



Delaware Health Resources Board Meeting

December 20, 2025

1:00 p.m.

Meeting Attendance and Minutes

BOARD MEMBERS PRESENT: Chair Brett Fallon, John Hundley, JoAnn Seppelt, Cheryl Heiks, Dr. Vincent Lobo, Pamela Price, Charles “Chip” Walters Jr., Timothy “Tim” Gibbs, Strine

BOARD MEMBERS ABSENT: Chair Leighann Hinkle Vice Chair Margaret “Peggy”

HEALTH RESOURCES BOARD STAFF PRESENT: Latoya Wright (Manager Statistics and Research) Patrick Smith (Deputy Attorney General, DOJ)

CALL TO ORDER

Chair Brett Fallon called the meeting to order at approximately 1:00 p.m.

ACTION

November 20 MEETING MINUTES

The November 20 meeting minutes were reviewed. Cheryl Heiks made a motion to approve the minutes. Tim Gibbs seconded the motion. No opposing. Motion carried. The minutes were approved.

TIDALHEALTH CERTIFICATE OF PUBLIC REVIEW APPLICATION

TidalHealth submitted an application for a medical imaging center. A request for a public hearing was received. The Board conducted a public hearing on November 21 to receive public comments relative to the application. Comments were provided by Beebe in opposition of the proposal stating the project would be duplicating existing services within the same vicinity. Other comments received at the hearing were in support of the project. Representatives from TidalHealth presented their proposal to the Board.

TidalHealth proposes to develop a 13,000 square foot freestanding comprehensive imaging center in Millsboro. The center will offer advanced diagnostic services including MRI, CT, mammography, ultrasound, X-ray, and bone density scanning. This facility aims to serve approximately 65,000 residents within a 20-minute drive, targeting a region currently

underserved in imaging services. The investment ranges from \$14.6 to \$17.6 million. The imaging center aims to reduce travel times of 18 to 32 minutes or more that residents currently face, especially as the population (notably older adults with higher imaging needs) grows rapidly. TidalHealth highlighted the community's struggle with timely, affordable diagnostic care and framed the project as an issue of fairness, dignity, and equity in healthcare access. TidalHealth emphasized its local recruitment and training partnerships with Delaware Technical Community College and other institutions to ensure workforce stability.

The full presentation for TidalHealth is posted on the Health Resources Board website.

The Board deliberated on the seven criteria.

Conformity of Project with Review Criteria

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

The Board agreed the project aligns with the Health Resources Management Plan.

Action

The Board unanimously agreed the application met criterion I.

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

The Board noted the project addresses a significant gap in timely, affordable diagnostic imaging in Central Sussex County. It was mentioned that Sussex County does not have access to care that is sufficient for the population. The population in this area is rapidly growing, especially among older adults who require more diagnostic imaging. Delays in imaging currently lead to worse health outcomes. The Board appreciated TidalHealth's presentation that demonstrated the expected need for these services in Sussex County. The Board agreed that there is difficulty getting timely services for imaging and they should be looking ahead for the future need in Sussex County.

Action

The Board unanimously agreed the application met criterion II.

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 Board noted the need is significant enough that additional resources are needed in the area. The acknowledged that alternatives provided in the application were not feasible.

Action

The Board unanimously agreed the application met criterion III.

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

The Board agreed the imaging center is integrated into the current health care delivery system. TidalHealth's reputation for high-quality care was emphasized, including their five-star CMS

rating and commitment to patient-centered environments.

Action

The Board unanimously agreed the application met criterion IV.

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 Board inquired if TidalHealth has partnerships with the schools and if they have a retention rate? TidalHealth stated they do have students that train at their hospital. There are cross training functions and internal development. Workforce development is supported through partnerships with local educational institutions, ensuring staffing stability. The Board also noted that TidalHealth has demonstrated that they have the financial management and resources for the medical imaging center. TidalHealth is a long-standing company.

Action

The Board unanimously agreed the application met criterion V.

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

The Board agreed that by shifting outpatient imaging out of hospital settings, the project is expected to reduce overall healthcare spending for patients and payers, aligning with Delaware's payment reform strategies. It was noted the use of the technology on the preventive side will avoid further treatment which will be less costly.

Action

The Board unanimously agreed the application met criterion VI.

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

The Board agreed the project will have a positive effect on the quality of care. The Board acknowledged TidalHealth's care to the underserved population.

Action

The Board unanimously agreed the application met criterion VII.

Vote of the Application

The Board unanimously agreed to approve TidalHealth's application for a medical imaging center.

NEMOURS CERTIFICATE OF PUBLIC REVIEW APPLICATION

Nemours submitted an application for Phase III expansion of their neonatal intensive care unit (NICU). Representatives from Nemours presented their proposal to the Board. Nemours Children's Health, Delaware's only freestanding children's hospital with the state's only Level 4 NICU, proposed a phase three expansion of their NICU adjacent to prior expansions. the current 30-bed unit frequently operates over capacity (peaking at 36-38 patients) with an average daily census above the licensed beds, necessitating this expansion. The phase three expansion will

renovate 12,000 square feet to add 14 new rooms (totaling 16 beds including double rooms for twins) plus support areas, with an estimated cost of \$22.4 million funded from operating capital without new debt or additional licensed beds.

The expansion supports growing demand driven by strategic program growth, including maternal-fetal health initiatives and partnerships with community hospitals, along with a comprehensive transport program for neonatal patients. Nemours stressed that it is the only Level 4 NICU in Delaware offering advanced services such as neonatal surgery, extracorporeal membrane oxygenation (ECMO), high-frequency ventilation, and in-house pediatric subspecialists, services unavailable at other Delaware hospitals.

The Board asked what is available at a Level 4 NICU that is not available at other hospitals? Nemours stated Level 4 NICUs offers advanced surgeries. It was noted that ChristianaCare has a Level 3 NICU and St. Francis has a Level 2 NICU.

The full presentation for Nemours is posted on the Health Resources Board website.

The Board deliberated on the seven criteria.

Conformity of Project with Review Criteria

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

The Board agreed access will improve and will be available to nearby residents. The project increases the quality of care. Nemours identified their total community benefit was \$122 million.

Action

The Board unanimously agreed the application met criterion I.

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

The Board noted there is a need for these services. The Board also acknowledged Nemours' average census is above capacity.

Action

The Board unanimously agreed the application met criterion II.

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.

Nemours is the only Level 4 NICU in Delaware. The only other Level 4 NICUs nearby are in Maryland and Pennsylvania. This would put a burden on families requiring them to travel outside the state for services.

Action

The Board unanimously agreed the application met criterion III.

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

The Board acknowledged that Nemours is currently integrated in the existing health care delivery system with partnerships.

Action

The Board unanimously agreed the application met criterion IV.

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.

Funding is from operating capital; no new licensed beds or debt financing required. The Board acknowledged that Nemours has the financial resources and management to sustain the project.

Action

The Board unanimously agreed the application met criterion V.

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

The Board noted the project will not have no projected increase to individual costs.

Action

The Board unanimously agreed the application met criterion VI.

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

The Board noted the project will improve the quality of care noting the Level 4 NICU access will have a positive effect on the quality of care.

Action

The Board unanimously agreed the application met criterion VII.

Vote of the Application

The Board unanimously agreed to approve Nemours' application for Phase III expansion of the NICU.

UPCOMING ITEMS BEFORE THE BOARD

NEMOURS NOTICE OF INTENT

Nemours submitted a Notice of Intent for a 3T MRI scanner to support clinical program growth and meet current and future patient demand.

UPDATES

CEDAR TREE CHARITY CARE REPORT

Cedar Tree Surgical submitted their 2024 Charity Care Report for your review. No further information is required on this item.

PUBLIC COMMENT

There were no public comments.

ADJOURN

The meeting adjourned at 3:30 p.m.