

Certificate of Public Review
Bayhealth Freestanding Emergency Department
Sussex County
Corner of Route 9 and Hudson Road



Delaware Health Resources Board
March 26, 2020

Background

- Bayhealth submitted COPR application for Freestanding ED (FED) on Route 9 in January 2019
- Review Committee recommended denial of application in July 2019. Key themes:
 - FEDs drive up use of emergency services resulting in increased cost of care
 - Walk-In Clinics can serve as alternative to FEDs
 - FED would have negative impact on Nanticoke Hospital

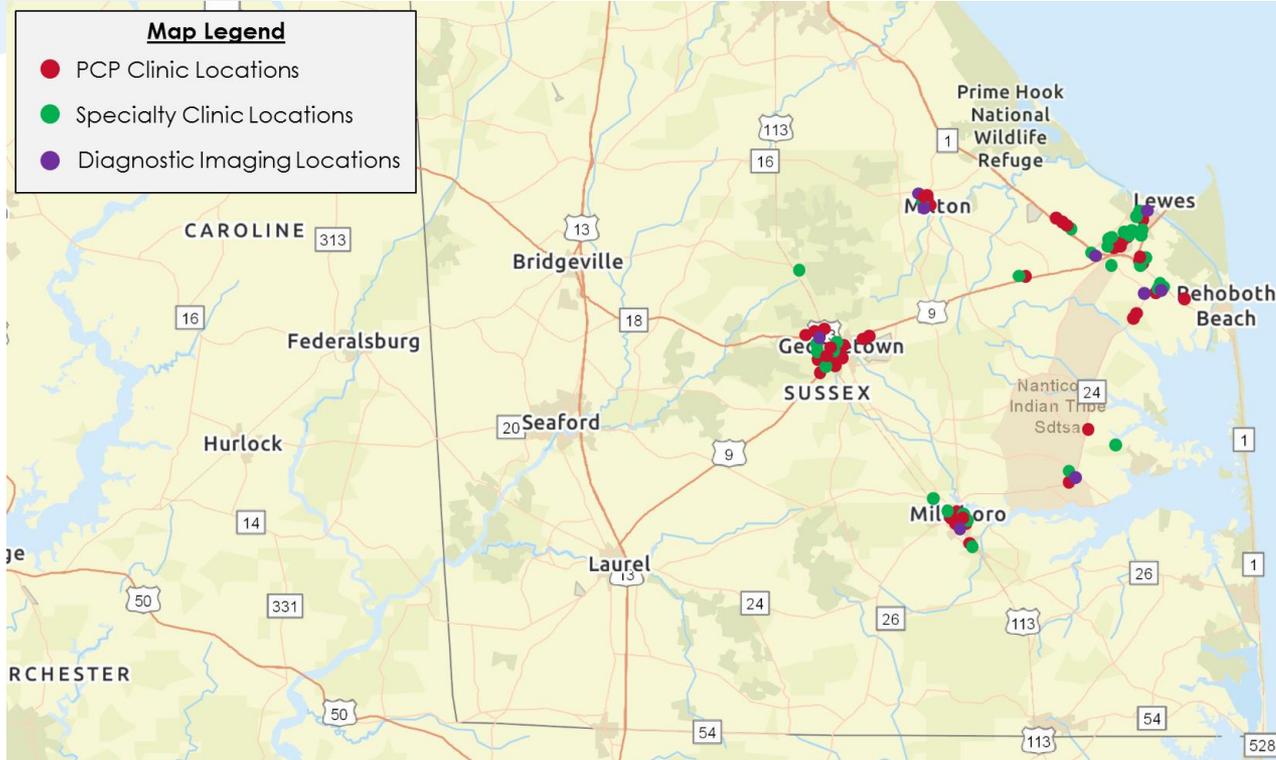
Overview of Project

- Bayhealth is re-applying to seek approval to develop a Hybrid FED as one component of Bayhealth's Ambulatory Care Facility on Route 9
 - **Primary Care:** Up to 5 providers
 - **Specialty Care:** Ortho, Cardiology, Neurology, Urology, Cardio Vascular Surgery, Oncology, Colo-Rectal
 - **Diagnostic Testing:** X-Ray, CT, Ultrasound, Lab
 - **Emergency Dept.:** 10 Treatment Bays

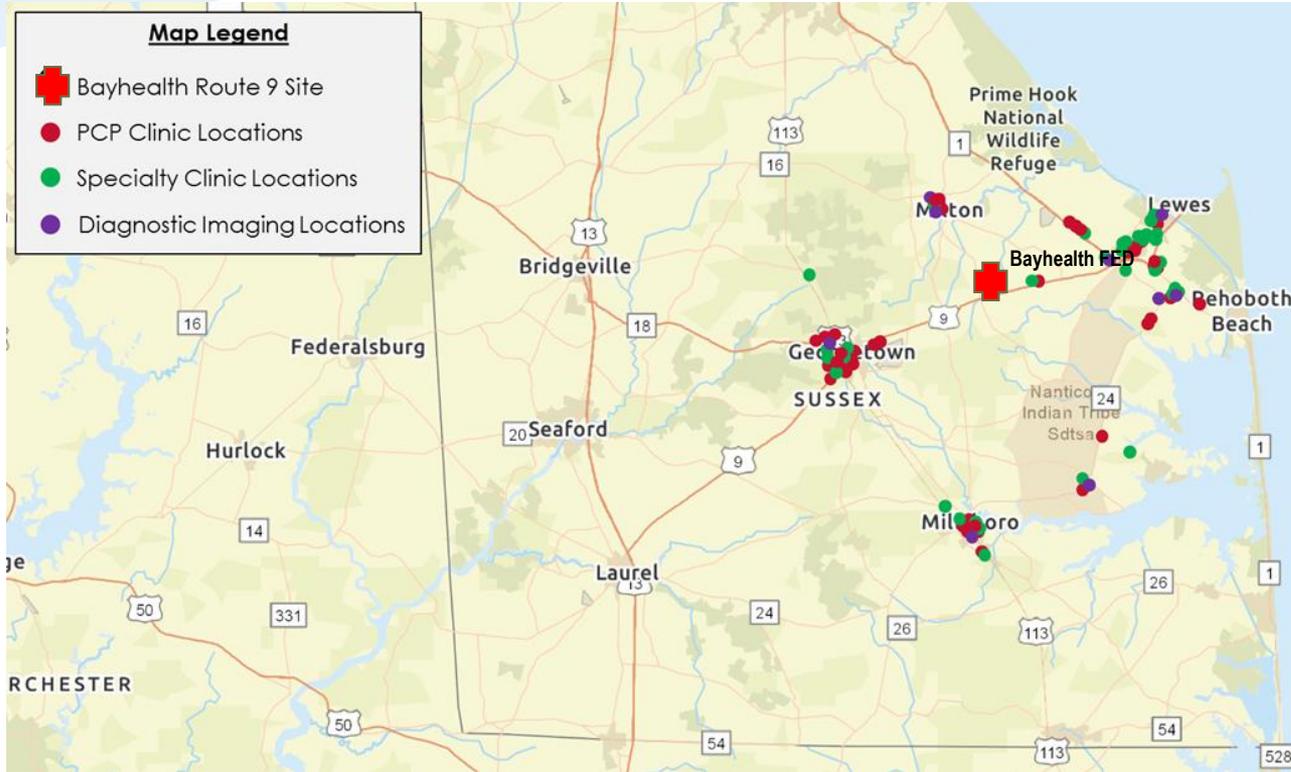
Overview of Project

- The Hybrid FED merges the cost effectiveness of a Walk-In Center with the treatment capabilities of an ED
- All patients presenting to the Emergency Department will receive a Medical Screening Exam
 - Determination will be made as to whether they require Walk-In or Emergency Care Services
 - Only patients who medically qualify as an emergency patient will be charged the emergency department rate
- Improved service and overall reduction in ED utilization and cost

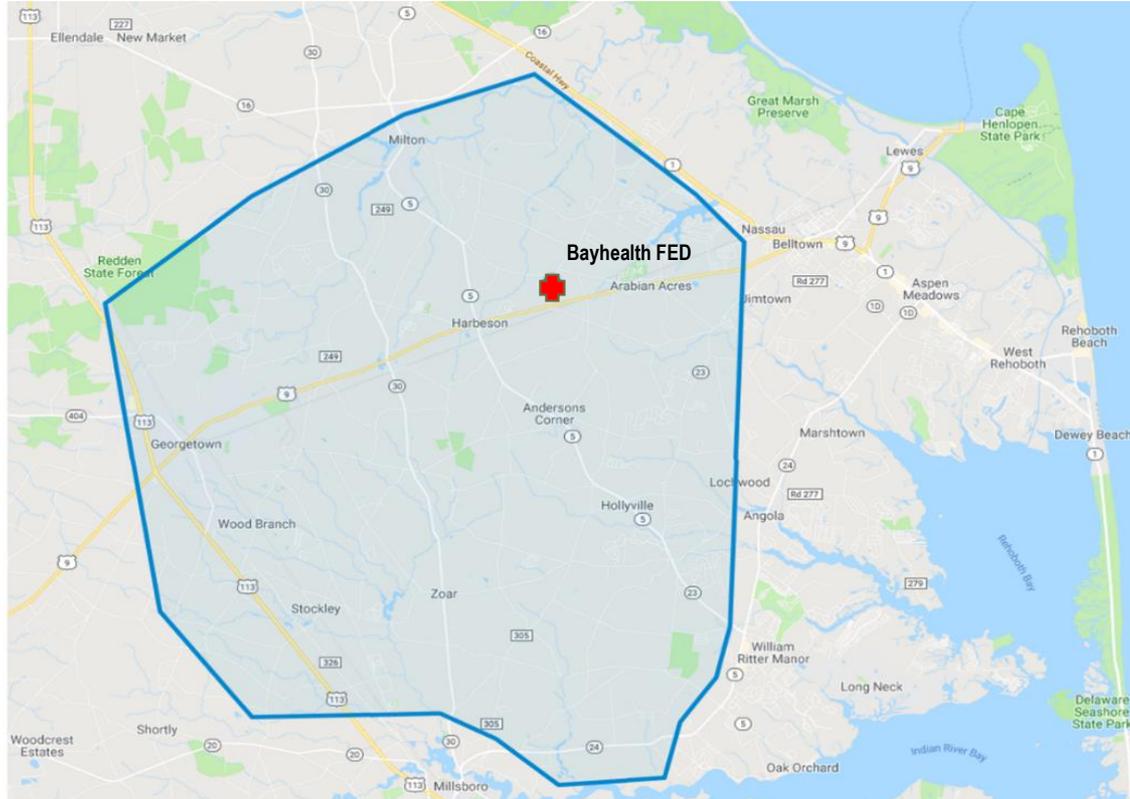
Eastern Sussex Ambulatory Services



Bayhealth Ambulatory Center Location



Primary Service Area of the Route 9 Ambulatory Center / FED



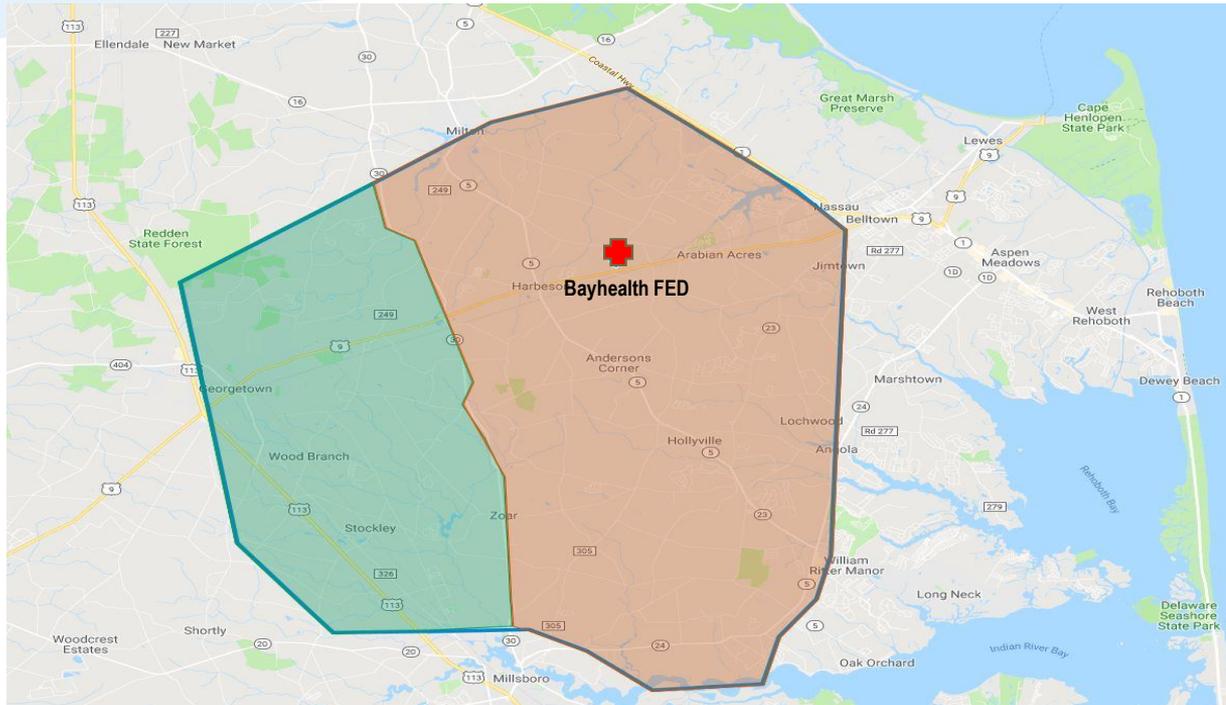
Need for the Bayhealth Route 9 FED

Highest Population Growth in the State

Service Area Population							
	2010	2019	Increase 2010-2019	% Change 2010-2019	Projected 2024	Increase 2019-2024	% Change 2019-2024
Total Population	35,295	42,726	7,431	21.1%	46,248	3,522	8.2%
65+ Population	6,352	10,135	3,783	59.6%	11,968	1,833	18.1%

Source: The Claritas Company

Distribution of Growth



	2010	2019	Increase 2010-2019	% Change 2010-2019	Projected 2024	Increase 2019-2024	% Change 2019-2024
West Route 30	13,600	14,994	1,394	10.2%	15,853	860	5.7%
East Route 30	21,696	27,732	6,037	27.8%	30,395	2,663	9.6%
Total PSA	35,295	42,726	7,430	21.1%	46,248	3,523	8.2%

Approved Residential Housing Units 5 Mile Radius from Site¹

Year	Number of Units
2010	5
2011	195
2012	3
2013	218
2014	N/A
2015	57
2016	249
2017	964
2018	1,299
2019	1,059

¹All units approved by the Sussex County Planning and Zoning Commission within a five mile radius of the intersection of Route 9 and Hudson Road.

Bayhealth Route 9 FED – Improved Access

Traffic Difficulties in Traveling / Crossing Route 1

- Sussex County Transportation Operations Management Plan
 - Intersection of Route 1 and Route 9
 - Insufficient to handle current traffic load
 - Drivers should expect to sit through multiple traffic signals
 - Takes 2 – 2.5 times as long to travel Route 1 during peak times

Bayhealth Route 9 FED – Improved Access

Emergency Medical Services

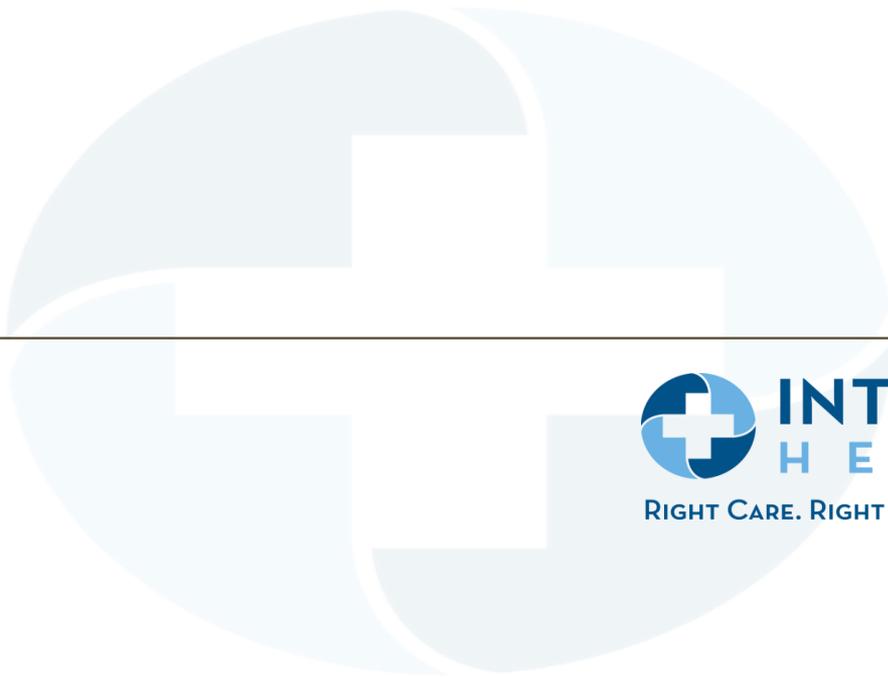
- Delays in ambulance transport
 - Taking patient to hospital
 - Returning from hospital to reach other patients
- Decompress existing Hospital EDs
 - Wait times in Beebe / Bayhealth ED
 - Reduce going on ambulance diversion

Improvements in Quality

- Reduce time and distance to obtain emergency care
 - Improve outcomes
 - Time dependent services (i.e., Naloxone for overdose)
 - Reduce mortality
- Planetree model of care
- Care coordination throughout Bayhealth

Improvements in Utilization and Cost

- Hybrid ED provides walk-in service within the ED
- Low acuity ED patients converted to walk-in status
 - Charged as walk-in patient
- Researched other markets to model this approach
 - Intuitive Health

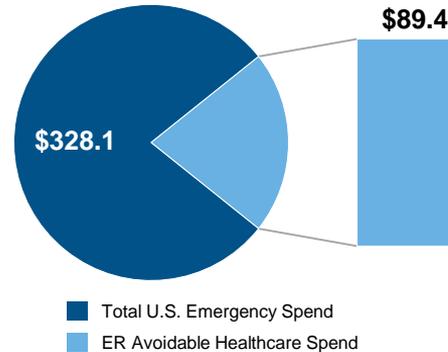


INAPPROPRIATE ER UTILIZATION INCREASES COSTS TO PATIENTS AND PAYORS

INTUITIVE HEALTH ER & WALK-IN CLINIC PROVIDES THE SOLUTION

Annual U.S. Healthcare Spend on Avoidable Emergency Care⁽¹⁾⁽²⁾

(\$ in billions)



39-44% of ER visits could have been treated in a walk-in clinic setting.

Intuitive solves that problem, saving the payor an avg. of \$1,500/visit and the patient hundreds.

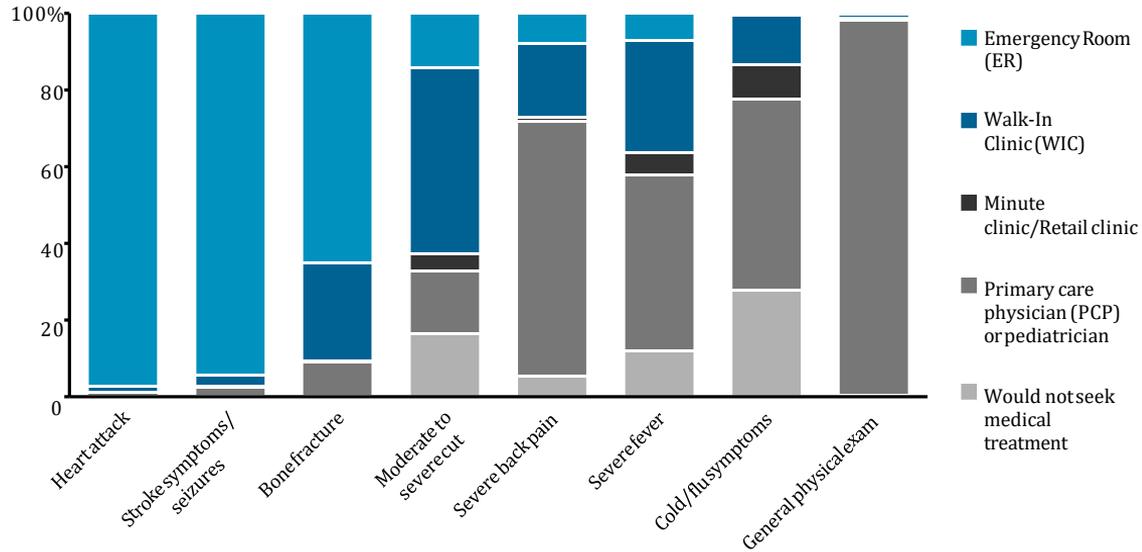
(1) Am J Emerg Med. 2016 Mar;34(3):357-65. doi: 10.1016/j.ajem.2015.06.001. Epub 2015 Jun 6. Costs of ED episodes of care in the United States. Galarraga JE1, Pines JM2.

(2) Milliman Client Report: Potential Savings when moving from an emergency room to an urgent care setting in commercial populations.

WALK-IN CLINIC IN ONE LOCATION, ER IN ANOTHER LOCATION DOESN'T WORK

PATIENTS ARE CONFUSED

All respondents (WIC & ER users)



% going to WIC

2%

3%

25%

48%

19%

29%

13%

1%

% going to ER

97%

94%

65%

14%

8%

7%

0%

0%

Source: Bain ER & UCC Utilization Survey (N = 706)

Intuitive Health: Simplifying Access to Healthcare

Emergency and walk-in care combined: right care, right price, right now



- Highly Convenient Retail Location – Close To Home
- Easy Access & Ample Parking
- Open 24/7
- Walk-In – No Appointment Necessary
- Adult & Pediatric Services – Care for the Whole Family
- In & Out in Under 50 Minutes for Walk-In Care, 120 for ER

	PCPs	Hospital ERs	FSERs	WICs	
Hours					
Wait Times					
Acuity Capability					
Simplicity					
Value					

No Need to Self-Triage – Only Pay for the Care You Need

Intuitive Health

Simplifying access to high-quality, patient-centered ambulatory care



1 High-quality Emergency and Walk-In services licensed as a HOPD of local hospital

- All ER and WIC patients are seen by a board-certified ER-trained physician
- On-site lab and imaging services (X-ray, CT, and ultrasound)
- Billed as ER or Walk-In Care based on objective treatment criteria
- Referral coordination and post-treatment follow-up

2 Patient-centered care in convenient retail locations

- Welcoming patient experience with <5 min. wait times
- Open 24 hours a day, 7 days a week, 365 days a year

3 Delivering value-based healthcare

- We save payors, employers, and patients millions in avoidable ER utilization
- While providing strong financial returns to our hospital partners

HYBRID MODEL BENEFITS PATIENTS & PAYORS

PATIENTS

- No need to self-triage
- 24/7 MD Availability
- Seen right away ~5 min. wait time
- In and out in under 60 minutes on average
 - 40 Min. WIC
 - 120 Min. ER
- Care appropriate bill
 - UC bill 50-70% of the time
- Concierge level customer service



***Right care at the right price
conveniently located***

PAYORS/EMPLOYERS

- Cost effective utilization
 - 50-70% of visits billed at WIC rates
 - Blend results in lower costs overall
- Reduced duplication of charges
 - WIC patients that need ER services only generate a single bill
- Patients back to work quicker



***Improved utilization, lower
costs, back to work sooner***

ED Cost Savings to Community

ED Visits in Market / Market Capture	
ED Visits in Market	18,589
Estimated Additional Visits After Introduction of FED	2,231
Estimated Total Visits in Market after Introduction of FED (non-hybrid)	20,820
Number of ED Visits that will be Re-Distributed to Hybrid ED	9,161

Conversion to Walk-In / Reduction in ED Visits	
Number of Re-Distributed Visits Converted to Walk-in Visit	3,887
Less Est. Additional Visits After Introduction of FED	(2,231)
Net Reduction in ED Visits	1,656

Cost Savings of Hybrid ED	
Estimated Cost Savings from ED Visit Reduction (\$1,484 / Visit)*	\$2,457,308
Estimated Cost to Treat Patients as Walk-In Visit (\$185 / Visit)	(\$306,336)
Total ED Cost Savings to Community	\$2,150,972

*DHRB, Bayhealth and Beebe FED Department Review Committee, Meeting Minutes June 25,2019

Impact on Nanticoke Hospital

Select Emergency Departments and Distance/Travel Time from Nanticoke Hospital¹

Location	Distance (in miles)	Time to Nanticoke (in minutes)
Bayhealth Hospital, Sussex Campus	25.0	36
Peninsula Regional Medical Center	21.7	33
Former Milford Memorial Site	23.0	33
Proposed Project	24.8	38

¹ Source: Google Maps, January 2020. Distance and time estimates were obtained at 9:45AM on a weekday. Selected routes are the most efficient routes available on Google Maps.

Summary of Bayhealth Route 9 FED

- Improves Access to Emergency Services
- Improves Quality of Care
- Improves Customer Service
- Reduces ED Utilization and Cost



THE DRIVE IS *here.*[®]