

# Post Acute Medical Rehabilitation Hospital of Georgetown



Georgetown, Delaware  
Sussex County

Presentation to the  
Delaware Health Resources Board

December 12, 2019

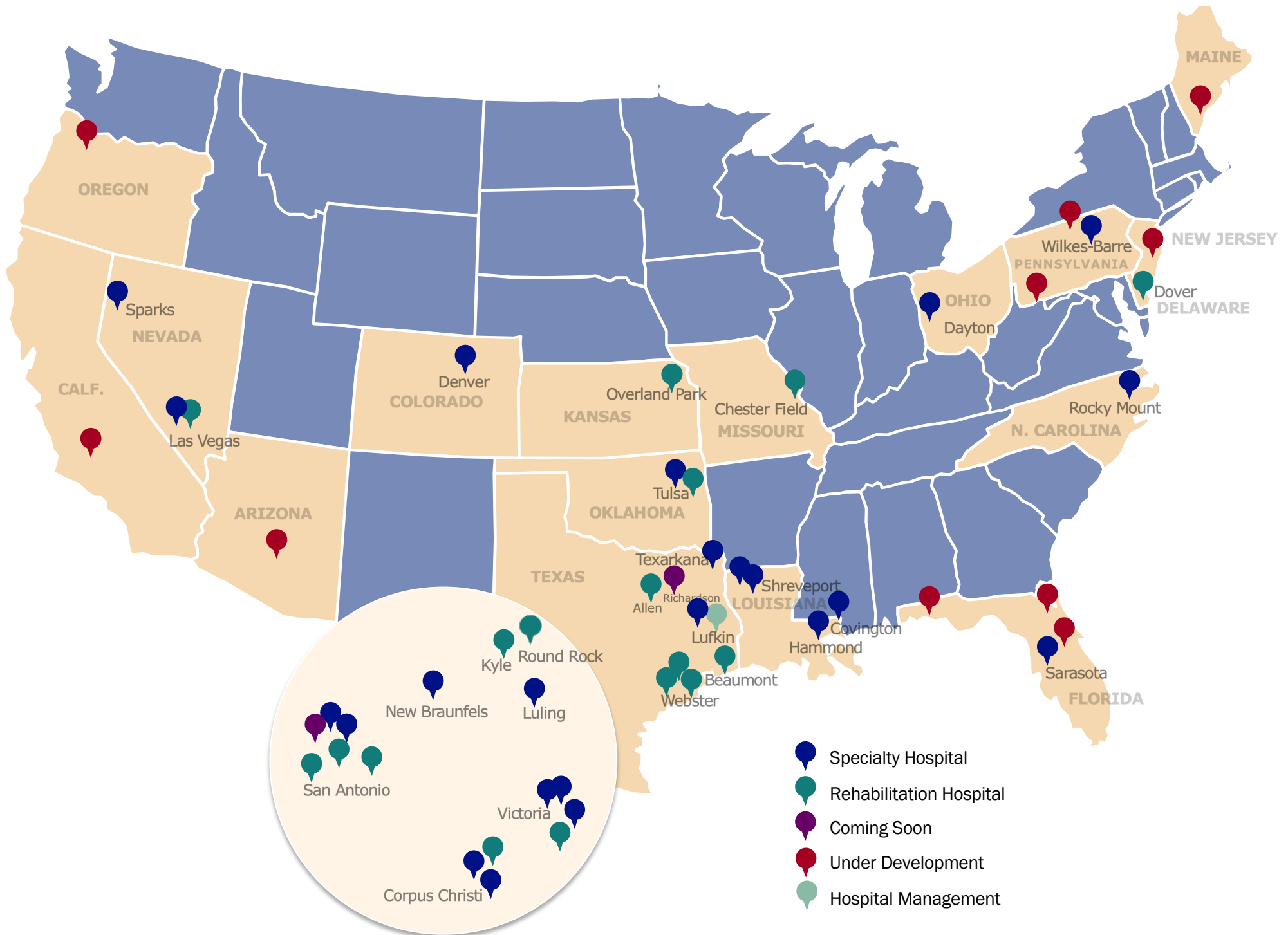
# Agenda

- Overview of Post Acute Medical and Proposed Project
- CPR Review Criteria and Need for Proposed Project
- Additional Benefits to Delaware



# Post Acute Medical

- Since inception, Post Acute Medical (PAM) has focused on providing high-quality post-acute care to long-term and rehabilitation hospitals in the U.S.
- Owns and operates 42 hospitals and 22 outpatient clinics
- Executive team collectively possesses over a century of experience running successful LTACHs, start-up IRFs, and outpatient clinics
- Corporate headquarters in Enola, PA
- Over 8,000 employees
- 700 patients served to date in PAM-Dover, which opened February, 2019



- Specialty Hospital
- Rehabilitation Hospital
- Coming Soon
- Under Development
- Hospital Management

# Proposal Overview

- 34-bed inpatient rehab hospital and outpatient clinic
- Freestanding hospital with all private rooms
- Featuring advanced therapy technology
- Located in Georgetown, opening in January 2023





# PAM Rehabilitation Hospital of Georgetown





# Additional Project Details



- 22297 Dupont Boulevard, near intersection of US 113 and 9
- 42,000 SF
- \$17M capital investment

# Inpatient Rehabilitation Facilities

- IRFs are licensed hospitals intended for patients who need close medical supervision and intense daily rehabilitation
- IRFs typically treat persons with:
  - Strokes
  - Neurological disorders
  - Spinal cord & traumatic brain injuries (TBI)
  - Joint replacements, hip fractures, and other orthopedic trauma
  - Amputation
- IRFs provide daily physician visits, 24/7 nursing care, a minimum of 3 hours of therapy 5 days a week



# CPR Review Criteria

1. Relationship  
to HRMP

2. Need

3. Alternatives

4. Relationship  
to existing  
system

5. Long-term  
viability

6. Effect on  
cost and  
charges

7. Effect on  
quality

# Effect on Costs

- Consistent with Governor's Executive Order 25
- Necessary: PAM Dover turning away 22 - 25 patients per month
- Effective: IRF care helps contain costs per case; appropriate IRF admissions have a history of low acute hospital readmissions and high direct to community discharge
  - 86% of PAM Dover patients discharged direct to community (national avg. is 76%)
- Efficient: Accept direct admit from home or ED without taxing additional healthcare services

# Project Need

- Georgetown has no IRF beds, Service Area has an IRF bed deficit
- IRFs in Delaware are virtually full (83% at Encompass Middletown, 81% at Bayhealth Sussex, 100% at PAM Dover) and Encompass Health in Salisbury, MD at 92%
- Even Delaware and Sussex nursing homes are becoming full; average of 89 percent occupancy rate.
- IRF patients benefit from beds close to home, friends, and family to maximize quality
- Private rooms offer better patient and family experience
- Freestanding facilities offer unique quality advantages





# Project Need (Calculations)

Notes		2019	2025
a	Total Service Area Population	418,303	450,976
b	Total Over 65 Service Area Population	97,134	116,963
c	IRF Admissions Use Rate	17.21	17.21
d	Admissions Over 65	1,672	2,013
e	ALOS per Admission	12.7	12.7
f	Days Over 65	21,233	25,567
g	% Medicare	65%	65%
h	Total Days	32,666	39,334
i	Beds at 85%	105	127
j	Market Share	90%	90%
k	IRF Beds Needed by Service Area Pop	95	114
l	In-migration	0%	0%
m	IRF Beds Available in Service Area	74	74
n	Market Beds Needed after Inmigration	95	114
o	Service Area Deficit	(21)	(40)

## By 2025...

- 30,000 more people in service area
- 20,000 more over age 65
- Assume : Local use rate, ALOS 12.7 days, 85 percent occupancy, 90 percent retention of service area with no in-migration
- Current deficit of 21 IRF beds, will grow to 40 beds



# Relationship w/ Existing Healthcare System

- Beebe Healthcare
- Nanticoke Health Services
- Sun Behavioral Health
- Skilled Nursing Facilities
- Assisted Living Facilities
- Capacity to staff with Physical Medicine and Rehabilitation physician coverage today
- Nanticoke physician office nearby
- e-Bright and Aledade ACO



# Alternatives for Service Area Residents

- Traffic congestion on U.S Route 1 is increasingly a deterrent for Sussex County resident use of services in Milford
- Southern Sussex County has no IRF beds
- Limited availability of IRF beds in eastern and western Sussex County
- The continuum of care has a gap. Skilled nursing, home care, and outpatient therapy are the only local options available
- PAM Dover is at capacity and turning patients away

# Long-Term Viability

- Break even on cash flows in the 4<sup>th</sup> month
- Net-positive operating margins in 2<sup>nd</sup> year
- National supply contracts facilitate cost management
- Highly structured startup and pre-opening process



# Quality Overview

- Access to the appropriate service to meet patients' needs
- Quality outcomes better than national averages at PAM and PAM Dover
  - Functional Improvement
  - Discharge to Home
  - Infection Rates
  - Re-Admission Rates



# Additional Benefits to Delaware

- \$10.3M - \$11.6M construction project in Georgetown
- 88 initial jobs created (\$5.2M annual salaries and benefits)
- Integration with [Delaware Health Information Network](#)
- Additional clinical training site for Delaware colleges and universities
- Build a local community network of support for stroke, Parkinson's, and traumatic brain injury patients, families, and caregivers
- Most importantly, we will provide a new clinical service not currently available in Georgetown

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# Questions

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**THANK YOU**

