

Bayhealth

Presentation to:
Delaware Health Resources Board

Request for Approval for:
32 Additional Beds at Kent General Hospital

July 25, 2013



History

- Phase 2 Expansion at Kent General
 - Welcome Center
 - Parking Garage
 - Cancer Center
 - Emergency Department
 - Central Services Building
 - Shell Space

Shell Space For Future Beds



Objectives of Project

- Address Current, Near Term, and Future Bed Need
- Increase Private Patient Rooms
- Reduce Time Spent Waiting for an Inpatient Bed
- Reduce Patients Leaving Without Treatment
- Reduce Time Spent on Diversion

Kent General Occupancy Rates by Bed Type

Fiscal Year	2010	2011	2012	2013
Occupancy Rates				
General Med/Surg	91%	91%	93%	86%
Intensive Care (ICU)	66%	68%	86%	87%
Women's Services / Pediatrics	63%	58%	50%	58%
Intermediate Care (IMC)	82%	87%	88%	93%

*Occupancy is calculated using patient days and observations.

Bayhealth Bed Need Methodology

- Average Daily Census
- Peak Utilization
- Observation Patients
- Includes All Age Ranges
- Healthcare Reform
- Other Market Forces

Bayhealth Bed Projection Assumptions

Assumption	Volume Impact
Aging Population	Increase
Population Growth	Increase
Increased Insurance Coverage	Increase
Re-Admission Reduction	Decrease
Focus on Preventative Care	Decrease
Focus on Population Health	Decrease
Use Rates for Inpatient Services	Flat
Market Share	Flat

The Need of the Population for the Proposed Project

	2012 Estimated Population	2017 Projected Population	5-Year Growth %
New Castle County	537,065	547,231	1.9%
Kent County	162,834	175,937	8.0%
Sussex County	212,327	228,847	7.8%
Delaware	912,226	952,015	4.4%
Kent General Service Area	232,658	254,768	9.5%
Kent General Service Area 65+	29,226	35,911	22.9%

Source: Thompson Market Planner Plus, Claritas census estimates

IMC Volume and Bed Need

	Actual 2013	Projected 2023
IMC Volume (Days and Observations)	14,520	19,913
ADC	40	55
Available Beds	43	27
Adjustment for Peak Census	39	24
Bed Surplus / (Deficit)	(1)	(31)

Additional Construction

- Constructing 4th floor shell space
 - Allows for future expansion
 - Reduces construction noise to proposed 3rd Floor
 - Alleviates the need for temporary accommodations
 - Cost savings if performed alongside proposed construction

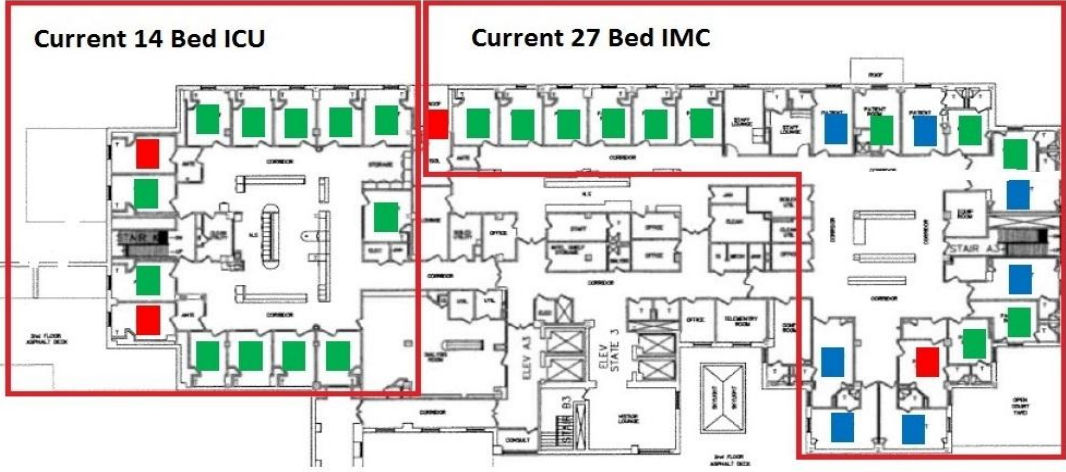
Capital / Timeline

- Capital Cost of \$17 million
- Approximately 100 Additional Employees
- Construction
 - Design / Planning: March 2013 – June 2013
 - State / Local Agency Review: July 2013 – August 2013
 - Construction: September 2013 – June 2014
 - Occupancy: July 2014

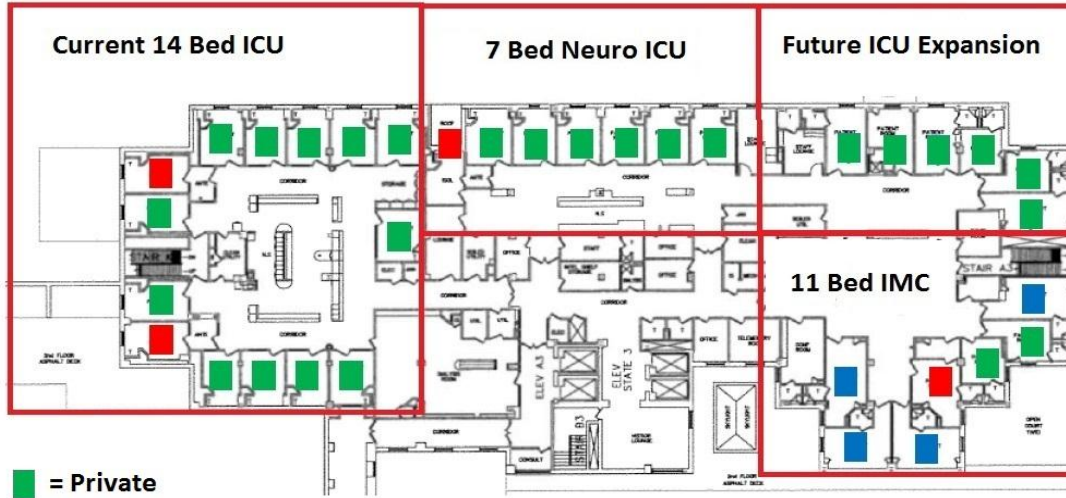
Conclusion

Increasing the licensed bed capacity at Kent General by 32 beds and adding the 4th floor shell space is the most efficient use of resources to accommodate inpatient bed demand at Kent General for the near term and foreseeable future .

Current Second Floor Layout



Future Second Floor Layout



- = Private
- = Semi-Private
- = Private Isolation