Delaware Health Resources Board's Public Hearing for ChristianaCare Camden and Georgetown Hospitals

The Chapel Building

Herman M Holloway Sr. Health and Social Services Campus

1901 North Dupont Highway New Castle DE 19720

October 20, 2026



Agenda

I: OPENING COMMENTS

II: CHRISTIANACARE PRESENTATION REGARDING THE CAMDEN AND GEORGETOWN CERTIFCATE OF PUBLIC REVIEW APPLICATIONS

III: PUBLIC COMMENTS

IV: ADJOURN

CHRISTIANACARE CAMDEN HOSPITAL AND GEORGETOWN HOSPITAL PRESENTATION

Expanding Health & Wellness Services to Camden and Georgetown

Certificate of Public Review – Public Hearing
Delaware Health Resources Board Proposal

October 20, 2026

ChristianaCare®







where delaware puts down roots

Small-town charm, coastal beauty and communities growing for the future.

Rapid Growth in Kent & Sussex Counties Requires Growth in Healthcare Services

By 2030:	Population Growth	Aging Population	Forecasted Increase in Healthcare Use		
			Outpatient	Inpatient	Emergency
Kent	+5.2%	+16%	13%	5%	5%
Sussex	+9.4%	+22%	24%	14%	10%

Source: Sg2 Analytics

our healthcare needs are great

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Kent and Sussex Counties are Designated as Medically Underserved Areas

Primary Care Provider Shortage

-24 Kent

-39 Sussex



Source: HRSA HPSA Database/Sg2 Analytics

Delawareans are frustrated by long wait times and too few options.

- Delaware Ranks **4th** Worst in ED Visit Times
- CMS measures* show **longer ED throughput** times and patients leaving before being seen across Delaware, signaling existing capacity pressures.
- Shortages of primary care, specialty care, behavioral health and diagnostic care lead to long wait times for care, unmet needs and inadequate preventive care.



*Source: CMS Timely & Effective Care Timely and Effective Care - Hospital | Provider Data Catalog

Kent and Sussex ED visits exceed US benchmark

Median ED visit time and left-before-being-seen rate, Kent and Sussex County hospitals

Facility	Median ED visit time (min)	Left before being seen
Bayhealth Kent Campus, Dover	278	3%
Bayhealth Sussex Campus, Milford	252	3%
Beebe, Lewes	174	1%
TidalHealth Nanticoke, Seaford	167	4%
National benchmark	157	1.68%



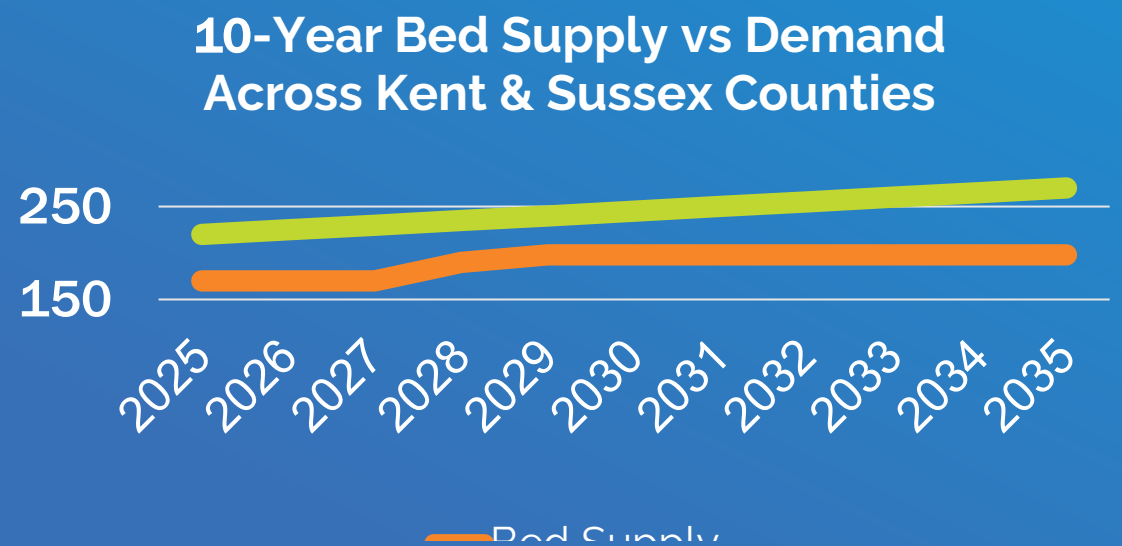
Projected Neighborhood Hospitals ED Visit Time

Exceeds the national benchmark for median ED visit time (157 min)

Source: CMS hospital quality data (data.cms.gov) as published at hospitallookup.com/hospitals/de, CMS data loaded June 2026. Neighborhood Hospital figures are internal projections, not CMS data.

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Emergency Care Demand Is Expected to Grow Faster Than Planned Capacity



- There is currently an undersupply of ~**47** ED beds across both counties based on a national average ED bed utilization rate of 1,100 visits per bed per year*
- The reality of this is substantiated by known ED wait times of **2-3** hours
- The Board has approved an additional **26** ED beds across both counties through **2030**. Projected population growth will absorb this capacity by the time these beds are opened, resulting in continued shortage

*Next Generation Emergency Department Design - ACEP Now; 2024-EDBA-Data-Report-v8-002.pdf

"This area is growing so fast, it requires all of us to be successful and grow. I do think the population can only benefit from the competition we have here, and it's good to challenge you to do better."

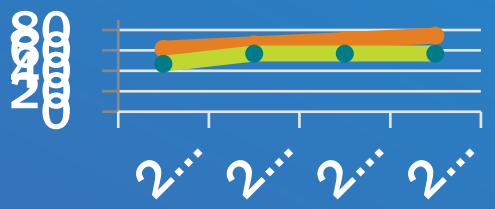
—Terry Murphy, Bayhealth President & CEO – Delaware Business Times, **Feb 3, 2026**

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ED Treatment Space Demand Outpaces Planned Supply Through 2040

Demand increases continuously, while planned supply steps up only in 2028–2030 and then remains flat.

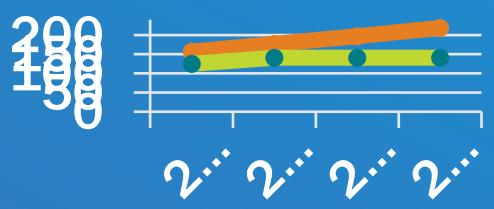
Kent County



2040 shortfall: 17.5 spaces

Population +15% | ED visits +21%

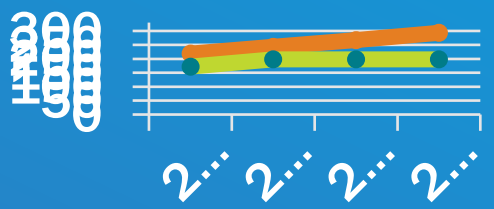
Sussex County



2040 shortfall: 77.8 spaces

Population +30% | ED visits +40%

Region combined

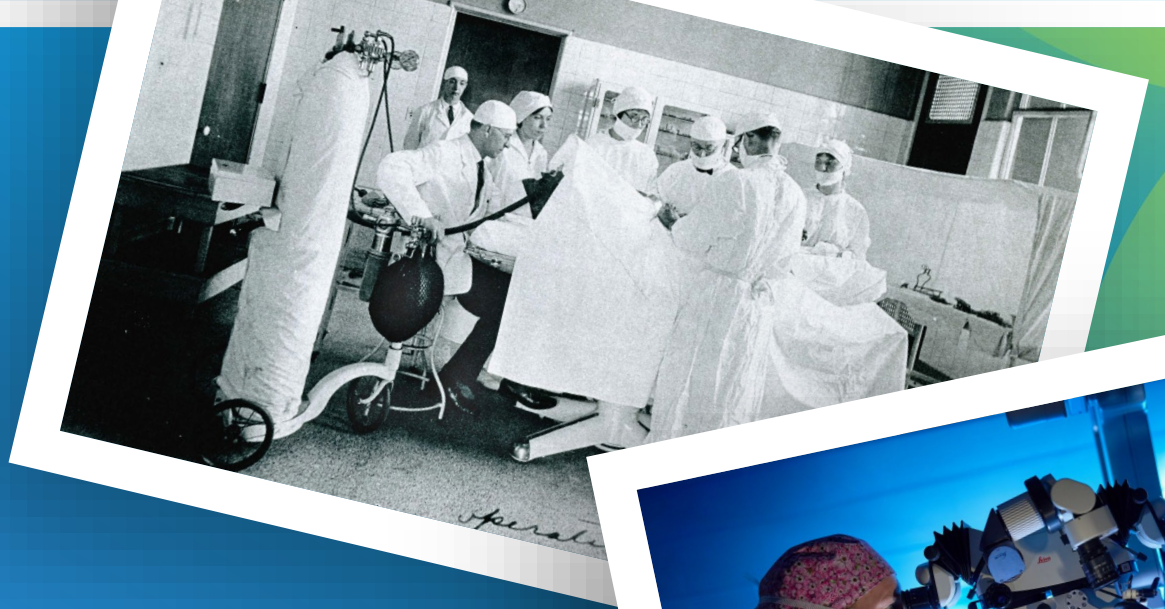


2040 shortfall: 95.3 spaces

Population +24% | ED visits +34%

Workbook: Model, years 2025, 2030, 2035, and 2040.
Population source: U.S. Census Bureau QuickFacts V2025 baseline; growth assumptions documented in workbook and informed by Sg2 scenario inputs.
Throughput source: ACEP Now / Emergency Department Benchmarking Alliance; workbook selected standard is 1,100 visits per treatment space annually.

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Since 1888, our mission has been simple:

we care

for our Delaware neighbors.

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ChristianaCare already serves Kent & Sussex Counties

- Behavioral Health
- Cardiology
- Endocrinology
- HomeHealth
- Infectious Disease
- Memory Care
- Minimally Invasive GYN Surgery
- My65+
- Pediatrics
- Primary Care
- Rehabilitation
- Specialty Care
- Testing and Imaging
- Urgent Care
- Women's Health

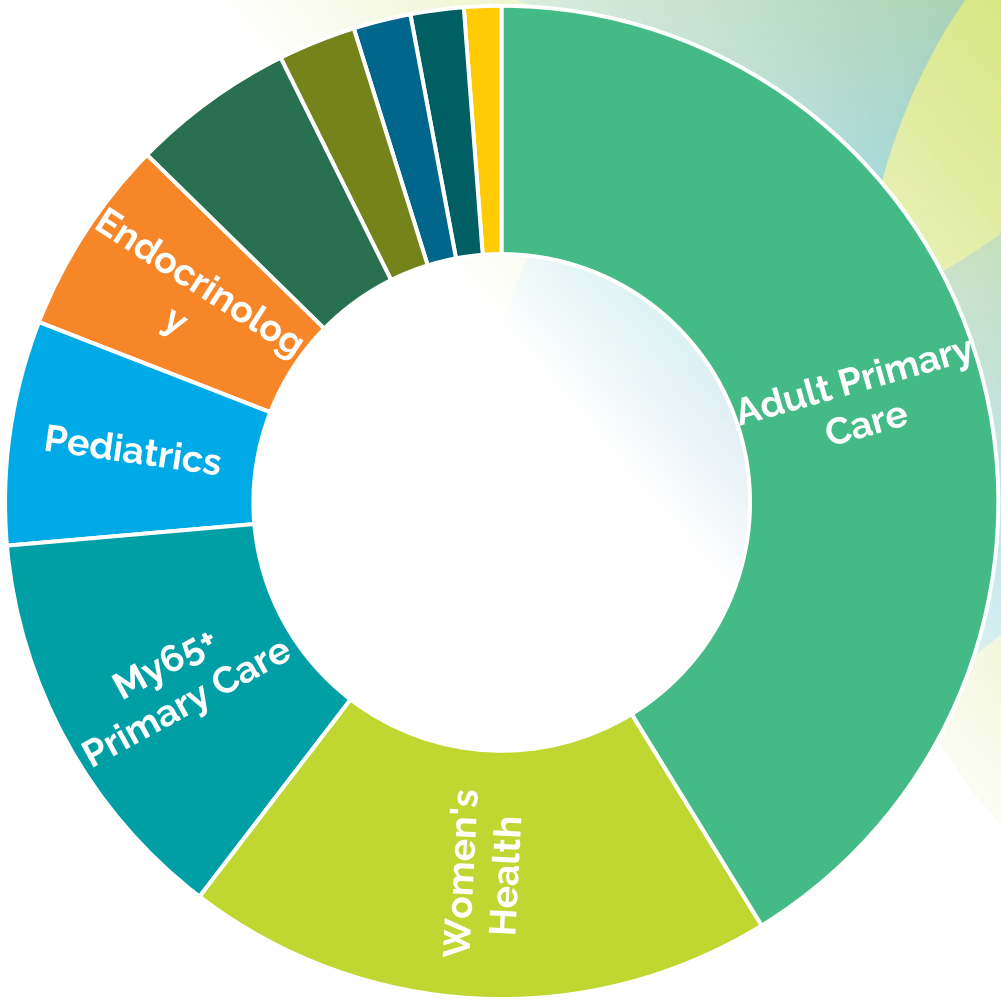
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Services Offered at ChristianaCare Southern Delaware Locations

60,000+
Appointments

20,000
Patients Supported

More than **1 in 3** are age 65+



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New model designed for Delaware's smaller communities that complements existing regional providers.

~$117 million investment



SET TO OPEN IN EARLY 2029.

Second floor

Health Center with outpatient services for the community.



First floor

24/7 hospital
8 inpatient beds
8 ED beds

perfect for camden and georgetown

More About the Health Centers

Convenient Care, All in One Place

- Providing primary care, specialty care, behavioral health, diagnostic services and virtual connections to other services for the Camden and Georgetown communities.
- By bringing all these services together, along with the neighborhood hospital on the first floor, the campus supports strong connections among patients and their care teams.



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More About Your Neighborhood Hospital

Dependable, Accessible and Efficient

- Convenient and accessible
- Brings patient care right into the community
- Seen by provider within 15 minutes
- Discharged under two hours on average

Scope of Services

- Onsite emergency medicine physicians
- X-ray, CT, ultrasound, lab services, pharmacy

Fully Licensed, Comprehensive Care

- Licensed hospitals certified by Medicare
- Telehealth access to hospitalist/specialists
- Transfers based on acuity and patient preference to Delaware's other hospitals when needed



It's NOT Urgent Care



It's NOT a Trauma Center

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Neighborhood Hospital: Target Acuity, Core Capabilities & Benchmarks

Designed primarily to finish Emergency Severity Index (ESI) 3 patients locally, manage selected ESI 2 cases, and stabilize higher-acuity patients for transfer.

TARGET ESI RANGE

ESI	Role for neighborhood hospital
1	Stabilize and transfer only
2	Selected lower-risk subset; local admission when appropriate
3	Primary target: two or more resources; finish locally
4	Appropriate, but lower-acuity than core target
5	Redirect to urgent care when clinically appropriate

OPERATING BENCHMARKS

Metric	Benchmark
Annual ED visits	**≈15,000**
Arrival to discharge[1]	**90 min**
Door to provider	**15 min**
Left without being seen	**< 2%**
IP / observation admit rate	**4 %**
Transfer rate	**6%**

Target case mix

ESI 3: 45–55%

ESI 2: 10–15% | ESI 4: 25–30%

TRANSFER TRIGGERS | STEMI/PCI · LVO stroke · major trauma · surgical abdomen · ICU care · active labor · critical pediatrics

6%

illustrative transfer rate

Aligned with the targeted 3–8% range shown in the source slides.

[1] ED patients not transferred to another facility. Statistics are identified in the source deck as a national compilation of top-decile facilities within the Emerus network.

The neighborhood hospital is differentiated by the ability to complete ESI 3 care and admit a defined subset locally, while preserving rapid transfer for high-acuity conditions.



John's Weekend Project
Treated and Discharged Home



Joe's Broken Hip
Stabilized and Transferred for Specialized Care



Mary's Chest Pain
Admitted and Cared for Locally

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Supporting the Care Continuum for Kent and Sussex Counties

- Neighborhood hospitals, or "micro-hospitals," provide the right level of care, in the right place, at the right time.
- As ChristianaCare seeks to open Delaware's first neighborhood hospitals at the proposed Camden and Georgetown Health Campuses, we are committed to working collaboratively with state regulators and policymakers to support implementation of the model and ensure alignment with applicable regulatory requirements.
- These campuses function as a **healthcare ecosystem** that integrates with existing regional infrastructure.
- Our focus remains on providing safe, accessible, community-based care that meets Delaware's growing health care needs through a proven model.

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Partnership Structure & Governance

- The health center is solely owned and operated by ChristianaCare.
- The property is owned by ChristianaCare.
- ChristianaCare maintains majority ownership and governance oversight of the neighborhood hospital.
- ChristianaCare's brand, clinical standards, quality expectations, charity care policy, and commitment to Medicaid and other medically indigent patients apply.

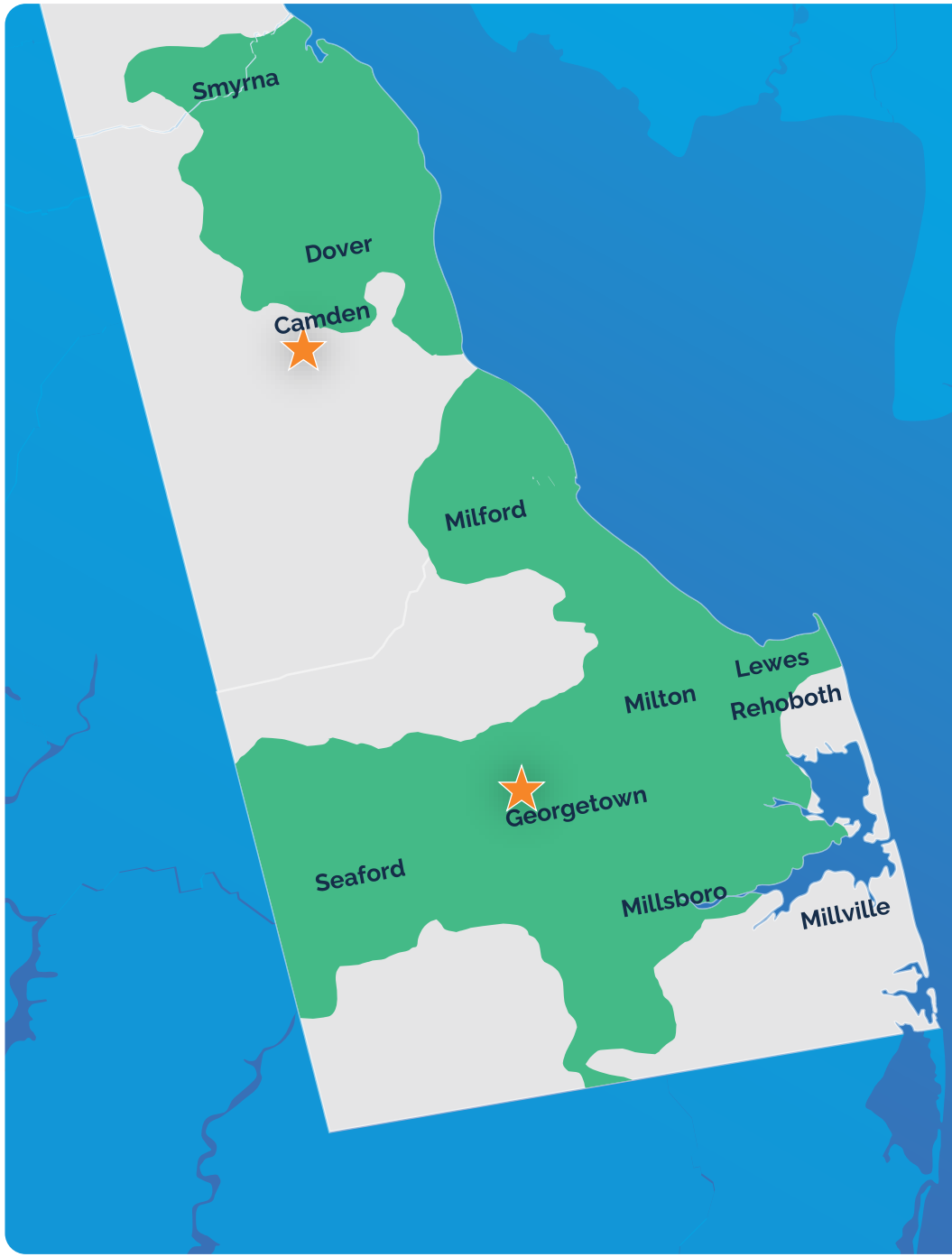


Making Care More Affordable

The model supports more efficient healthcare utilization by matching patient needs with the appropriate level and setting of care.

- **Avoids unnecessary utilization of higher-cost care** by treating lower-acuity needs in a right-sized setting.
- **Reduces avoidable hospitalization** through earlier intervention, outpatient integration, and appropriate short-stay care.
- **Relieves ED capacity pressures,** helping reduce congestion, prolonged waits, and inefficient resource use.
- **Aligns resources with patient acuity**, preserving higher-cost hospital capabilities for patients requiring complex, specialty, trauma, or tertiary care.
- **Improves local access and care coordination**, reducing transportation barriers and delays that can contribute to more acute, potentially more costly, care needs.
- **Supports a more efficient care continuum** without duplicating the advanced capabilities of existing hospitals.

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Meeting the Needs of Delaware's Medicaid Patients

Recent federal Medicaid policy changes could place up to **70,000** Delawareans at risk of losing health coverage, increasing the number of uninsured residents seeking care and adding further pressure to hospitals already facing affordability and access challenges.

Areas with substantial Medicaid enrollment are concentrated near the proposed campuses.

ChristianaCare's charity policy is the most generous in Delaware, enabling us to serve more people in these communities.

Proposed ChristianaCare Locations

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Benefits to the People of Kent & Sussex Counties

- **Greater access to convenient care close to home** — Expands access to primary care, specialty care, behavioral health, imaging, diagnostics and emergency services.
- **Earlier diagnosis and treatment** — Makes it easier for patients to receive care before health issues become emergencies, improving outcomes and quality of life.
- **Shorter waits for emergency care** — Adds needed capacity to help reduce emergency department crowding and improve access to timely treatment.
- **Easing pressure on local EMS** — New access points will reduce overall travel times for EMS in Kent and Sussex.
- **The right care in the right setting** — Primary care and specialty care, as well as hospital-level emergency and short-stay care for lower-acuity conditions. Eases the burden on regional hospitals.
- **A more connected patient experience** — Coordinates care from emergency evaluation to testing, specialty care and follow-up, making it easier for patients to navigate the health system.
- **Building the health care workforce in Kent and Sussex Counties**— Creates sustainable, permanent healthcare infrastructure and supports provider recruitment, supported by ChristanaCare's deep experience in residency and fellowship training.



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Appendix

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In Summary:

Conformity With All 7 Criteria

Expands primary, specialty and coordinated care in designated underserved, high-growth areas of Kent and Sussex, aligned with statewide priorities.

Demonstrated Need vs. Capacity

Medically underserved designation with a 63-PCP net need, rapid 65+ growth, and ED throughput at the bottom 5% nationally show need beyond current and planned capacity.

Unnecessary Duplication

A right-sized model that complements existing services, relieving pressures across the full healthcare ecosystem of Delaware.

Cost and Charges of Care

A lower-cost, right-site model that reduces total patient cost versus standard acute care settings.

Access & Care for Medically Indigent

Delaware's most generous charity care policy, Medicare and Medicaid participation, and payer-neutral scheduling protect vulnerable patients.

Financial & Operational Viability

Backed by ChristianaCare, Delaware's largest health system.

All of these points are in favor of expanded, coordinated, lower-cost access for Kent and Sussex.

ChristianaCare's Vision & Commitment

- These campuses will be the first of their kind in Delaware.
- ChristianaCare owns the property, owns the facility and operates the health center. Our partner Emerus operates the neighborhood hospital.
- Emerus brings 20 years of expertise in this proven model and operates these facilities only in partnership with health systems.
- They serve more than 5 million patients across 50 hospitals nationwide.
- ChristianaCare has already created two highly successful campuses featuring this innovative model – West Grove, PA and Aston, PA.

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Alignment with DHRB Statutory Criteria Section Summary

SECTION 1

Conformity with Health Resources Management Plan

Access

Central location and integrated campus model support less travel, earlier intervention and right-sized care across the continuum.

Quality & Experience

Proven model adheres to ChristianaCare clinical and quality standards; delivers shorter wait times and reduced length of stay; allows for better care coordination

HIT and DHIN Participation

Epic and Delaware Health Information Network will enable real-time information sharing.

SECTION 2

Demonstrated Need

Population Growth (2030)

Kent County: 5.2%

Sussex County: 9.4%

65+ Aging Population (2030)

Kent County: 16%

Sussex County: 22%

Rising Utilization (2030)

Outpatient: 13-24%

Inpatient: 5-14%

Emergency: 5-10%

Provider Shortage (Current)

HRSA MUA/HPSA Designation

Kent County: -24 PCPs

Sussex County: -39 PCPs

SECTION 3

Alternatives to the Project:

Outpatient Only Model

May leave care fragmented

Status Quo

Existing downstate capacity not keeping up with acute demand. ED throughput is lower than most other regions in the country; patients leave without being seen, which delays care.

Traditional Hospital Model

Slower, more costly and potentially duplicative. Integrated campus is the right-sized alternative.

SECTION 4

Impact on Existing HealthCare Delivery System

Complements Providers

Adds access and distributes lower-acuity demand without unnecessary duplication.

Continuity of Care

ChristianaCare will leverage existing referral relationships; EHR and DHIN support coordinated transfers and care transitions

Patient Choice

Additional local option for outpatient, emergency and inpatient care, enabling patients to circumvent barriers that may be delaying their care.

SECTION 5

Immediate and Long-term Viability

Workforce

Year 1 creation of new jobs in local market. including net new providers.

Camden: 83 FTEs

Georgetown: 86 FTEs

Operating Capability

ChristianaCare accountable for the success of the entire campus. Operations will adhere to ChristianaCare standards of care .

Total Investment

Total capital investment will be $117 M without contingency.

SECTION 6

Effect on Healthcare Costs and Charges

Right Site of Care

Treats lower-acuity needs in a right-sized setting.

Avoid Unnecessary Utilization

Supports earlier intervention and preserves higher-cost hospital capabilities for patients requiring complex, specialty, trauma or tertiary care.

Relieves ED Pressures

Reducing congestion, prolonged waits and inefficient resource use.

Local Access and Care Coordination

Reduces transportation barriers and delays that can contribute to more acute, potentially more costly care needs.

SECTION 7

Anticipated Effect on Quality of Healthcare

Established Standards

Campus will operate under ChristianaCare quality and safety standards.

Commitment to Accreditation and Standards

Health Center follows Joint Commission standards; hospital will seek DNV/NIAHO accreditation.

Clinical Integration

Protocols address safety, infection prevention, medication safety, emergency preparedness and transfers.

Current and Future ED Treatment Capacity by County

County	Site	Status	Treatment spaces	Annual ED visits	Opening year
Kent	Bayhealth Hospital, Kent Campus (Dover)	**Existing**	40	52,000	—
Kent	Bayhealth Emergency Center, Smyrna	**Existing**	7	16,000	—
Kent	Bayhealth Kent Campus ED expansion	**Future**	10	—	2029
Sussex	Bayhealth Hospital, Sussex Campus (Milford)	**Existing**	30	40,000	—
Sussex	Bayhealth Total Care, Milton	**Existing**	12	6,000	—
Sussex	Beebe Lewes (Margaret H. Rollins Campus)	**Existing**	37	50,000	—
Sussex	Beebe South Coastal (Millville)	**Existing**	23	19,000	—
Sussex	TidalHealth Nanticoke (Seaford)	**Existing**	23	35,000	—
Sussex	Beebe Millsboro hybrid ED	**Future**	16	—	2028

Capacity summary

Region	Existing spaces	Future spaces	Total spaces
Kent County	47	10	57
Sussex County	125	16	141
Region total	**172**	**26**	**198**

Capacity added: +26 spaces
Future projects increase regional supply from 172 to 198 spaces.

Five-Year Demand and Capacity Outlook

Kent County

Year	Population	Est. ED visits	Spaces needed	Spaces supplied	Surplus / (shortfall)
2025	194,786	68,000	61.8	47	(14.8)
2030	204,786	72,563	66.0	57	(9.0)
2035	214,786	77,231	70.2	57	(13.2)
2040	224,786	82,004	74.5	57	(17.5)

Sussex County

Year	Population	Est. ED visits	Spaces needed	Spaces supplied	Surplus / (shortfall)
2025	277,140	150,000	156.8	125	(31.8)
2030	304,640	169,006	176.7	141	(35.7)
2035	332,140	188,757	197.3	141	(56.3)
2040	359,640	209,251	218.8	141	(77.8)

Region combined

Year	Population	Est. ED visits	Spaces needed	Spaces supplied	Surplus / (shortfall)
2025	471,926	218,000	218.6	172	(46.6)
2030	509,426	241,569	242.7	198	(44.7)
2035	546,926	265,988	267.5	198	(69.5)
2040	584,426	291,255	293.3	198	(95.3)

2040 outlook

291,256
regional ED visits

293.3
spaces needed

(95.3)
space shortfall

Even after identified future projects, the regional shortfall increases from 46.6 spaces in 2025 to 95.3 by 2040.

BAYHEALTH CAMDEN HOSPITAL COMMENTS

PRESENTED TO THE DELAWARE HEALTH RESOURCES BOARD

Testimony on the Camden Micro-Hospital

Threshold legal issues and the seven statutory CPR factors
October 20, 2026

Bayhealth™

OPENING POSITION

Bayhealth's Position

Bayhealth supports investment in Kent County. None of the services actually needed in the community requires this Board's approval. What requires approval — eight emergency bays and eight inpatient beds — has not been justified.

- Bayhealth supports expanded primary care, specialty care, behavioral health and urgent care in Kent County, including by ChristianaCare.
- None of those services requires a Certificate of Public Review. The applicant is free to develop the Medical Office Building described in its application today.
- What is before this Board is the hospital component: eight emergency bays and eight inpatient beds, approximately four miles from a regional hospital whose expansion this Board approved in July 2025.
- Three threshold questions — completeness, hospital classification and ownership eligibility — should be resolved before the seven criteria are considered. If the Board evaluates them, the balance of this presentation addresses each in turn.

THE QUESTION BEFORE THE BOARD

Not whether Kent County should have more health care; it's whether it needs another hospital.

Statutory references: 16 Del. C. §§ 9305, 9306; 16 Del. C. § 1001; 16 Del. C. § 9304(b); 29 Del. C. §§ 2531–2532.

Three Questions to Resolve Before the Criteria

Completeness, hospital classification and ownership eligibility should be resolved before this application is evaluated on the seven criteria.

- **Completeness**. The application cannot be complete without a recognized facility classification and the underlying ownership, management and real-estate agreements.
- **Classification**. Delaware recognizes five hospital classifications. The application proposes a facility that fits none of them and asks the Board to accept a category that does not exist in Delaware law.
- **Ownership**. The acute-care private-equity ownership restriction adopted in July 2026 applies to this joint venture, and the agreements establishing control have not been produced.
- Each of these determines whether the Board can lawfully act on the application at all — not merely whether it should.

16 Del. C. § 9305 (completeness); 16 Del. C. § 1001 (hospital definition and classification); 16 Del. C. § 9304(b) (ownership).

DHRB CONSIDERATION

Can an application be complete and reviewed when the facility it proposes has no classification under Delaware law?

BAYHEALTH'S POSITION

Resolve all three before the criteria are evaluated. None can be addressed by additional evidence on need.

There Is No Category for What The Applicant Proposes

The applicant calls this a "neighborhood hospital." Delaware law has no such category. Under Delaware law this facility is either a hospital or a freestanding emergency department, and the application does not demonstrate the need for either.

- "Neighborhood hospital" is the applicant's term, not a classification. Delaware recognizes five hospital classifications, and this facility is not presented as any of them.
- If it is a hospital, it must provide the services a hospital provides. By the applicant's own description there is no operating room and no full clinical laboratory.
- If it is a freestanding emergency department with eight beds attached, this Board has already considered that model in these counties — and explained in 2019 why it was the wrong answer.
- Calling it a "neighborhood hospital" does not create a lesser class of hospital. If the facility is licensed as a hospital, it is held to hospital requirements: the same service obligations, regardless of its size. The application seeks licensing as a hospital while proposing a facility without an operating room or a full clinical laboratory.

16 Del. C. § 1001(a)–(b). Service scope as described in the application.

DHRB CONSIDERATION

Which of the five statutory hospital classifications does this facility occupy, and what services are required on that basis?

BAYHEALTH'S POSITION

The classification should be established before the application proceeds. It is not curable later.

Ownership and Control Must Be Resolved

A 51 / 49 split with day-to-day management by the for-profit partner does not establish who controls this facility. The agreements that would establish it have not been produced.

- The application describes ownership as ChristianaCare at 51 percent and Emerus at 49 percent, with Emerus managing daily operations.
- The joint venture board is described as evenly divided, which does not support the application's claim of unilateral control over major strategic decisions.
- The joint venture bars Emerus from offering any competing service in ChristianaCare's markets, now or in the future. A model presented as lowering cost and expanding access has been structured so that no other Delaware provider can use it.
- Ownership summaries are not sufficient. The joint venture, governance, management, operating, lease and real-estate agreements should be produced publicly and reviewed.

DHRB CONSIDERATION

Who holds appointment, veto, consent and reserved rights under the agreements as executed?

BAYHEALTH'S POSITION

Produce the agreements and resolve eligibility before the application is considered. Refer the transaction for Attorney General review.

Application p. 10 (ownership and exclusivity). 16 Del. C. § 9304(b); 29 Del. C. §§ 2531–2532, 2534(c).

FILED OPPOSITION

Three Health Systems Object on the Same Grounds

Bayhealth, TidalHealth and Beebe have each filed in opposition, and each has raised the same core issues: classification, ownership and an application that cannot be evaluated on what has been made public.

- Bayhealth, August 14, 2026 — completeness, facility classification, ownership disclosure and eligibility. Filed as to both the Camden and Georgetown applications.
- TidalHealth, August 19, 2026 — hospital classification, ownership, Attorney General referral, and the absence of independent need and feasibility evidence.
- Beebe, September 3, 2026 — General Hospital service requirements and for-profit ownership. Beebe notes there is no separate “neighborhood hospital” category.
- Bayhealth agrees with the positions TidalHealth and Beebe have taken. Three independent systems, examining the same application, identified the same defects.

DHRB CONSIDERATION

Have the classification, ownership and disclosure issues raised by three separate systems been answered?

BAYHEALTH’S POSITION

These objections should be resolved before the application is evaluated.

Letters on file with the Board. TidalHealth and Beebe filed as to Georgetown; Bayhealth as to both applications.

A Freestanding Emergency Department with Beds

Whatever classification the Board assigns, the function is not in dispute. The services that distinguish a hospital are not proposed. What remains is essentially a freestanding emergency department — a model this Board has already evaluated in these counties — with a small, limited scope inpatient unit attached.

- Delaware requires a general hospital to provide operating room service and clinical laboratory services with anatomical pathology on-site. By the applicant's own description, this facility would have neither.
- Without the other required services, the facility will not be a hospital—just a freestanding emergency department with eight beds providing a limited scope of care.
- The same section requires that a hospital be "primarily engaged in providing inpatient services." Federal regulators read that phrase as an average census of two patients and stays spanning two midnights.

16 Del. C. § 1001(a), (b)(1). Service scope as described in the application.
CMS guidance on facilities primarily engaged in providing inpatient services, 2017.

DHRB CONSIDERATION

If the eight inpatient beds were removed, would this facility change in any material way?

BAYHEALTH'S POSITION

The Board should evaluate this as what it functionally is. On that basis, it has evaluated the model before.

PRECEDENT

Bayhealth Has Been Here Before

In 2019 Bayhealth proposed a freestanding emergency department. This Board explained why it was the wrong answer. Bayhealth withdrew, redesigned, and the Board approved the model it built instead — six years ago this week.

- In 2019 the Review Committee found that emergency care cost roughly ten times urgent care — $1,484 against $126 — that existing facilities were "not a full capacity," and that the applicants had declined to operate 24-hour urgent care.
- Bayhealth withdrew its application and redesigned around a hybrid model: low-acuity patients treated in urgent care at urgent-care fees, emergency care reserved for emergencies.
- This Board approved that model in September 2020. Total Care now provides 27,276 visits a year, 16,952 of them urgent care.
- Bayhealth is not opposing a model it once wanted. It is saying that this Board already identified the problem, Bayhealth built the solution the Board asked for, and the present application proposes the version the Review Committee rejected — without the fix.

DHRB CONSIDERATION

Will the proposed facility operate a 24-hour urgent care track? Both 2019 applicants declined, and the Review Committee recommended denial.

BAYHEALTH'S POSITION

The Board has already decided what the right answer to downstate access looks like. This is not it.

DHRB Review Committee minutes, June 25, 2019. DHRB minutes, September 24, 2020. Bayhealth internal data, FY2026.

The Board's Answer Worked Better Than Anyone Projected

When Bayhealth proposed the hybrid model, the projected saving to the community was $2.2 million. The realized saving is $15.4 million — roughly seven times the estimate.

- Projected before opening: 1,656 net emergency visits avoided, a saving of $2,457,308 less $306,336 to treat those patients as Walk-Ins — $2,150,972 to the community.
- Realized to date: 75,030 total visits, of which 48,671 were treated as urgent care and 26,359 as emergency. 11,862 emergency visits avoided.
- At the Board's own per-visit figures, that is $17,602,540 in avoided emergency cost, less $2,194,387 to treat those patients as Walk-Ins — $15,408,153 to the community.
- The saving came from conversion, not volume alone. Nearly two of every three patients who came to Total Care were treated as urgent care rather than emergency. That is the mechanism this application does not include.

DHRB CONSIDERATION

What in this application converts emergency visits to lower-cost care, as the hybrid model does?

BAYHEALTH'S POSITION

The model this Board approved is working, and outperforming its own projections. The application proposes the model the Review Committee recommended against.

Bayhealth / Intuitive Health analysis. Per-visit figures: $1,484 per avoided emergency visit and $185 per Walk-In visit, applied by Bayhealth on a conservative basis; the Review Committee's June 25, 2019 figures were $1,484 and $126. Realized figures cover the period since opening and are not directly comparable to a single fiscal year.

Inconsistent with the Health Resources Management Plan

This Board approved a $236 million expansion of Bayhealth Kent Campus in July 2025. It is under construction approximately four miles from the proposed site, and the application identifies no planning need that the Bayhealth expansion would not address.

- The approved Kent Campus expansion adds 70 inpatient beds — 64 medical-surgical and intermediate-care plus 6 intensive care — for a net increase of 60 after replacing 10 semi-private beds.
- It also modernizes emergency care: 10 additional low-acuity emergency bays, taking Bayhealth Kent from 40 to 52 emergency treatment spaces (opening October 2027).
- Construction is underway, with completion projected for January 2029. The capacity is approved, funded and committed.
- Camden proposes 8 inpatient beds and 8 emergency bays, approximately four miles away, without acknowledging any of this in the application.

DHRB CONSIDERATION

What planning need remains after an expansion this Board itself approved, and which has not yet opened?

BAYHEALTH'S POSITION

With the approved expansion under construction, no distinct planning need has been identified, and the application does not attempt to identify one.

DHRB minutes, July 30, 2025. Distance and drive time from Bayhealth routing analysis (Maptitude), 2026.

SIDE-BY-SIDE COMPARISON

Already Approved. Already Building.

Kent's approved expansion adds 70 beds and 12 emergency treatment spaces and is under construction about four miles away. The Camden application proposes 8 and 8.



BAYHEALTH KENT CAMPUS

APPROXIMATELY 4 MILES

CHRISTIANACARE/EMERUS PROPOSED CAMDEN SITE

APPROVED — UNDER CONSTRUCTION

Bayhealth Kent Campus Expansion

Inpatient beds added / net	**70 / 60**
Emergency treatment spaces	**40 → 52 treatment spaces**
Projected completion	**2029**
DHRB status	**Approved 7/30/2025**

PROPOSED — UNDER REVIEW

ChristianaCare / Emerus Camden

Inpatient / emergency beds	**8 / 8**
Distance from Kent Campus	**approximately 4 miles**
Projected completion	**Not stated**
Public record	**Volumes withheld**

Distance and drive time: Bayhealth routing analysis (Maptitude), 2026. Approved capacity: DHRB minutes, July 30, 2025.

The Population's Need for This Project Has Not Been Demonstrated

The application offers no utilization, occupancy, capacity or patient origin-based need in Kent County. It does not identify a single patient who cannot obtain emergency or inpatient care today or with the pending Bayhealth Kent expansion.

- Need must be evaluated against approved capacity, not existing capacity alone. The application does neither.
- Neither application contains an inventory of existing or approved emergency or inpatient capacity in Kent County. Bayhealth Kent Campus, the Smyrna freestanding emergency department and the approved expansion are not mentioned as capacity anywhere.
- The application does not state the utilization rate of any existing emergency department or inpatient service in the county.
- The three slides that follow supply what the application does not: how intensively Kent County's existing capacity is actually used.

Camden application, pp. 11–22. Bayhealth internal data, FY2022–FY2026.

DHRB CONSIDERATION

Which patients in Kent County are not being served today, and by what evidence?

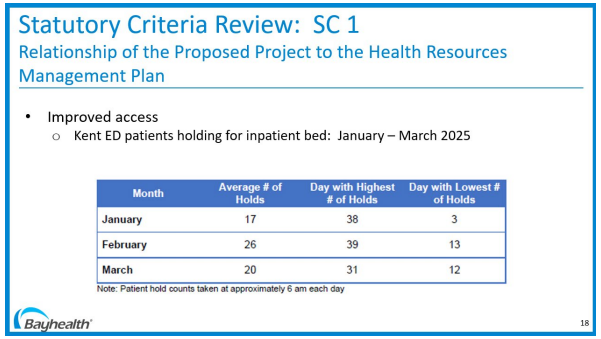
BAYHEALTH'S POSITION

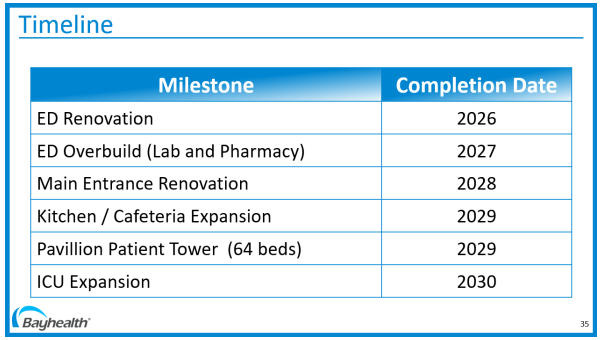
No unmet need has been demonstrated. The evidence in the record is consistent with existing and approved capacity meeting the county's needs.

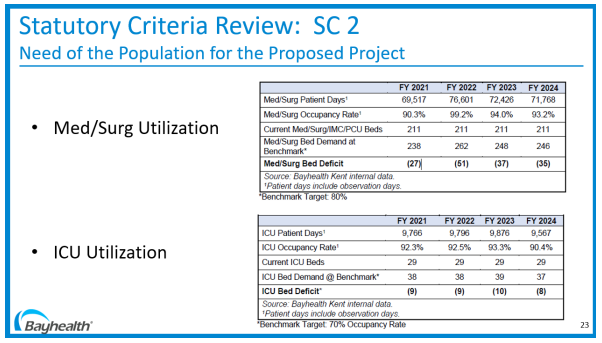
This Board Already Approved Expansion to Meet Population Need

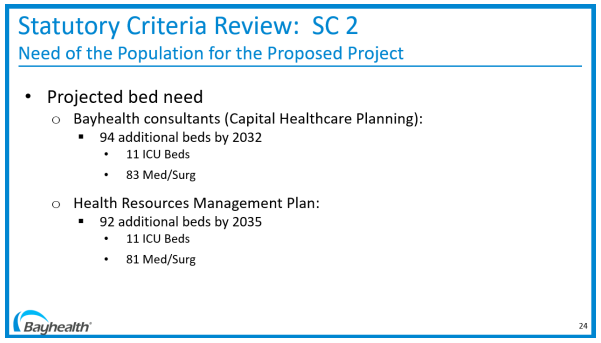
Bayhealth Kent anticipated the growth in Kent County and was approved in July 2025 to add 60+ beds. The county's capacity question is being answered.

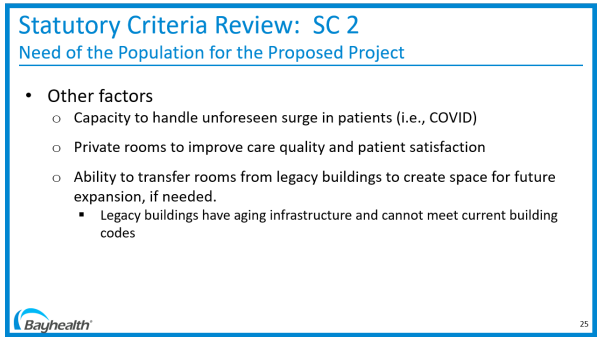








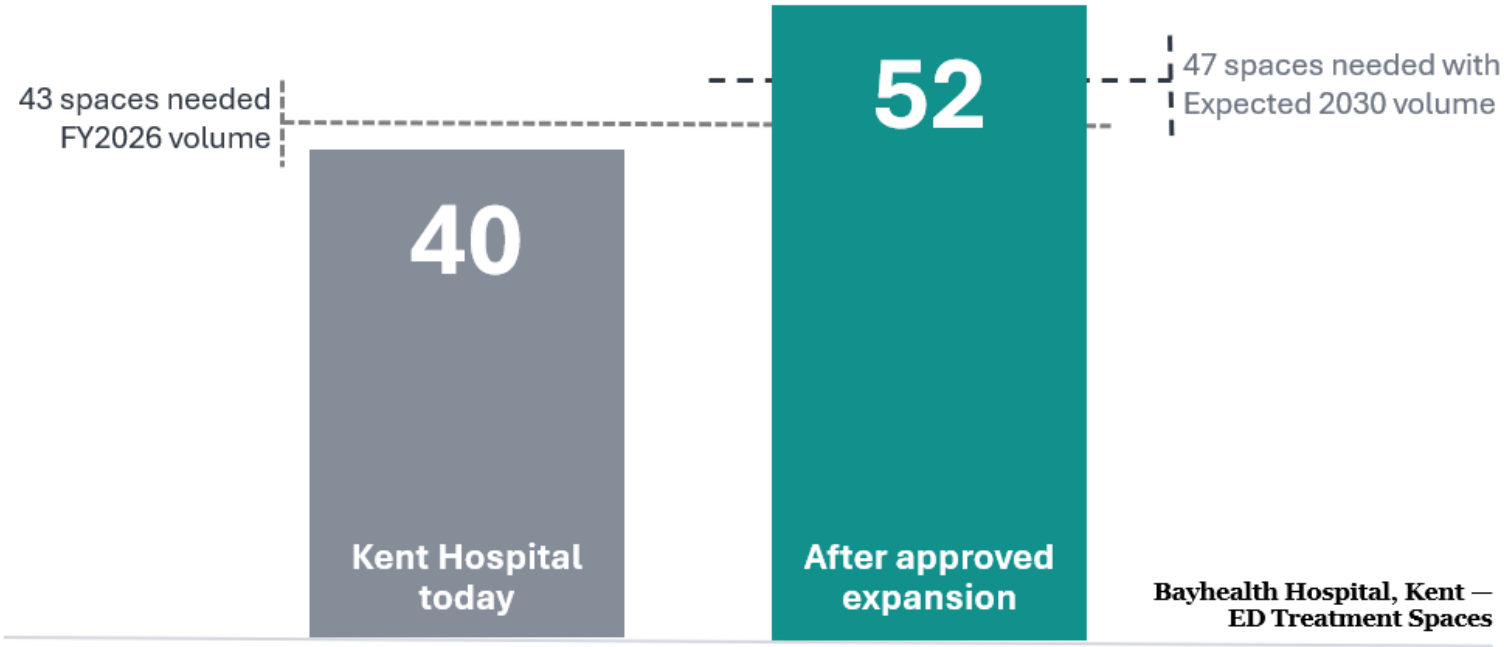




From Bayhealth's July 30, 2025, DHRB presentation. Bayhealth's approved project has shell space for the additional 32 beds needed by 2032.

Kent County Already Has the Emergency Capacity It Needs

Compared to typical emergency department capacity guidelines, Bayhealth Kent Campus has the treatment capacity its volume requires — and the expansion this Board approved takes it well beyond, with room for growth.



American College of Emergency Physicians, Emergency Department Design, Figure 5.1 preliminary sizing chart (Huddy HealthCare Solutions).

DHRB CONSIDERATION

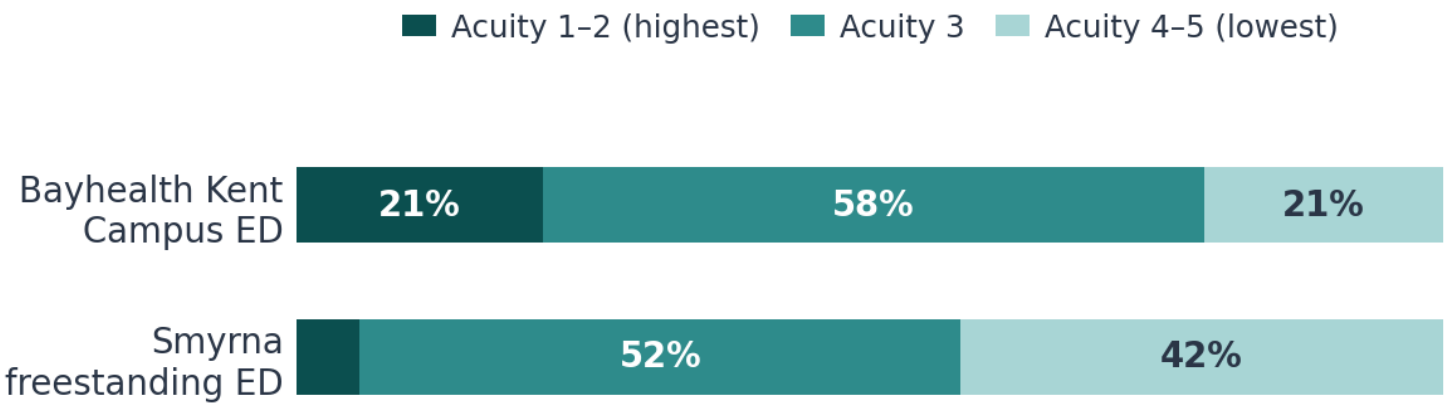
If existing and approved treatment capacity already exceeds what the county's volume requires, what capacity need remains?

BAYHEALTH'S POSITION

Kent County's emergency capacity is sufficient today and will exceed what its volume requires once the approved expansion opens.

Bayhealth Already Delivers Care at Every Level

Kent County already has a hospital emergency department and a freestanding emergency department operating at clearly different levels of acuity, with Walk-In and urgent care within five miles of the proposed site. Patients are already matched to the right setting.



Bayhealth internal data, FY2026. Bayhealth Kent emergency department 52,648 encounters; Smyrna freestanding emergency department 21,243. Acuity is the triage level recorded at the first emergency department.

DHRB CONSIDERATION

Which patients now treated at Bayhealth Kent Campus would move to this facility, and at what level of acuity?

BAYHEALTH'S POSITION

The range of care settings the application describes as missing already exists in Kent County, is operating and expanding.

Camden and Wyoming Are Already Well Served

The communities this facility would serve already receive emergency care, and receive it close to home. Nothing in the redacted application shows that the existing facilities are insufficient.

- ZIP code 19934 — Camden and Wyoming — generated 5,098 emergency visits in FY2026 across the four Bayhealth sites. Every one of those patients was treated.
- 3,888 of them were treated at Bayhealth Kent Campus, about four miles from the proposed site, representing 7.5 percent of that hospital's emergency volume.
- The area is also served by ChristianaCare-GoHealth urgent care sites and Bayhealth's Walk-In Care located within five miles of the proposed site, along with numerous other providers.
- A volume of roughly 5,100 visits would occupy only three to four emergency treatment spaces, not eight — and those visits are already being served today.

DHRB CONSIDERATION

Which patients in Camden or Wyoming are not receiving emergency care today?

BAYHEALTH'S POSITION

Nothing in the portion of the application made available for public review demonstrates that existing facilities are insufficient to serve this community.

Bayhealth internal data, FY2026. The applicant's projected volumes were redacted from the public version, so Bayhealth has not been able to review or comment on them.

Lower Cost Alternatives Were Ignored

Every service the application says Kent County needs can be developed without this Board's approval. The alternatives analysis does not engage a single existing facility by name.

- Primary care, specialty care, behavioral health and urgent care can be developed now. None requires a Certificate of Public Review, and the applicant is free to proceed.
- ChristianaCare already operates urgent care in Kent County — 16 ChristianaCare-GoHealth locations across New Castle and Kent — and the application does not address its own footprint as an alternative, while affirming that alternative providers exist.
- Bayhealth Kent already operates a dedicated clinical observation unit, averaging nine patients a day. The inpatient component of this proposal is functionally that unit.
- Blue Hen Walk-In Care on Bay Road in Dover sits about 5.5 miles from the proposed site, and Kent Campus — currently being expanded — about four miles.

DHRB CONSIDERATION

Why are the applicant's own urgent care locations, and the observation capacity that already exists, insufficient?

BAYHEALTH'S POSITION

The application does not establish that a new hospital is the least costly or most effective response to the access issues it identifies.

ChristianaCare Official Statement, February 1, 2026, p. 100 (GoHealth locations). Bayhealth internal data, FY2026. Camden application, Criterion 3 narrative.

Bayhealth Already Serves This Population

Bayhealth is a not-for-profit system that has served Kent County for nearly a century and cares for every patient who comes through its doors, including those whose care is not paid for.

- Bayhealth Kent's emergency department: 36.5 percent Medicare, 28.3 percent Medicaid and 7.8 percent self-pay.
- Across the two campuses, roughly $12 million of inpatient and observation care was provided to self-pay patients in FY2026 with essentially no payment received.
- Bayhealth recovers about $528 per case above the fully allocated cost of care at Kent. Roughly 56 percent of its inpatient and observation cases do not cover their cost; the balance is carried by the remainder.
- The applicant's payer mix and charity care commitments may be addressed in the application, but the schedules that would show them were withheld. Bayhealth has not been permitted to review them and cannot comment on them.

DHRB CONSIDERATION

What payer mix, charity care policy and Medicaid participation will the proposed facility commit to?

BAYHEALTH'S POSITION

The statute protects the ability of existing providers to serve the medically indigent. Bayhealth cannot evaluate the applicant's effect on that obligation on the record it has been given.

Bayhealth internal data, FY2026. 16 Del. C. § 9301. Schedule 5, Source of Revenue, was withheld from the public version.

This Is the Opposite of Coordinated Care

A facility that must transfer every patient beyond its scope out of the system that received them adds a handoff rather than removing one.

- The proposed facility has no intensive care unit, no operating room and no catheterization laboratory. Patients whose needs exceed the limited scope of services must be transferred.
- Bayhealth Kent admits 24.9 percent of its emergency patients. Those patients, arriving at an eight-bed facility, would be stabilized and transferred — a second arrival, a second assessment, and another transport, each one a place where time and information can be lost.
- The application says advanced care would be escalated inside ChristianaCare's network, meaning a trip of 48 miles to Newark or Wilmington instead of the regional hospital roughly four miles away — beneficial to ChristianaCare perhaps, but not to local patients and families.
- The application does not state the projected transfer rate, the destinations, who bears the cost of transfer, or whether specialty consultation is in person or virtual.

DHRB CONSIDERATION

For a patient who needs more than this facility can provide, what is the pathway — and how does it improve on the one that exists today?

BAYHEALTH'S POSITION

Adding a stop between the patient and definitive care is not coordination. It is an additional handoff.

Bayhealth internal data, FY2026. Camden application, Criteria 4 and 7 narratives; Schedule 8.

Viability Has Not Been Demonstrated

The applicant's partner closed a facility of this type in January 2025 after low utilization. No financial feasibility study was performed, and the projections that would allow the Board to test viability are not available for public review.

- Emerus and Ascension closed their Waukesha micro-hospital on January 13, 2025 following low utilization. The application does not distinguish Camden from that experience.
- Other Review Consideration G — whether a financial feasibility study has been performed — is answered "No."
- Projected volumes, projected revenues and expenses and the projected debt service coverage were withheld from the public version. Bayhealth cannot evaluate the assumptions, the methodology or the margin of error because it has not seen them.
- A 24-hour facility must carry a full clinical team at all times, regardless of patient volume. Standing up a duplicate team of that size in the shadow of an existing hospital drains scarce clinicians that Delaware's documented workforce shortage cannot spare.

DHRB CONSIDERATION

What distinguishes Camden from Waukesha, and on what projections does the applicant rely?

BAYHEALTH'S POSITION

Viability cannot be assessed on the record available to the public, and the applicant's own recent experience with this model warrants examination.

Waukesha closure, January 13, 2025. Camden application, Other Review Consideration G; Schedules 3, 5 and 10 withheld from the public version.

Emergency care access around the Waukesha micro-hospital

Drive distances from 2325 Fox Run Blvd., Waukesha, WI



NEARBY EMERGENCY CARE

★ **Ascension / Emerus micro-hospital**
2325 Fox Run Blvd., Waukesha — map center

1 **ProHealth Waukesha Memorial ED**
2.4 mi away

2 **Froedtert Community Hospital – Pewaukee**
8.4 mi away

3 **Ascension Elmbrook ED**
9.1 mi away

4 **Froedtert Community Hospital – New Berlin**
10.6 mi away

5 **Aurora Medical Summit ED**
15.0 mi away

Schematic map — rings show 5 / 10 / 15-mile radii

Five emergency departments within fifteen miles, the nearest 2.4 away. Closed January 13, 2025 — in a city of 71,158, inside a county of 406,978

Kent County, Delaware: emergency and urgent care landscape

Distances from the proposed ChristianaCare micro-hospital — 4800 DuPont Hwy. (Rt. 13), Camden



KENT COUNTY FACILITIES

★ **Proposed ChristianaCare micro-hospital**
4800 DuPont Hwy. (Rt. 13), Camden — reference point

1 **Bayhealth Hospital, Kent Campus**
640 S. State St., Dover
~4.0 mi

2 **ChristianaCare-GoHealth Urgent Care**
15 S. DuPont Hwy., Dover
~3.5 mi

3 **ChristianaCare-GoHealth Urgent Care**
200 Banning St., Dover
~5.0 mi

4 **Coastal Medical Center Walk-In Care**
4601 S. DuPont Hwy., Dover
~0.5 mi

5 **Bayhealth Emergency Center, Smyrna**
401 N. Carter Rd., Smyrna
~15 mi

6 **Bayhealth Walk-in Medical Care, Blue Hen**
665 S. Bay Rd., Dover
~5.5 mi

Six emergency, urgent and Walk-In Care sites within fifteen miles, the nearest half a mile away — in a town of 3,731, beside a city of 39,403, inside a county of 181,851.

This Is Not a New Idea. It Has Been Tried, and It Has Failed.

Emerus and its partner closed a facility of this type in January 2025. Ascension's earlier experiment with the same model in Indiana ended with the beds removed and the hospitals converted to freestanding emergency departments.

- Waukesha, Wisconsin — the Ascension and Emerus facility closed on January 13, 2025 after low utilization, in a market with five emergency departments within fifteen miles, the nearest 2.4 miles away.
- Indiana — Ascension St. Vincent opened its first "neighborhood hospital" in Noblesville in 2017 with seven exam rooms and eight overnight beds. It closed in June 2022. Of eight planned, only five ever opened; three were converted to other uses.
- The four that remained were converted into freestanding emergency departments with no inpatient beds. The operating partner went out of business two years after launch.
- Federal reimbursement rules require a facility of this type to average at least two patients in overnight beds, with an average stay of at least two midnights, to be paid as a hospital. Without surgery, the reason for an overnight stay largely disappears.

"Ascension's much-touted micro-hospitals fizzle in central Indiana," Indianapolis Business Journal, July 8, 2022. Waukesha closure, January 13, 2025. CMS two-midnight and average-daily-census conditions for hospital reimbursement, 2017.

DHRB CONSIDERATION

What distinguishes this proposal from the facilities that closed, or from those whose inpatient beds were removed?

BAYHEALTH'S POSITION

The model may be needed somewhere. The record does not show that it is needed here, and the experience elsewhere warrants examination.

The Board's Previous Decision Implicates This Facility

In June 2019 this Board's Review Committee found that a freestanding emergency department raises the cost of care — roughly ten times urgent care for the same complaint. Without the required components of a hospital, this facility will function essentially the same way.

- What is proposed is, in function, a freestanding emergency department. That is the setting this Board examined in 2019, and the cost finding would apply equally to the proposed project.
- The Review Committee found emergency care cost roughly ten times urgent care — $1,484 compared to $126 — driven by a facility claim in addition to the physician claim.
- National evidence agrees. Freestanding emergency visits average $2,199 compared to $168 for urgent care[1], and emergency facility fees rose 531 percent from 2004 to 2021 against 132 percent for professional fees[2].
- The $58.1 million project warrants a full Kent County cost-impact analysis. The application states it will reduce the cost of care, but the figures behind that statement were withheld from the public version, and no financial feasibility study was performed.

DHRB Review Committee minutes, June 25, 2019. Camden application, Schedule 11 (project cost). [1] Ho, V. (2017), Annals of Emergency Medicine 70(6), 846–857. [2] Peterson-KFF Health System Tracker, March 27, 2023.

DHRB CONSIDERATION

What will this facility charge, and how will total costs, facility fees and patient/payer charges in Kent County change? How will this proposal contribute to the medically indigent?

BAYHEALTH'S POSITION

On this Board's own findings, adding emergency capacity where lower-cost alternatives exist raises the cost of care rather than lowering it.

Scope, Transfers and Continuity Unconfirmed

The application does not establish what this facility can treat, when a patient must be moved, who is responsible for moving them, or who bears the cost. Those are quality-of-care questions, and they are unanswered.

- Onsite clinical scope is not defined: patient selection criteria, imaging and laboratory capability, and specialty backup are not stated.
- Transfer triggers, destinations, responsibility and cost are not stated. Nor is the projected transfer rate.
- Whether specialty consultation is in person or virtual, and the expected response time, are not stated.
- The application anticipates pursuing Medicare and Medicaid certification and accreditation only after opening and “completion of any required demonstration period” — which indicates the applicant does not know what the licensure pathway is.

DHRB CONSIDERATION

Can this model safely stabilize and transfer higher-acuity patients while preserving continuity of care?

BAYHEALTH’S POSITION

These are very important and answerable questions. They should be answered before approval, not after opening.

Camden application, Criterion 7 narrative and p. 18 (certification and accreditation).

What Was Withheld From Public Review

The information necessary to evaluate this proposal was withheld from the public version. Bayhealth and the public cannot comment meaningfully on a new hospital they are not permitted to see.

NOT AVAILABLE FOR PUBLIC REVIEW

Projected volumes	Projected revenues and expenses	Projected debt service coverage
Effect on operating expenses	Effect on annual revenues	Effect on individual charges
Joint venture and management terms	Schedules 3, 5 and 10	Projected staffing
Projected patient origin	Transfer protocols and cost	Indigent Care

None of the withheld material is patient-specific or payer-contract specific; it is aggregate. Schedules 4, 6, 7, 9, 12, 14 and 15 do not appear in the public version and Bayhealth has been denied its ability to review and comment on them.

Two Paths, and Bayhealth Asks for the First

BAYHEALTH ASKS THE BOARD TO

Deny the application

The application does not satisfy the criteria for planning, need, alternatives, delivery-system relationship, viability or cost. Classification and ownership eligibility have not been established.

IN THE ALTERNATIVE

Postpone the review

If the Board does not decide on the merits, it should find that the withheld information prevents meaningful public review and postpone the review until that information is available and the classification and ownership questions are resolved.

Bayhealth further asks that any additional information provided to the Board in support of this application be made available to the parties of this hearing and they be permitted to comment on it.

IF REVIEW CONTINUES, THE BOARD SHOULD REQUIRE

The joint venture, operating, management and real-estate agreements · Projected volumes and their source · Projected payer mix and charity care commitment · An independent feasibility analysis · A staffing plan for the hospital component · Transfer protocols, destinations and cost

CLOSING MESSAGE

Responsible Investment Where Need Is Demonstrated

- Bayhealth welcomes investment in primary care, specialty care and behavioral health in Kent County — including by ChristianaCare. None of it requires this Board's approval.
- What requires approval is an eight-bed hospital about four miles from a regional hospital whose expansion this Board approved fourteen months ago and which is under construction today.
- In 2019 this Board explained why adding emergency capacity where lower-cost alternatives exist raises the cost of care. Bayhealth listened, redesigned, and built what the Board asked for.
- Bayhealth asks the Board to apply the same reasoning here, and to deny the application.

What to Remember

Kent County has the capacity it needs, and more has already been approved. The services the applicant says the county lacks require no approval at all.

WHAT TO REMEMBER

1. The project duplicates capacity this Board already approved
2. No unmet need is demonstrated in Kent County
3. Lower-cost alternatives exist within five miles
4. Bayhealth serves every payer
5. This model has closed elsewhere — Waukesha, January 2025
6. In 2019 the Board's Review Committee found a similar model raises cost
7. Transfers out add an unnecessary handoff rather than removing one
8. Kent adds 70 beds and 12 ED spaces, under construction now
9. Camden proposes 8 beds and 8 ED bays, only about four miles away
10. Kent inpatient occupancy: 76 percent, falling to 62 percent
11. Bayhealth Kent treats 79 percent of ED visits at acuity Levels 1–3
12. Camden and Wyoming: 5,098 ED visits a year, all served today

BEEBE GEORGETOWN HOSPITAL COMMENTS

COMMENTS ON THE GEORGETOWN CAMPUS COPR APPLICATION

A request for rigorous, Sussex-specific review

David A. Tam, MD, MBA, CPHE, FACHE
President & Chief Executive Officer

Delaware Health Resources Board Hearing



SHARED PREMISE

Sussex County needs more access

Beebe supports thoughtful investment that strengthens the full care ecosystem.

We agree on the need

- More timely access to primary and specialty care
- Expanded behavioral health & community-based services
- Better geographic access and care coordination
- Population growth and aging
- Sustainable solutions to Sussex County's healthcare workforce shortage

The question before the Board

Has this specific project demonstrated need, avoided unnecessary duplication, and strengthens coordinated care across Sussex County?

BOTTOM LINE **The need is clear. The COPR criteria still require proof.**

STATUTORY LENS

Five questions the record must answer

These are evidence questions, not arguments against competition.

1

NEED

What unmet demand requires this specific hospital model, and cannot be addressed through existing or already-planned capacity?

2

ALTERNATIVES

Were partnership, expansion, and shared-service options fully compared?

3

WORKFORCE

Will the project bring additional clinicians & caregivers to Sussex County, or redistribute an already limited workforce?

4

SYSTEM IMPACT

What happens to comprehensive community-hospital services?

5

COST + QUALITY

Are local projections measurable and transparent?

BOTTOM LINE **The Board should evaluate the project against the complete Sussex ecosystem.**

EVIDENCE GAP 1

Incremental need is not yet fully demonstrated

Demographic need does not automatically establish the need for this model of care

9.4%	21%	8 + 8	42,000
projected overall population growth	projected growth among adults age 65+	emergency department and inpatient beds	square feet proposed in Georgetown

Needed for COPR review: existing capacity + planned investments + unmet demand by service line

BOTTOM LINE **Population growth supports planning, but the record should quantify unmet incremental capacity.**

EVIDENCE GAP 2

Alternatives and duplication need deeper analysis

The application does not demonstrate that a new hospital is the best alternative

OUTPATIENT-ONLY

Primary care, specialty, urgent care, behavioral health, and other community-based services

PROPOSED CAMPUS

Health center + neighborhood hospital

UNDEREXPLORED

Partnership, shared services, coordinated referrals, expansion of existing infrastructure

BOTTOM LINE **The Board should require a Sussex-specific comparison of cost, access, workforce, duplication, and patient impact before approving new acute-care infrastructure.**

EVIDENCE GAP 3

A new building does not create a new clinical workforce

The application relies on both regional shortages and a substantial first-year staffing plan



Will staffing expand regional capacity or shift scarce talent among providers?

39
primary care FTE shortage cited

8
mental health FTE shortage cited

27
Year 1 health-center FTEs

60
Year 1 hospital FTEs

Needed: recruitment sources, training commitments, vacancy assumptions, and safeguards for existing services.

EVIDENCE GAP 4

The whole care ecosystem must be protected

A limited-service model should be evaluated alongside full-service community obligations

NEIGHBORHOOD HOSPITAL

- Lower-acuity emergency care
- Short-stay inpatient care
- Limited onsite clinical capabilities
- Transfer when higher-acuity care is required

PATIENT FLOW
PAYER MIX
TRANSFER PATTERNS

FULL-SERVICE COMMUNITY HOSPITAL

- 24/7 emergency and inpatient readiness
- Higher-acuity and complex care
- Broad diagnostic & clinical infrastructure
- Essential services maintained regardless of volume or payer

BOTTOM LINE **Approval should not occur without evidence that the project will add needed capacity without weakening the comprehensive services Sussex County residents rely upon.**

EVIDENCE GAP 5

Cost and quality claims need local proof

National model comparisons should be translated into Sussex-specific commitments.

APPLICATION CLAIMS

50% ED admit-to-discharge reduction

What evidence demonstrates that this result is applicable to the proposed Georgetown facility and its expected patient population?

BOARD SHOULD REQUIRE

- Expected charges and net patient cost
- Payer and transfer effects
- Ambulance and escalation implications
- Public quality and access measures
- Project-specific financial feasibility

No financial feasibility study

BOTTOM LINE **Commitments should be measurable, Sussex-specific, and publicly reportable.**

REQUESTED ACTION

Require a more complete record before approval

Denial, deferral, or meaningful conditions should remain available based on the record.

1	**Capacity**	Existing and planned capacity, utilization, wait times, and access by service line
2	**Migration**	Duplication, patient migration, payer mix, and transfer effects
3	**Alternatives**	Partnership, expansion, shared-service, and outpatient options
4	**Workforce**	Recruitment sources, training commitments, and safeguards
5	**Accountability**	Local cost, quality, charity care, DHIN, and public reporting commitments

BOTTOM LINE **Approve only when the evidentiary gaps are resolved or enforceable conditions address them.**

STRENGTHEN THE SYSTEM. EXPAND THE WORKFORCE. PROVE THE NEED.

Beebe welcomes thoughtful investment in Sussex County.

The Board should require disciplined planning, transparent evidence, and protection of comprehensive community care.

THE REQUEST

Apply the COPR criteria rigorously and require the applicant to close the evidentiary gaps before authorizing the project.

Thank you

BAYHEALTH GEORGETOWN HOSPITAL COMMENTS

PRESENTED TO THE DELAWARE HEALTH RESOURCES BOARD

Testimony on the Georgetown Micro-Hospital

Threshold legal issues and the seven statutory CPR factors
October 20, 2026

OPENING POSITION

Bayhealth's Position

Bayhealth supports investment in Sussex County. None of the services actually needed in the community requires this Board's approval. What requires approval — eight emergency bays and eight inpatient beds — has not been justified.

- Bayhealth supports expanded primary care, specialty care, behavioral health and urgent care in Sussex County, including by ChristianaCare.
- None of those services requires a Certificate of Public Review. The applicant is free to develop the Medical Office Building described in its application today.
- What is before this Board is the hospital component: eight emergency bays and eight inpatient beds, in a county already served by three hospitals.
- Three threshold questions — completeness, hospital classification and ownership eligibility — should be resolved first. If the Board reaches the seven criteria, the balance of this presentation addresses each.



THE QUESTION BEFORE THE BOARD

Not whether Sussex County should have more health care; it's whether it needs another hospital.

Statutory references: 16 Del. C. §§ 9305, 9306; 16 Del. C. § 1001; 16 Del. C. § 9304(b); 29 Del. C. §§ 2531–2532.

Three Questions to Resolve Before the Criteria

Completeness, hospital classification and ownership eligibility should be resolved before this application is evaluated on the seven criteria.

- **Completeness**. The application cannot be complete without a recognized facility classification and the underlying ownership, management and real estate agreements.
- **Classification**. Delaware recognizes five hospital classifications. The application proposes a facility that fits none of them.
- **Ownership**. The acute-care private-equity ownership restriction adopted in 2026 applies to this joint venture, and the agreements establishing control have not been produced.
- Each determines whether the Board can lawfully act on the application — not merely whether it should.

16 Del. C. § 9305 (completeness); 16 Del. C. § 1001 (hospital definition and classification); 16 Del. C. § 9304(b) (ownership).



DHRB CONSIDERATION

Can an application be complete when the facility it proposes has no classification under Delaware law?

BAYHEALTH'S POSITION

Resolve all three before the criteria are reached. None can be cured by more evidence on need.

CLASSIFICATION

There Is No Category for What The Applicant Proposes

The applicant calls this a "neighborhood hospital." Delaware law has no such category. Under Delaware law this facility is either a hospital or a freestanding emergency department, and the application does not demonstrate the need for either.

- "Neighborhood hospital" is the applicant's term, not a classification. Delaware recognizes five hospital classifications, and this facility is not presented as any of them.
- If it is a hospital, it must provide the services a hospital is required to provide. By the applicant's own description there is no operating room and no full clinical laboratory.
- If it is a freestanding emergency department with eight beds attached, this Board has already considered that model in this county — and explained in 2019 why it was the wrong answer.
- Calling it a "neighborhood hospital" does not create a lesser class of hospital. If the facility is licensed as a hospital, it is held to hospital requirements: the same service obligations, regardless of its size. The application seeks licensing as a hospital while proposing a facility without an operating room or a full clinical laboratory.

16 Del. C. § 1001(a)–(b). Service scope as described in the application.

DHRB CONSIDERATION

Which of the five statutory hospital classifications does this facility occupy, and what services are required on that basis?

BAYHEALTH'S POSITION

The classification should be established before the application proceeds. It is not curable later.

Ownership and Control Must Be Resolved

A 51 / 49 split with day-to-day management by the for-profit partner does not establish who controls this facility. The agreements that would establish it have not been produced.

- The application describes ChristianaCare at 51 percent and Emerus at 49 percent, with Emerus managing daily operations.
- The joint venture board is described as evenly divided, which does not support the application's claim of control over major strategic decisions.
- The joint venture bars Emerus from offering any competing service in ChristianaCare's markets, now or in the future. A model presented as lowering cost and expanding access has been structured so that no other Delaware provider can use it.
- Ownership summaries are not sufficient. The joint venture, governance, management, operating, lease and real-estate agreements should be produced publicly and reviewed.

DHRB CONSIDERATION

Who holds appointment, veto, consent and reserved rights under the agreements as executed?

BAYHEALTH'S POSITION

Produce the agreements and resolve eligibility before the application is considered. Refer the transaction for Attorney General review.

Application p. 10 (ownership and exclusivity). 16 Del. C. § 9304(b); 29 Del. C. §§ 2531–2532, 2534(c).

FILED OPPOSITION

Three Health Systems Object on the Same Grounds

Bayhealth, TidalHealth and Beebe have each filed in opposition, and each has raised the same core issues: classification, ownership and an application that cannot be evaluated on what has been made public.

- Bayhealth, August 14, 2026 — completeness, facility classification, ownership disclosure and eligibility.
- TidalHealth, August 19, 2026 — hospital classification, ownership, Attorney General referral, and the absence of independent need and feasibility evidence.
- Beebe, September 3, 2026 — General Hospital service requirements and for-profit ownership. Beebe notes there is no separate “neighborhood hospital” category.
- Three independent systems, examining the same application, identified the same defects. No provider currently serving Sussex County supports this proposal.

DHRB CONSIDERATION

Have the classification, ownership and disclosure issues raised by three separate systems been answered?

BAYHEALTH’S POSITION

These objections should be resolved before the application is evaluated.

Letters on file with the Board. TidalHealth and Beebe filed as to Georgetown; Bayhealth as to both applications.

A Freestanding Emergency Department with Beds

Whatever classification the Board assigns, the function is not in dispute. The services that distinguish a hospital are not proposed. What remains is essentially a freestanding emergency department — a model this Board has already evaluated in these counties — with a small, limited scope inpatient unit attached.

- Delaware requires a general hospital to provide operating room service and clinical laboratory services with anatomical pathology on-site. By the applicant's own description, this facility would have neither.
- Without the other required services, the facility will not be a hospital—just a freestanding emergency department with eight beds providing a limited scope of care.
- The same section requires that a hospital be "primarily engaged in providing inpatient services." Federal regulators read that phrase as an average census of two patients and stays spanning two midnights.

DHRB CONSIDERATION

If the eight inpatient beds were removed, would this facility change in any material way?

BAYHEALTH'S POSITION

The Board should evaluate this as what it functionally is. On that basis, it has evaluated the model before.

16 Del. C. § 1001(a), (b)(1). Service scope as described in the application.
CMS guidance on facilities primarily engaged in providing inpatient services, 2017.

PRECEDENT

Bayhealth Has Been Here Before — In This County

In 2019 Bayhealth proposed a freestanding emergency department in Sussex County. This Board explained why it was the wrong answer. Bayhealth withdrew, redesigned, and the Board approved the model it built instead — six years ago this week.

- In 2019 the Review Committee found that emergency care cost roughly ten times urgent care — $1,484 against $126 — that existing facilities were “not a full capacity,” and that the applicants had declined to operate 24-hour urgent care.
- Bayhealth withdrew and redesigned around a hybrid model: low-acuity patients treated in urgent care at urgent-care fees, emergency care reserved for emergencies.
- This Board approved that model on September 24, 2020. Total Care now accommodates 27,276 visits a year, 16,952 of them urgent care.
- The hybrid facility this Board approved sits about twelve miles from the proposed site. The present application proposes the version the Review Committee rejected — without the fix.

DHRB CONSIDERATION

Will the proposed facility operate a 24-hour urgent care track? Both 2019 applicants declined, and the Review Committee recommended denial.

BAYHEALTH’S POSITION

This Board has already decided what the right answer to Sussex County access looks like, and it is operating today.

DHRB Review Committee minutes, June 25, 2019. DHRB minutes, September 24, 2020. Bayhealth internal data, FY2026.

The Board's Answer Worked Better Than Anyone Projected

Total Care sits about twelve miles from the proposed site. When Bayhealth proposed it, the projected saving to the community was $2.2 million. The realized saving is $15.4 million — roughly seven times the estimate.

- Projected before opening: 1,656 net emergency visits avoided, a saving of $2,457,308 less $306,336 to treat those patients as walk-ins — $2,150,972 to the community.
- Provided to date: 75,030 total visits, of which 48,671 were treated as urgent care and 26,359 as emergency; 11,862 emergency visits avoided.
- From a financial perspective, that translates to $17,602,540 in avoided emergency cost, less $2,194,387 to treat those patients as walk-ins — **$15,408,153 to the community**.
- The saving came from conversion, not volume alone. Nearly two of every three patients who came to Total Care were treated as urgent care rather than emergency. That type of savings cannot be realized using the model proposed in this application.

Bayhealth / Intuitive Health analysis. Per-visit figures: $1,484 per avoided emergency visit and $185 per walk-in visit, applied by Bayhealth on a conservative basis; the Review Committee's June 25, 2019, figures were $1,484 and $126. Realized figures cover the period since opening and are not directly comparable to a single fiscal year.

DHRB CONSIDERATION

What in this application converts emergency visits to lower-cost care, as the hybrid model about twelve miles away already does?

BAYHEALTH'S POSITION

The model this Board approved is working in Sussex County, and outperforming projections. The application proposes the model the HRB Review Committee recommended against.

Georgetown Is Surrounded by Hospitals



Drive times from the proposed site: Bayhealth Total Care approximately 12 miles · TidalHealth Nanticoke 14.4 / 21 · Bayhealth Sussex Campus 16.0 / 21 · Beebe Lewes 15.7 / 29 · Beebe South Coastal 21.4 / 30. Source: Bayhealth routing analysis (Maptitude), 2026.

REGIONAL CONTEXT

What the Proposed Facility Cannot Do

Capability / Metric	Proposed ChristianaCare Georgetown	Bayhealth Hospital, Sussex Campus Milford	TidalHealth Nanticoke	Beebe Healthcare Lewes
Facility Classification	**Micro-Hospital / Health Campus**	**Full Acute-Care Regional Hospital**	**Full Acute-Care Regional Hospital**	**Full Acute-Care Regional Hospital**
Emergency Dept. Beds	8 beds	~30+ beds - Comprehensive ER	Comprehensive ER	Comprehensive ER
Inpatient Beds	8 beds (Short-term stays)	157 beds	139 beds	210+ beds
Trauma Center Rating	**None** (Triage & transfer model)	**Level III** Community Trauma Center	**Level III** Community Trauma Center	**Level III** Community Trauma Center
Advanced Surgery	**None** (Outpatient diagnostics only)	**General & Complex Inpatient, Endovascular & Robotic Surgery**	**General & Specialized Inpatient Surgery**	**General & Complex Inpatient, Orthopedic & Cardiac Surgery**
Specialized Centers	None (network referrals; northern transfers may exceed 85 miles)	Sussex Campus Cancer Center, Women's & Children's	Allen Cancer Center, Stroke Center	Oncology Center, Specialized Heart & Vascular
Core Intent	Local gap closure for primary, behavioral, & urgent ER care.	Major regional medical hub for Central/Lower DE.	Principal healthcare anchor for Western Sussex.	Primary healthcare anchor for Eastern/Coastal Sussex.

Inconsistent with the Health Resources Management Plan

Sussex County is adding emergency and interventional capacity under projects this Board has already approved or that are already registered. The application identifies no planning need that remains after them.

- Total Care, the hybrid emergency and urgent care facility about twelve miles away, is expanding from 12 to 22 emergency treatment spaces under registered projects 26-HOSP-65 and 26-HOSP-66, with a new MRI, in the fourth quarter of 2027.
- Bayhealth Sussex Campus holds shell space to add eight intermediate care beds and a four-room interventional suite approved by this Board, opening in the fourth quarter of 2028.
- Bayhealth Sussex also has 20 additional licensed beds, already equipped, that can be operationalized when demand warrants, and is in the design phase of its HRB-approved 6-ICU bed expansion.
- Bayhealth Sussex operates at 63 percent occupancy of its licensed beds. The county has sufficient inpatient capacity today.
- The application does not acknowledge any of this. It does not name a single existing Sussex County facility as capacity.

DHRB CONSIDERATION

How does an eight-bed hospital advance coordinated planning when Total Care and Sussex Campus are already expanding?

BAYHEALTH'S POSITION

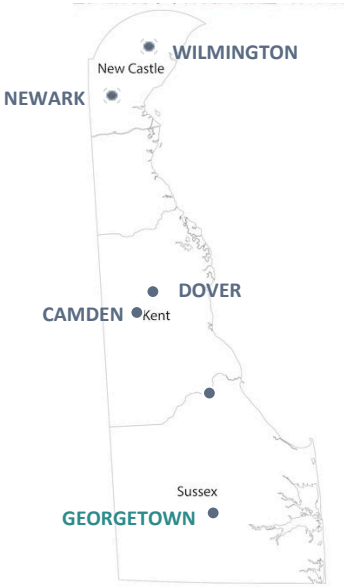
No distinct planning need has been identified beyond existing, registered and approved capacity.

Registered projects 26-HOSP-65 and 26-HOSP-66 (not subject to Certificate of Public Review). Bayhealth internal data, FY2026.

SIDE-BY-SIDE COMPARISON

Already Approved. Already Building.

Total Care is adding ten emergency treatment spaces under registered projects, and Sussex Campus has approved interventional capacity and shell space. The Georgetown application proposes 8 and 8.



BAYHEALTH TOTALCARE — APPROXIMATELY 12 MILES — PROPOSED GEORGETOWN SITE

REGISTERED — Q4 2027

Bayhealth Total Care Expansion

ED exam bays added	**12 Existing + 5**
Fast-track bays added	**5**
Imaging	**New MRI**
State project IDs	**26-HOSP-65 & 66**
CPR status	**Not subject to CPR**

PROPOSED — UNDER REVIEW

ChristianaCare / Emerus Georgetown

Inpatient / emergency beds	**8 / 8**
Distance from Total Care	**approximately 12 miles**
Projected completion	**Not stated**
Public record	**Volumes withheld**
CPR status	**Under review**

Distance and drive time: Bayhealth routing analysis (Maptitude), 2026. Registered projects 26-HOSP-65 and 26-HOSP-66.

The Population's Need for This Project Has Not Been Demonstrated

Shortage designations refer to physicians, not hospital beds. The application offers no utilization, occupancy or patient origin evidence for need in Sussex County, and identifies no patient who cannot obtain care today.

- The HPSA and MUA designations the application relies on measure primary care, dental and mental health workforce shortages[1]. They are not a determination of acute bed need.
- Those shortages support the Medical Office Building portion of the project — which requires no Certificate of Public Review — not an emergency department and inpatient beds.
- The application states no utilization rate for any existing emergency department or inpatient service in Sussex County, and no patient origin data.
- ChristianaCare already operates outpatient services in Milford and Rehoboth Beach. The application does not reconcile the proposed model with the access gap it describes.

[1]Sabine N, Gibbs TE. Unraveling Healthcare Shortages in Delaware and Charting a Course for Equity and Resilience. Dela J Public Health. 2023 Dec 31
Georgetown application, Criterion 2 narrative and p. 15. Bayhealth internal data, FY2022–FY2026.

DHRB CONSIDERATION

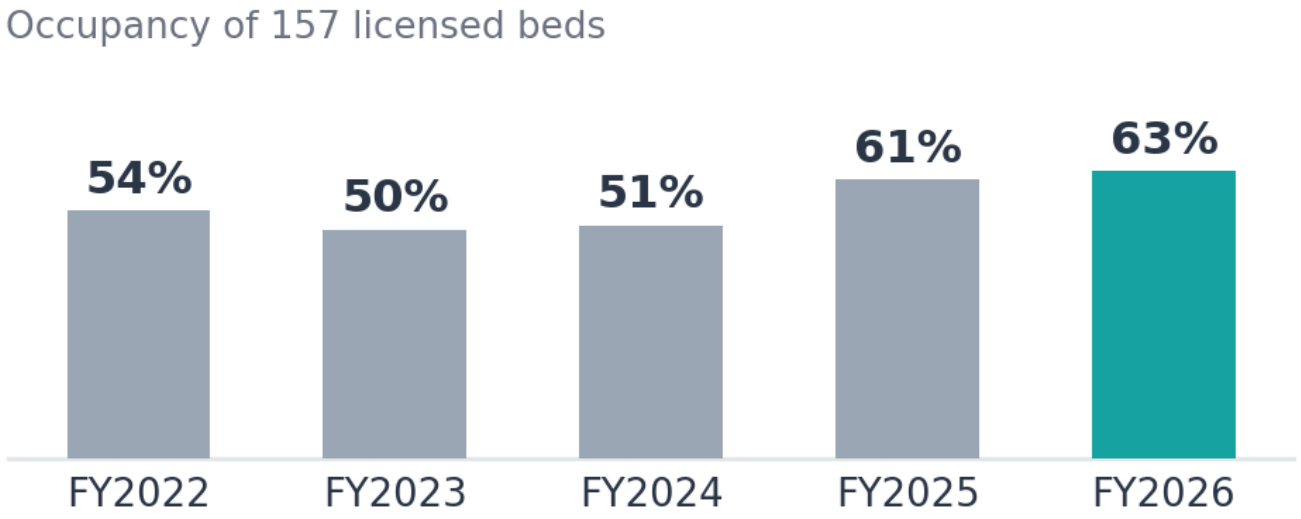
Which patients in Sussex County are not being served today, and by what evidence?

BAYHEALTH'S POSITION

No unmet acute care need has been demonstrated once the type of shortage and the existing and planned capacity are accounted for.

Sussex Is Growing. Sussex Has Capacity.

Bayhealth Sussex is admitting 55 percent more patients than four years ago. It is doing so at 63 percent occupancy of its licensed beds, with shell space and approved capacity still to come.



Bayhealth internal data, FY2022–FY2026 (fiscal years ended June 30). Average daily census is inpatient days divided by 365; occupancy is based on licensed beds. Sussex Campus has shell space for eight additional intermediate-care beds and is approved for six additional ICU rooms and a four-room interventional suite.

DHRB CONSIDERATION

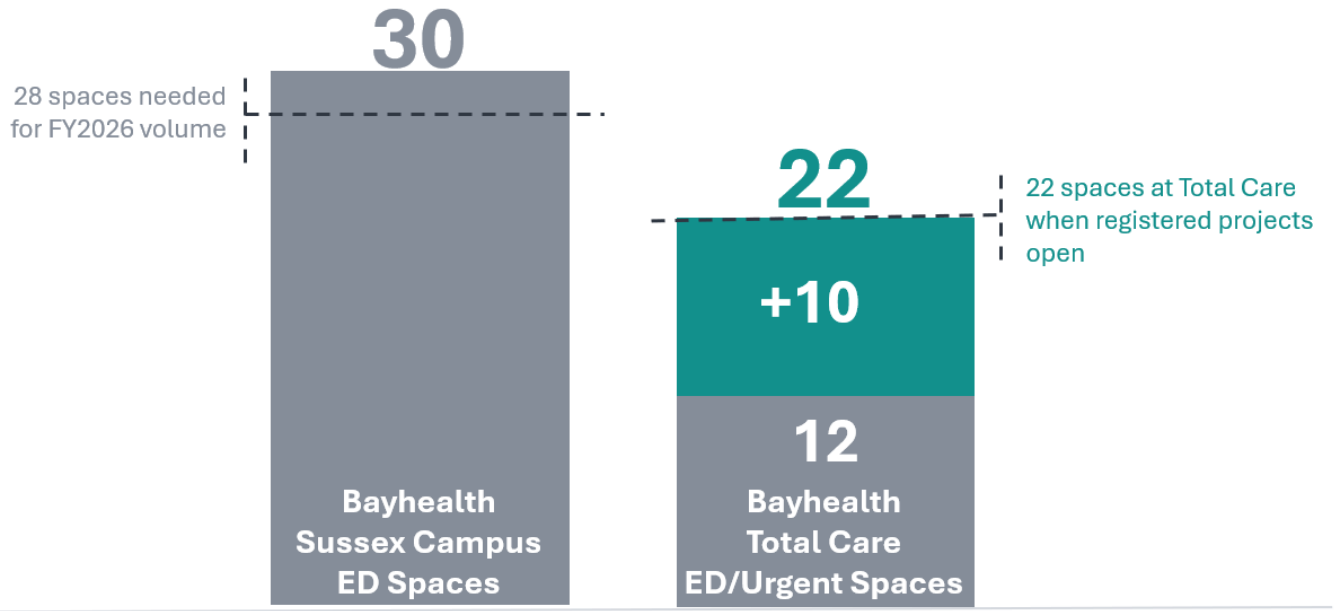
If the campus serving this population runs at 63 percent occupancy of licensed beds, what supports adding more?

BAYHEALTH'S POSITION

Sussex County's growth is being met by capacity that exists today and by capacity this Board has already approved.

Sussex County Already Has the Emergency Capacity It Needs

Compared to typical emergency department capacity guidelines, Bayhealth Sussex Campus already operates more treatment spaces than its volume requires — and Total Care is adding ten more under projects that require no Certificate of Public Review.



American College of Emergency Physicians, Emergency Department Design, Figure 5.1 preliminary sizing chart (Huddy HealthCare Solutions); not applied to Total Care, whose rooms serve emergency and urgent care together. Registered projects 26-HOSP-65 and 26-HOSP-66.

DHRB CONSIDERATION

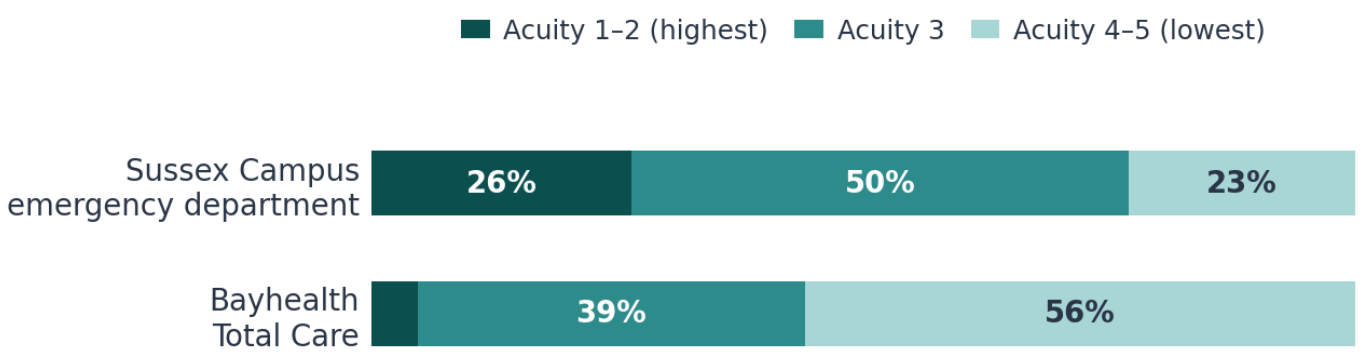
If existing and registered treatment capacity already exceeds what the county's volume requires, what capacity need remains?

BAYHEALTH'S POSITION

Sussex County's emergency capacity is sufficient today and will exceed what its volume requires when the registered expansion opens.

Bayhealth Already Delivers Care at Every Level

Sussex County already has the full range of settings — a regional hospital emergency department, a hybrid emergency and urgent care center, and Walk-in Care. Patients are already matched to the right level of care.



Bayhealth internal data, FY2026. Acuity is the triage level recorded at the first emergency department. Sussex Campus 35,194 encounters; Total Care 27,246. Sussex Campus admits 23.6 percent of its emergency visits; Total Care admits 5.1 percent.

DHRB CONSIDERATION

Which patients now treated in Sussex County would move to this facility, and at what level of acuity?

BAYHEALTH'S POSITION

The range of settings the application describes as missing already exists in Sussex County, is operating and expanding to meet the need.

Georgetown Is Already Well Served

The community this facility names already receives emergency care, and receives much of it through the Bayhealth hybrid facility this Board approved. Nothing Bayhealth has been permitted to review shows the existing facilities are insufficient.

- ZIP code 19947 — Georgetown — generated 4,946 emergency visits in FY2026 across the Bayhealth system. Every one of those patients was treated.
- 2,655 of them were treated at Total Care, which is 14.0 percent of that facility's entire volume. Georgetown is not an unserved community; it is one of Total Care's largest served communities.
- A further 2,083 were treated at Bayhealth Sussex Campus. On the inpatient side, Georgetown produced 552 inpatient and 292 observation cases at Sussex Campus — including surgical, cardiac and intensive-care cases an eight-bed unit cannot take.
- That is before counting TidalHealth, Beebe, or the Walk-in and behavioral health services already operating in Georgetown itself.

Bayhealth internal data, FY2026. The applicant's projected volumes were withheld from the public version, so Bayhealth has not been able to review or comment on them.

DHRB CONSIDERATION

Which patients in Georgetown are not receiving emergency care today?

BAYHEALTH'S POSITION

Nothing in the unredacted portion of the application made available for public review demonstrates that existing facilities are insufficient to serve this community.

Alternatives Exist in Georgetown Itself

Every service the application says Sussex County needs can be developed without this Board's approval — and several already operate in Georgetown.

- Primary care, specialty care, behavioral health and urgent care require no Certificate of Public Review. The applicant is free to develop them today.
- TidalHealth operates the Georgetown Pavilion and FamilyLab on West Market Street. Beebe operates behavioral health services on Biden Avenue. ChristianaCare itself has outpatient operations in Milford and Rehoboth Beach.
- Total Care's hybrid emergency and urgent care model — the model this Board approved in 2020 — operates about twelve miles away and is expanding.
- The application does not explain why any of these are insufficient. Its alternatives analysis identifies no existing Sussex County facility.

DHRB CONSIDERATION

Why are the in-town services, the applicant's own outpatient footprint and the approved hybrid model insufficient?

BAYHEALTH'S POSITION

The application does not establish that a new 8-bed neighborhood hospital is the least costly or most effective response to the access issues it identifies.

Georgetown application, Criterion 3 narrative. ChristianaCare Official Statement, February 1, 2026, p. 100.

Three Nonprofit Systems Already Serve This Population

Bayhealth is a not-for-profit system that has served Delaware for nearly a century and cares for every patient who comes through its doors, including those whose care is not paid for. So do TidalHealth and Beebe.

- Bayhealth Sussex Campus emergency department: 33.6 percent Medicare, 28.7 percent Medicaid and 7.9 percent self-pay.
- Across the Bayhealth campuses, roughly $12 million of inpatient and observation care was provided to self-pay patients in FY2026 with essentially no payment received.
- Bayhealth recovers about $990 per case above the fully allocated cost of care at Sussex. Roughly half its inpatient and observation cases do not cover their cost; the balance is carried by the remainder.
- The applicant's payer mix and charity care commitments may be addressed in the application, but the schedules that would show them were redacted. Bayhealth has not been permitted to review them and cannot comment on them.

DHRB CONSIDERATION

What payer mix, charity care policy and Medicaid participation will the proposed facility commit to?

BAYHEALTH'S POSITION

The statute protects the ability of existing providers to serve the medically indigent. Bayhealth cannot evaluate the applicant's effect on that obligation on the record it has been given.

Bayhealth internal data, FY2026. 16 Del. C. § 9301. Schedule 5, Source of Revenue, was withheld from the public version.

This Is the Opposite of Coordinated Care

A facility that must transfer every patient beyond its scope out of the county adds a handoff rather than removing one.

- The proposed facility has no intensive care unit, no operating room and no catheterization laboratory. Patients whose needs exceed that scope must be transferred.
- Sussex Campus admits 23.6 percent of its emergency patients. Those patients, arriving at an eight-bed facility, would be stabilized and transferred — a second arrival, a second assessment, and another transport, each one a place where time and information can be lost.
- The application anticipates escalation within ChristianaCare's network, which can mean transport of 85 miles or more to Newark or Wilmington — past three Sussex County hospitals that provide the same care.
- The application does not state the projected transfer rate, the destinations, who bears the cost of transfer, or whether specialty consultation is in person or virtual.

Bayhealth internal data, FY2026. Georgetown application, Criteria 4 and 7 narratives.

DHRB CONSIDERATION

For a patient who needs more than this facility can provide, what is the pathway — and how does it improve on the one that exists today?

BAYHEALTH'S POSITION

Bypassing three established Sussex County Hospital systems is not coordination. It is an additional handoff.

Viability Has Not Been Demonstrated

The applicant's partner closed a facility of this type in January 2025 after low utilization. No financial feasibility study was performed, and the projections that would allow the Board to test viability are not available for public review.

- Emerus and Ascension closed their Waukesha micro-hospital on January 13, 2025, following low utilization. The application does not distinguish Georgetown from that experience.
- Other Review Consideration G — whether a financial feasibility study has been performed — is answered "No."
- Projected volumes, projected revenues and expenses and the projected debt service coverage were withheld from the public version. Bayhealth cannot evaluate the assumptions or the methodology because it has not seen them.
- A facility operating 24 hours a day requires a full clinical complement regardless of how many patients present, drawn from the same workforce serving three existing systems.

DHRB CONSIDERATION

What distinguishes Georgetown from Waukesha, and on what projections does the applicant rely?

BAYHEALTH'S POSITION

Viability cannot be assessed on the record available to the public, and the applicant's own recent experience with this model warrants examination.

Waukesha closure, January 13, 2025. Georgetown application, Other Review Consideration G; Schedules 3, 5 and 10 withheld from the public version.

Emergency care access around the Waukesha micro-hospital

Drive distances from 2325 Fox Run Blvd., Waukesha, WI



NEARBY EMERGENCY CARE

★ **Ascension / Emerus micro-hospital**
2325 Fox Run Blvd., Waukesha — map center

1 **ProHealth Waukesha Memorial ED**
2.4 mi away

2 **Froedtert Community Hospital – Pewaukee**
8.4 mi away

3 **Ascension Elmbrook ED**
9.1 mi away

4 **Froedtert Community Hospital – New Berlin**
10.6 mi away

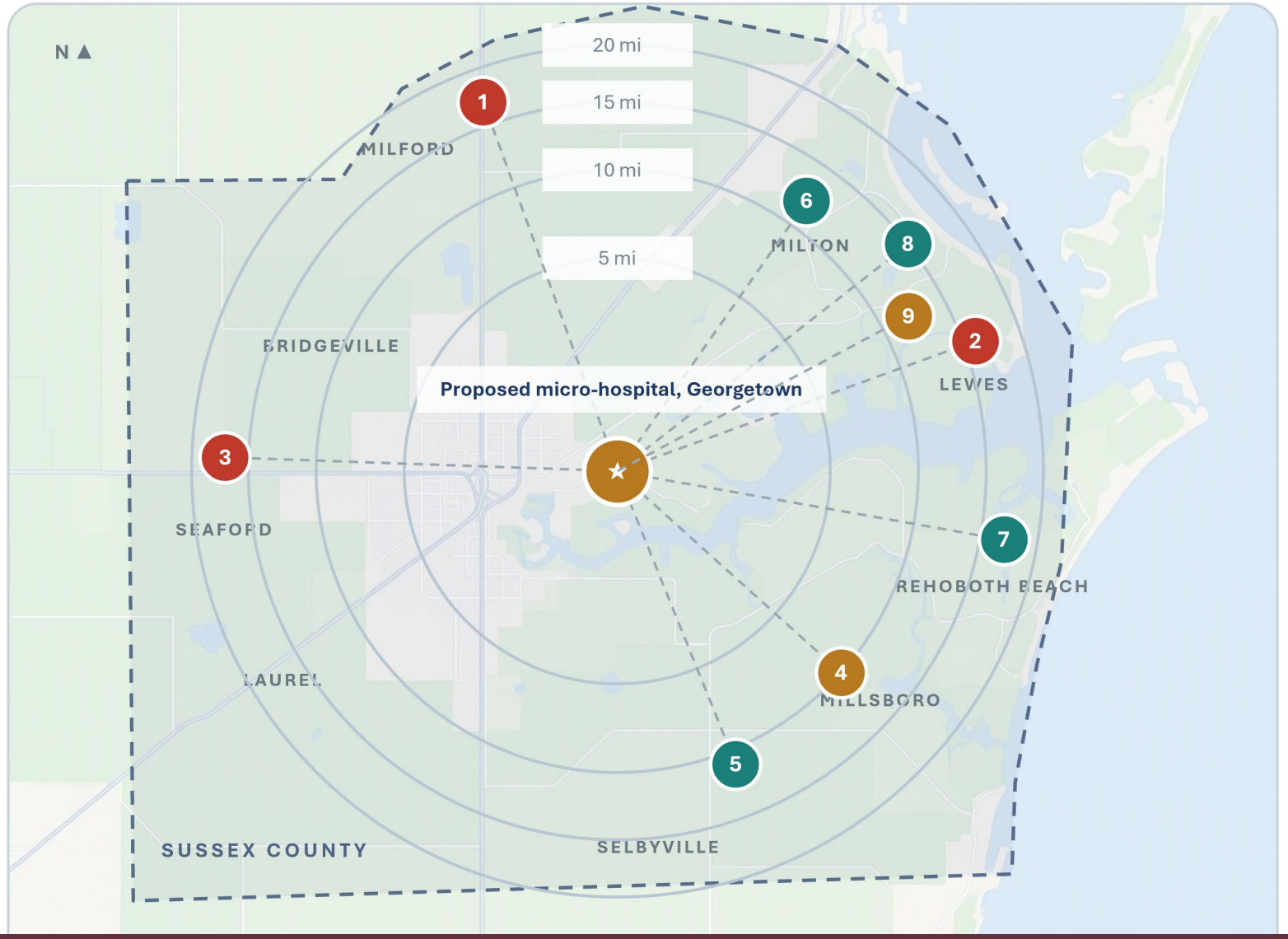
5 **Aurora Medical Summit ED**
15.0 mi away

Schematic map — rings show 5 / 10 / 15-mile radii

Five emergency departments within fifteen miles, the nearest 2.4 away. Closed January 13, 2025 — in a city of 71,158, inside a county of 406,978.

Sussex County, Delaware: hospitals, emergency and urgent care

Distances from the proposed ChristianaCare micro-hospital — 20769 DuPont Blvd. (Rt. 113), Georgetown



SUSSEX COUNTY FACILITIES

★ **Proposed ChristianaCare micro-hospital**
20769 DuPont Blvd., Georgetown **reference point**

1 **Bayhealth Hospital, Sussex Campus**
100 Wellness Way, Milford **~17 mi**

2 **Beebe Healthcare (Margaret H. Rollins Lewes Campus)**
424 Savannah Rd., Lewes **~16 mi**

3 **TidalHealth Nanticoke**
801 Middleford Rd., Seaford **~17 mi**

4 **Beebe Millsboro — approved hybrid ED**
Rt. 24 north of Millsboro **~10 mi**

5 **Beebe Walk-In Care, Millsboro**
28538 DuPont Blvd., Millsboro **~11 mi**

6 **Beebe Walk-In Care, Milton**
23900 Milton Ellendale Hwy., Milton **~12 mi**

7 **Beebe Walk-In Care, Rehoboth**
18941 John J. Williams Hwy., Rehoboth Beach **~17 mi**

8 **Atracare Urgent Care, Lewes**
Lewes **~15 mi**

9 **Bayhealth Total Care — 24/7 ER + urgent care**
18383 Hudson Rd., Milton **~12 mi**

Three hospitals, an approved hybrid emergency department and four Walk-In Care sites within twenty miles — in a town of 7,436, inside a county of 237,378.

This Is Not a New Idea. It Has Been Tried, and It Has Failed.

Emerus and its partner closed a facility of this type in January 2025. Ascension's earlier experiment with the same model in Indiana ended with the beds removed and the hospitals converted to freestanding emergency departments.

- Waukesha, Wisconsin — the Ascension and Emerus facility closed on January 13, 2025, after low utilization, in a market with five emergency departments within fifteen miles, the nearest 2.4 miles away.
- Indiana — Ascension St. Vincent opened its first "neighborhood hospital" in Noblesville in 2017 with seven exam rooms and eight overnight beds. It closed in June 2022. Of eight planned, only five ever opened; three were converted to other uses.
- The four that remained were converted into freestanding emergency departments with no inpatient beds. The operating partner went out of business two years after launch.
- Federal reimbursement rules require a facility of this type to average at least two patients in overnight beds, with an average stay of at least two midnights, to be paid as a hospital. Without surgery, the reason for an overnight stay largely disappears.

"Ascension's much-touted micro-hospitals fizzle in central Indiana," Indianapolis Business Journal, July 8, 2022.
Waukesha closure, January 13, 2025. CMS two-midnight and average-daily-census conditions for hospital reimbursement, 2017.

DHRB CONSIDERATION

What distinguishes this proposal from the facilities that closed, or from those whose inpatient beds were removed?

BAYHEALTH'S POSITION

The model may be needed somewhere. The record does not show that it is needed here, and the experience elsewhere warrants examination.

The Board's Previous Decision Implicates This Facility

In June 2019 this Board's Review Committee found that a freestanding emergency department raises the cost of care — roughly ten times urgent care for the same complaint. Without the required components of a hospital, this facility will function essentially the same way.

- What is proposed is, in function, a freestanding emergency department. That is the setting this Board examined in 2019, and the cost finding would apply equally to the proposed project.
- The Review Committee found emergency care cost roughly ten times urgent care — $1,484 compared to $126 — driven by a facility claim in addition to the physician claim.
- National evidence agrees. Freestanding emergency visits average $2,199 compared to $168 for urgent care[1], and emergency facility fees rose 531 percent from 2004 to 2021 compared to 132 percent for professional fees[2].
- The $65.1 million project warrants a full Sussex County cost-impact analysis. The application states it will reduce the cost of care, but the figures behind that statement were withheld from the public version, and no financial feasibility study was performed.

DHRB CONSIDERATION

What will this facility charge, and how will total costs, facility fees and patient/payer charges in Kent County change? How will this proposal contribute to the medically indigent?

BAYHEALTH'S POSITION

On this Board's own findings, adding emergency capacity where lower-cost alternatives exist raises the cost of care rather than lowering it.

DHRB Review Committee minutes, June 25, 2019. Georgetown application, Schedule 11 (project cost). [1] Ho, V. (2017), Annals of Emergency Medicine 70(6), 846–857. [2] Peterson-KFF Health System Tracker, March 27, 2023.

Scope, Transfers and Continuity Unconfirmed

The application does not establish what this facility can treat, when a patient must be moved, who is responsible for moving them, or who bears the cost. Those are quality-of-care questions, and they are unanswered.

- Onsite clinical scope is not defined: patient selection criteria, imaging and laboratory capability, and specialty backup are not stated.
- Transfer triggers, destinations, responsibility and cost are not stated. Nor is the projected transfer rate.
- If advanced care requires transfer of 85 miles or more to New Castle County, patients will bypass three Sussex County Hospital systems that provide that care locally.
- The application anticipates pursuing certification and accreditation only after opening and “completion of any required demonstration period,” which indicates the applicant does not know what the licensure pathway is.

Georgetown application, Criterion 7 narrative and p. 18.

DHRB CONSIDERATION

Can this model safely stabilize and transfer higher-acuity patients while preserving continuity of care?

BAYHEALTH’S POSITION

These are very important and answerable questions. They should be answered before approval, not after opening.

What Was Withheld From Public Review

The information necessary to evaluate this proposal was withheld from the public version. Bayhealth and the public cannot comment meaningfully on a new hospital they are not permitted to see.

NOT AVAILABLE FOR PUBLIC REVIEW

Projected volumes	Projected revenues and expenses	Projected debt service coverage
Effect on operating expenses	Effect on annual revenues	Effect on individual charges
Joint venture and management terms	Schedules 3, 5 and 10	Projected staffing
Projected patient origin	Transfer protocols and cost	Indigent Care

None of the withheld material is patient-specific or payer-contract specific; it is aggregated. Schedules 4, 6, 7, 9, 12, 14 and 15 do not appear in the public version and Bayhealth has been denied its ability to review and comment on them.

Two Paths, and Bayhealth Asks for the First

BAYHEALTH ASKS THE BOARD TO

Deny the application

The application does not satisfy the criteria for planning, need, alternatives, delivery-system relationship, viability or cost. Classification and ownership eligibility have not been established.

IN THE ALTERNATIVE

Postpone the review

If the Board does not decide on the merits, it should find that the withheld information prevents meaningful public review and postpone the review until that information is available and the classification and ownership questions are resolved.

Bayhealth further asks that any additional information provided to the Board in support of this application be made available to the parties of this hearing and they be permitted to comment on it.

IF REVIEW CONTINUES, THE BOARD SHOULD REQUIRE

The joint venture, operating, management and real-estate agreements · Projected volumes and their source · Projected payer mix and charity care commitment · An independent feasibility analysis · A staffing plan for the hospital component · Transfer protocols, destinations and cost

CLOSING MESSAGE

Responsible Investment Where Need Is Demonstrated

- Bayhealth welcomes investment in primary care, specialty care and behavioral health in Sussex County — including by ChristianaCare. None of it requires this Board's approval.
- Sussex County is growing, and that growth is being met. Total Care is expanding, Sussex Campus holds approved and additional shell capacity, and three systems serve this population today.
- In 2019 this Board explained why adding emergency capacity where lower-cost alternatives exist raises the cost of care. Bayhealth listened, redesigned, and built the hybrid facility about twelve+ miles from the proposed site.
- Bayhealth asks the Board to apply the same reasoning here, and to deny the application.

What to Remember

Sussex County is growing and that growth is being met by capacity that already exists and capacity this Board has already approved. The services the applicant says the county lacks require no approval at all.

WHAT TO REMEMBER

1. The project duplicates capacity already approved and/or registered
2. Shortage designations measure physicians, not hospital beds
3. Alternatives already operate in Georgetown itself
4. Three nonprofit systems already serve every payer in Sussex County
5. This model has closed elsewhere — Waukesha, January 2025
6. In 2019 the Board's Review Committee found a similar model raises cost
7. Transfers bypass three Sussex County hospitals
8. Total Care: 12 to 22 ED spaces, registered, no CPR required
9. Georgetown proposes 8 beds and 8 ED bays
10. Sussex inpatient occupancy: 63 percent of licensed beds
11. Sussex Campus treats 77 percent of ED visits at acuity 1–3
12. Georgetown: 4,946 ED visits a year, all served today

TIDALHEALTH GEORGETOWN HOSPITAL COMMENTS

TidalHealth®

TidalHealth Nanticoke
Challenge

A New Sussex County Hospital: Unresolved Questions of Need, Cost, Duplication and Control

The application establishes a market-entry strategy. It does not establish the need for another Sussex County hospital.

October 20, 2026

Additional hospital capacity requires strong cost scrutiny

- Delaware established hospital spending oversight and cost-growth benchmarks.
- State-presented pricing data, place ChristianaCare above TidalHealth Nanticoke and the national median for standardized commercial inpatient prices.
- Existing Sussex County hospital capacity + Another 24/7 hospital = More fixed cost distributed across the same regional population.
- As commercial volume shifts to this for-profit entity, nonprofit local hospitals like Bayhealth, Beebe and TidalHealth will still carry the responsibility of serving Medicaid, uninsured and other vulnerable patients.

Why should Delaware add another hospital cost structure without quantified evidence of lower total cost of care?

A new hospital competitor in an already-served market

8 emergency beds

8 inpatient beds

24/7 hospital emergency care

Hospital imaging and support infrastructure

The proposal establishes ChristianaCare's acute-care hospital presence in Sussex County, where Bayhealth, Beebe Healthcare and TidalHealth already operate hospitals and three freestanding emergency rooms as well as a host of ambulatory sites and new ambulatory sites currently under construction.

The relevant question is whether another hospital is necessary, not whether ChristianaCare wants to expand.

The application does not identify a clear Delaware licensure pathway

Proposed model

- Eight emergency beds
- Eight inpatient beds
- Continuous emergency operations
- Limited inpatient service scope

Unanswered regulatory questions

- What Delaware hospital license will apply to the proposed Georgetown Campus?
- Will the facility meet all requirements of that category?
- Can the proposed limited clinical model operate under that license?
- Which questions must be resolved before COPR approval?

“Neighborhood hospital” describes a business model, not a Delaware licensure category.

Application Inconsistency: Emerus – the for-profit company requires full disclosure

Delaware COPR application, question 8 (page 3 of application):

Applicant answered “No” when asked whether it intended to retain a firm providing overall management services.

Applicant narrative (page 10 of application):

“Emerus is responsible for day-to-day management and operations of the Neighborhood hospital.”

The Board cannot evaluate control without the governing agreements.

A For-Profit Hospital Model Raises Questions for Delaware and Sussex County

- Wall Street incentives can conflict with Sussex County community health priorities.
- Healthcare dollars become investor returns; do we want that for Delaware?
- ChristianaCare duplicating inpatient hospital bed infrastructure adds extra costs rather than filling in true gaps.
- ChristianaCare's model creates a new referral gateway that could steer Sussex County patients into its northern Delaware system rather than keeping appropriate care local.
- Corporate ownership deserves additional transparency. FTC, DOJ and HHS have specifically investigated how private equity and corporate healthcare transactions affect patients, workers, competition, quality and affordability.
- What are the market realities of for-profit healthcare, does generation of profits threaten patients' health, workers' safety, quality of care, and affordable health care for patients and taxpayers.

Critical questions still remain:
Need, Cost, Regulatory for-profit status?

1. Hospital licensure pathway remains unresolved.
2. Control and management responsibilities require further review.
3. Inpatient need has not been quantitatively demonstrated.
4. Lower-cost alternatives have not been adequately evaluated.
5. Total cost-of-care savings have not been substantiated.

TidalHealth asks the Board to deny, dismiss or defer the hospital component until these deficiencies are resolved.



Criterion review

Access claims do not establish overall HRMP alignment

Criterion 1: Relationship to the HRMP

- Sussex County is growing and aging.
- Residents experience primary and specialty-care access issues.
- Mid-Sussex could benefit from additional outpatient services.

What remains unproven

- Insufficient existing hospital capacity
- Need for additional inpatient beds
- Need for another hospital emergency department
- Lower total healthcare costs
- Better use of existing regional resources

We agree with much of the applicant's diagnosis.
We disagree that the diagnosis establishes the need for another hospital.

Current capacity exceeds the calculated inpatient bed requirement

Criterion 2: Need of the Population

- Adding eight beds would increase Sussex County's current surplus of inpatient beds.

Sussex County hospitals

Bed analysis	Beds
TidalHealth Nanticoke	139
Bayhealth Sussex Campus	157
Beebe	210
Subtotal	506
TidalHealth Atlantic	62
Bayhealth Kent County	266
TidalHealth Peninsula Regional	366

Surrounding hospitals

The application does not adequately compare lower-cost alternatives

Criterion 3 – Less costly or more effective alternatives

- ChristianaCare should demonstrate why the outpatient campus cannot proceed without the hospital component.

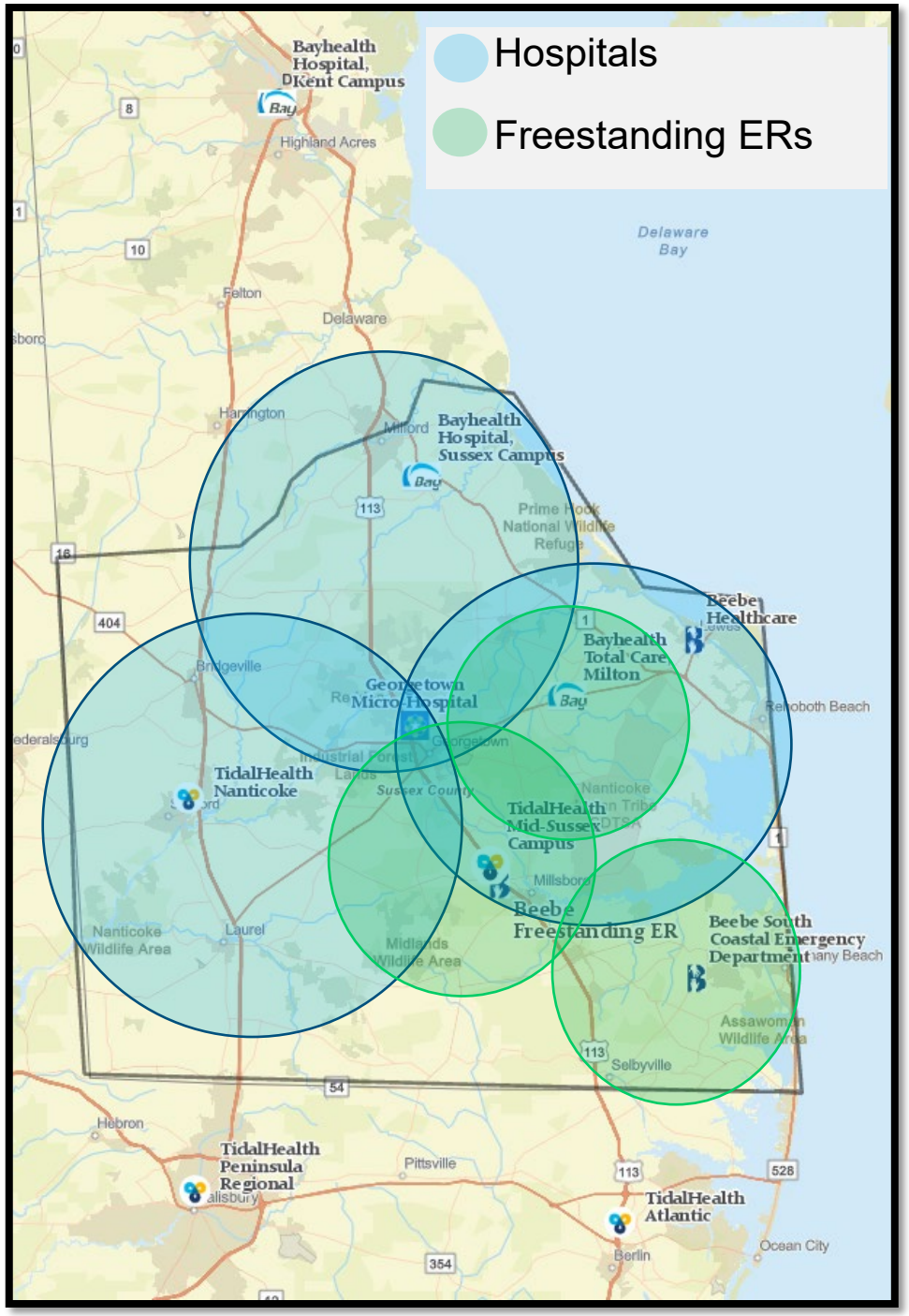
Identified need	Alternative requiring evaluation
Primary-care access	New or expanded outpatient practices
Specialty shortages	Rotating specialists, telehealth and recruitment
After-hours access	Urgent care and extended-hours primary care
Future inpatient demand	Expansion at existing Sussex hospitals
Care coordination	Partnerships and formal referral arrangements

Existing hospitals already provide the proposed acute-care services

Criterion 4 – Relationship to existing healthcare delivery system

- Emergency services already exist in the regional market.
- Inpatient care already exists.
- Hospital imaging already exists.
- Current referral relationships already connect patients to advanced care.

The application does not quantify the access gap or show that existing providers cannot expand.



The application does not demonstrate lower total costs of care

Lack of evidence for Criterion 6 – Effect on costs and charges for health care

- Projected Georgetown charges by major service?
- Expected payment levels by payer?
- Comparison with Sussex County providers?
- Anticipated emergency-department acuity mix?
- Estimated systemwide cost impact?
- Treatment of existing hospital fixed costs?

What the application primarily provides

- General neighborhood-hospital claims
- Emerus or industry performance statements
- Project-level financial feasibility

The question is not whether this hospital will make Emerus and ChristianaCare money. The question is whether adding another hospital in Sussex County will increase the total cost of healthcare for Delawareans.

The record does not support approval of the hospital component

ChristianaCare has shown that it wants to enter the Sussex County hospital market. It has not shown that Sussex County needs another hospital.

- The applicant has not demonstrated an inpatient-bed shortage.
- The applicant has not established that existing hospitals cannot meet projected demand.
- The alternatives analysis does not adequately compare an outpatient-only campus.
- The cost analysis does not quantify the effect on total healthcare spending, nor does it have a complete comparison of lower-cost alternatives.
- The record does not fully explain Emerus's management authority.
- No quantified reduction in total healthcare costs

Requested action:
Deny this application for a new hospital.

TidalHealth

ADDITIONAL PUBLIC COMMENTS

ADJOURN

THANK YOU

