

Delaware Health Resources Board



Certificate of Public Review

Proposal for Development of Expanded Advanced Delivery Unit

January 23, 2025



NEMOURS
CHILDREN'S HEALTH

Introduction

Nemours Children's Health (hereinafter "Nemours") is pleased to submit its proposal to the DE Health Resources Board for approval of its Advanced Delivery Unit (ADU) which will be situated on the 2nd Floor of the Nemours Pavilion in Wilmington, DE.

The following individuals will be participating in this presentation and will be available to answer any questions:

- Erin O'Hara, RN, Nurse Manager, Advanced Delivery Unit
- Michael Sher, JD, MS, Vice President Facilities and Real Estate, Enterprise

Agenda

- I. Nemours Children's Health, Delaware Valley (NCHDV): Overview
- II. Nemours Advanced Delivery Unit: Project Overview
- III. Conformity with Review Criteria and the Health Resources Management Plan
- IV. Summary

I. NCHDV Overview

- A. NCHDV is an operating division of Nemours Children's Health which is one of the largest integrated pediatric health systems in the country.
- B. NCHDV's main campus, which is located in Wilmington, DE, includes 260 licensed beds, a Level 1 Trauma Center and numerous inpatient and outpatient specialty care programs.
- C. NCHDV is also supported by:
 - ✓ A network of ambulatory care facilities including ambulatory specialty and surgery centers throughout Delaware, Southern New Jersey and Southeastern Pennsylvania.
 - ✓ Joint-ventures with community-hospital inpatient pediatric and NICU programs.
 - ✓ Academic affiliations with the University of Delaware and Thomas Jefferson University.
 - ✓ A comprehensive transport program including ambulances, helicopter.

I. NCHDV Overview Cont'd.

FY 2023 Operating Metrics

Metric	FY 2023 Performance
Inpatient Admissions*	7,595
Emergency Department Visits	56,232
Scheduled Outpatient Appointments	550,248
Surgeries Performed (Inpatient and Outpatient)	15,317
Nemours Associates (FTEs) at NCHDV	3,589

*Approx. 85% of DE's children requiring hospitalization are admitted to NCHDV.



II. Advanced Delivery Unit: Project Overview

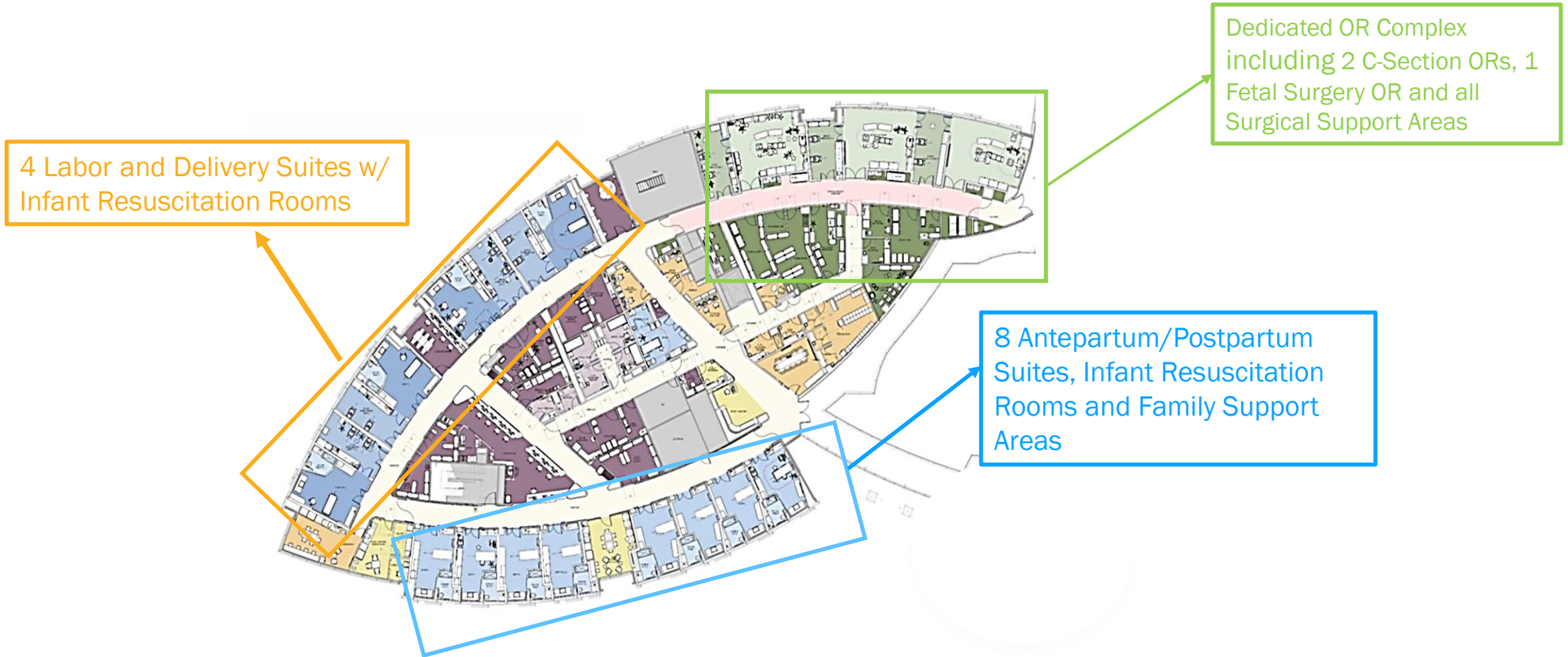
NCHDV is pleased to submit this proposal for development of an Advanced Delivery Inpatient Unit (ADU) which will be situated on the Nemours Wilmington Campus. Project highlights are as follows:

- A. Project Description: Construct a new and expanded ADU comprised of 26,225 sq. ft. with dedicated antepartum/postpartum rooms, labor delivery rooms, infant resuscitation rooms and three operating rooms to accommodate c-sections and fetal surgery procedures.
- B. Nemours Investment: Approx. \$58.5M funded entirely from operations.
- C. Project Schedule (Subject to HRB Approval):
 - Design Complete: 01/15/2025
 - Construction Mobilization: 05/01/2025
 - Occupancy: 04/02/26

II. Advanced Delivery Unit: Project Objectives

- I. **Expand Patient Capacity:** Due to program growth within NCHDV's existing ADU, and recruitment of national leaders in maternal fetal medicine, NCHDV will exceed its existing capacity within the next 24 months. Additionally, the resources and infrastructure serving the existing four bed unit limits our ability to implement new clinical modalities related to fetal surgery.
- II. **Enhance Quality and Safety:** The design of the new ADU will enhance the clinical environment for patients and providers by collocating all critical services in a single integrated center. By comparison, providers currently utilize operating rooms in the main OR which is separate and apart from existing labor and delivery rooms. Colocation of services will improve patient care by eliminating the transfer of mothers and babies through publicly traveled corridors.
- III. **Enhance Family and Patient Experience:** The design of the ADU, as seen on the following pages, incorporates the needs of patients and their families. Additionally, the design provides for a soothing and healing environment which is critical for this patient population.
- IV. **Strengthen Local and National Reputation:** The ADU will not only enhance the reputation of Nemours Children's Hospital, Delaware by allowing for expanded maternal fetal medicine services, but it will also improve access for DE residents by providing critical services closer to home.

II. Advanced Delivery Unit: Design



II. Advanced Delivery Unit: Physical Environment

A



B



- A. Entrance
- B. Unit Hallway
- C. Antepartum/
Postpartum
- D. Labor-Delivery
Room

C



D



II. Advanced Delivery Unit: Physical Environment Cont'd.



Family Nourishment and Support

Staff Work Area



III. Conformity of Project with HRB Review Criteria

I. Criterion 1 – Relationship of Proposal to the Health Resources Management Plan (HRMB)

A. Evidence of Access, Cost and Quality:

- **Access:** Construction of the ADU will be the first unit of its kind in the State of Delaware and will allow residents of Delaware to obtain critical services without having to travel to either Maryland or Pennsylvania.
- **Cost:** The development of the ADU will not adversely impact the cost of care to patients and will actually reduce related patient costs by providing care closer to home.
- **Quality:** Construction of a fully-integrated unit will improve quality by having all critical services (i.e., OR's, LDR's, and Antepartum/Postpartum Rooms) collocated in a designated unit. Additionally, the physical design and environment will incorporate a healing and soothing environment which to enhance the patient experience and clinical outcomes.

B. Contribution to the Care of the Medically Indigent: Since its inception, NCHDV has provided care to patients regardless of their ability to pay; this same philosophy will apply to all patients requiring treatment in the ADU.

III. Conformity of Project with HRB Review Criteria

I. Criterion 1 – Relationship of Proposal to the Health Resources Management Plan (HRMB) Cont'd.

C. Support a Managed, Coordinated Approach to Best Serve the Needs of the Population:

NCHDV supports and maintains a comprehensive network of inpatient, neonatal, ambulatory pediatrics and ambulatory specialty care sites throughout the State of Delaware. Additionally, NCHDV also maintains affiliations with the University of Delaware and Thomas Jefferson University to support the training and development of future healthcare providers. The ADU is, and will continue to be, a key component of NCHDV's local and regional healthcare delivery network, clinical partnerships and educational affiliations.

D. Accounting for Availability of Out-of-State Resources: NCHDV is the sole pediatric hospital in the State of Delaware and treats approximately 85% of Delaware's children requiring inpatient hospitalization. Additionally, NCHDV will be the only provider in DE to offer specialty services such as those that will be available in the ADU. Moreover, the ADU will further enhance NCHDV's positions as both a regional and national leader in maternal-fetal health.

E. Cost & Utilization Restraint: All costs related to the development and construction of the ADU will be funded through hospital operations. Neither NCHDV nor any affiliates thereof will incur any debt related to this project. Additionally, the investment in the ADU will have a payback period of 3.99 years with an Internal Rate of Return (IRR) of 28.1%.

III. Conformity of Project with HRB Review Criteria

I. Criterion 1 – Relationship of Proposal to the Health Resources Management Plan (HRMB) Cont'd.

F. Enhance Meaningful Markets Where There is Sensitivity to Cost and Quality: The proposed project will elevate the existing program to a state-of-the-art facility and improve access to all markets across the State of Delaware.

G. Promote Prevention, Early Detection and Promotion of Healthy Lifestyles: NCHDV has, and will always be, committed to improving the health of all children through Value-Based Care Models and delivering care directly to the populations we serve. The ADU program is, and will continue to be, an essential component of NCHDV's many outreach programs including, but not limited to, those focusing on Social Determinants of Health, Trauma Informed Care, Patient-Centered Medical Homes, School-Based Health Centers and the Community Health Needs Assessment.

III. Conformity of Project with HRB Review Criteria

II. Criterion 2 – The Need of the Population For the Proposed Project:

- A. NCHDV is the sole pediatric hospital in the State of Delaware and also serves as the State's only pediatric Level 1 Trauma Center. Additionally, NCHDV's primary service area consists of New Castle County, DE, Chester County, PA and Delaware County, PA. The Secondary Service Area includes Kent County, DE, Sussex County, DE and other regions in Pennsylvania and New Jersey. By comparison, the Primary and Secondary Service Areas represent 60% and 30% of total patient volume, respectively.
- B. Total population across all service areas includes approximately 2.3M children.
- C. The existing ADU program at NCHDV has experienced strong growth with 75 deliveries in 2024. Strategic growth initiatives including recruitments from The Children's Hospital of Philadelphia will cause a significant increase in volume with an expected 250 deliveries by 2028.
- D. Formation of newly formed partnerships with regional health systems and managed care organizations will also support future growth and development.

III. Conformity of Project with HRB Review Criteria

III. Criterion 3: Alternatives to the Project (Are there alternative providers of this service readily accessible to the population? NO)

- A. Although maternal-fetal inpatient programs exist at The Children's Hospital of Philadelphia, Johns Hopkins Hospital in Baltimore and Boston Children's Hospital, the distance to these locations is often a barrier to care; especially given the lengthy hospitalizations that are often required.
- B. In planning for the ADU, NCHDV considered alternative locations within the hospital but determined its proposed location on the 2nd floor of the Nemours Pavilion was the ideal location given the building's infrastructure and proximity to other services.

IV. Criterion 4: Relationship to the Existing Healthcare Delivery System (Has the Applicant established a relationship to the existing healthcare delivery system? YES)

- A. NCHDV is a well-established pediatric health system that maintains a comprehensive network of the following: ambulatory care facilities including primary care, specialty care and ambulatory surgery centers; community-based inpatient pediatric and NICU joint-ventures; numerous school-based wellness centers, and; a comprehensive patient transport system.

III. Conformity of Project with HRB Review Criteria

V. Criterion 5: Access to Financial Management and Other Necessary Resources

- A. The proposed ADU project will cost approximately \$58.5M and will be funded through hospital operations. Additionally, the project is projected to have a return on investment of approx. 3.9 years with an IRR of 28.1%.

VI. Criterion 6: Effect of Project on Costs and Charges of Healthcare – NO Impact Anticipated.

VII. Project's Effect on Quality of Healthcare

- A. The proposed ADU is expected to have a positive effect on quality and patient outcomes due to the facility design, the colocation of critical services and the anticipated increase in volume within the ADU and other clinical programs including NICU and cardiac surgery.

III. Summary and Conclusion

For the reasons set forth in NCHDV's application to the HRB dated November 7, 2024, and as listed below, NCHDV respectfully requests approval of its application to construct an expanded ADU as was described herein:

- A. The project is consistent with Delaware's Health Resources Management Plan and the guiding principles set forth therein.
- B. All construction and operating costs related to this project will be funded through existing capital reserves and future clinical operations.
- C. The project will improve the quality of care and services currently provided to patients and families.
- D. The project will improve access to care for DE's residents including, but not limited to, medically indigent populations.
- E. The project aligns with NCHDV's integrated continuum of care and will serve to enhance the health status of the population we serve throughout the State of Delaware.

Questions

