

**Delaware Health Resources Board**  
**Meeting Minutes**  
**Thursday April 23, 2020 2:30 PM**  
**Virtual Meeting**  
**Dial In 1-408-418-9388 (access code): 716 084 951**

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

**Board Members Absent:** Mark Thompson Julia O’Hanlon

**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**

***March 26, 2020 Meeting Minutes***

The meeting minutes were reviewed. Peggy Strine made a motion to approve the minutes. Dr. Lobo seconded the motion. Roll call was taken to identify the votes. There was a voice vote, no abstentions, no opposing. Motion carried.

***Nemours A.I. duPont Hospital Certificate of Public Review Application***

It was asked if anyone needs to recuse from the Nemours application. There were no recusals. It was stated Nemours submitted an application to construct a Cardiac Cath lab. The capital expenditure is approximately \$6.1 million. The Review Committee that reviewed the application was Edwin Barlow, Julia O’Hanlon and Ted Becker. It was also stated that after each criterion, there will be opportunity for discussion. When speaking during the discussion, please say your name. Edwin 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**

Alfred I. duPont Hospital for Children (AIDHC) is an operating division of The Nemours Foundation (Nemours). AIDHC is located on the 300-acre grounds of the Nemours Estate in Wilmington, Delaware. Its principle operations consist of a 260-bed full service pediatric hospital plus primary care clinics, specialty clinics and SeniorCare clinics located throughout the Delaware Valley. Its origin is traced to the late Alfred I. duPont who created the Nemours Foundation to provide care and treatment for children. AIDHC opened in 1940 and for over 40 years treated

children with primarily orthopedic or related diseases. In the mid-1980s, the Nemours vision broadened in recognition of the greater needs of children and the hospital evolved to a full service, acute care children's hospital, offering pediatric medical services and sub-specialties in both inpatient and outpatient settings.

Recently, AIDHC has identified a need for a second (2<sup>nd</sup>) Cardiac Cath Lab at the Hospital's main campus. The objective of the project is to construct and install a new hybrid Cardiac Cath Lab within the existing Cardiac Cath Lab. Nemours has an existing 10-year-old Hybrid Cath Lab serving pediatric patients. Due to the equipment's age, Nemours seeks to install a new Hybrid Cath Lab retaining the existing Cath Lab as a redundant (back up) unit for Cath procedures and to use the existing unit for Electrophysiology (EP) studies. The existing Cath Lab equipment will remain operational during and after construction of the new Cath Lab. At the conclusion of the project, N/AIDHC will have the added safety of two (2) functional Cath Labs which will allow patient care to continue during planned and unplanned equipment downtime. The existing Cath Lab will also be available for EP cases that can occur at the same time as Cardiac Cath procedures. The safety of equipment redundancy and added capacity will directly benefit the children of Delaware, and families that seek Cardiac Care at Nemours on a national and international basis. In the future, at the end of the existing Cath Lab equipment's service life, it is their intent to replace the older Cath Lab. Having two Cath Labs in place at that time, will ease the clinical and operational impact of this future equipment replacement.

The estimated capital expenditure of the project is approximately \$6.1M and is to be financed by Nemours operations. The project is budgeted, and capital has been allocated by Nemours. The project expenditure will not result in acquisition of any debt financing. The project will not change the current N/AIDHC 260 licensed bed count or allocation of beds. Alternatives were considered; however, the project was less expensive, and the schedule was quicker compared to alternative scenarios.

**The prioritized objectives of the project are:**

1. Reduce risk of planned and unplanned Cath Lab equipment downtime associated with the existing 10-year-old Cath Lab equipment and its current lack of redundancy.
2. Increase Cath Lab annual capacity by 35 patients and EP/multi-disciplinary capacity by 400 patients annually allowing AIDHC to serve more Delaware Valley children.
3. Reduce future impact of replacing the original Cath Lab at the end of its service life.
4. Achieve critical milestones identified in the 5-year capital and master facility plan.

Conformity of Project with Review Criteria

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

a. Evidence of access, cost and quality issues – The Cath Lab project will enhance the Cardiac program at Delaware's only pediatric Level 1 Trauma Center. Specifically, the project will reduce the risk associated with planned and unplanned equipment downtime. The addition of a 2<sup>nd</sup> Cath Lab will also support an increase in capacity for EP studies and an increase in capacity of Cath procedures. Additional information on projected growth in Cath and EP volume associated with the proposed project can be found on Schedule 3.

b. Contribution to the care of the medically indigent – AIDHC is a 501© charitable organization whose core mission is to improve the health of children. Throughout the Hospital’s history, it has provided care to patients regardless of ability to pay. Cost of charity care for services provided under AIDHC financial assistance program was approximately \$7.56M in 2018. With the exception of Medicaid, there are no significant federal or state program funds through healthcare entitlement programs that are currently accepted by AIDHC. Net patient service revenue through Medicare managed care in 2018 totaled \$217.7M and traditional Medicaid net patient service revenue totaled \$27.2M in 2018. The Cardiac program remains a critical service at Delaware’s only pediatric hospital. Refer to Schedule 5 for additional detail regarding sources of revenue.

c. Support a managed, coordinated approach to best serve the needs of the population - In 1989, N/AIDHC created affiliations with the Medical Center of Delaware, now called Christiana Care, and Thomas Jefferson University Hospital to consolidate the majority of inpatient and outpatient pediatric services from these two hospitals. N/AIDHC is also affiliated academically with the University of Delaware and Thomas Jefferson University, placing the N/AIDHC at the center of resident education, clinical research advances and facilitating recruitment of highly qualified pediatric providers and researchers. Finally, N/AIDHC is a founding member of the Delaware Health Sciences Alliance which aims to promote health education and research. The Cardiac program is a key component of their local and regional affiliations.

d. Accounting for Availability of Out of State Resources – AIDHC serves patients from different States, mainly due to its location proximate to multiple States and the established national reputation for clinical excellence, including the Cardiac program. Approximately eighty five percent of Delaware children who require hospitalization are admitted to AIDHC. In addition, the Hospital has served children from 42 States and 14 Countries. AIDHC maintains a fleet of ambulances and critical care transport service to facilitate ground transfers to AIDHC. In addition, in support of the Level 1 Trauma status, AIDHC maintains a roof top and a ground-based helipad to facilitate critical transfers via helicopter to AIDHC. AIDHC is a vital pediatric care resource within the Delaware Valley region, as are the several other pediatric hospitals within the region.

e. Cost & Utilization Restraint – All the Cath Lab project costs will be paid by AIDHC operations. No (\$0) debt will be incurred to fund the proposed Cath Lab project. The 2<sup>nd</sup> Cath Lab will support EP studies and reduce deferred patient care due to scheduled and unscheduled Cath Lab equipment downtime. In order to sustain the Cardiac program, AIDHC must maintain Cath Lab services without interruption. A second Cath Lab added to their 10-year-old Cath Lab will support this goal. AIDHC’s charges are lower than Children’s Hospital of Philadelphia, Johns Hopkins and St. Christopher’s charges.

f. Enhance Meaningful Markets where there is a Sensitivity to Cost and Quality – AIDHC is the sole Children’s Hospital in the State, a pediatric Level 1 Trauma facility, a critical pediatric facility in the region, and the Nemours Cardiac program is an essential part of these State and regional care networks. The Cath Lab is a necessary feature of the nationally recognized Cardiac program at AIDHC.

g. Promote Prevention, Early Detection and Promotion of Healthy Lifestyles – Nemours is adapting to the changing health care landscape. Providing value has always been a part of how

they operate. They have built upon existing capabilities and experiences and created the Value-based Services Organization (VBSO). Value-based care means a renewed focus on prevention, improving health outcomes, quality of care, accessibility of care and quality of life (for patients and providers). A key factor in achieving these goals was taking a broader look at the patient population and extended beyond the walls of their hospital and clinics to reach the population Nemours serve. This is being accomplished through the Department of Population Health Management. Some of their major programs focus on Social Determinants of Health, Trauma Informed Care, Patient-Centered Medical Homes, Practice Transformation, Children with Medical Complexities, School-based Health Centers, and the Community Health Needs Assessment. The Cardiac Program is an essential partner in these programs offered by Nemours.

The Board discussed the age of the original Cardiac Cath lab being 10 years old and that the addition of the second Cardiac Cath lab will not increase the hospital's bed count. It was also stated the second Cath lab will be a good benefit to the hospital.

### **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.**

AIDHC is the sole pediatric hospital in the State of Delaware and Delaware's only pediatric Level 1 Trauma Center. Nemours Cardiac Center provides the full spectrum of pediatric cardiac care including elective, urgent and emergent cardiac catheterization, electrophysiology procedures and cardiac surgery. The applicant's primary service area includes children up to age 17 in New Castle County, DE and Chester and Delaware Counties, PA. The Primary, Secondary and Tertiary Service Areas is shown on the geographic map in the Attachments section of the application. The Secondary Service Area includes children from Kent County, DE, Sussex County, DE, and other counties in New Jersey and Pennsylvania. Service area definition is based on 2018 inpatient Zip Code/County of Patient Origin. The Primary Service area equals approximately 60% of patient volume, Secondary Service Area equals approximately 30% and Tertiary Service area equals approximately 5%. In aggregate, Primary, Secondary and Tertiary service areas equal approximately 95% of 2018 inpatient volume. Together, these service areas have a population of approximately 2.3M children.

The Board discussed that maybe Maryland was not included in Nemours service area because that population is probably served by other area hospitals in that state. The Board agreed there is a need for the proposed Cath lab at Nemours.

### **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.**

As the only pediatric hospital in the State, there are no alternatives for pediatric Cardiac services within Delaware. While there are alternatives for pediatric specialty Cardiac care within the

Northeastern U.S. region, it would, however, require families to travel far from home, travel further from parent's employment, be more distant from support networks of family and friends, and after hospitalization, travel further for follow-up appointments. Specifically, pediatric cardiac care is available at Children's Hospital of Philadelphia, Johns Hopkins Hospital in Baltimore and Boston Children's Hospital however there is no easy access to these services for mothers who deliver babies within the Jefferson Health System or State of Delaware. In planning for the project, Nemours considered alternatives to the proposed Cath Lab project however, they were significantly more expensive and had a longer time schedule to complete the project.

It was discussed that the applicant provided a thorough explanation of several alternatives and the costs associated with those alternatives during the review process. The Board agreed that the proposed Cath lab project is the most cost effective alternative while maintain the best quality. The Board also considered Nemours being the only pediatric hospital in the state.

### **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.**

AIDHC is an established critical component of the healthcare delivery system. It is a regional health care provider and serves as a pediatric tertiary care referral center, serving primarily Delaware, Southeastern Pennsylvania, Southern New Jersey and Northern Maryland. The applicant maintains referral arrangements with hospitals located in Delaware and many hospitals located outside Delaware. Nemours is at 43 sites located throughout the Delaware Valley including the Children's Hospital, Pediatric Clinics, Specialty Clinics, Urgent Care, Ambulatory Surgery Centers and partner Hospitals. This is shown on the following Delaware Valley map and the delivery system map is included in the Attachments section of this application.

Since 1989, N/AIDHC has been affiliated with the Medical Center of Delaware, now called Christiana Care, and Thomas Jefferson University Hospital to consolidate the majority of inpatient and outpatient pediatric services from these two hospitals at the former. N/AIDHC is also affiliated academically with the University of Delaware and Thomas Jefferson University, placing the N/AIDHC at the center of resident education, clinical research advances and facilitating recruitment of highly qualified pediatric providers and researchers. Nemours confirmed they are integrated with the Delaware Health Information Network (DHIN).

### **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 proposed Cath Lab project has a projected capital cost of \$6.1M. The \$6.1M project cost is financed 100% with AIDHC funds and requires no (\$0) short- or long-term debt financing. The project will not change the current AIDHC 260 licensed bed count. Manpower needs associated with the Cath Lab project will be met by N/AIDHC operational budget. As part of the project to

provide continuity and the necessary 24/7/365 coverage with a 2<sup>nd</sup> Cardiac Cath, the project will result in the necessary equipment backup to provide diagnostic and lifesaving intervention at a moment's notice. AIDHC will expand Cardiac staff by recruiting a Cardiac Catheterization Specialist. In addition, AIDHC will recruit an additional electrophysiology (EP) specialist to both provide back-up and expand the EP service. Additional detail regarding labor costs associated with the project are found in Schedule 7. The significant resources of the Nemours Foundation provide the applicant with a unique level of assurance that the project will be successfully completed.

The Board discussed the applicant's ability to finance the project and their long-term viability. The project will be financed through Nemours. The Board stated it is a good thing when the applicant has the cash flow to finance the project. It was also mentioned the old Cath Lab will be used as a back-up.

### **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 reviewed Schedule 4-Statement of Revenue and Expenses. The first full year of operation is projected to be 2021. The project will result in an estimated gross revenue increase of \$3.3M. There would be no (\$0) effect on individual charges based on current reimbursement contracts. The additional labor costs associated with the program are provided in Schedule 7. There will be no measurable impact on charges within the existing health services being provided due to the project.

### **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 Medicare and Medicaid certified and accredited by The Joint Commission on Accreditation of Healthcare Organizations, Commission on Accreditation of Rehabilitation Facilities (CARF) College of American Pathologists (CAP), American Association of Blood Banks and American College of Radiology (ACR), and is subject to a number of utilization review and quality assurance standards. The addition of a second Cath Lab at AIDHC would allow more patients to be treated in appropriate settings, closer to home and in timely fashion with less transferring of patients, and improved quality of care. The safety of a second Cath Lab will reduce the quality risks associated with planned and unplanned Cath Lab equipment downtime.

The Board discussed how the Cardiac Cath lab will allow more patients to be treated. This will improve the quality of healthcare.

### **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**

Historically, AIDHC has provided health services to patients through Medicaid, Medicare, Managed Medicare, and charity care. Refer to the chart below to see the number of patients by product type:

Product Type	2012	2013	2014	2015	2016	2017	2018
20 Managed Care	65	1,729	2,645	25,576	59,841	62,791	70,804
30 Medicaid Traditional	43	1,118	1,662	6,654	13,212	12,219	9,172
40 Medicaid	1	1	17	64	75	71	72
60 Child Financial Services	17	28	48	271	1,413	2,255	3,120

As the only source in Delaware for emergent cardiac care, the ability to provide cardiac care to the pediatric population needs to be continuous, i.e., unfailingly available regardless of demand or equipment. The proposed addition of a second Cath Lab reduces risk, promotes safety and delivers access to quality care for Delaware’s pediatric population. A Cath Lab is requisite for delivery of continuum of care.

**Action**

There was a motion made to accept the Review Committee’s recommendation to approve the CPR application submitted by Nemours A.I. duPont Hospital to construct a Cardiac Cath Lab. There was a voice vote, no abstentions and no opposing. Motion carried.

**Other Business**

The Board discussed the selection of Review Committees to begin the review of applications. It was stated that the Board is a volunteer Board and everyone’s volunteer commitment is appreciated. There has been issues with getting a Review Committee for some of the applications. It appears some of the same Board members are always serving on the Committees. There should be a balance. Every Board member should serve on a Committee. It is understood that everyone has other commitments and there may need to be recusals. It was stated that in the past, the Chair of the Board would assign members to serve on the Committee based on a rotating schedule. This may be a possible option; however, the Chair would prefer to not have to do that.

**Public Comment**

There was no public comment

**Adjourn**

The meeting adjourned at 3:58 p.m.

**Next Meeting**

May 28, 2020