



# Georgetown ED Appeal

December 12, 2019

# Basis for Beebe Appeal

1

Nanticoke no longer requires competitive protection since it has a new, financially sound owner.

Statutory Criteria: 4

2

The number of proposed FSEDs has changed, and this alters the impact on cost and the distribution of services.

Statutory Criteria: 2, 6, 7

3

Expanded walk-in care services in Georgetown since the application was filed decreases likelihood of over-utilization of emergency care for non-emergent conditions.

Statutory Criteria: 7

# 1 Nanticoke Ownership

Competitive protection no longer relevant

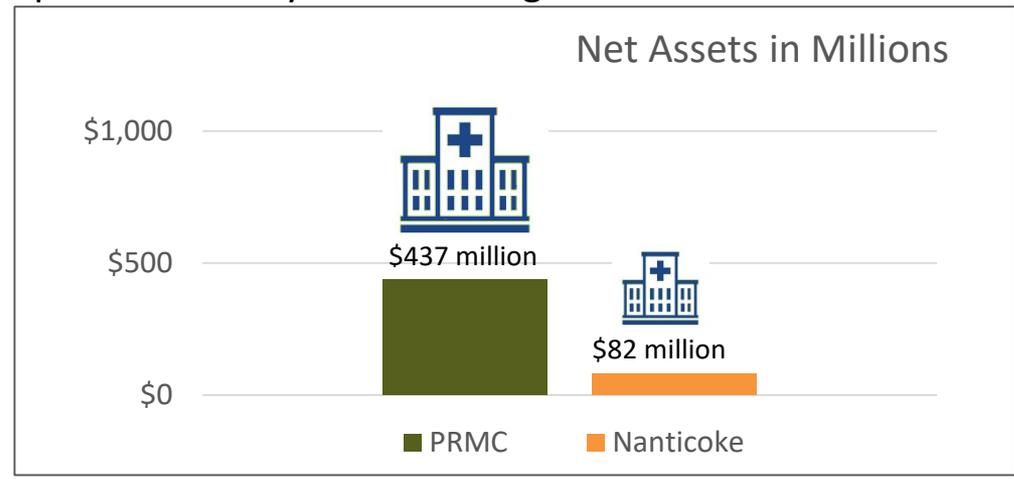
Nanticoke opposition was in part due to the expense they incur for maintaining core services such as their Level III Trauma certification.

Their written opposition stated that it would be hard to maintain these services if they lost “volume to other facilities.”

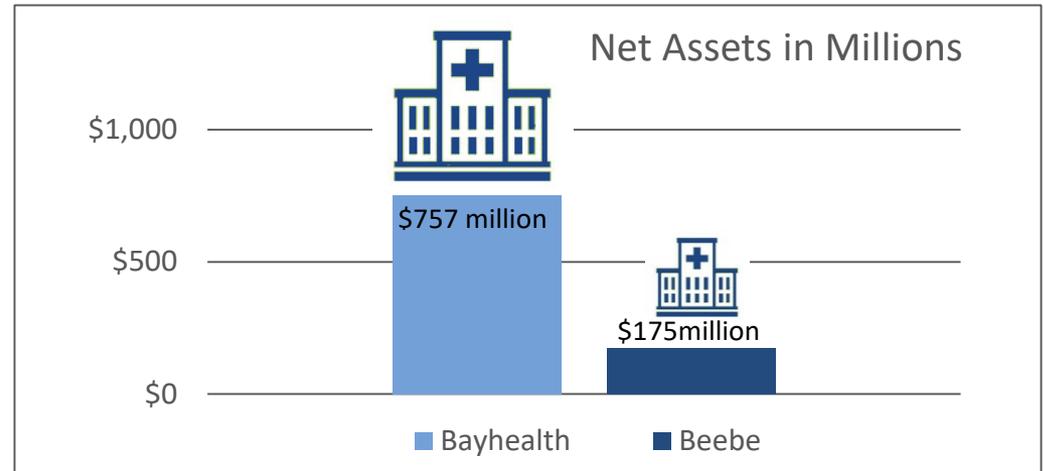
Nanticoke will be owned by PRMC of Salisbury, with \$437 million in net assets.

Beebe requests the board reconsider its decision to protect Nanticoke from competition.

PRMC ownership provides Nanticoke with the capital protection they were seeking.



HRB never discussed protecting Beebe from much larger Bayhealth.



# 2 Influence of 2 FSED Applications

**“The review committee agreed that two proposed freestanding emergency departments will increase the costs of healthcare...”**

Review Committee Minutes

June 25, 2019

It appears the HRB was concerned with a proliferation of free-standing emergency departments.

Substantially similar case for a Millville FSED was approved by the HRB in July 2018.

Basis for denial of Georgetown FSED was basis for approval of Millville FSED.

Did the presence of two applications in the same market prompt the HRB to decide differently on substantially similar applications from Beebe?

# 2 Influence of 2 FSED Applications

Rationale for Millville and Georgetown FSED are nearly identical.

Yet vote by review committee and board shows no consideration for precedent.

Based on the record, it appears that other contextual factors influenced HRB decision on a Georgetown FSED.

	Millville FSED	Georgetown FSED
SC I: Compliance with HRMP	✓	✗
SC II: Need of Population	✓	✗
SC III: Available less costly services	✓	✗
SC IV: Relationship to healthcare	✓	✗
SC V: Financial Viability	✓	✓
SC VI: Impact on Cost	✓	✗
SC VII: Impact on Quality	✓	✗

# 2 Influence of 2 FSED Applications

**“Plans can ensure that members receive appropriate, coordinated primary care to address preventable ED visits.”**

National Committee on Quality Assurance (NCQA)

## NCQA Sources Supporting ED Utilization Measure:

Dowd, B., M. Karmarker, T. Swenson, et al. 2014. “Emergency department utilization as a measure of physician performance.” *American Journal of Medical Quality* 29 (2), 135–43.

Agency for Healthcare Research and Quality. 2015. *Measures of Care Coordination: Preventable Emergency Department Visits.*

Governor’s Executive Order 25 is based on NCQA measure of Primary Care Access and Quality.

Research supporting the measure points to improved care coordination, chronic disease management, and primary care access.

NCQA does not recommend limiting access to emergency medical services.

Did concern about a proliferation of FSEDs influence the HRB’s interpretation of EO 25?

# 2 Influence of 2 FSED Applications

The *level* of care in an ED is very different to that of a Walk-In, so the average overall cost is not comparable.

ED costs are a valid concerns, but they do not equal the 10X factor cited by the opposition and the Review Committee.

Concern over cost may have been inflated when considering two FSEDs in the same market.

	ED Cost	Walk-In Cost
ESI Level 1 (highest)	\$16,229	n/a
ESI Level 2	\$6,166	n/a
ESI Level 3	\$2,539	n/a
ESI Level 4	\$539	\$116
ESI Level 5	\$247	\$116

# 2 Influence of 2 FSED Applications

**Review committee states that Georgetown application “...was heavily based on an access to care which is more related to infrastructure...” and “...the roads should be improved for better transportation.”**

Health Resources Board  
Minutes

November 14, 2019

Infrastructure affects travel from Millville area for ED care in ways similar to Georgetown.

HRB approved Millville FSED application knowing infrastructure limitations, but denied Georgetown application because of similar limitations.

Might the simultaneous review of two FSED applications have caused the HRB to consider these conditions differently.

# 3 Improved Walk In Care Access

Expansion of services providing greater access to lower-cost Walk-In Care *adjacent* to FSED should be considered by HRB as a positive factor, because access to Walk-In Care has demonstrated that it lowers ED Utilization.

Expanded from 2 to 6 exam rooms.

Enhanced external visibility by relocating center entrance from the exterior of building.

Enhanced external signage, visible from the road.



# On behalf of patients in Georgetown—Thank you

