebe Freestanding Emergency Department Applications.

At this time I'll ask the Committee members to introduce themselves.

And the purpose of today's hearing is for the Certificate of Public Review Committee to consider the applications from Bayhealth and Beebe Healthcare and to receive public comments to the freestanding emergency departments in Sussex County, Delaware.

Upon consideration, this Committee will make a recommendation regarding both applications to the Delaware Health Resources Board for their final decision.

MS. HINKLE: Good morning.

I'm Leighann Hinkle.

MS. MORRIS: I'm Carolyn Morris.

MS. WRIGHT: I'm Latoya Wright, staff support to the Board.

MS. SUDER: Thank you.

And for those of you who do not know me, I am Joanna Suder. I am the deputy attorney general for the Health Resources Board.

So I have some introductory matters to go through. And then we will hear presentations from Bayhealth and Beebe.

Pursuant to Delaware law, 16 Del Code 9305(4), notice of the Board's intent to review a completed application was sent on January 16th, 2019, directly to health care facilities in the state and to others who request direct notification. Notice was also published on January 16th, 2019, in the Delaware State News and The News Journal.

The notification identified the applicants, indicated the nature of the

application, specified the period during which a public hearing in the course of the review may be requested, and indicated the manner in which notice will be provided of the time and place of any hearing. On January 18th and January 28th, 2019, the Delaware Health Care Commission received requests for a public hearing from Bayhealth, Beebe and Nanticoke.

I would like to have the following exhibits marked which will be part of the record.

Exhibit 1 is The News Journal and Delaware State News Affidavits of Publication of Notice of Intent to Review Completed Applications.

Exhibit 2 is notice sent directly to all health care facilities in the state and others who request direct notification.

Exhibit 3 is The News Journal Affidavit of Publication of Notice of today's hearing.

Exhibit 4 is the Delaware State

News Affidavit of Publication of Notice of today's hearing.

Exhibit 5 are written comments and/or presentations from Bayhealth, Beebe and Nanticoke.

Exhibit 6 is a copy of the Certificate of Public Review Application, one for Beebe and one for Bayhealth.

And Exhibit 7 is a copy of the Board's points for consideration.

The Board now invites representatives from the applicant to step forward and provide a short presentation on their application and the proposed project. I ask that you please state your name before you begin speaking, as we are keeping a record of all comments received.

And we are going to start with a presentation from Bayhealth first.

MR. VAN GORP: Hi.

Good morning.

Thank you for the opportunity to present our application to you for a freestanding emergency department, part of

a medical complex that we have planned for Route 9 in Sussex County to bring additional primary care services, specialty services, as well as a freestanding emergency department, to Sussex County.

My name is John Van Gorp. I'm the senior vice president for planning and business development at Bayhealth. I'm also your pseudo-MC for our presentation, because there will be a few of us that will be presenting this morning. Bill Strickland, which is our chairman of the board at Bayhealth, and Terry Murphy, our president and CEO of Bayhealth, will be presenting to talk about the vision and the strategies associated with our facility. And then I'll finalize the presentation with some of the planning aspects associated with that.

And without further ado, then, I will introduce our chairman of the board, Bill Strickland.

MR. STRICKLAND: Thank you, John.

Good morning.

My name is Bill Strickland. I am the chair of the Bayhealth board of directors. It is a pleasure to be part of this presentation this morning.

Back in January of 1997, Milford Memorial Hospital and Kent General Hospital formed a new entity -- Bayhealth. Shortly after that merger was consummated, Bayhealth began a very thoughtful and strategic plan towards improving health care in Sussex County.

The first step that was recently realized was the construction of the new hospital.

The second part of that was: How do you improve pediatric care? So the collaboration with Nemours was the second prong, if you will, of that strategic plan.

The next part of that plan is the Route 9 project, because it strengthens and increases access to health care for Sussex County residents.

And the fourth part of that is

increasing the availability of primary care physicians. A subcomponent of this project is to house primary care physicians who can provide access to health care.

In my professional life at L&W Insurance, we provide employee benefits to many downstate businesses. And we hear a common theme when we meet with employees. And that is: "I have a hard time finding available primary care physicians. I have a hard time accessing care." This Route 9 project addresses those ongoing concerns.

As a lifetime Milfordian, it's very gratifying to see the results coming to fruition of that Bayhealth merger.

Health care has improved, as evidenced by the new health care facility. The Route 9 project is the second part of what I looked at as a very strategic and importantly well thought-out financial plan.

I would strongly encourage you to support our application.

It's now my pleasure to turn

this over to our CEO, Terry Murphy.

MR. MURPHY: Thank you, Bill.

My name is Terence Murphy. I'm the president and CEO of Bayhealth.

I'm going to cover some of our operational strategies to manage health care costs, which I think is important. I'll give a little background on Bayhealth. I'll talk about our strategies for Route 9 and briefly discuss impact on others, which I think is important.

So just for background, Bayhealth is the second largest health system in the State of Delaware. We were pleased last year to have our bond rating upgraded by Standard & Poors. So we have a rating of AA-. And we are one of three health systems in the state, joining Christiana and Nemours, as having our nurses part of a magnet designation by the American Nursing Credentialing Center. We use the most national prolific electronic health records, which connects patients with their health information. And we

announced recently that in 2021 both our hospitals in Kent and Sussex County will become teaching hospitals, which is important.

Our mission is to improve the health of our community one life at a time. And we have collaborations with Penn Medicine for cardiovascular surgery, orthopaedics and cancer care. As Bill mentioned, we have a partnership with Nemours Children's Health Systems to bring pediatric specialists to Kent and Sussex County on our Sussex Health Campus, which heretofore people have had to access that by driving up to Wilmington.

For six years we've been involved with Beebe and Nanticoke in a program -- in a project entitled "Healthier Sussex County" in which we collaborate and work very well together jointly on community health issues and improving the health of Sussex County residents. And those have been in areas such as obesity, cancer care, substance abuse and mental

health. We have a lot of collaboration.

The last I want to mention -- and I want to draw your attention to a slide -- relates to our -- okay. So I'm not an IT expert.

Can you just pull me back?

So the last I want to mention is a project that we're involved in called "eBrightHealth." EBrightHealth is an organization that includes the Christiana Care Health System, Bayhealth, Beebe HealthCare and Nanticoke.

And particularly, three years ago, we joined what's called an Accountable Care Organization, an ACO. And this is important, because we began participating in something called the Medicare Shared Savings Project in which all of our hospitals as part of that four hospital group within the ACO takes risks for the cost of care for the Medicare population. We are taking risk.

So I want to draw your attention -- because I think this is

extremely important as we talk about managing health care costs and, in particular, emergency department care and the cost of care. So if you look on the left-hand side, Medicare, as part of this program, measures our cost per member for our respective Medicare population. That's on the left side. Two drivers of costs -- hospital discharge and ED visits -- are also calculated.

If you look at the very far slide on the right -- sorry about that. I'm going to move over here.

If you look at the very far part of the slide on the right, that is the Medicare population and the cost of treating the Medicare population in what I would call an "unmanaged environment" in which its traditional fee for service -- and the care is not being managed by, again, an accountable care organization. So you can see generally that is higher cost and higher utilization.

In the middle column are ACOs

across the country that are working to manage and take risk at managing the Medicare population. And you can see generally in managing the population well it will cost less and it will have a better utilization on some of the high cost drivers.

To the far left, our column is Bayhealth. And I'm pleased for the January through December 2018 year. Bayhealth had the lowest Medicare cost per member per month in managing our Medicare population. And that was also driven by a very low emergency department visit ratio per 1,000 members of our Medicare population that we're assigned to.

So Bayhealth has managed very well the Medicare population. And that includes taking risks for the cost of the care of the Medicare population and managing that.

So what do I mean by "managing" the health of our population, in this case, the Medicare population?

There are important keys. We have engaged primary care physicians. Dr. Bryan Villar is here today. We have engaged physicians. We have expanded access for later hours for our primary care offices. We have care coordinators within our physician practices to manage the health of the population and really evaluate improving annual wellness visits and screenings and the like, all because we are taking risk for managing the cost of the care of the Medicare population, which, of course, is a large component of what we see in Sussex County.

And we use data analytics. Working with Medicare, we get data. So in a -- the key to this, I think, is that with a well-managed environment, farther on the left side, with an organization that is taking risk with strong primary care physicians who are engaged, approving a freestanding emergency department to improve access will not necessarily impact the cost of care because we are at risk for

that and managing that population very well compared to nonmanaged environment.

Just quickly, our Route 9 strategy is to improve access to much needed primary care physicians. Sussex County has the lowest physician to population ratio in the state. Our -- we operate our primary care offices to have expanded hours and provide availability for same day appointments.

And as I mentioned earlier, in 2021 the residency program that we will begin that we have been approved for is in family medicine, internal medicine. 2022 will be emergency physicians and emergency medicine. And the following year for general surgery training of residents as we become a teaching hospital.

It's also important that we provide needed access to the freestanding emergency department in a fast growing area that's also aging, provide access to physician specialists and also the diagnostic services to support both the

facility and the community around Hudson Road and Route 9.

As relates to the impact to other hospitals, I think Bayhealth and Beebe both recognize the need for additional freestanding emergency department emergency services as the population continues to grow. And our site, we believe, minimizes the impact on Nanticoke Health Services.

So our plan is to improve primary care, provide a much needed emergency care in a fast growing and aging part of Sussex County that may have difficulty accessing other emergency departments, and to minimize the impact on other providers.

And we ask for your approval on our application.

Thank you for your time.

MR. VAN GORP: Thank you, Terry.

The next part of this will be kind of going through your slide

presentation. There is a slight edit to one of the slides, which is Slide 24, I believe, basically taking a map and putting a line in it just to help make a point a little bit more clear.

So what we're going to talk about this morning is -- there's a pretty picture of our freestanding emergency department that we are proposing for Route 9.

Bayhealth does have experience with freestanding emergency departments. We've operated one for close to six years in Smyrna. And this concept has been successful there. We're looking forward here to Route 9.

So things we'll talk about a little bit in terms of a quick overview of the project. And one of the things I -- at least what my interpretation of or impressions are that might be helpful is what are some of the similarities and what are the differences between our applications that might be able to help you

in your decision process.

So the next slide that is presented is just general location of our facilities located on Route 9 just east of Harbeson halfway between Route 1 and Georgetown.

The next picture is just what our slide -- excuse me -- what our site will look like when the facility is placed upon -- on our site.

So the area in green -- there's a little white line around it. That is essentially our -- the full site. We're developing close to half of the site that we have available.

Now, when planning for this campus, we want to ensure that we address managing appropriately to reduce overutilization of the emergency care, which is why it's important to remember that this is part of a larger complex, not just a freestanding emergency department.

The program that we have laid out for the facility will consist of the

emergency department. There are ten treatment bays in total. It will also have imaging to support that, a full service lab. Both lab and the imaging will also service ambulatory patients that come in with prescription, not necessarily needing emergency services.

The other important component of this project is the physician component, as we discussed. Primary care offices right now designed to accommodate up to six primary care physicians. Specialty care offices, some full time, some rotating through, to provide a full complement of services for the area residents.

Now I would like to address, as I mentioned, some of the key similarities between Beebe and the Bayhealth applications. Because once we determine what our program was, once we bought the land, we submitted our COPR, essentially the same time as Beebe.

From a planning perspective, there appear to be many similarities that I

at least think are consistent between the two applications. So we kind of listed them here.

We wouldn't be here, I don't think, if we didn't think a freestanding emergency department was needed on the west side of Route 1.

We both agree that people over the age of 65 utilize ED services more than other age groups. And there is a large contingent of retirees in Sussex County.

A couple of the other items. I've included a few quotes from Beebe's applications for Millville's freestanding emergency department and their Georgetown freestanding emergency department that we agree are consistent themes.

Population growth is a consistent theme in both in that the eastern side of the state is growing more than the western side. You'll see that in its presentation. And Beebe reflects that in their comments. In their service area, the population has grown by 15.8 percent,

more than double that of the western side of the county.

What was in the Millville application, which is not necessarily -- which is not in their Georgetown application, for whatever reason, was a discussion about the visitors, the tourists that come to the area. They made a comment: One must also consider visitors to the area, not just permanent residents. As many as 1.4 million tourists visited Sussex County that year, referencing 2016. All of which we agree with and took into consideration in our plan.

With the growth and the population, the traffic infrastructure hasn't necessarily supported that. The growth in Sussex County has not been matched with improvements with transportation infrastructure, which we agree with.

And there are other comments in their Georgetown application. Route 9 remains a two-lane road. During peak

travel times from Georgetown to Lewes, this drive time can take up to 50 minutes, which we also have seen.

In their Millville application, they discuss the Rehoboth and Indian River Bays, as well as the crowded Highway 1, create roadblocks to accessible care.

And, then, one of the important things to consider is the EMS travel from ambulance. The travel time taking a patient to the emergency department is one thing, but that ambulance is out of service until it gets back into the area that it covers. So the travel time back on patient transport to the emergency department in Lewes can take up to 90 minutes to the Millville location during the busy tourist season, again taking that ambulance out of service.

So however -- so those are some of the similarities. There are some key differences between the applications, the biggest of which is where the facility is located.

This map reflects the service area or, I guess -- what we started looking at when we looked in this area. Where are we going to place our facility?

We performed an assessment, looking at: Where is the population? Where are the physicians? Where are the ambulatory facilities? And who has access to care?

We notice that when we mapped out the physician diagnostic centers in Sussex County there is a donut hole essentially in the area of Harbeson. So it kind of circles around this area.

There are a couple of providers in that area -- an ophthalmologist, a concierge physician, which is one that restricts his panel in exchange for a higher fee, but not exactly types of services that improve access to service.

So we placed our -- we decided that a good location for our facility would be in the center of this donut hole, filling out the donut.

The majority of the service we noticed are on the east side of Route 1, which is a major barrier to access due to the time it takes to cross. And we made that argument in our application.

So to improve access to primary care services, specialty care, emergency care, we found that the location in the middle of the circle would be the best. It would give residents the alternative to care instead of crossing Route 1.

And when we looked at the population of the area, we also noticed that most of the population of the area is within the circle. Other than to the east, there's really not a whole lot of population on the outskirts until you get to Highway 13 to the Seaford/Bridgeville area. Everything essentially between there is very rural, not a lot of growth.

So we use that circle to define our service area. And this is located -- essentially Route 1 serves as a border heading southbound towards Millville to

Georgetown and Milton to the north.

Let's see. This area is about the size of Middletown. The Middletown ZIP Code, I should say. And it is projected to have the highest population growth in the state, particularly among seniors.

And when you look at this, this slide slows both the total population and the 65-plus population. Forty-eight percent growth in the 65-plus population has occurred sense 2010. Seventeen percent growth overall. And you can see it's projected to grow sizably in the next five years. Another eighteen percent growth among seniors and eight percent overall. This compares to 3.7 percent growth being projected for the State of Delaware overall. So this is a high growing area.

So when you segment it even further, the vast majority of the growth is really taking place in an area west of Route 1 and east of Route 30, which is the area that kind of slices our service area there in the middle.

The population is essentially growing west from Route 1 westward and from Milton southward. There is very little population, very little growth west of Georgetown, which we just discussed.

And when we talk with community residents, we researched the data. We were not aware of residents really complaining about traffic or barriers to access going west from Georgetown.

Beebe doesn't reference it in their applications. Given both the Millville and Georgetown applications, they both reference traffic problems essentially taking place on Route 1.

With Route 1 and being the traffic being down to the access to barrier to the east -- and Georgetown being really the only community of significant population on the west -- kind of just led to the credence of this as the appropriate location to house our facility in the center of this population base.

And the growth is validated by

the number of new housing developments approved by Sussex County for the area around our site.

You can see the developments already in place to the northwest -- excuse me -- the northeast. And the new developments are all taking place just to the west of that. So they -- again, giving more credence to the fact that development and population is moving westward.

We are building and planning for the future with the growth moving toward our site. And from what we've seen in terms of the public records of Sussex County, we have not seen new developments planned for as of yet around Georgetown.

So the slide on Slide 20 essentially summarizes why we think this is a good location for our services.

And we in the next slide kind of identify why it's preferred to Georgetown. Georgetown is at the western edge of that service area. Route 1 is the barrier to access, not distance, to the

hospital. And the majority of the service area population lives east of Route 30. And, again, without impacting or minimizing the impact of Nanticoke Hospital serving that population to the west of Georgetown.

So one of our key differences that we've mentioned is the service area. We define our service area. But that is different and not necessarily agreed to by Beebe of what the service area is.

So this is just mapping our service area on a ZIP Code map of Sussex County. Compare/contrast that to the service area identified in Beebe's application. Significantly larger. Revolves around ZIP Code-defined areas, those zip codes being Ellendale, Georgetown, Harbeson and Millsboro.

And as we get to Slide 24, this is the replacement slide.

While Beebe's service area is significantly larger, we don't believe it adequately services the majority of the population. When taking both service areas

into account, the majority of the population is still east of Route 30.

And while Beebe made extra mention of the poor and the indigent they would be serving by having a location in Georgetown, there are actually more residents at or below 138 percent of the poverty level, which is the Medicaid-defining threshold, east of Route 30 and closer to Bayhealth's proposed emergency department than there are west of Route 30.

So the table on the right kind of gives the -- shows the population to the east and west of that Route 30 line that slices through the service areas.

Despite what we believe is the more appropriate location, we are projecting a much lower volume, highlighting another key difference between the applications. The projected volume for Georgetown is approximately 90 percent of Bayhealth's hospital in Sussex, which, you know, has been established and around for a significant period of time.

Through Bayhealth's experience with its freestanding emergency department and managing it care through primary care, we believe that we can control utilization to a much better extent than what is being proposed or projected by Beebe.

Other differences. And I think Terry alluded to our financial position. I'll gloss over that in the interest of time.

I'd like also to just -- some of the discussions between primary care versus walk-in clinic. There's a lot of discussion. And you'll hear about the walk-in clinics being an effective control and utilization of Beebe's services.

As Mr. Murphy showed earlier with Bayhealth's primary care network participating in the Medicare HMO, we've been able to effectively manage ED utilization at least compared to other ACOs and much less than regular Medicare. And we believe that primary care is a strategy that we should approach in reducing

utilization.

We believe that walk-in clinics are very useful and effective at treating low-level diagnoses and episodic care. But they are not necessarily designed to manage patients and the patient care experience. We believe that is why they don't necessarily impact Beebe utilization.

The quote from Beebe is similar to what we have experienced. In Dover we had four to five walk-in clinics develop over the last five years. We have not seen or experienced a significant drop in ED utilization at our hospital. However, we have seen effective management through the primary care physicians.

So, in summary, a Route 9 medical complex enhances access to primary care, enhances access to emergency services, improves the utilization of those services, improves access to value-added services, and improves the overall service experience for the residents.

And our location is at the

heart of the applicable service area.

And I'll pause at this time. I don't know if it's an appropriate time to talk about the response to the Beebe opposition letter.

MS. SUDER: Sure.

MR. VAN GORP: So I would like to just take a couple of minutes to rebut some of the information provided by Beebe in their Letter of Opposition from last week.

They make five points in their letter. I'll try to address these quickly. These are the five points that are listed here on this slide.

Beebe is making use of some traffic maps. I think you'll see some in their presentation coming up. We were not provided those traffic maps -- or the underlying reports reporting those traffic maps. So we can't really talk about the methodology associated with it.

We will acknowledge that depending on the time of year or what time

of day or what time of the week will impact driving times, particularly in the beach areas. We would argue that one cannot always accommodate or schedule their emergencies during those times when traffic times are good.

The statements in their opposition letter to Bayhealth allude that traffic is not really a concern or barrier to access at Route 1. Conversely, statements in their application supporting Georgetown and Millville allude that traffic is a concern. I don't think either of us would be here if we didn't think traffic was an issue that needed to be addressed through either one of our freestanding emergency departments.

And for those who have driven in the beach areas, you can draw your own conclusions as to whether traffic on or around Route 1 is a barrier.

There will be discussion in the letter -- and I'm assuming in their presentation -- about the density of the

population and the population centers, like Georgetown and Millsboro. Beebe makes the argument that Georgetown is a town of about 25,000 people. But I want to make clear that there is a difference between the ZIP Code area in which the post office has a ZIP Code boundary and usually applies whatever the largest city is in that ZIP Code and applies that as a label.

So there's a ZIP Code area that is labeled as Georgetown and then there's the City of Georgetown. So this line shows the ZIP Code boundary of the Georgetown ZIP Code which stretches, you know, west and east in a big circle around Georgetown.

This slide shows the City of Georgetown boundaries. The City of Georgetown has a population of 7,360, at least according to the Delaware Population Consortium. The rest of the population is dispersed in the unincorporated areas of Sussex County and the ZIP Code.

We cannot validate Beebe's numbers. There's two numbers per the ZIP

Code population in there -- one that we were able to pull from. We also put Beebe's numbers in there.

So Beebe would like you to believe that the population lives in the City of Georgetown. In fact, the majority of people live outside of Georgetown. And significantly more people live to the east of Highway 113 than to the west.

Beebe showed an aerial similar to this to state that there are few housing developments around this site and that we're not located where the population is.

If they would have expanded the picture a little bit further, you would have seen -- and I'm just repeating a graphic that we had before. There is significant population just to the east of our location with new developments moving steadily to the west.

So we are planning this facility for the future. We are planning this growth will occur to the west of the development and it will continue in that

direction.

Beebe's letters stated that I made an accusation without support regarding wait times in the emergency department. I personally thought that people generally don't like to wait in the emergency department. We struggle with wait times. Wait times are usually a problem in any hospital.

However, this slide is provided to show the information that I relied upon when I made my comment about increasing wait times at their hospital. And they provided this information in their own application between Millville and Georgetown.

Finally, Beebe is showing Bayhealth having significant growth in the ED visits in 2018 as reported to the Health Care Association. And we did report these numbers. But there is a major caveat to what we did in our reporting.

Historically, up through and including 2017, Bayhealth had reported only

the emergency department visits of its two hospitals. Beginning in 2018, Bayhealth started including its Smyrna ED visits into the numbers it submits to the Delaware Health Care Association, causing a significant jump that you'll see and accurately reflected in Beebe's letter.

If Smyrna is taken out of the numbers so that each year is compared on an apples to apples basis, the compound annual growth rate is less than one percent per year and is actually lower than Beebe's growth rate with their emergency department. So you can see it's relatively flat over the six-year period that the -- that Beebe provided.

As we have shown, we've been successful at trying to manage utilization of Beebe services, which I think is actually reflected when you really compare apples to apples, the year to year growth.

With that I conclude my comments.

MS. SUDER: Next we will hear

from Beebe.

MR. SYDNOR: Good morning.

My name is Alex Sydnor. I'm the vice president for external affairs and chief strategy officer of Beebe Healthcare.

Thank you, Health Resources Board, for your review of these applications and the opportunity to share, again, our proposed emergency department for Georgetown.

And thank you to the public for your interest in the work that we are proposing.

I'm joined here today by the chairman of our board, David Herbert; our interim president and CEO, Rick Schaffner; and several members of our executive staff. I thank them also for their participation as we share our plans for improving access to emergency care in Georgetown.

We our proposing to build a freestanding emergency department in the Town of Georgetown. When we did our analysis, we also saw a donut hole. We

proceeded differently.

This is a map of the three hospitals in Delaware with Milford Memorial at the top, Nanticoke in blue on the left, and Beebe on the right, and estimated 15-minute drive-time maps to those three emergency departments.

And we have included the freestanding emergency department that's under construction down in Millville that the HRB approved.

And we perceive that there is in fact a donut hole for emergency care in Delaware. And it is in the center of the county in Georgetown where we are currently located. And it also encompasses the Town of Millsboro that's along Route 113.

We think that emergency care is an important service to be offering in the county and this is the appropriate location for it given the location of other emergency services and estimated drive time to reach those services.

We have heard comment from

Bayhealth about growth. We all agree upon this. The growth in the county is significantly greater than in the state. And most of that growth along Route 1 and even the 113 corridor where we're currently located is very similar -- about eight percent. It's a little bit less by about half a percent here along the 113 corridor. It's significant in the community. And across these ZIP Codes, there's a significant population clustered around 113 in Georgetown and Millsboro and Ellendale.

And that's the community we really think needs better service and better access to emergency care specifically, again, given the drive-time maps, to reach the existing emergency departments that are currently operating and planned for in Sussex County.

The growth, of course, does include a high growth of the population 65 and older. And we do require more health services as we get older. And emergency care is one of those.

When we think about the need of the population, one of the statutory criteria of the Health Resources Board -- of course, it is first and foremost -- the need of the population.

When it comes to emergency care, timely access is one of the most critical factors. And that's why we propose building an emergency department here in Georgetown so that we are filling that true donut hole gap of emergency services.

Roadway improvements have not kept up with the growth in this area. We want to keep people from having to drive west towards Route 1 and keep them in Georgetown, Millsboro, along the 113 corridor where the gap currently exists.

When we plan for emergency services, as we are doing our analysis, we relied upon a number of data services, including the Health System 100 Report, which projects emergency department growth. This has been ongoing for a number of

decades, you know, reaching as high as forty-nine visits per hundred residents.

Our projections is based on who we think would be likely to choose emergency care in Georgetown is projected at about forty-eight visits per hundred residents. So it's consistent with what we see in national trends.

We do understand that some of these patients are coming from out of the area. So we assume in our projections about 14 percent of those visits are visitors to the area or tourists who visit us throughout the year.

And not all of the projections that we anticipate is not necessarily new emergency care. It's better emergency care. It's more convenient access to emergency care. So we understand from our own data about 18 percent of the folks who normally come and drive east down Route 9, crossing Route 1, to the emergency services that we offer in Lewes would actually receive them here more conveniently in

Georgetown.

Another one of the statutory criteria is always understanding whether or not there are less costly services available in the area. And there has been some growth in that both Nanticoke and Beebe operate walk-in centers here in Georgetown. This graphic here depicts the growth of the walk-in volumes that we've seen in the four walk-in centers that we operate in Georgetown and into Millsboro. So two along this 113 corridor that we're trying to improve access to.

This year, actually, 2019, the number of visits to our walk-in centers will actually exceed that to our emergency department in Lewes. These centers are open seven days a week until 7 p.m. Average cost is about $125 per walk-in visit.

We think this is a real critical service level that we will continue to operate, even if we are approved to expand emergency care in

Georgetown. We do this at some cost to the organization, as they are not a profitable service. But we think it's part of our mission to make sure that this kind of care is available.

And we have seen a reduction in those low-level, low-acuity cases in our emergency departments. In Lewes it's declined by 18 percent. So those are Level 1 and 2 -- those cases that should be able to be cared for in a primary care office or in a walk-in center. They are declining in our emergency department. So although we cannot exactly draw causality, there's definitely correlation with the growth of other forms of care that's reducing the amount of non-emergent care that's happening in the Lewes ED. And we anticipate to continue to see that kind of a trend as we continue to expand access to appropriate levels of care.

The Medicaid population, which I know is a great concern for the state, has also seen a decline for those low

non-emergent cases visiting the ED in Lewes. And, you know, had those folks gone to a walk-in center or primary care office, that would have been a savings to the state of $151,000 based on this utilization change in ED.

So we are creating access to different levels of care. This is the depiction of our growth in emergency room visitation on the left over the last couple of years. We are pleased that, although it's been creeping up, it is actually below the compound annual growth rate of the population that we serve. So as the population grows, ED utilization is not growing at the same rate. It's growing at a lower rate. We think that is success. And we will continue to work towards that success going forward.

This is a quick display of the different levels of care that are treated in an emergency department. There's always concern about cost and making sure we are utilizing -- providing appropriate

utilization. I know there's concern expressed in opposition from Nanticoke about ED visits of 2- and 3,000 dollars. That's not our experience in our -- in Lewes ED.

First and foremost, it's important to see that -- in the Lewes ED, for example, we see less than thirteen percent of folks who come in are Level 1 and 2. Those are those cases that can be cared for in a walk-in center. It's really the Level 3, 4, 5 and 6 that we're trying to improve access for. Eighty-seven percent of the population we're providing appropriate level of care through an ED. And just looking at the Georgetown metropolitan area at our Lewes ED, about eighty-four percent of the folks who come to our ED are actually Level 3 and above. They're ones who do need an emergency department. It's that population. And eighty-four percent of the population seeking emergency care from this market where we're seeing right now that we want

to improve care for by providing that care right here in Georgetown.

Again, we have mapped out what we would anticipate to be estimated 15-minute drive times from the location that we're proposing here in Georgetown. And we think we have filled the donut hole for emergency care while also not duplicating services and access to services that are currently existing.

The Health Resources Board, you know, attempts to, you know, help guide the state in rational health care services. We think this is important data. We don't want to duplicate care. We don't want to duplicate services that are already available. And we believe that a location here in Georgetown does that very well in making care available.

The other issue that we want to raise in this depiction is that a Georgetown emergency department is really equidistant to the three existing hospitals in the state. So if a patient does come to

an ED here in Georgetown and does need to be transferred to a hospital for more acute care to be provided in an emergency department, they have equidistant travel to any of the three hospitals in the state. So we can maintain patient choice and get them efficiently -- cost efficiently to their next stay, if that's where they need to go.

Another one of the statutory criteria to consider in location in deciding in building of facilities is that existence -- relationship to existing health care. We interpret this in two ways.

And one is the relationship to adjacent services. Where we are proposing -- right across the street from where we're sitting -- building an emergency department, there is existing primary care and walk-in care. There is a VA clinic, the La Red Federally-Qualified Health Center, and Sun Behavioral Health.

We are here at Del Tech, you

know, with a large number of students. There is two pharmacies within that development -- one inside the Walgreens; outside of the Walgreens within a half a mile. So also adjacent services for someone discharged from the ED.

You know, coming to an emergency department here or coming to this location, patients would have that choice of, you know, level of service from primary care to walk-in care to emergency care all here.

Additionally, of course, you know, the relationship with existing health care is how we are related to be the health care -- the health care being, you know, a longstanding member of the health care community here. We have an active relationship with EMS and Basic Life Support and transfer agreements, etc. So although it's freestanding, it is certainly not not integrated into the existing health care relationships.

All right. Going back to the

impact on cost. Again, statutory criteria of our application that we must consider. We look at this from a couple of perspectives -- one, unit-based cost and, two, total cost of care. Certainly building another freestanding emergency department in Georgetown will not change the unit-based costs, so the cost of actually receiving the care.

We really feel that, based on the drive-time maps that we've depicted, that what we're offering for the county is to rationalize and match supply with demand for emergency care which is not available here in Georgetown.

We think that improved access -- timely access, especially for emergency care -- will ensure that patients get what they need in a timely fashion so the patients don't worsen.

It is our mission to provide the care in our communities that we serve. We think this is the care that is needed here in the center of the county.

Clearly investment in primary care is key to continue to have availability of lower cost services. As has been noted, there is a lower ratio of primary care to residents in Georgetown, or in Sussex County, actually, than the other counties in the state. We are endeavoring to also add new PCPs. I think that we all need to recognize the fact that there are not enough primary care doctors leaving college -- medical colleges anywhere in the country. We need to think differently about how we deliver care.

Walk-in care is part of that strategy that we have to integrate for -- at least for the non-emergent cases, which we think we've done successfully.

Keeping the growth of emergency department utilization in our community lower than the growth rate of the population. We think that's successful.

When the HRB considers its work in, you know, rationalizing facilities, we encourage you to not restrict the access to

care for emergency care if you're in the center of the county. Clearly they're outside of the scope of the HRB. But what has significant impact on utilization is plan design. And we need to hope, I think, that all of our insurers, as we know we do with our own employees, increase the cost of a copay to an ED so that they are incentivized essentially to utilize the most appropriate level of care.

Just a few quick facts about the project itself. It is a 14,000-square foot emergency department of 21 exam and treatment rooms, advanced diagnostic imaging available, and a pharmacy on site.

We will build a helicopter pad on site. So if someone does need transfer to a further away tertiary center, that would be possible. Capital costs are just over $20 million.

Statutory criteria and financial viability. Again, we look at this in -- from two perspectives. We think the HRB is considering this from two

perspectives. One, can we afford to do it? And can we maintain it? Yes, we can afford to do it. We have plans to produce tax exempt bond offering to finance this. We have a BBB bond rating, which was upgraded a year and a half ago, and have an affirming opinion that we can borrow this money without impacting our bond rating. So that's important.

Also important is that the project is sustainable on its own so that there will not be any interruption in care going forward based on the revenues we believe it would generate on its own.

Again, not all that is new revenue, new utilization, as some of that would be from visitors outside the area and also from visitors who are receiving care from one of the other EDs in the community.

Quality is of upmost concern. Georgetown's emergency department that we are proposing will be Joint Commission accredited. We will offer tele-health services, like we do in Lewes. We will

seek recognition under the Emergency Medical Service for Children, like we do in Lewes. We have tele-health available in Lewes through A.I. duPont Hospital for pediatric patients. We will offer that as well here.

Timely access is significant.

Measure of quality in emergency medicine. And we -- you can see here we'll continue to measure and monitor performance in that regard. And we anticipate actually being in a freestanding emergency department to be able to offer quicker service because you're not combining those most acute patients there and don't have the acute care hospital behind you.

Again, just background on Beebe. We do conform with the HRMP -- Health Resources Management Plan -- as an independent, nonprofit, community hospital. We are a charitable organization. We're an active provider of care to Medicare and Medicaid patients. We are taking care of our community. We have a very generous

charity care policy. And we'll continue to operate that way with the freestanding emergency department. We participate with DHIN in providing information on all of our care so that providers throughout the state can access those records through the use of our EMRs.

We've also been an innovator in care coordination in coordinating care starting back in 2013. We're the first Delaware hospital to participate in the Medicare Shared Savings Program. We participated in that independently starting in 2014 before we joined together in eBrightHealth's ACO.

We also participate in the CMS's Bundled Payment for Care Improvement, which is an episode-based care improvement which we take risk on. Also to improve utilization and cost per patients.

We offer an Advanced Care Clinic for post-discharged patients. Any patient who leaves our ED or emergency department who does not have a primary care

can be scheduled for a visit at our post-care or Advanced Care Clinic.

We also call a hundred percent of our ED discharges and inpatient discharges to ensure that they have follow-up visits, that they don't have questions about their medications, that they can obtain their medication, and any other questions about their discharge instructions, to make sure that their -- the care they receive is continued post-discharge and that we coordinate any kind of follow-up that they need to ensure that they return to the optimum level of care.

Our Beebe C.A.R.E.'s program, which started in 2012, I believe, is also a program dedicated really to those high utilizers. So those really outlier patients who are visiting an ED three times in a six- to ten-week period. Anyone who's got that kind of utilization, we have a team of nurses and social workers that we assign to them. We've shown really remarkable results in helping them get on

to a healthy path and lower their need for acute care by managing their care. They are the real extreme high-cost patients, very fragile folks who really need a very complex set of services and care to help keep them stabilized. And that's been a very successful program that would be available to patients who are discharged from the Georgetown ED if they fall into that sort of high utilizer category.

All of these programs focus on managing care, coordinating care and lowering unnecessary utilization. We're very proud of the work that we do. We do feel that we have a very good case here in improving emergency services in the true donut hole here in Georgetown along the Route 113 corridor where there is nonemergency care and drive times are the greatest and that we're not creating, you know, duplicate services that are already available in the state.

Thank you.

MS. SUDER: The Board now

invites members of the public to step forward and provide comments on the application. I will call you up by name, but I also ask that you state your name for the transcriptionist as well.

So first we have Robert Walls.

MR. WALLS: May I retract my statement or my public comment?

MS. SUDER: Are you Robert Walls?

MR. WALLS: Yes.

MS. SUDER: Sure.

Mr. Sydnor, if you would like to provide comment. You're signed up to provide comment.

MR. SYDNOR: Oh. Am I next?

MS. SUDER: Yes.

MR. SYDNOR: Okay. Sorry.

Hi. My name is Alex Sydnor. I'm the vice president for external affairs for Beebe Healthcare. You probably know me by now.

I did provide written comments on the application from Bayhealth. We

do -- as Beebe opposed the application proposed by Bayhealth to construct a freestanding emergency department outside of Harbeson on Route 9, we do believe that it will actually duplicate services that are currently available.

I'll just show you drive-time map estimates for the proposed location that we have proposed here in Georgetown. We've taken the same drive-time calculations and laid it over the proposed location by Bayhealth along Route 9. And what we see in this analysis is that there is significant overlap in services -- about a third of the population that would be within a 15-mile -- or 15-minute drive time to their location is already within the same drive-time analysis of the Lewes ED.

We think -- as we consider about cost and utilization and incentivizing overutilization, we think about facilities that provide need where it actually exists versus where it is essentially duplicating services. We

really feel that the Health Resources Board should deny the application from Bayhealth because of the overlap of care and the overlap in services that are currently located in Lewes.

We think that the application from Beebe makes a heck of a lot more sense when we consider emergency care in particular and the availability of those services here in the center of the county, as we've already depicted. Again, similar 15-minute drive-time estimate maps do not show significant overlap with existing services. We think that this is a much better case for providing care where it is needed in the community. And the Bayhealth application provides a significant amount of overlap.

They noted in their application and their presentation to you today the clustering of services here in Georgetown along Route 1. We feel that that's because that's where the people are. That is where the density of population is. That's where

the convenience of travel is. But yet here in Georgetown there is not emergency care. There are the clinical services here. They, of course, exist in Lewes. It would be appropriate to put primary care on Route 9 where they are proposing it because there isn't that there.

But where we have primary care and walk-in care, we have a FQHC. We have a VA clinic here in Georgetown. What we don't have is emergency medicine. And we think that that is the more appropriate location from what Bayhealth has cited as a value.

When they consider the density around the Bayhealth location, they site four new housing developments. We really don't think that four new housing developments warrants emergency services. It's not a very significant growth pattern that they have articulated.

Considering what you look at as you drove in today, the commerce and population that is here along the Route 113

corridor is the better location.

MS. SUDER: Okay. Next we have Terry Megee.

MR. MEGEE: I'm Terry Megee, owner of Megee Motors in Georgetown. I'm a lifelong resident of Georgetown. I've been here 63 years. And I'm talking on behalf of supporting an ER here in Georgetown.

I was born in Milford Memorial Hospital. And I have two children that were born in -- at Peninsula General Hospital in Salisbury. I have a son and a wife that had surgery at Nanticoke Hospital. And I have three grandbabies that were born in Beebe Hospital. So I realize the importance of an ER all around.

And really, when you're here in Georgetown, you're in the middle of all three. Your goal is to get to an emergency center as soon as possible. About 45 minutes from Salisbury and about 45 minutes from the new hospital -- Atlantic General -- down in Berlin. But we're about 30 minutes away from Beebe. We're about

30 minutes away from Bayhealth Milford. And we're about 30 minutes away from Nanticoke in Seaford.

My dad started selling Studebakers here. In 1948 the business started. And I'm second generation. My children are third generation. So we've been in Georgetown. And we employ about 30 people now.

But when I look at the Town of Georgetown that has over a hundred businesses with all their employees, I look at -- we've got a prison that has about 800 prison mates and their employees. We look at the employees here at Del Tech and the students. We look at three schools -- two elementary schools and a middle school -- that have about 3,000 students. And we look at all the state, county, town and federal employees here in Georgetown. So the population grows daily.

We have about -- I think there's about 30,000 people a day that drive through Georgetown on Route 113.

There's about 11,000 a day that drive by my dealership. There's about 19,000 a day that drive around the Georgetown Circle.

So I've got a need for an emergency center closer to home. We had two employees that had heart attacks at the dealership. One made it and one didn't. And I'm thinking an ER here in town would have given that other one a chance. So I wish you'd take that into consideration when you're deciding about an ER.

Thank you.

MS. SUDER: Next we have Bill West.

MR. WEST: Well, good morning.

I'm Bill West, mayor of Georgetown. I'm up here today to talk about 19947. Yeah, 19947 is a small one when it comes to the town limits. But if you look at the overall 19947 and how it affects my emergency services, the ambulance is on the go, constantly running back and forth, to cover this whole area and get to whichever hospital the person

wants to go to, unless they're in desperate need of emergency services and then we get them where we need to as fast as we can.

A little bit about my background is I started off as a policeman in this Town of Georgetown from '78 to '82. I saw the need at that time for an emergency center to help save lives and to be here to support the people in this community. In 1982 I went on the state police. And I've done my 25 years on the state police. I have now come back home to public service. And I'm the mayor of Georgetown.

During 1980-81, I run on the ambulance. And there was two separate instances right down here on Route 18, no farther from two miles from here, of having to do CPR. If we had something like that here -- I'm not saying we could have saved them. But the opportunity existed for them to get here for emergency services that affects their pace. Doing CPR at that time all the way to Milford Hospital to

Bayhealth was extremely painful and tiresome to try to do CPR all the way up there.

So talking about the things in Georgetown and what's going on in the 19947, yes, just east of Route 30 there's a development of a senior citizens' retirement center -- 200 homes that's just been built. They're all in the ambulance category for Georgetown.

You come back towards Georgetown. You've got Sports at the Beach. You've got 700 kids playing ball. Over this past two years, I've seen nothing but ambulance calls for head injuries. It would have been a lot easier for them to come here and be treated and then sent on. But I think, once they got here, like to the hospital that they went to, it was found that they weren't as bad as they thought they were and they didn't have to be helicoptered up to some place bigger.

So as you come back from Sports at the Beach, you come to the new soccer

fields that are being built out on Sand Hill Road. Seven hundred kids again any weekend once that gets up and running. A chance for injuries that need to be transported. What better place to come than to come out of there and turn west and come right here. It would be a lot quicker for the families. Because we have families from New York -- well, at the ball fields -- so we have families from Canada with their child playing ball. Isn't it easier to tell them how to get here than it is to fight in that traffic? So I'm looking at that with my past experience with law enforcement.

Then you look at the racetrack -- the Georgetown Speedway. It's taken off tremendously. There is cars that -- the last race they had there -- the big show cars -- there's usually only 30 cars. There was a 103 cars. And they don't run all 103, so they have qualification to get down to what they can suit to be on the track.

Wouldn't it be easier for the people from Canada or New York or Pennsylvania, wherever they're from, to come here for an emergency situation, if need be? I hope there's not any. But if there was, wouldn't it be easier to come right down the highway and get here to do that?

Cheer. Cheer out on Sand Hill Road is building a brand new complex for more senior citizens. As we all know, we get older. The need to be for emergency services does exist. And I think for them to come out with the Georgetown ambulance and come straight to here would be a lot better. It would -- the response time would be quicker and the response to the emergency services would be quicker. And that's what I'm looking at -- is to cut down -- the ambulance is overrun at this time. And I'm looking to try to develop things that will help them lessen their load that they have.

We have a development on

Sand Hill Road also that's being put together. This time it's supposed to be a hundred homes. I think there's like 40 in there right now. And that's in the 1994 district -- or -47 district.

The Oaks on South Bedford Street across from 16 Mile by the Marvel Museum, that's -- at this time there's a hundred condos being built there. Once the condos are built, there's going to be a hundred single-family homes being built there. So there's an additional increase in Georgetown's numbers.

Behind Walmart we've just approved the developer there to build a hundred town homes and a hundred single-family homes. So this town is growing. And I think the need exists for this to happen.

Cinderberry. Cinderberry is the 55 and older community in town limits. When I become mayor in 2014, they had, like, twenty extra lots. They're down to six. So people have built their houses in

there. That's the aging community that needs a service. So why not Georgetown?

Thank you very much.

MS. SUDER: Steven Rose.

MR. ROSE: Thank you very much.

Good evening. My name is Steve Rose. I'm president and CEO of Nanticoke Hospital. And I appreciate you giving me opportunity to speak today.

So hello to everybody that's here. And thanks for attending and sitting through this.

I don't have any slides, but I do have a couple of comments. You have received our letter in terms of opposition to the freestanding EDs.

So let me just say from the beginning a little bit about Nanticoke. So we don't have the sort of the payer mix and the patients that some of the other hospitals have. We are envious of Bayhealth and their A rating. We're BBB. So it's like Beebe is.

But a couple things about us,

though. We -- like, we just received our leapfrog rating. We are a B. We got a B grade. We are the only other hospital besides Christiana that got a B rating.

We just received notice that we received the -- from Healthgrades the Patient Safety Award again for three years in a row. So we're pretty proud of that.

And, most importantly, though, is that we are now been identified as the IBM Watson Top 100 hospital. There is only one hundred hospitals in the entire country out of 3,156 hospitals. Pretty amazing. We are only the second hospital on the Delmarva Peninsula to receive that type of recognition. It's probably the most prestigious recognition in health care. Christiana is the only other one to receive that.

So our focus has really been on quality patient care, safe patient care and patient service, not so much on bricks and mortar. But we are very proud of our mission and what we do in the western side

the county. And we are in a little bit of a precarious position because of our bearings. Over 60 percent of our patients are on Medicare. The rest of them are Medicaid. We have a few commercial payers. And we have a large portion of our population that don't pay anything. So it's really tough for us to sort of balance that budget.

And so it -- for us, this is also a business proposition. So when Beebe talks about 24,000 visits, we assume that some of those visits from the ED is going to come from us. And yet we are a Level 3 trauma. There's a lot of expense that goes into Level 3 maintaining the services, having those physicians available. And if we lose our visits, then that jeopardizes us from being a Level 3 trauma. Not only that, but we receive about 66 percent of our emergency room visits -- you know, admissions come from the emergency department. So if we start eroding those visits, then that really reaches the bottom

line. And I think that whole idea of what our mission of what we're doing in Western Sussex County really does become jeopardized. So we got to be really, really careful about where we think we're going to add emergency room services and where we're going to put things.

Everyone is competing with everybody else. I think it's pretty interesting that Bayhealth is talking about building on Route 9 and Beebe is opposed to it because it's a duplication of services, yet they can come to Georgetown and say it's not a duplication of services to us. So I think this whole thing is a really slippery slope. And I appreciate the fact that -- wouldn't every town love to have an emergency department in their backyard? But where does that end? Where are we going to go with all this?

And, you know, every time I've talked to Governor Carney, he talks to me about, you know, the cost of health care and his concern. One of his biggest budget

items is health care. A few years ago the State of Delaware tried to propose that Medicaid patients would only be -- they would only reimburse us for three ED visits per year for a Medicaid patient. But that's not the way that we treat patients. We treat patients by keeping them healthy.

I think it's a great idea for Bayhealth to want to put more primary offices in. That's the future. I think immediate care is a great thing to do. And emergent care is -- that's keeping the cost down. That's really helping out. But freestanding EDs -- it's well documented that that is a very expensive endeavor. That's not helping us. And all of us, I think, in Delaware -- all hospitals are committed to that Triple Aim. The Triple Aim is saying, look, we want to improve the experience for patients, we want to improve the access for patients, and we want to reduce the cost of health care.

You know, Nanticoke -- over the past 18 months, we have seen 2,000 less

Medicaid visits. We're trying to get that Medicaid visit down. That's really what's going to impact the budget for Governor Carney, not building more EDs. It's reducing ED visits. It's keeping people healthy, keeping them in the primary care theme. And by doing this, we're really going to jeopardize that health care cost.

So I think that, for the most part -- think about the cost. Think about the impact to Nanticoke. Think about the overall issue -- what that will do to us. And I think -- really think about just what it means to Delawareans and health care. I think we can do a better job by increasing our access to primary care, looking at all those issues and really trying to help patients achieve a healthier lifestyle by reaching the Triple Aim.

Thank you very much.

MS. SUDER: I.G. Burton.

MR. BURTON: Good afternoon.

I am a county council representative to District 3. District 3

includes Milford, Milton, Lewes and the eastern part of Georgetown. The population growth is explosive in my district, as well as District 4. Now, District 4 is Rehoboth, Bethany, Ocean View and Milton.

We, the county, have recently completed our comprehensive land use plan. This document took over two years to complete, and it looked out to the year 2045. It clearly shows the growth in areas of both District 3 and District 4. The document is on our website, if you can find it, at Sussexcountyde.gov.

The report estimates that there is a possibility of Sussex County's population going to 485,000 people. Currently, it's 314,000 people. Although we cannot accurately predict where these new residents will reside, the current growth pattern clearly shows that east of Route 30 is the area experiencing the highest growth. And there is no indication that this will fall out of favor anytime soon. So both Sussex County and DelDOT is

planning for the growth in that area.

I asked the planning and zoning department to tabulate the approvals of subdivisions for the last ten years in a five-mile radius from the site -- from the Bayhealth site in question. The number of residential dwelling units in this five-mile circle is 6,057. That's just homes. That's not people. That's homes.

What we can't calculate is the amount of the demand or the developer's interest in this area. We see this every day at just the planning and zoning department and developers coming in with a plan on a certain parcel of land that hasn't yet gone through the system. I mean, it's incredible the demand that's happening just in that area.

These numbers could be greatly surpassed. Just in -- the number of -- the 6,057 can quickly go by when you start to calculate the pent-up demand for the housing stock, the prices being paid by developers, and the farmers either

inability to farm profitably or their interest in farming given the development pressures.

When you knock on 4,000 doors twice, which is what I did, you get a sense of what's important to the residents in this area. First and foremost, of course, is the traffic. And I would question the 15 minutes. I mean, if you live in this area, I don't think there's a 15-minute road left. But that was the No. 1 concern -- the traffic. Right? And secondly is the quality of life. And third is the quality of health care. This application addresses all three of them. The quality of life is directly attributed to the quality of health care, and the quality of health care is directly impacted by the accessibility of health care. Bayhealth's location on Route 9 in Cool Springs is the correct place for this facility.

Thank you very much.

MS. SUDER: Dr. Villar.

DR. VILLAR: Good afternoon.

Good afternoon, esteemed members of the Delaware Health Resources Board.

My name is Dr. Bryan Villar. I'm a family physician. And I've been in practice a little bit over 12 years here in Sussex County. Ten years here in Georgetown. I see patients from infancy up to geriatric age.

I'm here today in support of the Bayhealth freestanding emergency room department on the corner of Route 9 and Hudson Road. In fact, I live in Harbeson. And God forbid, if I'm home and I get my first heart attack, I'm five minutes away, not fifteen minutes away.

I've seen Sussex County grow in the past 12 years, especially in my practice. I have about 3,000 patients under my care. In fact, because of the growing need for primary care in Sussex County, Dr. Jehan Riar, internal medicine, joined my practice two years ago to help

with the demand.

Many of my patients are retirees and of Medicare age. The majority of my patients not only here live here in Town in Georgetown, but they also live in the surrounding towns east of Georgetown, Milton and Harbeson. As the area grows, so does the traffic. Busy intersections, multiple stoplights, make it even more difficult for my patients to get immediate care and accessible care, emergency care when they need it.

The nearest emergency room east of Georgetown area is Beebe Hospital on Savannah Road in Lewes. Access to get to the emergency room in a timely manner is difficult due to the traffic congestion, multiple intersections, especially if the patients have to drive to the emergency room. My patients here on the West Side of Georgetown use Nanticoke Emergency Room, which is readily available and much more easier to get to.

As the age of the population

gets older, the Hudson Road freestanding emergency department creates an easier location for patients to access, especially if they live closer.

So, in closing, the freestanding emergency department would be a benefit to our community. And I hope that this Board agrees with the Bayhealth application and approves it.

Thank you.

MS. SUDER: Okay. Mr. Boges, B-o-g-e-s.

MR. BOGES: Hello, everyone. My name is Gus Boges. I am an emergency room -- my experience is through the emergency room throughout the area. And I'm here to discuss what a freestanding ED is and compare it to a walk-in area.

A freestanding emergency department is an ED. It can handle everything of an ED, as Bayhealth says. They have experience up in Smyrna for the past six years running as a freestanding emergency department. We handle everything

in the emergency department that the community needs here down in Sussex from having a heart attack, from having an MI, to -- we also -- a TPA patient, if they're having a stroke.

And you are asking what if -- most of those patients come in. They don't come in by ambulance. They are driven in by the families. Only 15 to 17 percent of emergency visits are done by EMS squad. The rest are family driven -- are driven in. So being five minutes closer, ten minutes closer, is a big importance to the family, especially if you're the one having that stroke.

A walk-in clinic, they handle certain things, such as ankle sprains, bug bites, bumps and bruises, earaches, fevers. I'm -- and I'm reading right off of a website of what they said they can handle. A freestanding emergency department can handle any emergency that comes down the road from a motor vehicle accident to a loss of a limb.

There has been billing questions from emergency department compared to a walk-in. A freestanding -- there's two types of freestanding emergency departments -- hospital-based and independent-based, which is for -- more of a for-profit. The hospital-based has to follow every rule and regulation that the government puts out, such as the NTAL (phonetic) laws. The independents do not. They -- if you don't have the correct insurance, if you have Medicaid, they don't need to accept you. Fortunately, on the East Coast, we do not have that. Those types of freestandings are more out in the Midwest or in Texas.

So having a freestanding emergency department within a community, such as Georgetown, is a definite benefit. And I support the Bayhealth freestanding emergency department.

MS. SUDER: Tita Lewis.

MS. LEWIS: Good afternoon.

My name is Tita Lewis. I am

retired. And if I had to say what am I, I'm a volunteer. I volunteer at my church. I serve as a volunteer at Bayhealth. I am the president of the auxiliary at Sussex Campus. I run a food pantry in the community. And I'm a master gardener. Basically, I love where I live.

As a resident of Milton with friends and family in Eastern Sussex County, I see a real need for additional medical services.

I was with neighbors last night. And that was the main topic of conversation.

The housing in and around Milton has seen a tremendous growth in the time that I have moved here. And what once was a farm is now a housing development. What used to be to be a sleepy, country road dotted with a few houses is now covered with developments. The road I access once was a nice sleepy, little, quiet road, but now it's very busy. There's a lot of growth on all the roads

that feed out to 9. And I think an emergency facility in this area would bring swift life-saving assistance to many people in this area. My hope is that you will approve Bayhealth's request because I believe it will make the community better.

MS. SUDER: Bobby Fischer.

MR. FISCHER: Hi. Good afternoon. It is afternoon. So we shouldn't go on too much longer.

My name is Bobby Fischer. I live in Lewes. I'm a retired businessman. I was born in Sussex County. I was born in Milford Memorial Hospital in 1948.

It's been very interesting to hear all the hospital presentations today.

I'm here to support the Bayhealth ED on Route 9. It's critically important that this project be approved to help serve the rapidly expanding demand for health care in Sussex County.

I, like many other Sussex Countians, use Bayhealth. Milford Hospital is in Sussex County. My primary care

physician is in Milford and affiliated with Bayhealth. That's not really unusual if you live in Sussex County. The explosive growth in Eastern Sussex County from Milton to Long Neck and Rehoboth Bay puts this new ED facility right in the heart of that expansion.

All of us who live in Lewes know it's very difficult to get in and out of town. At many times Route 1, Savannah Road and Kings Highway are packed with cars in the winter. And in the summer there can be gridlock. It can take -- this is an example. In Rehoboth in the summer, it can take two hours to get in and out of Rehoboth -- to get in or out -- two hours, three hours. It's really crazy. It's an understatement to say the roads have not kept up with the development.

Why not give all Sussex Countians the opportunity to receive high quality health care close to their homes, including those of us who use Bayhealth. The growth in Sussex will support multiple

EDs. The plan that Beebe has to put an ED in Millville is fabulous -- very much needed. Putting an ED in Georgetown, great idea. Nothing wrong with it. Putting the ED on Route 9 at Cool Springs is a wonderful idea because it's in heart of that growth. Sussex County will support these facilities. They're not mutually exclusive.

Competition is a good thing. I think that Governor Markell and Governor Carney both have said that in health care more competition is the only thing that may bring down costs. So competition isn't a bad thing for the hospitals.

It's not about the hospitals. It's about the patients. It's about the people that need the health care.

These new facilities will attract new physicians, new professionals, and result in better care. They act as a great engine to improve the quality of growth.

This facility is needed. It'll

be busy the first day it opens. Take the long view when it comes to these facilities. They will serve our community for many years to come.

Please vote to approve the Bayhealth project.

Thank you very much.

MS. SUDER: Paul Cowan.

I thought I was the last person on the list. Sorry.

My name is Paul Cowan. I'm the chief of emergency medicine at Beebe Healthcare. I'm also one of the Sussex County associate medical directors. So in that role I provide medical control for EMS. And I've done that for the last 15 years.

One of the comments that the medics have made to me both from their command structure, who's actually in the back of the room here, and from their field medics is: How come you don't have an emergency department in Georgetown?

For a long time, I didn't have

an answer for them. And recently, I've said, hey, we've gotten one. We've got one planned. And they're excited about it.

I think if you were an independent health care planner and you were charged with placing an emergency department in this county that made the most sense to get up in Georgetown -- to get up in Georgetown for a couple of reasons. One, you simply look at a map. And we've seen lots of maps, lots of donut holes. Donut holes makes me think about Medicare funding. But we see gaps in coverage. Certainly Georgetown is the area where we don't have great coverage in this county.

And, then, think about the other services that are already built that are adjacent to it. And one of the things that we haven't mentioned is that these services -- when we say they're adjacent to them, we're talking about walking. You can walk from our freestanding emergency department in Georgetown to the walk-in

center that's immediately next door. There's primary care offices that are immediately next door. You can walk to the psychiatric facility immediately next door. You can walk to the VA clinic. You can walk to La Red. It's a health care conglomerate there that makes perfect sense.

I've also heard some comments about the importance of walk-in care and whether you can actually replicate that care. You need more walk-in care if you have more primary care. And I'm here to suggest you need all three. You need primary care, you need some sort of walk-in or emergent care, and you need emergency care. And they are uniquely different. Yes, there's some crossover, but they're uniquely different. And they're very important to continually take care of our patients.

If you think about it, if you call your primary care doctor's office today and say, "I'm having chest pain,"

what are they going to say? "Don't come here." They're going to tell you to go somewhere else. They're either going to tell you to call 911 or they're going to tell you to go to a hospital or a walk-in center. Same thing if you're short of breath. Heck, even if you cut your finger when you're making dinner tonight, nobody will see you. You have to come to a walk-in center. You have to come to an emergency department. It is what it is. And it's very important. And as everything else in health care has become specialized, so is the delivery of care both in our emergency departments and in the walk-in centers and in the primary care. So they're uniquely, uniquely different.

And then -- so, obviously, I'm speaking in favor of the -- our freestanding in Georgetown. I have grave concerns about the Bayhealth proposal in Harbeson.

Listen, from a business standpoint, it makes perfect sense.

There's not a business guy in this room who doesn't understand why it makes sense. That's where the population is growing. And you want to put a health care facility there.

If you're concerned about the utilization of health care dollars, maybe it's a little bit different, because it's clearly -- you're going to replicate services. You're seven miles from the emergency department in Lewes as opposed to Georgetown, which is essentially, as you know, could be 16 miles from everywhere but certainly much farther from everywhere. It just doesn't make great sense if you are concerned about health care utilization dollars.

And the last comment I have about it is it also becomes a paradigm shift for the state, because this is the first time that I can remember where health care organizations -- we always kind of compete. But we don't compete. This is the first time we're competing by sticking

bricks and mortars in the other person's primary catchment area. And that happens elsewhere in the country. It does not drive down cost health care cost. It actually accelerates cost because we do things to access but ultimately expand the cost. So I don't believe it's in the best interest of the state to approve the Harbeson site.

Thank you.

MS. SUDER: Sheldon Hudson.

MR. HUDSON: Good afternoon.

My name is Sheldon Hudson. I'm the town manager of the Town of Millsboro. As the town manager, I generally function as the CEO of Millsboro.

According to the 2018 Report on State Planning Issues, the Town of Millsboro ranks first out of the 25 Sussex County cities for the number of residential building permits issued -- a leading indicator of population growth. This is especially noteworthy given that Sussex County is, of course, the fastest growing

county in the state.

According to Buxton, a Texas-based analytics firm, there are over 70,000 residents within a 25-minute drive of the Town of Millsboro. Gillis Gilkerson, the Salisbury-based developer who built the Town of Millsboro's Delmarva Health Pavilion, says the number is even higher -- more than 100,000 individuals within 20 minutes.

Board members, I am hereby once again requesting that Beebe reconsider its plans to build a freestanding emergency department in Georgetown. Otherwise, I would ask the Board request that Beebe revise it application in such a way so as to indicate the facility would be built in an alternate location.

Needless to say, my concern is that the demand for emergency services would decrease in Millsboro if and when a freestanding emergency department were to be built in Georgetown, thereby obviously making it more difficult for the Town of

Millsboro to recruit a medical center to build such a facility in Millsboro, which, again, ranks number one out of the 25 Sussex County cities for the number of residential building permits issued.

Thank you.

MS. SUDER: Is there anyone else who would like to provide comment that did not sign in?

MR. WALSH: There is one item that must be read into the record.

As it relates to Beebe's response to the follow-up questions submitted to Beebe on April 3rd, Question No. 3, the request to report emergent and non-emergent ED visits, the Review Committee would like to request that Beebe answer the question using acuity levels instead of billing codes.

For reference and clarification, ED visits are assigned an acuity level ranging from 1, high acuity, to 5, low acuity, for the purposes of determining emergent versus non-emergent

cases are defined by Acuity Levels 1, 2 and 3, whereas non-emergent cases are acuity Levels 4 and 5.

I hope that's perfectly clear to everyone.

MS. SUDER: We can provide that in writing, Mr. Sydnor.

Pursuant to 16 Del Code 9305(3), the Board may review an application up to 120 days from the date of notification of intent to review the completed application when a public hearing has been requested. The time frame may be extended up to 180 days if within 60 days from the date of notification of intent to review the application the Board notifies its intent to do so.

The time for public comment on this application has ended. There will be no further public comment. The Committee will conduct discussions and deliberations. All of this will occur in public forums open to the public and will be noticed. The Committee will hold as many meetings as

necessary to make a determination to bring before the full Board.

And this concludes the public hearing.

Thank you all.

(The hearing adjourned at approximately 12:20 p.m. this same day.)

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C E R T I F I C A T E

STATE OF DELAWARE :
:
SUSSEX COUNTY :

I, Robert Wayne Wilcox, Jr., Registered Professional Reporter and Notary Public, do hereby certify that the foregoing record, Pages 1 to 97 inclusive, is a true and accurate transcript of my stenographic notes taken on May 16, 2019, in the above-captioned matter.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 16th day of May, 2019, at Wilmington, Delaware.

Robert Wayne Wilcox, Jr., RPR

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