

Encompass Health Corporation

DoN #23050511-HE

Factor 1a.ii. – Patient Panel Need

1. Table 13 on page 18 of the Narrative projects the occupancy levels expected by the addition of 17 beds.

a. Please cite any research that may support the benefits of the occupancy rates targeted by the projections in Table 13.

Research from the Medicare Payment Advisory Commission¹ (“MedPAC”) *Report to the Congress: Medicare Payment Policy, March 2023* supports the projected occupancy rates of the Proposed Project, including higher quality and lower costs compared to IRFs with lower occupancy rates.

As noted by MedPAC on page 272 of its March 2023 Report, “In 2021, relatively efficient IRFs continued to have higher quality and lower costs than other IRFs. Relatively efficient IRFs had lower (better) rates of hospitalization and higher (better) rates of successful discharge to the community.” MedPAC also states on page 273 of its Report that “Relatively efficient IRFs were, on average, larger and had higher occupancy rates compared with other IRFs (Table 9-7, p. 276), leading to greater economies of scale.”

Encompass Western Mass’s projected occupancy rates will ensure that the facility will operate efficiently through the utilization of its existing infrastructure (e.g., therapy gym, day rooms, dining services), support services (e.g., laboratory, pharmacy), and staff without overwhelming the Hospital or not having sufficient availability for patients seeking care. Moreover, the projected occupancy rates increase from 78.5% in Project Year 1 to 82.7% in Project Year 5 allowing for variability and seasonality in inpatient rehab utilization patterns to ensure that patients in need of inpatient rehab services can be timely admitted from a general acute care hospital, rather than remaining in the general acute care hospital unnecessarily long while waiting on an available bed.

b. What methodology was used to determine the proposed number of beds were required?

The need for the 17 proposed beds was primarily two-fold:

- (i) That is the maximum number of private rooms and baths that can be added within the existing shell space of the facility and be supported by the existing ancillary and support services, e.g., therapy gym, outdoor therapy area, dining room and kitchen, pharmacy, administrative services, case management offices, etc. Thus, the 17-bed addition can optimally and cost-effectively ensure that a sufficient number of beds are available to care for additional patients in need of the Hospital’s services while also enhancing efficiencies at the Hospital.
- (ii) Secondly, the Hospital determined that the 17 beds that could be built within the existing footprint would decrease occupancy from 94.7% in CY22 to 78.5% in Year One following the opening of the unit. Given occupancy has continued to increase year over year and is projected to increase with the aging population in the Hospital’s service area, the 17 beds are needed to meet the current and future needs of its patients.

¹ The Medicare Payment Advisory Commission (MedPAC) is an independent congressional agency established by the Balanced Budget Act of 1997 (P.L. 105–33) to advise the U.S. Congress on issues affecting the Medicare program. <https://www.medpac.gov/document/march-2023-report-to-the-congress-medicare-payment-policy/>

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2. What plans do you have for ensuring adequate staffing for the 17 new beds?

Encompass Western Mass has existing staff, infrastructure, and support services in place so that the Proposed Project will require minimal incremental staffing. The Proposed Project is expected to require the addition of 9.8 full time employees and the Hospital will utilize a number of approaches currently in place to fill those positions, including:

- Competitive compensation and benefits;
- National recruitment strategy; and,
- Relationships with local universities and colleges.

Encompass has relationships with a number of local universities and colleges as well as out-of-state universities and colleges that have a local presence in Massachusetts.

Encompass Health Clinical Affiliations in Massachusetts
American International College
Bay Path University
BCI Inc.
Blue Hills Regional Technical High School
Bridgewater State University
Columbia University
University of Missouri School of Health Professions
Elms College School of Nursing
Emerson College
Framingham State University
Holyoke Community College
Laboure College
Massachusetts Bay Community College
MCPHS University
Merrimack College
Middlesex Community College
North Shore Community College
Northeastern University - Burlington Campus
Northern Essex Community College Division of Health Professions
Northshore Community College
Quincy College
Quinnipiac University
Quinsigamond Community College
Regis College
Salem State University School of Nursing
Shawsheen Valley Technical High School
Southeastern Technical Institute
Springfield Technical Community College - School of Health & Patient Simulation
Anna Maria College
The University of Rhode Island

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Encompass Health Clinical Affiliations in Massachusetts
Tufts University
Tufts University School of Medicine
University of Massachusetts, Amherst
University of Massachusetts Boston
University of Vermont
University of New Hampshire
Wellness Workdays Dietetic Internship, Inc.
Western New England University
Westfield State University

Specific to its national recruitment strategy, Encompass has a dedicated recruitment team that utilizes various avenues to ensure job positions are marketed to the right individuals. One way that is achieved is through partnerships with national associations including, for example:

- American Physical Therapy Association Combined Sections Meeting (APTA CSM)
- Annual APTA events
- APTA National Student Conclave
- American Occupational Therapy Association (AOTA)
- AOTA National Student Conclave
- Association of Rehabilitation Nurses (ARN)
- American Speech-Language-Hearing Association (ASHA)
- American Academy of Physical Medicine and Rehabilitation (AAPM&R)
- National Black Nurses Association
- National Hispanic Nurses Association

Additionally, Encompass leverages automated software to purchase, place, and optimize job searches throughout top media sources including various websites such as Indeed, Glassdoor, LinkUp, ZipRecruiter, Monster, SimplyHired, CollegeRecruiter, StartWire, and Jobs2Careers. Positions are also posted on EncompassHealth.com (search engine optimized), as well as Nexxt.com, indeed.com, linkedin.com, APTA, AOTA and CareerBuilder. Job positions are also posted on social media, utilizing Facebook, Twitter and LinkedIn.

Encompass' experience in recruiting and retaining highly-skilled, rehab-specific employees will ensure the proposed project will be able to hire and retain personnel as needed, and to do so in a manner that does not adversely impact any existing provider of inpatient rehabilitation services.

Factor 1: b.iii.) Public Health Value /Health Equity-Focused

3. Under the Communication & Language Assistance Heading (narrative page 33), please provide the following details:

a. Does the Hospital have any translators on staff (if so, please provide FTE's and languages spoken).

The Hospital does not have translators on staff. Translation services are provided through Language Service Associates ("LSA") and AMN Healthcare. LSA provides in-person translation services upon patient request and based upon availability through LSA. If an in-person interpreter is not available through LSA and for other translation needs, the hospital

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provides translation services through AMN Healthcare using remote technology (iPad or tablet).

b. In how many different languages are written materials offered?

Written materials are offered in English and Spanish.

c. Describe services available to facilitate communication for deaf and hard of hearing patients.

AMN Healthcare and LSA provide American Sign Language (“ASL”) interpretation services to the Hospital. These services are available 24 hours a day, 7 days a week. ASL services may be in-person or remote depending on the service provider, patient preference, and availability. The Hospital places magnets on the doors of deaf and hard-of-hearing patients to serve as a visual reminder to Hospital staff that the patient may need accommodation for communication. The Hospital also uses books on tape and watches that audibly tell time. Hospital staff members use clear face masks/shields to enable a deaf and hard of hearing patients to better observe facial expressions.

Factor 1:e.ii) Community Engagement

4. Page 24 of the narrative notes presentations to both the PFAC and the Community. Please provide:

a. The number of people in attendance at the Sept 7 Community presentation.

The applicant hosted a virtual community engagement meeting at 4:00 pm eastern on September 7, 2023. Participants on behalf of the applicant included: Susan Lyerly, Associate General Counsel, Encompass Health Corporation, Elizabeth Mann, Design and Construction, Encompass Health Corporation, and outside counsel, Kasey Ciolfi and Jennifer Clark. No community members attended. The meeting was advertised on the hospital’s website for 1 week.

b. A summary of any feedback or questions raised during the PFAC presentation.

John Hunt, Hospital CEO, presented to the Hospital’s PFAC, including five (5) staff members and three (3) PFAC members. Mr. Hunt described the DON process and the plan to apply for a DON to add 17 beds at the hospital. There were no questions or feedback from those who attended.

c. A summary of any feedback or questions raised during the Community presentation.

No feedback was received nor questions raised.

Factor 2:a) Cost Containment

5. Does the Applicant anticipate increases to negotiated rates?

The Hospital anticipates annual payment rate increases to average one percent (1%) throughout the projection period.