

***Delaware Health Resources Board
Meeting Minutes
Thursday March 26, 2020 2:30 PM
Virtual Meeting
Dial In 1-408-418-9388 (access code): 712 607 526***

Board Members Present: Chair Brett Fallon Esq. Julia O’Hanlon, John Walsh, Edwin Barlow, Pamela Price, Michael Hackendorn, Margaret “Peggy” Strine, Theodore “Ted” Becker, Vincent Lobo D.O., Cheryl Heiks and Leighann Hinkle

Board Members Absent: Elizabeth Brown, M.D. and Mark Thompson

Staff Present: Latoya Wright, Elisabeth Massa and Joanna Suder

Call to Order and Welcome

Chair Brett Fallon welcomed the Board members and called the meeting to order. The Chair advised everyone to put their phones and computer speakers on mute to avoid background noise. Chair Brett Fallon took roll call of the Board members on the phone for the purpose of confirming a quorum. The Chair also advised everyone to identify themselves before speaking at any time during the meeting.

Action

January 23, 2020 Meeting Minutes

The meeting minutes were reviewed. Ted Becker made a motion to approve the minutes. Edwin Barlow seconded the motion. Roll call was taken to identify the votes. There was a voice vote, two abstentions, no opposing. Motion carried.

Cadia Pike Creek 52 bed expansion Certificate of Public Review Application

Cheryl and Brett recused from all matters on the Cadia application. It was stated Cadia Pike Creek submitted an application to expand their existing facility by an additional 52 skilled nursing beds. The capital expenditure is approximately \$12 million. The Review Committee that reviewed the application was Leighann Hinkle, Pamela Price and Peggy Strine. It was also stated that after each criterion, there will be opportunity for discussion. When speaking during the discussion, please say your name. Leighann as Chair of the Review Committee provided the recommendation for each criterion based on the report and the recommendation for the application. It was stated that roll call would be taken before voting on each criterion to identify the votes.

Project Summary and Background Information

Cadia Healthcare Pike Creek proposes the development of a 52-bed addition to their existing 130 bed facility in New Castle County. Within those 52 beds, 11 ventilator beds will be developed which will supplement the existing 34 bed ventilator unit at the facility.

Additionally, while not subject to this Certificate of Public Review (“CPR”), Cadia Healthcare Pike Creek anticipate developing a dialysis center as part of this construction, which will enable

them to serve the surrounding community, as well as the residents of the Pike Creek Nursing Facility. This will make Cadia Pike Creek the only nursing facility that can serve ventilator-dependent residents with dialysis needs all under one roof, at one location, without transport. As well, it will be one of the few in the mid-Atlantic region. There is no such skilled nursing facility in Delaware that provides dialysis on site. This will be a huge improvement for these particular residents who frequently cannot be accommodated in anything but an acute clinical setting. Thus, it will enable a less institutional living arrangement and significant cost savings for each of these residents.

Also important is the elimination of the enormous burden of transportation for these individuals. The Delaware Health Resources Board's (HRB) Nursing Home Bed Projections report issued September 2019, indicates there will be a deficit in nursing home beds by the open date of the facility. The applicant plans to construct and operate this 52-bed unit will help alleviate the increasing need documented and adopted by this body. It is the basis for their utilization/occupancy projections, in combination with their direct experience in the market and at the Pike Creek location. It is the applicant's intention to start construction in June 2020 and to be open for operations in the addition in October of 2021. Pike Creek seeks to increase the sub-acute and skilled nursing services they offer in Delaware.

Conformity of Project with Review Criteria

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

The Principals' management company, Long Term Care Corp d/b/a Cadia Healthcare, provides skilled nursing, memory-care, ventilator-care, and rehabilitation services in all three counties in Delaware. The organization has been providing quality healthcare services in Delaware for over 32 years. These decades of experience have garnered relationships with providers, governmental agencies and social service organizations throughout the state. Additionally, those years of service have enabled Cadia to constantly and thoroughly innovate the way they deliver care. The applicant is an existing 130 bed skilled nursing facility, which they seek to expand, with established linkages throughout the broader healthcare community in New Castle County and Delaware.

All beds at the Pike Creek location are certified for Medicare and Medicaid Certification (certification #'s noted previously in this application) and will remain so under this plan. The new beds will be certified for Medicare and Medicaid participation. The applicant maintains a signed participation agreement between all Cadia Healthcare facilities and the Delaware Health Information Network ("DHIN") with the latest agreement effective 5/1/19.

The Board mentioned Cadia Pike Creek's long-standing history in Delaware and their success in providing the community with comprehensive skilled nursing and long-term care, patient and outpatient rehabilitation.

Action

There was a motion made to accept the Review Committee's recommendation that the application meets 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.

The application noted there is a need for skilled nursing beds. The application asserted to 2017 Nursing Home Bed Need Projections data. During the time, the application was submitted, the

most recent (2018) data was not yet published. The Review Committee, however, considered the most recent 2018 data during the review of this application which is provided in the tables below. Per the 2018 Delaware Nursing Home Utilization Statistics Report, New Castle County has a supply of 2,629 certified beds in 27 facilities. The applicant's occupancy rate at the existing facility for the last three calendar years (2016-2018) has ranged from 88.9%-91.8% (referenced in Schedule 6 in the application).

The population of individuals over age 65 in New Castle County will continue to grow. Markets with a ratio higher than 30 indicate an underserved population. The Health Resource Management Plan considers the market to be in balance and efficient when occupancy levels are at 90% and has identified the deficit in New Castle County. With current utilization rates at the HRB target of 90% and the forecasted significant growth of the target demographic market (50,000 *more* age 65+ individuals by 2050), there is a demonstrated demand for skilled nursing and rehabilitation services in New Castle County.

During the review process, the Review Committee discussed how the applicant has denied 50 potential patients requiring ventilators, tracheostomy care, and/or isolation for admission to this facility due to lack of sufficient private beds. The Review Committee agreed there is a need for these services. The Board agreed that based on the given demographics and current crisis, that Delaware is facing with healthcare, there is a need for the additional rooms to accommodate ventilators.

Action

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

There are several alternatives to nursing home care. Such alternatives include home care, day care, and assisted living. However, for many individuals with higher acuity and chronic conditions, there is no appropriate substitute or alternative for nursing and rehabilitative care provided in the form of a nursing home. The nursing home environment is an important bridge between the hospital and home, and in the changing healthcare environment, many hospital patients are discharged more quickly than before to post-acute settings like nursing facilities, where they receive extensive rehabilitation in a lessor cost environment, prior to discharge home, and may avoid costly re-admissions to the hospital.

Cadia Pike Creek has one of the most extensive rehabilitation programs in the State that is located within a skilled nursing facility. Approximately 93% of the admissions are discharged to a lesser care environment. A short-term rehabilitation patient is returned to home or their previous environment in approximately 30 days. However, certain individuals who have significant or chronic needs reside at the facility for extended periods of time, on average one (1) year. Many patients do not have a supportive environment that will enable them to return home. Further, their healthcare and ADL needs are such that the individual may not be appropriate for assisted living or other lesser levels of care. This is true for the ventilator-dependent population who have limited placement possibilities, especially if they have other co-morbidities. Expanding the existing

ventilator unit, will enable more Delaware citizens to stay in-state and close to family while receiving this vital service. Also, the goal of adding End-Stage Renal Disease Dialysis Care to the building will enable to meet existing renal patients' needs during their stays, but also maintain those ventilator-dependent dialysis patients in-house rather than in acute settings or out-of-state.

There was a question asked if the Review Committee had discussions on the availability of ventilators and if there were plans for back up ventilators. It was stated the Review Committee did not inquire about back up ventilators during the review process. It was stated the application includes the addition of 11 more beds dedicated to ventilators. The Board agreed with the current situation for the need for ventilators now, the additional beds are much needed.

Action

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

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

The applicant has been an established SNF facility with relationships throughout the existing healthcare framework in New Castle County since 2009. It is anticipated that adding beds to the existing supply will have minimal impact on existing NCC skilled nursing facilities since they were operating at high occupancy rates. The proposed addition of 52 private beds provides a minimum increase to the overall SNF supply within NCC. This additional supply will be offset by increasing demand. It will further benefit hospitals by permitting more rapid hospital discharges of patients requiring ventilators to an appropriate setting and reducing cost to the overall healthcare continuum.

As mentioned previously in this application, Cadia Pike Creek is an existing healthcare provider in this area with long-established referral arrangements with other providers which ensures an appropriate continuity of care, accessibility and relating quality enhancements. The following payers are currently contracted with the applicant: Highmark, United Healthcare, Medicare, Blue Cross/Blue Shield Commercial, Cigna, Humana, Tricare, Aetna, St. Francis Life, and AmeriHealth. Hospice providers who are currently contracted with the applicant include Seasons Hospice, New Century Hospice. The applicant also has a contract with the Veteran's Administration. The applicant employs social workers and hospital liaisons on a full-time basis to coordinate admissions and discharges to and from the SNF along with their care history and needs.

Action

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

Cadia Pike Creek has been in business for 10 years. The real estate assets are owned by Sabra Health Care REIT, Inc. ("Sabra") and are operated under a long-term lease arrangement with Pike Creek Healthcare Services, LLC t/a Cadia Rehabilitation Pike Creek. Sabra will finance the project and fund the capital required. Sabra owns over 450 healthcare and senior living properties in the

United States and Canada, including over 350 skilled nursing facilities. It invests in its buildings and is committed to the Delaware healthcare community. Sabra has stated that this project will continue its efforts to enable the provision of the highest quality of nursing and rehabilitation care. Regarding financial resources, the estimated capital (please refer to Schedule 10) to fund construction will be funded by the existing Landlord in return for rent related thereto and the Applicant can comfortably support the increased rent burden from historical operating performance / cash flows (please refer to schedule 13).

Action

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

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

The Board acknowledged and reviewed Schedule 4- Statement of Revenue and Expenses. Because of the expansion of more subacute services, primarily related to respiratory care necessitating vent dependence and the introduction of dialysis care, the cost in the SNF is not expected to decline significantly. However, the cost to the healthcare system is expected to be reduced dramatically for these patients because of the capacity to care for them in place at a lesser cost environment. The cost to care for an individual who requires ventilator support and/or dialysis is much less in a skilled nursing facility than an acute care hospital.

The proposal is designed and will be constructed to operate with maximum efficiency. The project sponsors will develop a financial model and implement a management plan that allows the nursing home to operate efficiently within the Medicaid guidelines and reimbursement caps. The organization has been successful operating its other facilities using this approach elsewhere in the state, including currently the existing facility which is the subject of this application. With respect to cost and charges, it is anticipated that the 52-bed expansion will have a positive impact on the cost of long-term care.

Action

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

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

The applicant is already certified by Medicare and Medicaid and will seek the same certification on the new beds as well. It is believed that the quality of healthcare services in New Castle County are quite good. Continued training and education are one of the most important components of an effective Quality Improvement Program. Cadia Pike Creek employs a full-time Staff Development Director to plan and implement comprehensive quality improvement programs and to provide ongoing training in the classroom setting and on the nursing units. The Staff Development Director also runs education programs for residents and family members. Special training for staff who provide respiratory and dialysis care will be provided regularly, ensuring the highest level of care to the residents, but also to help maintain the clinical competencies of the staff. Cadia Pike Creek is an integral part of the community and contributes already to quality of healthcare for the County.

As part of the community outreach, Cadia Pike Creek provides education and health screening services, including health fairs annually that include strength training, cancer screening, blood pressure and cholesterol screening. Cadia Pike Creek also offers community education on diabetes, osteoporosis and cardiac disease. Cadia Pike Creek will continue to build on these offerings.

The Board discussed the benefit of the additional beds for ventilators and the applicant's commitment to training their staff.

Action

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

Other Review Considerations

The project will offer improvements in economies of scale and service. The facility will be equipped with state-of-the-art technologies. The expansion will provide improved resident quality by providing private rooms with a private bath. The addition of an on-site dialysis facility will also improve the delivery of care by reducing the need to transport nursing home patients for dialysis and be able to offer these services to ventilator-dependent residents. The expansion and new state-of-the-art unit will foster competition, help hold reimbursement costs for Medicaid, and promote quality. Continuing to modernize and improve nursing centers in the marketplace will invigorate the market and spur competition between the facilities to offer the best care possible in the best possible environment.

The project sponsors operate Cadia Pike Creek and five (5) other nursing homes throughout Delaware. All facilities have a strong focus on Medicare and Medicaid patients. In the five Cadia buildings, the average Medicaid census is 58.3%. Cadia Healthcare has spent the past 20+ years developing a Long-Term Care Quality Improvement Program which is reviewed and re-evaluated at least annually. The Corporate Compliance and Quality Indicators programs are comprehensive and extensive. It is anticipated that the services proposed by the applicant will significantly enhance the health status of the user population in the service area. Energy conservation and other "green" construction will be incorporated into the design and new addition to the extent possible.

Action

There was a motion made to accept the Review Committee's recommendation to approve the CPR application submitted by Cadia Pike Creek for a 52-bed expansion. There was a voice vote, no abstentions and no opposing. Motion carried.

Post Acute Medical Certificate of Public Review Application

Cheryl recused from all matters on the Post Acute application. It was stated Post-Acute submitted an application to construct a 34-bed inpatient rehabilitation hospital in Georgetown, DE. The estimated capital expenditure is \$17 Million. The Review Committee that reviewed the application was Ted Becker, John Walsh and Carolyn Morris. It was also stated that after each criterion, there will be opportunity for discussion. When speaking during the discussion, please say your name. Ted as Chair of the Review Committee provided the recommendation for each criterion based on

the report and the recommendation for the application. It was stated that roll call would be taken before voting on each criterion to identify the votes.

Project Summary and Background Information

PAM Rehabilitation Hospital of Georgetown, LLC (“the Applicant”), a subsidiary of PAM Cubed, LLC, and a member of the Post Acute Medical, LLC (“PAM”) family of healthcare companies, is applying for Certificate of Public Review (“CPR”) approval to develop and operate a new 34-bed freestanding acute Inpatient Rehabilitation Facility (“IRF”). The facility will be located at 22297 Dupont Boulevard, Georgetown, Delaware, Sussex County. The proposed facility will be called PAM Rehabilitation Hospital of Georgetown. PAM, the parent company of the Applicant, owns and operates a network of post-acute hospitals in twelve states.

The proposed facility will provide both inpatient and outpatient rehabilitation services including physiatrist services, nursing care, physical therapy, occupational therapy, speech therapy, and prosthetics / orthotics services. The proposed facility will involve new construction on a vacant lot. It will accommodate maximum patient ambulation and recreation. The project will require approximately five acres of land for construction and the building will be approximately 42,000 square feet. The project will have an estimated total capital expenditure between \$17 million and \$20 million. The proposed project will include private rooms, state of the art therapy equipment, and two full-service therapy gyms. Ample parking and supportive grounds will welcome patients and their support networks to an intensive focused program designed to stabilize and strengthen patients’ physiology and return them to participation in the community with local follow up from a primary care support network.

The proposed IRF will receive certification for Medicare and Medicaid and will pursue accreditation as a rehabilitation facility from the Joint Commission (“JC”). JC disease specific certification for stroke and traumatic brain injury will proceed, as the service becomes operational. The entire facility will be designed to accommodate rehabilitation from stroke, brain injuries, cancer, neurological impairments, major orthopedic procedures, and other trauma. The proposed facility will fill a geographic void for inpatient rehabilitation in the Georgetown area; and will address unmet need for IRF beds in the state of Delaware. Sussex County does not have a freestanding IRF. Locating one in Georgetown will improve geographic access for the whole county. For people in the southern part of the county, it will provide relief from traffic congestion on roads that are also the primary route to Delaware and Maryland beaches.

Conformity of Project with Review Criteria

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

Access

As evidenced by the studies copied in Exhibit 9 in the application, summarized on Exhibit pages ES-3 and 4, when IRF service is appropriate, quality of care is significantly better for patients admitted to IRF rather than Skilled Nursing Facilities (“SNF”) services. PAM’s commitment to quality, means that PAM IRF facilities seek maximum functional improvement such that patients discharge to home quicker. This approach is better for the patient; it minimizes total system cost; and the quicker turnover increases bed availability.

Cost

Medicare beneficiaries are primary users of IRF services. Hence, a provider's Medicare payment rate is a good measure of its impact on health care delivery system cost. Starting with data provided by the Advisory Board, the table below compares estimated cost to Medicare for IRF episodes in IRF facilities currently used by Sussex County residents, with proposed charges for the proposed PAM Rehabilitation Hospital of Georgetown. Rehospitalization is a major controllable element of health care cost. Each prevented readmission produces major cost savings. With increased access to appropriate care, rehospitalization rates should drop and the project should decrease total cost of care, thus contributing to the goals established in Governor Carney's Executive Order 25.

Quality

Joint Commission accreditation will assure quality at the proposed facility. The Applicant will participate in Delaware's data sharing for the quality metrics associated with the Executive Order 25. The Applicant will provide approximately five percent of care to medically indigent patients as charity care. The applicant will implement a charity care policy specific to the Georgetown facility. See Exhibit 11 for a current example of a PAM charity policy. The proposed charity care will equal a combined \$1,599,265 in deductions from gross revenue in year two of the project (See Schedule 4 in the application). The Applicant expects and is willing to accept a minimum charity care level as a condition of CPR approval. PAM facilities work across the post-acute continuum.

Because the proposed facility responds to a service deficit in Delaware, it will have no incentive for overutilization. The applicant's parent company, PAM, owns one other freestanding IRF in Dover. That facility was full within six months of opening. It had a waiting list by July and August 2019. The Bayhealth Hospital, Sussex Campus IRF unit also maintained occupancy at the times when the PAM Dover IRF facility had a waiting list. This is further evidence that Delaware is undersupplied with IRF beds. Other than PAM Rehabilitation Hospital, Dover, PAM has no ownership interests in facilities or providers who could refer to the proposed facility.

All PAM rehabilitation hospitals work closely with the communities in which they operate to meet community needs outside the walls of the hospital. Each hospital responds to its community's specific needs to design programs. During the review process, the Review Committee discussed that there is no facility such as PAM in the Georgetown area and this would benefit the population in the Georgetown area.

Action

There was a motion made to accept the Review Committee's recommendation that the application meets 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.

A host of factors supports the need for additional IRF beds in Delaware and specifically, in Sussex County. Four key elements support the need for the proposed 34-bed IRF facility:

- Need of the population of Delaware and Sussex County for IRF beds,
- Aging population in Delaware and Sussex County,
- Delaware resident health status,
- Need for additional training sites for therapy and nursing sites in Delaware
- Capacity limitations of current IRF beds in Delaware

Need for Additional Therapy and Nurse Practicum Training Sites in Delaware

Consistent with PAM's national history and PAM Rehabilitation Hospital of Dover practice, the Applicant will offer its facility as a training site for healthcare programs, including but not limited to the University of Delaware, Wesley College, and DelTech. The Applicant is also willing to explore internship and scholarship programs with these schools. The facility will provide an optimal training site, with advanced equipment, highly trained staff, and a variety of patients. PAM facilities provide a challenging environment that, when appropriate, provide excellent training opportunities.

Capacity Limitations of Current SNF Facilities in Delaware

SNF is another post-acute care alternative. Hospital discharge planners and discharging physicians must weigh available settings against the patient clinical needs to determine a best fit to the delivery system will reduce pressure on SNF, leaving more beds available for patients who need long term nursing support SNF beds in Delaware operate at high occupancy. Because not all IRF patients can go directly home at discharge, the proposed facility will likely boost demand for local SNF care. As the facility develops local relationships, PAM Rehabilitation Hospital of Georgetown staff will introduce patients and families to other post-acute resources in Sussex County.

Service Area and Demographics

The proposed service area has approximately 420,000 people. This includes all zip codes in Sussex and Kent Counties and one zip code in Caroline County, Maryland. The applicant chose this wide service area to account for use of an existing IRF resource, Bayhealth Hospital, Sussex Campus. Bayhealth Hospital, Sussex Campus is virtually at the intersection of Kent and Sussex Counties and serves both Kent and Sussex.

Need Methodology

The methodology shows that, by the proposed IRF hospital's third operating year, 2025, there will be a deficit of 40 IRF beds in the service area. The Applicant calculated the IRF bed need using 2017 IRF admission rate of fee for service Medicare beneficiaries and adjusting for use by other patients. Specifically, the Applicant used the Kent County Medicare fee for service use rate. Kent County median age was 37.3 in 2017, compared to Sussex County at 48.3 in the same year. Hence, the use rate may be conservative. The methodology involves applying the rate to the 65 and older population of the service area to establish the Medicare use and estimates other admissions as a percentage. The Health Resources Management Plan does not have methodology for determining the need for IRF beds in Delaware.

The Review Committee discussed the difference between SNFs and IRFs and the level of care they both provide. Although an SNF may provide rehabilitation services, an IRF requires three hours of intense physical therapy per day five days a week. Post Acute contract with Medicare Advantage Plans as they do with other third-party payers. Specifically, in Dover, Post Acute have managed care contracts with Humana/Tricare (commercial and Managed Care), AmeriHealth (Medicaid Managed Care), and pending contracts with Blue Cross, United, Cigna and Health Options. Post Acute currently has a contract in place with Deltech's Terry and Owens Campuses for the Dover hospital. The contract with the Deltech Allied Health Program provides clinical rotation opportunities for CNAs and therapy assistants.

Post Acute has confirmation from Deltech to add the PAM Rehab Hospital of Georgetown to the existing agreement that would allow nursing students to be utilized in PRN aide positions during schools breaks and ultimately hiring qualified graduates of their nursing school in both Dover and Georgetown. Pam Rehab hospital in Dover also has a contract with Westley College for nursing and both parties plan on extending the clinical rotations into Georgetown, once Post Acute is ready and able to do so for both nursing and therapy. These relationships with Delaware's institutions of higher education are highly valued for both the clinical experience that Post Acute provides to the students as well as job opportunities upon graduation.

Public comments were received from skilled nursing facilities and other health care organizations during the review process. The skilled nursing facilities stated they offer the same services as PAM and accept all source of payment to include Delaware Medicaid. Also, there was a concern surrounding the workforce shortage throughout the state with long-term care and in acute care. The skilled nursing facilities expressed concerns with staff shortages in their facilities. These shortages have been identified in Kent and Sussex Counties. Other organizations expressed the need for PAM in the Georgetown area. It was stated that PAM would benefit the populations affected by Parkinson's Disease and Brain Injury.

In PAM's response to the public comments, they have indicated that IRFs are not the same as skilled nursing facilities. They provide different levels of care. PAM asserts that they are not in competition with the nursing homes. PAM too, accepts diverse sources of payment including Medicaid and charity care. PAM does not have a staffing shortage in their facilities. PAM stated IRFs hire from a different pool of applicants. PAM has demonstrated through action their full commitment to Delaware and its communities.

The Board discussed the training opportunities being a benefit to Sussex County. It was stated that U of D has a great physical therapy program, however it is difficult to get into the program. The Board also discussed how the new PAM facility in Georgetown will be a state-of-the-art facility.

Action

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

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the State of Delaware.

The applicant considered several alternatives to the proposed project and found the one described in this CPR application the most effective. Acute care hospitals in Lewes and Nanticoke. Georgetown has no acute care or rehabilitation hospital. Patients and Georgetown community representatives mentioned traffic and distance as the reason for their decisions to choose SNF facilities, even when physicians recommended IRF. SNFs provide a different level of care. SNFs focus on nursing with complementary therapy; whereas IRF involves daily physician-directed intensive therapy. PAM considered, and is still willing to discuss, the option of a joint venture ("JV") with an acute care hospital or IRF provider. Such an approach has potential benefits to both parties. PAM brings advanced expertise in rehabilitation and a solid quality reputation. Three local

acute care hospitals bring market connectivity, recognized brand identity, and the potential for smooth acute to rehabilitation transitions.

Out of State Resources

Counting Christiana Care Hospital in Wilmington, there are six inpatient rehabilitation facilities on the Delmarva Peninsula. The other five, all below the Chesapeake and Delaware Canal, are

1. Encompass Rehabilitation Hospital of Middletown,
2. Bayhealth Hospital Sussex Campus, Milford,
3. PAM Rehabilitation Hospital of Dover,
4. Shore Health System in Easton, Maryland, and
5. Encompass Health Rehabilitation Hospital of Salisbury in Salisbury, Maryland.

The closest facility to the proposed site, Bayhealth Hospital, Sussex Campus is about 30 minutes from Georgetown and farther for those south of Georgetown. The two facilities in Maryland are more than 45-minutes' drive from Georgetown. Local representatives told PAM that these distances are unreasonably long for most patients and families.

During the review process, the Review Committee discussed that patients prefer to seek services closer to their home. This could be a concern if the other facilities that provide these services are further away.

Action

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

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

The Applicant met with representatives of acute care hospitals in Sussex and Kent Counties. All expressed interest in the project and encouraged PAM to develop the facility in Georgetown. The applicant also met with state and Georgetown representatives, local support groups such as the Sussex County Parkinson's Association, and physicians. They too expressed support for this project. The Applicant's affiliated entity, PAM Squared at Dover, LLC, operates PAM Rehabilitation Hospital of Dover, in Kent County, and has developed a formal relationship with the health care delivery system in Delaware. The proposed PAM Rehabilitation Hospital of Georgetown will complement the medical care system in Sussex County. Nearby health and social services include: Sun Behavioral Health psychiatric hospital, La Red Health Center, Beebe Healthcare Physical Rehabilitation Services Georgetown, Sussex County Veterans Affairs outpatient clinic, DC Medical Services primary care clinic. PAM Rehab Hospital of Georgetown will accept assignment for beneficiaries of government and private insurance programs including Medicare, Medicaid, TriCare and VA. It will provide significant amounts of charity care (about 5%).

Because it will fill a deficit in IRF beds, the proposed hospital will have a minimal last impact on existing IRF providers within the service area. The services will complement services offered by physicians, acute care hospitals, and home health agencies in the service area. IRF services differ from those offered by skilled nursing facilities and the difference has been emphasized by recent changes in the Medicare SNF payment rules.

The Applicant will build on parent company, PAM relationships, which are developing as the PAM Rehabilitation Hospital of Dover integrates with the health care community. PAM does not establish formal referral arrangements with SNFs and home health agencies. PAM's case managers record the patient's prior skilled nursing facilities or home health agencies in each patient's plan of care.

Action

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

The estimated financial capital required for site development and facility construction is approximately \$17 million, which will be funded through the building developer, 113 Georgetown Properties, LLC, a subsidiary of Catalyst HRE, LLC. 113 Georgetown Properties, LLC is prepared to purchase the property, develop the building and site, and manage all permits and utility connections. 113 Georgetown Properties, LLC will work side-by-side with the Applicant to ensure the facility meets PAM standards. Catalyst HRE, LLC, an experienced national healthcare real estate development firm will provide funds to its subsidiary for the building and 113 Georgetown Properties, LLC will retain ownership of the building after its completion. The Applicant will enter into a long-term lease with 113 Georgetown Properties, LLC to operate the IRF.

Action

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

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

The proposed project should result in lower system costs. A typical IRF stay may cost more than a Medicare nursing home stay (Exhibit 9 longitudinal study). However, as the study by the Research Triangle Institute noted, most IRF patients go directly home or to outpatient rehabilitation. With less time comes the added benefit of less risk from infection from others. The SNF Medicare Compare, posted in October 2019, reports an average acute care readmission rate of 21.8 percent for Sussex County nursing homes. Medicare and Medicaid establish geographic payment rates for IRF services. Commercial payors negotiate rates with the facility, but generally start with the Medicare reference rate. The rate schedule used in proposed financial pro formas will also be subject to negotiation with commercial payors. Medicare will be the primary payer; Medicare fixes IRF rates per episode based on the patient's condition at admission. Commercial insurers also negotiate rates, based in part on competitive factors.

Action

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

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

PAM, as well as the Applicant, have a strong commitment to quality. To maintain this commitment across all its LTACHs and IRFs, PAM has implemented a quality improvement program. Individual facilities adhere to corporate principles and policies, but also have freedom to implement solutions unique to their own settings. PAM leadership evaluates quality programs in each facility and considers whether to implement local quality initiatives across the family of hospitals. The new facility will pursue hospital accreditation as a rehabilitation facility from the Joint Commission. In addition, PAM requires facilities to seek additional certification in areas that affect a substantial number of their patients.

All PAM facilities use eRehabData[®] to benchmark clinical quality. eRehabData[®], a national inpatient rehabilitation outcomes system, tracks data submitted by IRFs from across the nation. The Functional Independence Measure[™] (FIM), tracks patient's severity of disability from admission to discharge. Unlike SNFs, CMS requires that IRF's track FIM data. The result is a record of the improvements that intensive rehabilitation can offer.

Action

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

Other Review Considerations

The efficiencies gained by operating a freestanding facility will allow the Applicant to sustain lower charges. Moreover, with greater efficiency, the Applicant will have capacity to absorb adjustments in commercial rates. PAM opened an IRF facility in Dover in January 2019, this facility has not yet received Medicaid certification; therefore, has not yet provided care to Medicaid beneficiaries. During the first six months of operation, all patients at PAM Rehabilitation Hospital of Dover were charity patients. All PAM facilities apply for and obtain state Medicaid certification. Once certification is approved, PAM serves Medicaid patients. The proposed facility will fully integrate with the care continuum in Georgetown and, insofar as possible, wherever its patients originate. The applicant will offer to connect its outpatient patients' rehabilitation at the Georgetown facility, where they will have access to their inpatient care team, and where necessary, the same therapists. PAM incorporates energy saving features into all its facilities, for example, using low-powered lights, low-flow water devices, and, where possible, natural gas. The project will eliminate architectural barriers.

Action

There was a motion made to accept the Review Committee's recommendation to approve the CPR application submitted by Post Acute Medical to construct a 34-bed inpatient rehabilitation hospital I Georgetown, DE. There was a voice vote, no abstentions and no opposing. Motion carried.

Around 4:30pm, It was stated that the meeting will need to be extended due to the Webex meeting possibly disconnecting the meeting based on the start and end times associated with the call-in number. Staff advised everyone that the Webex meeting invitation will be edited to reflect extra

time. Everyone was advised to call back into the meeting, using the same dial in number and access code in approximately five minutes.

Beebe Healthcare Certificate of Public Review Application

Brett and Ted recused from all matters on the Beebe application. It was stated Beebe submitted an application to fit out the remaining 12 private inpatient rooms in their Specialty Surgical Hospital approved by the Board in November 2018. The capital expenditure is approximately \$3 million. The Review Committee that reviewed the application was Cheryl Heiks, Pamela Price and Edwin Barlow. It was also stated that after each criterion, there will be opportunity for discussion. When speaking during the discussion, please say your name. Cheryl as Chair of the Review Committee provided the recommendation for each criterion based on the report and the recommendation for the application. It was stated that roll call would be taken before voting on each criterion to identify the votes.

Project Summary and Background Information

On November 19, 2018, the Delaware Health Resources Board (HRB) approved an application by Beebe Healthcare to construct a Specialty Surgical Hospital on John J. Williams Highway between Rehoboth Beach and Millsboro. The approved project, currently under construction, was approved with 12 short stay, private inpatient rooms fully constructed and furnished. The approved project also included unfinished space on the same floor to accommodate 12 additional private inpatient rooms. Beebe Healthcare now seeks permission to fit out the remaining 12 private inpatient rooms, which, if approved, will be available and operational when the facility opens in 2022.

These 12 private rooms will allow Beebe Healthcare to move additional scheduled, low-acuity surgical patients from its older campus on Savannah Road in Lewes to the newer and more conveniently located Specialty Surgical Hospital. The beds will be used for both short-stay inpatients and outpatient recovery. Existing patient rooms that currently serve this cohort of patients at the Savannah Road campus will eventually be converted to private rooms. This application does not include remodeling of the existing rooms at the Medical Center in Lewes. This application does not seek to increase the total number of licensed beds at Beebe Healthcare.

The total number licensed beds for Beebe Healthcare will remain 210. Since the application in 2018 for the Specialty Surgical Hospital was submitted, average daily census of inpatient and observation patients at the Medical Center on Savannah Road has continued to grow. Average daily census in the fiscal year that ended June 2018 was 139.4 and was 147.2 in the fiscal year that just ended in June 2019. For the past 5 months of the fiscal year, the census has been 10% above projected levels. Since 2016, average daily census has grown by 12.25%. The census patterns at Beebe Healthcare's Lewes Medical Center have severe peaks, with many days in the last year being in the 170-180 range.

Approval for this project is sought now because it would allow for this fit out and equipment to take place simultaneously with the 12 rooms approved in the original project. Handling the projects simultaneously will be more cost effective and will not disrupt patients as it would if implementing this project after the Surgical Hospital has opened.

Total construction and equipment costs for the project are estimated at \$3.2 million. Beebe Healthcare will use existing bond proceeds for the project, so no new additional debt or debt

financing will be incurred. All rooms at the Specialty Surgical Hospital will be private patient rooms, a requirement for new hospital construction, and an important feature that supports infection prevention, privacy, inclusion of family members, and patient experience.

Conformity of Project with Review Criteria

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

Beebe's mission is to encourage healthy living, prevent illness, and restore optimal health with the people residing, working, or visiting the communities they serve. This mission guides Beebe towards providing care for all in their community, regardless of their ability to pay. Beebe is a provider of care to Medicare and Medicaid beneficiaries. The health system is accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO). The Specialty Surgical Hospital in which these beds will be located will also be accredited by The Joint Commission. Beebe is an active participant and supporter of the Delaware Health Information Exchange (DHIN).

Charity Care

Beebe Healthcare has a formal Charity Care Policy (Attachment D.2 in the application). It is hospital policy that no one will be denied medically-necessary hospital services based upon the patient's ability to pay for those services. Patients with income up to 400% of the Federal Poverty Level are eligible for charity care or financial assistance.

DHIN Participation

Beebe Healthcare has been a continuous participant with and financial supporter of the DHIN since its inception, and they submit inpatient, emergency, and ambulatory records to the DHIN daily and access care information to support care givers and care coordinators (Attachment D.3 – 2004 DHIN-Beebe MOU). Beebe Healthcare's providers access the DHIN for multiple purposes including care coordination.

Action

There was a motion made to accept the Review Committee's recommendation that the application meets 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.

The population of Sussex County, and South Eastern Sussex County, has grown significantly in the last 10 years and is expected to continue growing. This growth has put a burden on the current healthcare infrastructure and planning for future demand is at the core of this proposed expansion. Average daily census of inpatients at Beebe Healthcare grew 12.25% between 2017 and 2019. And it grew 22.3% from 2014 to 2017. This rate of growth is unprecedented in their recent history. The growth was sustained throughout the calendar year and could not be attributed to seasonal spikes during the flu or summer seasons. Average Daily Census at Beebe grew from 124 in 2014 to 147 in 2019.

At this time, Beebe is still serving inpatients in a wing of the hospital built more than 50 years ago. The long hallways of this antiquated design do not allow for optimal observation by or communication with nurses. The rooms are small and are still outfitted for double occupancy.

These rooms are used primarily for less complex medical and surgical patients. Fitting out and bringing into operation 12 additional rooms at the Specialty Surgical Hospital will allow Beebe to move the less complex surgical patients from the site of the Medical Center in Lewes, allowing for the conversion of additional rooms in that facility to private rooms, while offering private rooms at a more convenient location to patients at the site of the Specialty Surgical Hospital.

During the review process, the Review Committee agreed there is still a need for the additional 12 rooms as mentioned in the application approved in 2018 as the population in Sussex County continues to grow. Beebe provided additional information stating at the time of the first application was approved by the Board in 2018, the projected patient census did not require the additional 12 rooms to be fit out yet. However, over time, the average daily census of inpatient and observation patients at Beebe Medical Center on Savannah Road in Lewes has increased to levels approximately 10% above 2022 projected levels. The additional rooms are requested so that the fit out and equipment can take place simultaneously. Fitting out all 24 inpatient rooms during initial construction will be more cost-effective and will not require adjustments to patient care.

Action

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

The goals of this project include:

- Meeting the demand for convenient access to care of a population that is growing to the west of Route 1 and south of Lewes
- Increasing the number of private rooms available to inpatients served by Beebe Healthcare
- Providing for innovative surgical care that is designed purposefully to support extremely efficient operations that are required by insurers and private payers for healthcare
- Grouping like-patients to enable better implementation of standardized care protocols and processes to improve outcomes and patient experience

During the review process, the Review Committee discussed the other hospital systems close by that may provide similar services. It was mentioned that perhaps Beebe can expand a little further on their evaluation of the other hospital systems as it relates to Criterion III. Beebe provided additional documentation stating there are no facilities similar to the Specialty Surgical Hospital in Sussex or Kent County, Delaware or in Worcester or Wicomico Counties, Maryland. This is the most practical and cost-effective option to increase capacity for a service area that is growing to the south of Lewes and west of Route 1. The Board discussed other non- hospitals that may be performing the same procedures as Beebe.

Action

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

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

The approved Specialty Surgical Hospital is a product of three-and-a-half years of health services planning by Beebe Healthcare and is part of an integrated and innovative strategy to distribute care to key sites throughout the large geographic area served by Beebe; increase convenient access to healthcare consumers; group like-patients together to support efficient, focused care design; and reduce reliance on the high-cost, general acute care hospital as the hub of healthcare services. The Specialty Surgical Hospital will benefit from the corporate infrastructure and resources that are provided by Beebe Healthcare, including access to capital, human resources, financial management, billing services, facilities, nutritional services, information technology, materials management, quality programming, clinical planning and support.

As part of Beebe Healthcare, the Specialty Surgical Hospital will be part of the ongoing clinical partnerships that Beebe has, including the 52 organization with which the health system has transfer agreements. These include all the tertiary hospitals in Delaware, Hospital of the University of Pennsylvania, Jefferson University Hospital, Nemours A.I. DuPont Children's Hospital, Children's Hospital of Philadelphia, and many others. Beebe is also a member of eBright Health, a partnership of five health systems in Delaware that are working collaboratively on a variety of initiatives to share learning, standardize care, improve outcomes, and lower cost. The addition of a Specialty Surgical Hospital will have a positive impact on the choice of consumers for healthcare services. No patients are predicted to move their care from other inpatient providers in Sussex County, so no negative impact is predicted for these health systems.

Action

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

The current and projected demand for short-stay and outpatient surgical care in Beebe's Primary Service Area is sufficient to support construction and operation of the Specialty Surgical Hospital, including the proposed additional 12 rooms. It is difficult to accurately carve out expenses and revenue for only the additional 12 beds of this proposed expansion. Schedule 4 on page C-2 includes the projection of patient revenue and operating expenses of the full Specialty Surgical Hospital, with the full complement of 24 inpatient beds. In the first year of operation, total patient care revenues are projected to be \$83.4 million, with operating expenses of \$66.7 million. Beebe Healthcare will use existing bond proceeds for the project, so no new additional debt or debt financing will be incurred.

Action

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

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

The majority of revenue associated with this project is already accruing to Beebe Healthcare through these same services at the Medical Center in Lewes. Most of this revenue is then shifting to this site of care and does not represent new utilization.

Beebe Healthcare does not anticipate any direct impact on the individual charges or costs to insurers or payers for the patient care delivered at the proposed Specialty Surgical Hospital. The purpose-designed space will be efficient to operate because of its focus on elective surgical patients both inpatient and outpatient. The new design and construction will also be more efficient on energy consumption than the older infrastructure at the Medical Center in Lewes.

Beebe Healthcare is actively committed to value-based care initiatives that are focused on the triple aim of improving care, care experiences, and lowering total costs. Beebe Healthcare has participated in the Medicare Shared Savings Program since 2014, and the Bundled Payment for Care Improvement program since 2015. In addition, the organization has been an active participant in the Delaware Center for Health Innovation, with team members serving on several committees. These initiatives ensure that Beebe's culture and their processes do not incentivize overutilization of healthcare services.

Action

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

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

The proposed Specialty Surgical Hospital will impact quality and patient experience on a variety of measures:

- Standardized operating room and patient room design will enable consistent work flow for physicians and nurses, reducing variation in physical layout that can undermine consistent application of protocols and workflow.
- Adequate patient room size will support bedside care while also including family and caregivers who are important for patient engagement and healing.
- The all-private-room model will protect patient privacy, improve patient satisfaction with their experience, and reduce risk of infection inherent in dual occupancy rooms.
- The focus on scheduled surgical patients will enable teams to hone standardized protocols for these patients, lowering infection risks, improving recovery times, reducing length of stay, expediting discharge processes, and enhancing patient experience.

Other Review Considerations

The integrated design process is centered on operational and process improvement. The opportunity to construct a new building on a green-field site allows the planning to provide efficient and flexible design to both flow of patients and staff. The plan will provide a reduction of travel times for work and patient-flow, and improved use of technology for communication (i.e., electronic medical record and patient tracking). Adjacencies and appropriate sizing of support services will also improve the delivery of services. Using LEAN concepts, the staffing and building services will be optimized.

Beebe is mindful of its energy footprint and has directed the project team to employ numerous design features to support energy conservation. These methods include:

- High efficiency hot water condensing boilers and hot water heaters
- Low-E glass and high-performance window systems (to mitigate heat loss and gain)
- Thermal insulation on walls and roofs

By the very nature of its purpose, new medical facilities strive to eliminate all barriers to accessibility. To that end, the project is required to follow ADA Architectural Guidelines (ADAAG), ICC/ANSI A117.1, 2009, which is the prevailing code to barrier-free design and stipulates the basis of design to mitigate barriers. In addition, all facilities are being designed with wheelchair storage located immediately inside the buildings so that those requiring temporary use of a wheelchair will have ready access to one

Action

There was a motion made to accept the Review Committee's recommendation to approve the CPR application submitted by Beebe for the 12-room fit out of their Specialty Surgical Hospital. There was a voice vote, no abstentions and no opposing. Motion carried.

Upcoming Items before the Board

Certificate of Public Review Application Presentations

Nemours Alfred I. duPont Hospital for Children Cath Lab

Nemours Alfred I. duPont Hospital for Children submitted an application for a Cardiac Cath lab. The capital expenditure is approximately \$ 6.1 million. Representatives from Nemours presented their project to the Board. Alfred I. duPont Hospital for Children is an operating division of the Nemours Foundation. Nemours is one of the largest pediatric health systems in the country. AIDHC is the only Level 1 Children's Trauma hospital in DE. The Nemours Cardiac program has a national reputation for excellence & provides the only source in Delaware for emergent pediatric cardiac care. The existing Hybrid Cath Lab is 10 years old & will reach the end of its service life in the future. If the proposed second Cath Lab is approved, the existing Cath Lab would continue to be used as a Cath Lab & will be used for Electrophysiology (EP) studies. This supports both added safety through redundancy and growth in Cath and EP patient volume. The Proposed second Cath Lab will be a Hybrid Cath Lab & uniform with IR.

Cardiac catheterization is one of the many pediatric cardiology services our children's heart experts offer to ensure children enjoy a healthy future. Pediatric cardiac catheterization is a procedure that can be used in infants, children and teens to:

- determine if there's a problem with the heart (called "diagnostic catheterization")
- repair a problem (known as "interventional catheterization")

Cardiac Catheterization is a clinical pre-requisite for surgery. When the sole Cath Lab is down, both Cath Lab cases and Surgical cases are impacted.

The proposed Cath Lab project capital expenditure of \$6.1M is:

- Budgeted in calendar year 2020
- Financed with \$0 (no) debt

The objectives of the second Cath Lab project are:

- Reduce the risk of pediatric Cath Lab downtime associated with aging 10-year-old Cath Lab equipment
- Increase Cath Lab capacity by 35 patients & EP multidisciplinary capacity by 400 patients annually.
- Increase Access & Decrease wait time for Cath.
- Reduce the future impact of replacing our 10-year-old Cath Lab equipment.

The Review Committee members selected for the Nemours application review is Julia and Edwin. Staff will send out an email for the third member.

The full Nemours presentation is posted on the Health Resources Board website under Meeting Presentations.

Bayhealth Freestanding Emergency Department

Bayhealth submitted an application to construct a freestanding emergency department in Sussex County on the corner of Route 9 and Hudson Road. The capital expenditure is approximately \$10.2 million. There has been a request for a public hearing. The public hearing will be held at a later date during the review process. The projected completion date is May 2022. Representatives from Bayhealth presented their project to the Board.

The Hybrid FED merges the cost effectiveness of a Walk-In Center with the treatment capabilities of an ED

All patients presenting to the Emergency Department will receive a Medical Screening Exam

- Determination will be made as to whether they require Walk-In or Emergency Care Services
- Only patients who medically qualify as an emergency patient will be charged the emergency department rate
- Improved service and overall reduction in ED utilization and cost

Improvements in Quality

- Reduce time and distance to obtain emergency care
- Improve outcomes
- Time dependent services (i.e., Naloxone for overdose)
- Reduce mortality
- Planetree model of care
- Care Coordination throughout Bayhealth

Improvements in Utilization and Cost

- Hybrid ED provides walk-in service within the ED
- Low acuity ED patients converted to walk-in status
- Charged as walk-in patient
- Researched other markets to model this approach
- Intuitive Health

Staff will reach out to the Board members via email for volunteers to serve on the Bayhealth application.

The full Bayhealth presentation is posted on the Health Resources Board website under Meeting Presentations.

Updates

- Charity Care Report
Cedar Tree Surgical Center

Cedar Tree Surgical Center submitted their annual charity care report documenting \$\$11,112 contribution to charity care. No action is required on this item.

- **Joint Legislative Oversight Sunset Committee**

The Health Resources Board presentation was presented to the Joint Legislative Oversight and Sunset Committee (JLOSC) on March 11, 2020 in the JFC hearing room in Leg Hall. The presentation is in your meeting materials. After the presentation, the JLOSC asked questions. The Committee agreed quorum, recusals and vacancies are a challenge for the Board. There was discussion in updating Bylaws, the Health Resources Management Plan and researching the pros and cons of states with Certificate of Need (CON) programs. There was also interest for the Board to explore adding assisted living facilities and home health agencies to the Certificate of Public Review (CPR) process.

The next step in the JLOSC process is the recommendation phase. During this phase, the Division of Research will formulate a list of recommendations for the JLOSC to consider. Recommendation meetings will be scheduled for the Committee to discuss and consider recommendations for the HRB. The goal is to look for areas to strengthen. Additional information regarding the Recommendation meetings will be forthcoming. The Health Care Commission staff will continue to send updates to the Board throughout the process. All documents from the March 11th meeting are uploaded on the Joint Legislative Oversight and Sunset Committee's website and available to the public.

Public Comment

There was no public comment

Adjourn

The meeting adjourned at 6:29 p.m.

Next Meeting

April 23, 2020