



**CERTIFICATE OF PUBLIC REVIEW  
FOR  
INPATIENT REHABILITATION FACILITY  
("IRF") 33-BEDS  
NEW DEVELOPMENT  
SEPTEMBER 24, 2025**

# THE PROJECT SPONSOR

- For over 30 years, the Project Sponsor has been at the forefront of healthcare innovation in Delaware solving some of the system's toughest challenges
- **Established collaborator** with leading hospitals, health systems, and state agencies
- **Strategic healthcare partner and collaborator providing assistance** to complex system needs and mission-critical projects
- **Deeply embedded** with a proven track record of identifying gaps in the healthcare system and addressing problems to secure positive outcomes
- **Proven performer** in both **rapid-response turnarounds** and healthcare developments, delivering **future-ready solutions** through decades of trusted collaboration with Delaware's top stakeholders

# SOLVING PROBLEMS TO ADDRESS URGENT HEALTHCARE NEEDS & MARKET DEMANDS

Healthcare Provider/Agency Support & Assistance				
Healthcare Provider/Agency	Year	Request	Location	Action/Result
DHSS Director of Public Health	1997	<ul style="list-style-type: none"> <li>Remediate deficiencies identified in 200-page Joint Federal &amp; State Survey for Dover Nursing Center</li> <li>Negotiate lease assumption to build a new SNF</li> </ul>	Cadia Capitol Dover, Delaware	<ul style="list-style-type: none"> <li>Re-established Substantial Compliance</li> <li>Designed and constructed new SNF</li> <li>Transferred Patients</li> </ul>
DHSS Dept. Of Health Planning	2005	<ul style="list-style-type: none"> <li>CON was issued with no construction progress for 10 years</li> <li>Project Sponsor was approached to takeover project or CON would be revoked</li> </ul>	Cadia Broadmeadow Middletown, DE	<ul style="list-style-type: none"> <li>Building was designed, constructed, delivered, and was operational in 18 months</li> </ul>
Beebe Hospital	2006	<ul style="list-style-type: none"> <li>Requested to design &amp; build the Tunnel Cancer Center in combination with a new medical office building on the West Side of Coastal Highway on Route-24</li> </ul>	Rehoboth Beach, DE	<ul style="list-style-type: none"> <li>Project Completed</li> </ul>
Beebe Hospital	2008	<ul style="list-style-type: none"> <li>Requested to responsibly close Lewes Convalescent Center</li> <li>Construct new building</li> <li>Transfer patients to new facility</li> </ul>	Cadia Renaissance Millsboro, DE	<ul style="list-style-type: none"> <li>Secured CoPR</li> <li><b>Built new facility</b></li> <li>Transferred all patients</li> </ul>
ChristianaCare	2009 (Pike Creek) & 2012 (Silverside)	<ul style="list-style-type: none"> <li>Take over Riverside Extended Care Pavilion</li> <li>Use our approved CoPR for Pike Creek to design &amp; build a new SNF w/ LTAC capability</li> <li>Close Riverside and build/transfer patients to new location</li> <li>File new CoPR for Riverside replacement facility to keep beds in balance and access in place (Silverside)</li> </ul>	Wilmington, DE	<ul style="list-style-type: none"> <li>Riverside/Pike Creek project completed</li> <li>New CoPR issued for Silverside as a replacement facility</li> <li><b>Two new facilities developed (Cadia Pike Creek &amp; Silverside)</b></li> <li>Access and bed count held in balance</li> </ul>
College Park Health Campus	Year	Initiative	Location	Action/Result
La Red Medical Home	2011	<ul style="list-style-type: none"> <li>Facilitate Land Purchase vs. Land Lease for Development of Not-for-Profit Health Care Center for non-English speaking and underserved</li> </ul>	Georgetown, DE	<ul style="list-style-type: none"> <li>For the benefit of the community, enabled land to be acquired by NFP at below market price to build medical home</li> </ul>
Beebe Hospital	2013	<ul style="list-style-type: none"> <li>Build Urgent Care Center/MOB</li> </ul>	Georgetown, DE	<ul style="list-style-type: none"> <li>Project Completed</li> </ul>
Veteran's Administration	2017	<ul style="list-style-type: none"> <li>Design &amp; Construct Veterans Out Patient Clinic</li> </ul>	Georgetown, DE	<ul style="list-style-type: none"> <li>Project Completed</li> </ul>
Sun Behavioral	2017	<ul style="list-style-type: none"> <li>Initiated purchase of land</li> <li>Developed, turn-key, the first ever 90-bed Behavioral Health Hospital in Sussex County</li> </ul>	Georgetown, DE	<ul style="list-style-type: none"> <li>Project Completed</li> </ul>



# NEW SPRING REHABILITATION HOSPITAL

## Proposed Project

- 33-bed freestanding inpatient rehabilitation facility (“IRF”) in Newark, DE utilizing energy conservation principles
- Strategic location between Christiana Hospital & University of Delaware
- Will serve dense population area North of the C&D Canal
- Anticipated delivery late 2027/early 2028

## Designed for Better Outcomes

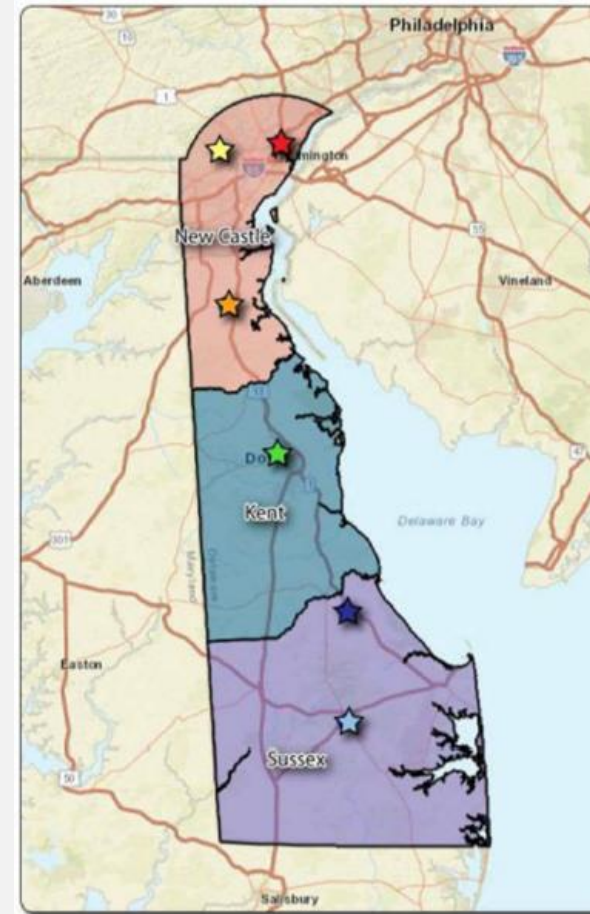
- Family-first design to improve transition back to community
- All private rooms
- State-of-the-art equipment
- Outdoor rehabilitation and family gathering activity area



Review Consideration 1: The Health Resources Management Plan  
Access | Quality of Care | Cost

# ACCESS | REVIEW CONSIDERATION 1

- New Spring Rehabilitation Hospital is a carefully designed response to the evolving healthcare needs of New Castle County
  - **Closes a critical gap in care** where the **disparity** of IRF beds above the Canal
  - **Strengthens the continuum of care** by right-sizing IRF capacity, preserving SNF access, and relieving acute care bottlenecks
  - **Empowers patients** with choice
  - **Easy access** via I-95 & Route 273 based on proposed location



## Existing and Proposed IRF Facilities in Delaware

- ★ New Spring Rehabilitation Hospital (Proposed)
- ★ ChristianaCare Center for Rehab at Wilmington Hospital
- ★ Encompass Health Rehab Hospital of Middletown
- ★ PAM Rehab Hospital of Dover
- ★ Bayhealth Sussex Rehab/Future PAM Rehab Hospital Sussex
- ★ PAM Health Rehab Hospital of Georgetown

### Notes:

The proposed location of New Spring Rehabilitation is 20.3 miles away from Encompass Health Rehabilitation Hospital of Middletown, the next closest free-standing IRF location. The newly proposed free-standing Encompass IRF would only be 7.6 miles away from New Spring Rehabilitation, pursuant to Encompass Health Rehabilitation Hospital of Bear, LLC ("Encompass Bear") Notice of Intent filing.

# QUALITY OF CARE | REVIEW CONSIDERATION 1



## Intensive Rehab = Better Results

IRFs provide 3+ hours of therapy/day which far exceeds SNF levels

Leads to faster recovery, restored function, and more discharges to home



## Intensive Medical Care

Higher staffing ratios and on-site physicians, nurses, and therapists across multiple disciplines

Coordinated, team-based approach ensures swift intervention, consistent progress, and fewer hospital readmissions



## Built for Accountability from Day One

Designed to meet national quality, safety and outcome standards at launch

Systems, staff training, and metrics in place before the first patient arrives



## COST | REVIEW CONSIDERATION 1

Drives system-wide efficiencies by lowering re-admissions, accelerating discharges, and supporting cost-effective care transitions

Supports Value-Based Care and aligns with payor and policy goals for outcome-driven rehab

Incorporates energy-efficient, ADA-compliant design while maximizing patient safety and comfort with private rooms





## Review Consideration 2: Need

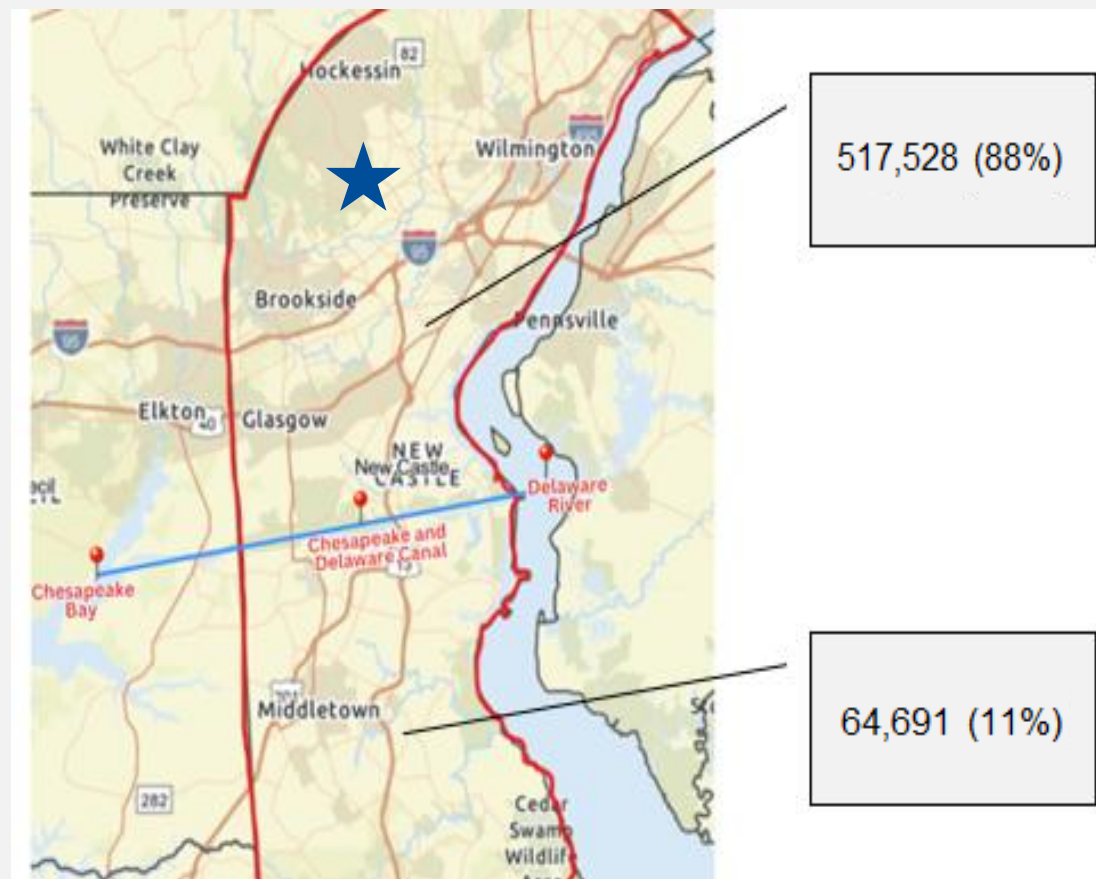
## NEED | REVIEW CONSIDERATION 2

New Castle County is the largest county in Delaware but faces the greatest disparity in access to IRF beds

More than **88%** of the New Castle County population resides North of the C&D Canal (including 89% of residents aged 65+) but only **37.5%** of operating IRF beds are North<sup>1, 2</sup>

Without access to additional IRF beds, patients in need of intensive rehab could:

- Be forced to seek care out of state
- Experience delays in recovery, further loss of function, or delayed discharge from acute hospital
- Be admitted to SNFs not equipped for IRF-level care



### Sources:

<sup>1</sup> WILMAPCO Regional Demographics.

<sup>2</sup> Data derived from EnviroNics: Spotlight.

### Notes:

Blue star represents approximate location of proposed facility.

# BED NEED CALCULATION | REVIEW CONSIDERATION 2

- New Spring Rehabilitation Hospital is built for New Castle County grounded in its population and existing beds
- A countywide view of ensures capacity is added exactly where it is needed

New Spring Rehabilitation	
Description	Value
Projected New Castle County Population Aged 65 and Over	121,880
Multiplied by the Statewide Percentage of the Population Ages 65 and Over that are Medicare FFS Beneficiaries	78%
Equals Total Medicare FFS Beneficiaries in County	94,831
Multiplied by Statewide Average IRF Admission Rate per 1,000 Medicare FFS Beneficiaries	16
Equals New Castle County Projected IRF Admissions, Medicare FFS (only)	1,517
Divided by National Percentage of Total IRF Admissions that are Medicare FFS	51%
Equals Projected New Castle County IRF Admissions, All Payers	2,975
Multiplied by National IRF ALOS (Average Length of Stay)	12.8
Equals Projected 2028 New Castle County IRF Days	38,081
Average Daily Census	104
'Target' Occupancy Rate	85%
Bed Need at 'Target Occupancy'	123
Minus Existing IRF Beds in County	90
<b>Equals IRF Bed Need in New Castle County</b>	<b>33</b>

# NEED | REVIEW CONSIDERATION 2

DE residents needing rehab  
must choose between:

Out-of-state care  
Long wait times  
Sub-optimal SNF placement

Internal projections of  
New Castle County  
population growth in  
2028 yields a shortfall  
of at least 33 IRF  
beds<sup>1</sup>

Maintains geographic  
inequity in access



## Notes:

<sup>1</sup> Please reference the Applicant's full CoPR application pages 23 – 25 for bed need methodology.



## NEED | REVIEW CONSIDERATION 2

New Castle County Population Projections <sup>1</sup>				
Year	2025	2030	Increase (No.)	Increase (%)
Total Population	582,747	593,944	11,197	1.92%
Ages 65+	111,754	128,035	16,281	14.57%
% of Population (65+)	19.18%	21.56%		12.41%

### Historic Review Board Comments

- *“...requiring patients...to travel to other existing inpatient rehabilitation hospitals out-of-state is not a feasible or desirable alternative...”<sup>2</sup>*
- *“...the Board discussed that requiring patients to travel to other existing inpatient rehabilitation facilities out-of-state in Pennsylvania, New Jersey, or Maryland is not a feasible or desirable alternative.”<sup>3</sup>*

#### Sources:

<sup>1</sup> Delaware Population Consortium Annual Projections, Version 2024.0, October 31, 2024.

<sup>2</sup> Final Board Order in the Matter of the 2022 COPR Application of Encompass Health Rehabilitation Hospital of Middletown, LLC, pgs. 5-6.

<sup>3</sup> Final Board Order in the Matter of the 2021 COPR Application of Post Acute Medical Rehabilitation Hospital of Georgetown, LLC, pg. 6.

## Review Consideration 3: Alternatives To The Project

# ALTERNATIVES TO PROJECT | REVIEW CONSIDERATION 3

- No existing provider can meet the need **North of the C&D Canal**
- **IRF Access** in Northern New Castle County Is **Severely Limited**
  - Center for Rehab at Wilmington Hospital is licensed for 40 beds but operates 30 to accommodate demand for private rooms
  - Long travel distances and waitlists discourage or delay care, especially for vulnerable patients
- The Proposed Project Would Not Impede Upon Existing Providers
  - The proposed hospital **addresses** the access **gap without straining existing providers**
  - Will serve a population that currently lacks practical options, improving health equity and outcomes

County	Facility	Bed Count	Occupancy (%) <sup>1</sup>	Freestanding
New Castle	Encompass Health Rehab Hospital of Middletown <sup>2</sup>	40	97.0%	Yes
New Castle	ChristianaCare Center for Rehab at Wilmington Hospital <sup>3</sup>	40	63.9%	No
Kent	PAM Rehab Hospital of Dover	34	96.5%	Yes
Sussex	Bayhealth Hospital, Sussex Inpatient Rehab Unit <sup>4</sup>	40	79.0%	No
Sussex	PAM Health Rehab Hospital of Georgetown	34	93.7%	Yes

## Sources:

Data derived from AHD.com facility profiles based on updates to the website through 07/31/2024.

## Notes:

<sup>1</sup> Occupancy = Reported Patient Days / (Bed Count \*365).

<sup>2</sup> Recently approved for 10 bed expansion for a total of 50 beds. Per the latest available data, the facility is still utilizing 40 beds.

<sup>3</sup> ChristianaCare utilization is low as only 30 beds are in operation due to number of semi-private rooms, sex of patient, infection control and other operational issues.

<sup>4</sup> Bayhealth Sussex Hospital's inpatient rehab unit will close following the opening of the PAM Health Rehab facility on the same Sussex campus.

# ALTERNATIVES TO PROJECT | REVIEW CONSIDERATION 3

		Licensed Beds		Operating Beds		Operating Beds (If Approved)	
New Castle County	Location	Beds	Dist. (%)	Beds	Dist. (%)	Beds	Dist. (%)
New Spring Rehabilitation	Above Canal					33	29.20%
ChristianaCare Center for Rehab at Wilmington Hospital	Above Canal	40	44%	30	37.50%	30	26.55%
Encompass Health Rehab Hospital of Middletown	Below Canal	50	56%	50	62.50%	50	44.25%
Totals		90	100%	80	100.00%	113	100.00%

- The proposed hospital expands access **without straining** existing providers
- This is not a redistribution of patients or beds – it unlocks access to IRF care for those **previously displaced** to sub-optimal settings
- **Bed re-balancing ensures** care is delivered where it is needed most, meeting New Castle County's needs today and tomorrow



## Review Consideration 4: Relationship To Existing Health Care Delivery System

# RELATIONSHIP TO EXISTING HEALTH CARE DELIVERY SYSTEM | REVIEW CONSIDERATION 4

- Patients and families consistently choose Cadia, reinforcing both our reputation and community impact
- For the last three (3) years of publicly available data, nearly one-third of Medicare discharges from ChristianaCare and St. Francis selected Cadia facilities<sup>1</sup>
- Longstanding relationship with state and regional hospitals<sup>2</sup>

Year	New Castle County Hospital Discharges to SNFs <sup>3</sup>	Cadia Share (%)
2022	3,279	28.9%
2023	3,517	30.2%
2024	3,265	31.1%

Cadia provides ~17% of the county beds and represents ~30% of patient choice

Sources:  
Chart data from CMS Medicare Beneficiary Claims Data, analyzed via SIMPLE Core Analytics.

Notes:  
<sup>1</sup> At the time of the Applicant’s initial CoPR application submission, the latest available data was for CY 2023 data was available. After submission of the CoPR application, 2024 data became available.  
<sup>2</sup> ChristianaCare, St. Francis, BayHealth, Beebe, ChristianaCare Union Hospital, Johns Hopkins, Chester County Hospital, University of Pennsylvania, Thomas Jefferson University Hospital.  
<sup>3</sup> Facilities with <11 discharges are excluded from the dataset.

# RELATIONSHIP TO EXISTING HEALTH CARE DELIVERY SYSTEM | REVIEW CONSIDERATION 4

Project Sponsor's Existing Healthcare Partnerships	
Physician Groups	Specialty
Team Health	Internal Medicine
Delaware Neurological Group	Neurology
Delaware Orthopedic Specialists	Orthopedics
First State Orthopedics	Orthopedics
Premier Orthopedics	Orthopedics
Team Health Cardiology	Cardiology
Medrina Physiatry	Physiatry
Kelly Eschbach, MD	Physiatry
Nephrology Associates	Nephrology
Skilled Wound Care	Wound Care
Breathe LLC, Pulmonology	Pulmonology
Infectious Disease Specialist	Infectious Disease
Lifecare Podiatry	Podiatry
SightRight	Optometry
Senior Dent, Mobile Dentistry	Dentistry
Vista Medicinal, Psychiatry	Psychiatry
Vascular Specialists of Delaware	Vascular
Geriatric Medical Consultants	Geriatrics
Specialty Partners	Specialty
Fresenius Dialysis	Dialysis
Concerto Dialysis	Dialysis
Trident Mobile X-Ray	X-Ray
Advanced PICC	Vascular
Carolina Speech Pathology	Pathology
Seascope Laboratories	Mobile Laboratory
Hearsay	Audiology

# RELATIONSHIP TO EXISTING HEALTH CARE DELIVERY SYSTEM | REVIEW CONSIDERATION 4

- **Cadia SNF performance consistently exceeds national averages**, underscoring our ability to deliver superior **rehab** outcomes
- Cadia treats higher-acuity, higher-comorbidity patients but delivers better results than state and national SNF averages, and meet or exceed national IRF standards on key measures

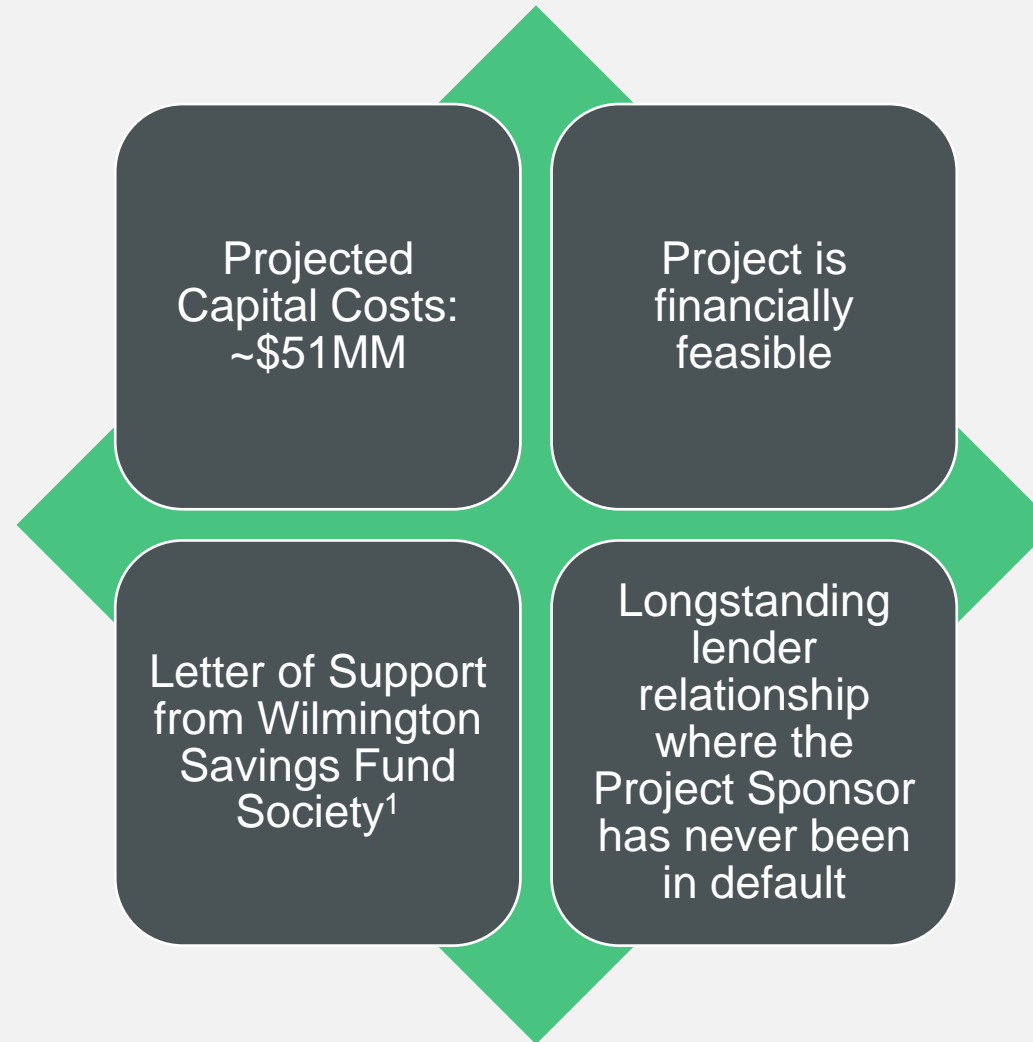
SNF			CMS Statistics		IRF		
New Castle County Skilled Nursing Facilities	Successful Discharge to Community	Discharge Function Score	New Castle County Inpatient Rehab Facilities	Successful Discharge to Community	Discharge Function Score		
	FY22-FY23	FY 2024		FY22-FY23	FY 2024		
	Cadia Pike Creek	67.1%		74.3%	CHCS Rehab	66.0%	62.0%
					Encompass Middletown	74.8%	77.2%
	National Average (SNFs)	49.9%		54.9%	National Average (IRFs)	67.0%	56.9%

SNF			CMS Statistics		IRF		
New Castle County Skilled Nursing Facilities	IRF Functional Measure: Discharge Self-Care Score	IRF Functional Measure: Discharge Mobility Score	New Castle County Inpatient Rehab Facilities	IRF Functional Measure: Discharge Self-Care Score	IRF Functional Measure: Discharge Mobility Score		
	FY 2024	FY 2024		FY 2024	FY 2024		
	Cadia Pike Creek	75.5%		78.3%	CHCS Rehab	44.8%	58.9%
					Encompass Middletown	80.6%	75.5%
National Average (SNFs)	52.7%	50.0%	National Average (IRFs)	62.6%	60.6%		



## Review Consideration 5: Financial Management & Other Necessary Resources

# FINANCIAL MANAGEMENT & OTHER NECESSARY RESOURCES | REVIEW CONSIDERATION 5



Notes:

Please see pages 93 - 94 of the Project Sponsor's application for a Funding Letter of Support from Wilmington Savings Fund Society.

## FINANCIAL MANAGEMENT & OTHER NECESSARY RESOURCES | REVIEW CONSIDERATION 5

Cadia Healthcare employs over 1,000 healthcare staff in Delaware

Centralized recruitment infrastructure in place to quickly onboard skilled staff

Robust clinical training network: nursing, PT, OT, and SLP student pipelines from schools

Facility will serve as a training site, strengthening Delaware's healthcare workforce

Physical location of facility will benefit from recent reciprocal nursing licensure compact w/ PA

Support letters from institutions like the University of Delaware underscore confidence in staffing capability

## Review Consideration 6: Effect of Project On Cost & Charges of Health Care

## EFFECT OF PROJECT ON COST & CHARGES OF HEALTH CARE | REVIEW CONSIDERATION 6



No negative impact on existing IRF utilization or costs - demand far exceeds current supply



Helps contain long-term healthcare costs through improved access and choice



Strengthens and complements New Castle County's IRF network by expanding capacity where demand exceeds supply



Responds directly to an unmet need, not a market oversaturation



Prioritizes reliable and consistent operations



## Review Consideration 7: Project's Effect on Quality of Care

## Common conditions include:

Stroke

Complex  
Orthopedic  
Injuries

Neurologic  
Conditions

Amputations

Brain Injury

Spinal Cord  
Injury

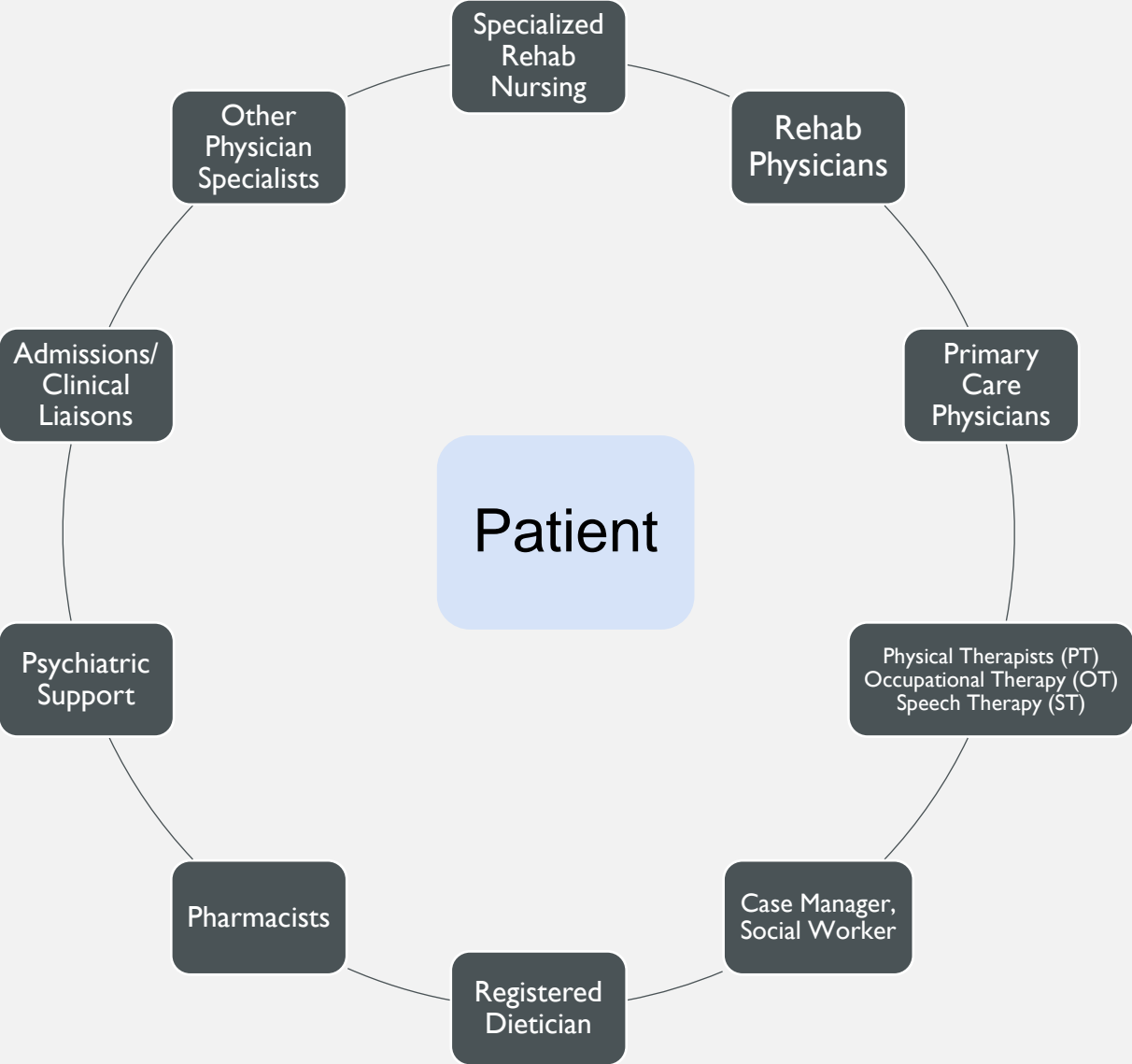
Cardiac  
Conditions

Pulmonary  
Conditions



While these are the most common conditions, all IRF patients require a multi-disciplinary approach to restore function, prevent complications, and return safely to the community

# PROJECT'S EFFECT ON QUALITY OF CARE | REVIEW CONSIDERATION 7



# SUMMARY OF IMPACT

The Project Sponsors  
have consistently  
delivered high quality,  
state-of-the-art  
healthcare facilities

Close the IRF bed  
disparity

Meet the needs of a  
growing population

Bring care closer to  
home

Restore  
independence, faster

Invest in Delaware's  
workforce by adding  
another clinical  
training site



The Project Sponsor welcomes any questions or comments at this time.