Inpatient Rehabilitation Facility to Better Serve Delawareans

Developed via a Joint Venture Partnership of ChristianaCare and The Onix Group

Certificate *of* Public Review
Delaware Health Resources Board Proposal

March 23, 2026

About ChristianaCare

ChristianaCare is a nonprofit academic health system serving Delaware, Maryland, Pennsylvania and New Jersey, and Delaware's largest private employer.

Nationally Recognized Care

Delaware's No. 1 hospital for quality, with Magnet recognition for nursing excellence.

Comprehensive Acute Care

Four hospitals, Level I trauma care and regional centers of excellence in cancer, heart and neuroscience.

Decades of Trusted Rehab Care

For over 30 years, Wilmington Hospital's Center for Rehabilitation has delivered inpatient care that helps patients recover and return home.

Nearly 15,000 employees

$232M in community benefit spending

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About Center for Rehabilitation at Wilmington Hospital

30+ years of rehabilitative care

24/7 inpatient rehab for complex conditions
Stroke, Brain Injury, Trauma, Spinal Cord Injury, Joint Replacement

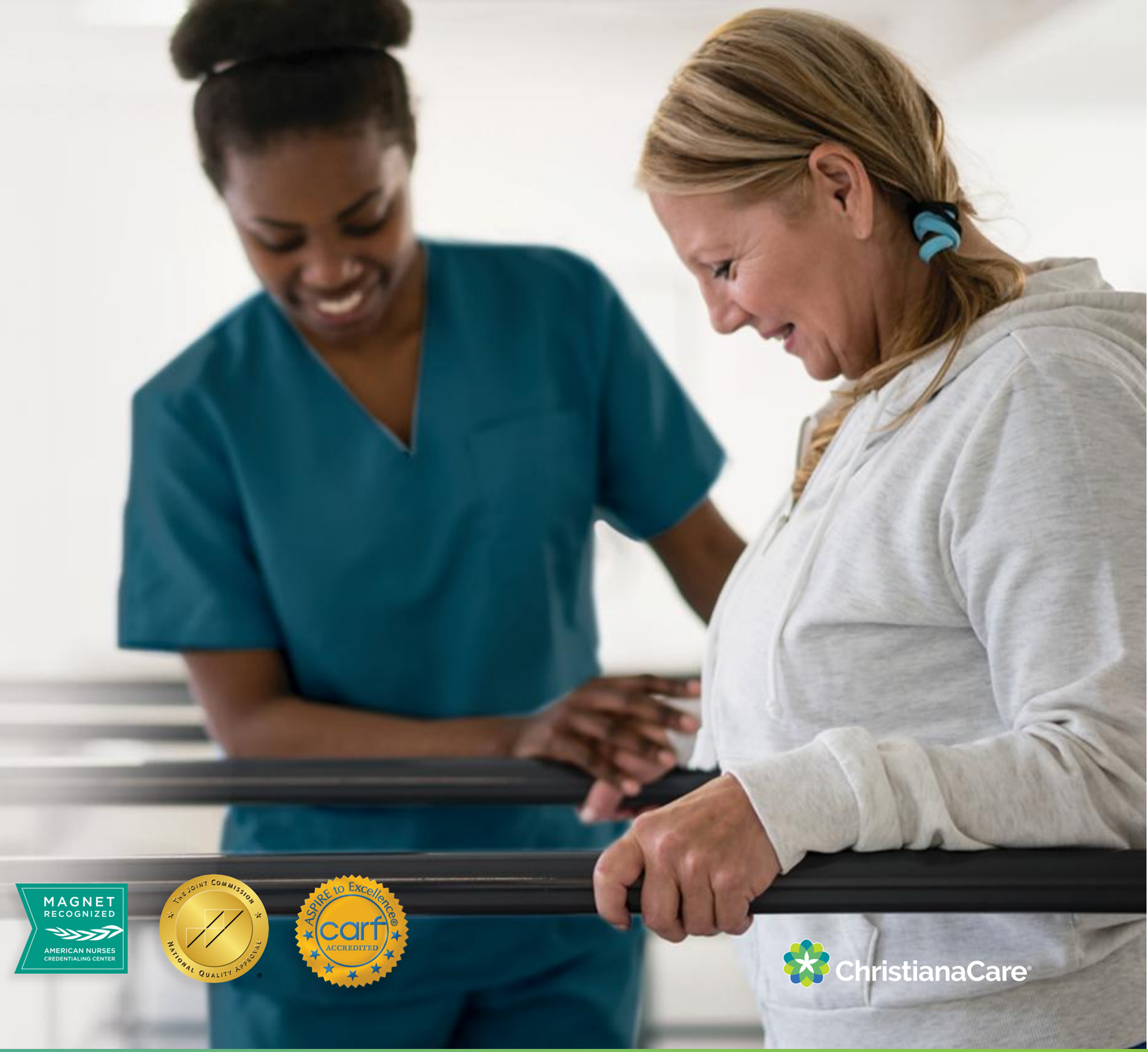
Capacity 30 Staffed Beds | 40 Licensed

760+ FY 25 Patients Discharged

12 Days Average Length of Stay

15 Hours of Weekly Therapy

*Voted **#1** Rehab in DE **(2023, 2024 and 2025)** by Newsweek*



MAGNET RECOGNIZED
AMERICAN NURSES CREDENTIALING CENTER

THE JOINT COMMISSION
NATIONAL QUALITY APPROVAL

ASPIRE to Excellence®
carf
ACCREDITED

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About The Onix Group

The Onix Group develops and operates health care facilities and has a long-standing partnership with ChristianaCare, serving communities across Delaware and southeastern Pennsylvania.

Expert Developers & Operators

- Healthcare and commercial real estate developers
- Portfolio includes medical offices, psychiatric hospitals, addiction treatment clinics, and subacute rehabilitation centers
- Leaders in post-acute facility design, development, and operations
- Strong partnerships with ChristianaCare and local communities

Accessible locations

Strategically located facilities serving the region:

- Cadia Healthcare – 5+ Delaware locations offering subacute care, rehab, dialysis, ventilator management, and addiction treatment
- Walk-In Care, Behavioral Health (SUN), La Red Health Center
- Rehoboth Medical Arts Center – Tunnell Cancer Center and medical offices

Comprehensive Services

Offers a full spectrum of services including:

- Consulting and management
- Real estate development
- Operational optimization
- Owner/operator of subacute, imaging, and medical office facilities

More than 35 Years of Experience

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ChristianaCare & Onix Partnering to Benefit Delawareans

Together, we will expand on the expert care that ChristianaCare has provided for more than three decades along with the expert support of Onix as a land developer and health care manager bringing a broader, more comprehensive footprint to the market.

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Our Bold Vision

A State-of-Art Inpatient Rehabilitation Facility

Expand our award-winning inpatient rehabilitation footprint to serve our growing, aging community; utilizing 40 existing licensed beds from ChristianaCare's Center for Rehabilitation at Wilmington Hospital and 33 beds from New Spring Rehabilitation (Onix Group) approved on Sept. 23, 2025.

NOTE: ***No request*** *for new licensed beds*



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A State-of-Art Inpatient Rehabilitation Facility

- Free-standing, easily accessible facility providing comprehensive and intensive inpatient rehab services.
- Multidisciplinary coordination with team of providers from physiatrists, specialists and therapists.
- Well-coordinated care to keep care close to home.
- Innovative programs in traumatic brain injury and other highly complex rehabilitative care services.
    - Advanced clinical technology will support care for higher-acuity patients and improve outcomes, including those with brain injury, spinal cord injury and other complex diagnoses.
    - Dedicated brain injury treatment areas, including safe and low-stimulation spaces, designed to support the specialized needs of patients with brain injury.
    - Robust and expanded high-value medical specialty care delivered via telehealth consults.

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TECHNOLOGY, EFFICIENCIES &
IMPROVEMENTS IN DELIVERY OF SERVICE

State-of-the-Art Equipment for Rehabilitative and Medical Needs

Bioness Electrical System and Exoskeleton technology will help patients regain function and mobility after neurological injury or illness.

- Latest, most advanced technology.
- Delivers **highly sophisticated technology** to promote movement, recovery and improve motor control.
- Advances in this technology **accelerate recovery and improve quality of life for patients with mobility impairments.**
- Adding these technologies along with others will be able to **track patient progress and outcomes** to ensure the most comprehensive patient centric rehabilitation experience.



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Expanding Access and Capacity through Strategic Care Redesign



What's changing

As inpatient rehabilitation services move to a new facility, we will repurpose the existing space at Wilmington Hospital to create an inpatient step-down unit.

Why it matters

This change helps patients move to the right level of care faster and strengthens care for the Wilmington community.

Impact

- Shortens wait times in the Emergency Department by freeing up hospital beds
- Expands services available to patients in Wilmington
- Creates new local jobs and supports the community

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Needs for Rehab Services are Great...*And Growing*

Aging Population Is Driving Demand

- New Castle County's population age 65 and older is projected to grow by **23% over the next decade.**
- Older adults are more likely to experience stroke, trauma, brain injury and complex orthopedic conditions that require inpatient rehabilitation.
- As the population ages, demand for inpatient rehabilitation admissions is expected to rise **18% over the next decade.**

Travel Burdens & Delayed Care

- Patients and families must travel long distances — **often >30 minutes each way** — for inpatient rehabilitation due to limited options and high occupancy rates.
- Leads to delayed, incomplete or inappropriate levels of care, especially for older adults or those with limited transportation.

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Our Shared Vision for Delawareans

Accessible Care

- Create a new state of the art facility.
- Establish a centrally located facility in a highly accessible area improving convenience and access for patients.

High Quality Care & Physician Engagement

- Combine clinical excellence, operational expertise and specialized rehabilitation capabilities.
- Highly committed to quality and accessible care.
- 7% reduction in readmissions utilizing inpatient rehab vs. a skilled nursing facility AND 66% increase that patients will be discharged to home.
- Serve as valued and expert partner to community providers.

Financial Stewardship

- Reduce hospital costs by transitioning appropriate patients to rehabilitation settings, freeing up higher-cost, acute-care beds.
- Create greater investment in local health care infrastructure through shared capital and resources.
- Drive economic impact and job creation.

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Conformity *with* Health Resources Management Plan



Enhanced Quality of Life

- Improving the quality of life for people in New Castle County by offering exceptional care close to home.
- Partnership between ChristianaCare (CARF-accredited inpatient rehab leader) and Onix (experienced sub-acute operator) to enhance care coordination, drive operational efficiency, and lead in value-based care with improved patient outcomes,

Expanded Health Services

- Increasing access to specialized inpatient rehabilitation services, including an expanded traumatic brain injury unit.
- Comprehensive services including physical, occupational, speech and music therapy, delivered with state-of-the-art technology in patient friendly spaces.

Greater Access to Care

- Community hub to enhance access and availability to expert inpatient rehabilitation care.
- Conduit for connecting with a diverse patient population and supporting patients (especially the 65+ population) with highly complex conditions in a larger expanded site of care.
- Applying national best-practices and benchmarks that drive efficiency and lower cost of care.

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Expanding Care to Reach Over Twice as Many Patients

40 beds from Center for Rehab at Wilmington Hospital plus 33 new approved beds

Primary consumers of this service are patients residing in surrounding communities in New Castle County

	Year 1	Year 2	Year 3
Inpatient Rehabilitation Admissions	1,639	1,715	1,880

Note: ChristianaCare's Center for Rehabilitation at Wilmington Hospital currently treats 760+ discharges per year with the existing bed compliment of 30 staffed beds

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Effect on Health Care Costs and Charges

- The joint venture and development of a freestanding inpatient rehabilitation facility in Newark will **not impact the overall costs and charges** of health care to the community.
- The freestanding inpatient rehabilitation facility responds to national industry trends by relocating essential services away from the hospital setting, **significantly reducing overall cost of care.**
- Providing treatment in a freestanding setting supports **improving population health, expanding access** and availability of inpatient rehabilitation services and **enhancing patient-focused rehabilitation outcomes.**



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Expected Costs

$3.4M Land Acquisition

$53.8M Design & Construction

$12.3M Equipment

$5.5M IT Infrastructure and Other Fees

$75M Total Capital investment

Project will be financially sustainable.

The establishment of a freestanding inpatient rehabilitation facility responds to national industry trends to shift essential post-acute services away from the hospital campus and decrease the overall cost of care.

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Schedule *of* Implementation

Pending approval of Certificate of Public Review application

Land Acquisition	January 2026 (Completed)
Site Plan Subdivision/Approvals	November 2026
Building Design	September 2026
Permit Approvals	January 2027
Construction Starts	January 2027
Certificate of Occupancy	June 2028

Target Opening Date: July 2028

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Thank you.



Recent Activity Before DHRB for Inpatient Rehabilitation

April 25, 2025 — New Spring Rehab files application seeking 33 new IRF beds for a facility in Newark, New Castle County, based upon an analysis showing an additional bed need in New Castle County of 33.

September 3, 2025 — Based upon Encompass request, a hearing is held in response to the New Spring Rehab application to assert that the bed need in New Castle County is actually higher and that there is a need for 86 additional beds. Questions were raised but not answered about ChristianaCare's Acute Rehabilitation Hospital in Wilmington.

September 23, 2025 — New Spring Rehab's application for 33 new IRF bed is approved.

September 24, 2025 — Encompass files application to establish a 40-bed IRF in Bear, New Castle County.

October 7, 2025 — After months of negotiations, New Spring Rehab and ChristianaCare finalize a partnership to establish a 73-bed IRF in Newark, New Castle County, on the New Spring Rehab property.

November 14, 2025 — ChristianaCare and New Spring file an application to move ChristianaCare's 40 IRF beds to the New Spring property and to combine those beds with the 33 beds approved for New Spring Rehab. This application does not seek the approval of additional beds.

January 7, 2026 — Based upon ChristianaCare's request, this hearing is being held, in response to Encompass' application, to assert that no additional demand exists for inpatient rehabilitation beds beyond what exists or has already been approved by the DHRB.

January 31, 2026 —Encompass receives approval for 40 licensed beds to open a freestanding inpatient rehabilitation facility in Bear, DE

March 23, 2026 (**TODAY**) —ChristianaCare Onix Joint Venture are seeking approval to combine 33 beds previously approved with the existing 40 licensed bed unit at Wilmington Hospital to open a freestanding 73 bed facility in Newark DE

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Appendix

16 Del. Code § 9306 – Review Considerations

Summary

(1) The relationship of the proposal to the Health Resources Management Plan

1. *Narrative and rationale for the proposed project is sound.*
2. *Relevant certifications and accreditation status are in good standing.*
3. *Letters in support of the proposal, as well as administrative, clinical and leadership positions have been provided.*

- *Signed participation agreement with DHIN, and is submitting records / accessing data from DHIN for care coordination purposes.*
- *Appropriate balance in consideration of access, cost, and quality of care issues are seriously embraced in the application.*
- *the proposal supports access and continuity of care, chronic disease management, use of health information technology and affiliation with the Delaware Health Information Network (DHIN), care coordination and other strategies to facilitate Delaware's transition to value- based payment models to improve overall health outcomes.*
- *The proposal, where possible, contributes to the care of the medically indigent.*

(2) The need of the population for the proposed project;

1. *The proposal demonstrates a clear public need for the service(s) proposed, as well as identifying the population to be served, as well as data-oriented evidence.*
2. *The proposal specifies its plan for care of patients without private insurance coverage, as well as its plan for care of medically underserved populations with the proposed service area.*

Relationship to HRMP
Sound narrative
Certifications included
Letters included

Included, active with DHIN
Included
Supports value-based care
Indigent services as needed

Population Need
Population need included
Indigent services as needed

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16 Del. Code § 9306 – Review Considerations

Summary (cont.)

(3) The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the State;

1. *The proposal provides information about alternative providers of the proposed service, referencing the specific providers that now offer the proposed service and the impact of those parties, including financial information indicating whether these alternative providers are more or less costly in the provision of the service.*

- *The applicant has taken into account the availability of out-of-state, yet geographically close, health care service resources.*

(4) The relationship of the proposal to the existing health-care delivery system;

1. *The applicant has described in detail how and where the proposed patient population is currently being served. The applicant has described existing referral patterns in the proposed service area and demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care facilities or services.*
2. *To ensure appropriate continuity of care, accessibility, and related quality-enhancing considerations, the applicant has provided information regarding the applicant's established referral arrangements with other providers in the service area. The applicant has described how their past and proposed provision of health services promote a continuum of care in Delaware's health care system.*
3. *The applicant has also demonstrated that the proposed project will not negatively impact employment, the diversity of health care providers or patient choice in the defined service area.*

Alternative Options
Alternate options and providers are discussed
Out-of-state providers are illustrated

Existing Heath -Care Delivery System
Population described and opportunities for other provider referrals discussed.
Continuum of care is described in the application
No negative impacts to employment are expected

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16 Del. Code § 9306 – Review Considerations

Summary (cont.)

(5) The immediate and long-term viability of the proposal in terms of the applicant's access to financial, management and other necessary resources;

1. *The application has demonstrated the financial feasibility of the proposed project.*
2. *The applicant has provided proof of all funding or financing sources for the proposal and the dollar amount of each.*

Long -term Viability
The project is financially feasible
The project is self-funded

(6) The anticipated effect of the proposal on the costs of and charges for health care; and

1. *The applicant has demonstrated how the proposal will impact the financial strength of the health care system in the state. Specifically, the applicant has demonstrated how the proposed project will improve cost-effectiveness of health care services within the service area.*
2. *The applicant has also demonstrated how the proposal will impact cost and charges to the individual(s) for health services (where applicable).*

Effect on Costs and Health Care Charges
Will alleviate patient wait at alternative providers and patient travel time.
The project will have no aggregate effect on costs for health services

(7) The anticipated effect of the proposal on the quality of health care.

1. *The applicant has demonstrated how the proposed project will improve quality and accessibility of health care services within the service area, including but not limited to, the provision of or any change in the access to services for Medicaid recipients and indigent persons as well as the impact of providing services to these populations.*

Effect on the Quality of Health Care
This project will provided a needed service to the population improving access and ultimately leading to better treatment adherence

- **Note that there is no increase in beds.**

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Calculation of Bed Demand in New Castle County

Only 2 inpatient rehabilitation facilities currently in New Castle County
Occupancy rates: >90% for each New Castle County facility
60+%of Encompass Middletown patients are from New Castle County*

Description	Value	Source
Projected New Castle County Population Aged 65 and Over (2030)	128035	Delaware Population Consortium, Oct 2024 Population Projection Series
Multiplied by the Statewide Percentage of Population Ages 65 and Over that are Medicare FFS Beneficiaries	68%	FFS Average (CY23) divided by statewide population 65+ for 2023. Centers for Medicare and Medicaid Services and Delaware Population Consortium data
Equals Total Medicare FFS Beneficiaries in County	87064	Calculation
Multiplied by Statewide Average IRF admission Rate per 1,000 Medicare FFS beneficiaries	22	Centers for Medicare and Medicaid Services
Equals New Castle County Projected IRF Admissions Medicare FFS Only	1915	Calculation
Divided by National Percentage of Total IRF admissions that are Medicare FFS	51%	2024 MEDPAC Report to Congress
Equals Projected New Castle County IRF Admissions, All Payer	3756	Calculation
Multiplied by Regional IRF ALOS (Average Length of Stay)	10.8	UDS
Equals Projected 2030 New Castle County IRF Days	40561	Calculation
Average Daily Census	111	Calculation
Target Occupancy Rate	85%	Standard Benchmark
Bed Need at 'Target Occupancy'	131	
Minus Existing IRF Beds in County	90	American Hospital Directory (All facilities in New Castle County) (CRWH & Encompass Middletown)
Equals Additional IRF Bed Need in New Castle County	41	

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IRF Beds Needs Analysis Explained New Castle County

Geographic Reality: New Castle County is the True Demand Service Area

>90% of Center for Rehab at Wilmington Hospital patients originate from New Castle County

>60% of Encompass Middletown patients are New Castle County residents

New Castle County residents are primary users of both inpatient rehab facilities

Why Geography Drives Accurate Demand Math

ChristianaCare is a shared referral source to both existing inpatient rehab facilities

Patient flow is countywide, not confined to a particular zip-code/geographic segment

Northern New Castle-only analysis misrepresent actual utilization patterns

Why All New Castle County-Serving Beds Must be Counted

Inpatient rehab facility beds must be counted based on who they serve, not where they sit

Excluding Middletown:

Understates capacity

Overstates unmet need

Breaks methodological consistency

Correct supply= Center for Rehab at Wilmington Hospital+ Encompass Middletown+ New Spring

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