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| Amended: replaces the original Staff Report  **STAFF REPORT TO THE PUBLIC HEALTH COUNCIL**  **FOR A DETERMINATION OF NEED** | |
| Applicant Name | New England Rehabilitation Services of Central Massachusetts, Inc., d/b/a Fairlawn Rehabilitation Hospital |
| Applicant Address | 189 May Street, Worcester, Massachusetts 01602 |
| Filing Date | April 5, 2022 |
| Type of DoN Application | Substantial Capital Expenditure |
| Total Value | $42,514,011 |
| Project Number | #22022810-HE |
| Ten Taxpayer Group (TTG) | None |
| Community Health Initiative (CHI) | $2,125,700.55 |
| Staff Recommendation | Approval |
| Public Health Council | August 10, 2020 |
| Project Summary and Regulatory Review  The Applicant, New England Rehabilitation Services of Central Massachusetts, Inc., d/b/a Fairlawn Rehabilitation Hospital (Fairlawn, the Hospital) is a 110-bed licensed rehabilitation hospital, majority owned by Encompass Health Fairlawn Holdings, LLC (80%), with UMass Memorial Health Ventures, Inc. owning 20%. The Applicant seeks approval to bring the current aging facility to current rehabilitation standards through renovations of approximately 38,000 gross square feet (GSF) of the existing physical plant, and new construction of a 23,114 GSF four-story extension off an existing inpatient wing. Upon completion, the Proposed Project will include 52 beds in private patient rooms, 58 beds in semi-private patient rooms, eliminating multi-bed rooms and baths. The capital expenditure for the Proposed Project is $42,514,011; and the Community Health Initiatives (CHI) commitment is $2,125,700.55 going to the statewide fund.  This Application for Determination of Need (DoN) falls within the definition of Substantial Capital Expenditure, which is reviewed under the DoN regulation 105 CMR 100.000. The Department must determine that need exists for a Proposed Project, on the basis of material in the record, where the Applicant makes a clear and convincing demonstration that the Proposed Project meets each Determination of Need Factor set forth within 105 CMR 100.210. This staff report addresses each of the six factors set forth in the regulation. | |

**Applicant Background and Application Overview**

The Applicant, New England Rehabilitation Services of Central Massachusetts, Inc., d/b/a Fairlawn Rehabilitation Hospital[[1]](#footnote-1) (the Hospital), is located at 189 May Street in Worcester. Fairlawn is jointly owned by Encompass Health Fairlawn Holdings, LLC (80%) and UMass Memorial Health Ventures, Inc. (20%).

**Encompass Health Corporation** (Encompass). The Applicant reports Encompass is one of the largest providers of post-acute services and operates the largest system of rehabilitation hospitals in the United States. Encompass holds three additional hospital licenses in Massachusetts as Table 1 shows.

**Table 1: Encompass Rehabilitation Hospitals in Massachusetts**

| **Name** | **Licensed Beds** | **Location** |
| --- | --- | --- |
| Encompass Health Rehabilitation Hospital of Braintree, | 187 | Braintree |
| Encompass Health Rehabilitation Hospital of New England | 179 | Woburn, Beverly, Lowell |
| Encompass Health Rehabilitation Hospital of Western MA | 53 | Ludlow |

**UMass Memorial Health Ventures, Inc.** (UMMHV) is a wholly controlled subsidiary of UMass Memorial Health Care, Inc. (UMMHC) and is a Massachusetts non-profit corporation that serves as a holding company for UMMHC business ventures.

UMMHC is comprised of one academic medical center, three community hospitals, and UMMHV. All four acute care hospitals are designated by the Center for Health Information and Analysis (CHIA) as High Public Payer Hospitals (HPP).[[2]](#footnote-2)

**Fairlawn Rehabilitation Hospital**

The Hospital is a 110-bed licensed Intensive Rehabilitation Facility (IRF),[[3]](#footnote-3) where patients having a wide variety of medical conditions are provided intensive inpatient rehabilitation therapy to help them maximize independence after a life-changing illness or injury.

Table 2 shows the medical conditions of patients treated at the Hospital from February 2019 through January 2022. Over the three years, while total volume declined,[[4]](#footnote-4) there was little change in the distribution of patients across specialties. (The fluctuations in volume will be addressed further in Factor 1a) Patient Panel Need.)

**Table 2: Patients by Medical Conditions Over Three Years**

| **Patient Medical Services/Conditions** | **2/2019 -**  **1/2020** | **2/2020 -**  **1/2021** | **2/2021-**  **1/2022** | **% of Total** | **% of Total** | **% of Total** |
| --- | --- | --- | --- | --- | --- | --- |
| Stroke Program | 443 | 380 | 368 | 19.0% | 19.1% | 19.7% |
| Other Conditions[[5]](#footnote-5) | 392 | 341 | 340 | 16.8% | 18.3% | 18.2% |
| Neurological Conditions | 326 | 192 | 266 | 13.9% | 9.9% | 14.2% |
| Orthopedic – Other | 270 | 168 | 169 | 11.5% | 9.8% | 9.0% |
| Brain Injury - Non-Traumatic | 188 | 196 | 167 | 8.0% | 9.8% | 8.9% |
| Orthopedic - Hip | 127 | 150 | 87 | 5.4% | 7.3% | 4.6% |
| Multiple Trauma - No Brain/Spinal Cord Injury | 119 | 124 | 102 | 5.1% | 6.6% | 5.5% |
| Traumatic Brain Injury | 108 | 95 | 77 | 4.6% | 4.9% | 4.1% |
| Cardiac Program | 94 | 58 | 77 | 4.0% | 3.3% | 4.1% |
| Amputee - Lower Extremity | 65 | 59 | 61 | 2.8% | 3.0% | 3.3% |
| Multiple Trauma - Brain/Spinal Cord Injury | 68 | 52 | 51 | 2.9% | 2.9% | 2.7% |
| Spinal Cord Injury - Non-Traumatic | 47 | 42 | 47 | 2.0% | 2.2% | 2.5% |
| Pulmonary Program | 55 | 28 | 28 | 2.4% | 1.6% | 1.5% |
| Orthopedic - Joint | 38 | 19 | 31 | 1.6% | 1.1% | 1.7% |
| **Total** | **2,340** | **1,904** | **1,871** | **100.0%** | **99.8%** | **100.0%** |
| Source: Fairlawn Rehabilitation Hospital Internal Data.  Note: Percentage totals may not equal 100% due to rounding. | | | | | | |

While the Hospital provides intensive rehabilitation therapy across a broad spectrum of specialties and develops a personalized care plan designed to help each patient achieve their individual goals, the Hospital holds the following Disease-Specific Care Certifications[[6]](#footnote-6) from The Joint Commission:

* Amputee Rehabilitation
* Brain Injury Rehabilitation
* Parkinson’s Disease Rehabilitation
* Stroke Rehabilitation

**Proposal:**

The Applicant reports that the current building, constructed in the 1960s, lacks important features found in more recently constructed hospitals, leading to scheduling and flow issues and social distancing challenges. The lack of private rooms and isolation rooms lead to blocked beds due to infection control needs or incompatibility. As a result, many multi-bed rooms are currently only able to accommodate one patient, further limiting the total number of beds that the Applicant can utilize.

The Proposed Project will involve new construction of a four-story addition and renovations to the Hospital’s 60-year-old tower building, with no changes to the Hospital’s licensed bed capacity or scope of services offered. The Proposed Project is designed to de-densify multi-bed rooms[[7]](#footnote-7) and communal baths and meet the current facility and programmatic design standards for the provision of IRF services using what the Applicant describes as state-of-the-art technology. Thus, the Proposed Project will enhance infection control and remedy numerous operational challenges throughout the Hospital and will include the following:

* De-densify existing multi-bed rooms through
  + new construction of private patient rooms, with showers in each room.
  + add one (1) combined bariatric/negative-pressure isolation room on each of the three patient unit floors. (Table 3 shows current/proposed bed configurations.)
  + Renovations to convert select existing semi-private rooms into private rooms, with the addition of a shower in each of these rooms.
* Americans with Disabilities Act (ADA) upgrades for both interior and exterior areas of the building.
* An upgrade of the nurse call system.
* An enhanced and updated clinical space including examination rooms, dialysis suite, and laboratory, also including updated day room and activity space.
* Establishment of a dedicated ambulance entrance.
* Creation of a new public entry with a canopy.
* Finish and paint work throughout the patient tower building.

**Table 3: Current and Proposed Bed Configurations**

| **Total** | **Current** | | **Proposed** | |
| --- | --- | --- | --- | --- |
| **Room Configuration** | **Beds** | **Rooms** | **Beds[[8]](#footnote-8)** | **Rooms** |
| Private | 0 | 0 | 52 | 52 |
| Semi-Private | 96 | 49 | 58 | 29 |
| Multiple Occupancy | 14 | 6 | 0 | 0 |
| **Total Beds/Rooms** | **110** | **55** | **110** | **81** |

**Factor 1**

In this section, the Applicant must demonstrate Patient Panel need, public health value, community engagement, cost containment and competitiveness as part of the Proposed

Project.

**Patient Panel[[9]](#footnote-9)**

The Applicant provided three years of demographic information for the Applicant’s Patient Panel, outlined in Table 4. The Applicant attributes the decline in patients over this timeframe to the impact of the COVID-19 pandemic and the need for private rooms as discussed further herein.

**Table 4: Patient Panel Data for Fairlawn for February 2019 – February 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| **Time frame** | **2/19-1/20** | **2/20-1/21** | **2/21-1/22** |
| Individual Patients | 1,933 | 1,493 | 1,488 |

Table 5 provides the Applicant’s demographic profile over the year beginning February 2021 through January 2022.

**Table 5: Demographic Breakdown of Fairlawn Hospital’s Patient Panel Years 2021-22**

| **Individual Patients** | **Count** | **%** |
| --- | --- | --- |
| **Total** | **1,488** | **100.0%** |
| GENDER |  |  |
| Female | 663 | 45% |
| Male | 823 | 55% |
| AGE |  |  |
| 0 to 34 | 60 | 4.0% |
| 35 to 49 | 132 | 8.9% |
| 50 to 64 | 397 | 26.7% |
| 65 to 74 | 387 | 26.0% |
| 75 to 84 | 330 | 22.2% |
| 85 and Older | 182 | 12.2% |
| RACE |  |  |
| White | 985 | 66.2% |
| Other and Unknown | 368 | 24.7% |
| Black or African American | 65 | 4.4% |
| Hispanic or Latino, Black Hispanic | 46 | 3.1% |
| Asian, Native American, Biracial | 24 | 1.6% |
| PATIENT ORIGIN |  |  |
| Worcester County | 1,219 | 81.9% |
| Middlesex County | 107 | 7.2% |
| Unknown/Out-of-State | 67 | 4.5% |
| Norfolk County | 31 | 2.1% |
| Hampden County | 19 | 1.3% |
| [Other Massachusetts[1]](file:///C:\Users\LConover\Documents\Fairlawn%20Patient%20Panel.xlsx#RANGE!A26) | 45 | 3.0% |
| Source: Fairlawn Rehabilitation Hospital Internal Data. | | |
| Note: Percentage totals may not sum exactly due to rounding. | | |

**Gender:** The Patient Panel is 45% female and 55% male.

**Age**: Of patients, 12.9% were aged 0-49, 26.7% were ages 50-64, 26% are aged 65-74, and 34.4% were 75 and older.

**Race and ethnicity:** As reported, the predominant race served by the Hospital is White (~66%); 4.4% identified as Black/African American, 3.1% as Hispanic/Latino and 1.6% as Asian. These are self-reported figures and there is a significant percentage of patients (24.7%) that are reported as unknown or chose not to report.

**Patient Origin:** Most patients (approximately 81.9%) reside in Worcester County, 7.2% reside in Middlesex County, and ~ 11% come from other parts of Massachusetts or out of state.

**Table 6: Payer Mix by Patient- February 2019 - January 2022**

| **Payer** | **2/2019-1/2020** | **% of Total** | **2/2020-1/2021** | **% of Total** | **2/2021-1/2022** | **% of Total** |
| --- | --- | --- | --- | --- | --- | --- |
| Medicare | 1,282 | 66.3% | 784 | 52.5% | 659 | 44.3% |
| Medicare Advantage | 195 | 10.1% | 235 | 15.7% | 306 | 20.6% |
| Medicaid | 191 | 9.9% | 231 | 15.5% | 214 | 14.4% |
| Commercial | 215 | 11.1% | 211 | 14.1% | 260 | 17.5% |
| Self Pay/Workers Comp/Other | 50 | 2.6% | 32 | 2.1% | 49 | 3.3% |
| Total | 1,933 | 100.0% | 1,493 | 100.0% | 1,488 | 100.0% |
| Source: Fairlawn Rehabilitation Hospital Internal Data. | | | |  |  |  |
| Note: Percentage totals may not sum exactly due to rounding. | | | | |  |  |

**Payer Mix:** The Applicant provided three years of payer mix data for the Patient Panel which showed some fluctuations over that time frame, namely that the percentage of Medicare patients declined while the percentage of Medicare Advantage increased; also, the share of Medicaid patients increased from 9.9% to 14.4% and commercial payments increased from 11% to ~17%. (see Table 6)

In addition to the Patient Panel information, the Applicant also provided three years of demographic information for new Admissions. When comparing the demographic categories, there are no notable differences in the corresponding analytics between the Patient panel and admissions, and no change in ordinal ranking of included demographic categories whether analyzing individual patients or admissions.

**Factor 1a): Need**

The Applicant attributes need for the Proposed Project at the Hospital to the following:

1. The lack of private rooms negatively impacts patients in need of admission
2. The need for private rooms for the benefit of patients and their families
3. The growing population will increase the number of patients in need of IRF services
4. **The Lack of Private Rooms Negatively Impacts Patients in Need of Admission**

* Need to meet the current demand for rehabilitative care
* Need to optimize the use of current licensed beds

The Applicant maintains that it is regularly unable to use all its beds due to a lack of any private rooms. The current bed configuration includes 96 beds in double-bed rooms, and 14 in multi-bed rooms. (See Table 3). As a result, beds are often blocked when patients require isolation for infection, medical complexity, comorbidities, and mental status, as well as other issues around compatibility for gender, and patient preference.

As a result of these blocked beds, patient access to physician-ordered, inpatient intensive rehabilitative services has been adversely affected. Table 7 shows that for the period January 2020 through January 2022, the Hospital was unable to admit 337 patients due to the lack of an available, appropriate bed.The high number of admission denials during the winter months (December 2020 through February 2021, and again in December 2021) reflects the impact of COVID-19 and the increased need during the pandemic and flu season to care for patients in private rooms. The Proposed Project will result in 52 private rooms out of the Hospital’s 110-licensed bed complement, and the Applicant asserts this configuration will reduce the need to deny admission to patients in need of IRF services for lack of an available appropriate bed.

**Table 7- Fairlawn Hospital Admission Denials Due to Lack of Appropriate Bed**

**January 2020 - January 2022**

| **CY 2020** | **Denials** | **CY 2021** | **Denials** |
| --- | --- | --- | --- |
| January | 5 | January | 92 |
| February | 0 | February | 23 |
| March | 1 | March | 5 |
| April | 3 | April | 9 |
| May | 28 | May | 2 |
| June | 9 | June | 0 |
| July | 12 | July | 20 |
| August | 7 | August | 4 |
| September | 2 | September | 0 |
| October | 17 | October | 1 |
| November | 5 | November | 0 |
| December | 61 | December | 24 |
| **Total CY2020** | **150** | **Total CY2021** | **180** |
|  |  | **Jan-22** | 7 |
| Source: Fairlawn Rehabilitation Hospital Data.  Note: tracking of this data began in January 2020; all available data is presented here. | | | |

The blocked beds due to a lack of private rooms reduces the Hospital’s occupancy rates. Operationally, the annual average maximum occupancy that the Hospital can achieve in its multi-bed and semi-private rooms is approximately 73%. Table 8 shows the Hospital last reached its maximum operational occupancy in calendar year 2019, the last full pre-pandemic calendar year after an increase in admissions and patient days from the prior year.

**Table 8: Fairlawn Rehabilitation Hospital Occupancy Trends**

| **Indicator** | **CY18** | **CY19** | **CY20** | **CY21** |
| --- | --- | --- | --- | --- |
| Patient Days | 27,875 | 29,221 | 27,256 | 25,122 |
| Discharges | 2,345 | 2,378 | 2,007 | 1,861 |
| Avg. Length of Stay | 11.9 | 12.3 | 13.6 | 13.5 |
| Licensed Beds | 110 | 110 | 110 | 110 |
| Average Daily Census | 76.4 | 80.1 | 74.5 | 68.9 |
| **Occupancy** | **69.4%** | **72.8%** | **67.7%** | **62.6%** |
| Source: Fairlawn internal records. | | | | |

As Table 8 shows, during the COVID-19 pandemic, specifically in calendar years 2020 and 2021, the Hospital’s occupancy declined. The Hospital attributes this to two factors: the inability to admit those patients in need of isolation and/or separation in a private room, and that acute hospitals in Massachusetts were required to halt all elective surgeries, including orthopedic surgeries, which led to a decline in the demand for post-surgical rehabilitation.

1. **Need for Private Rooms for the Benefit Patients and Their Families**

The Applicant states “the healthcare industry’s move to private rooms across care settings supports the need for the construction of private rooms by the Applicant,” because the use of semi-private and multi-bed rooms increases the risk of spreading infectious diseases, does not promote patient privacy and can negatively impact patients’ ability to fully rest and relax during the day and sleep through the night, which is important for optimal recovery for the Hospital’s rehabilitation patients.

The Applicant stresses the need for the family to be able to actively participate in their family member’s recovery. With the risk of contagion and the impact of another patient’s family on a roommate’s privacy and recovery, multi-bed rooms can negatively impact family’s participation in a patient’s rehabilitation and gaining independence.

Further the Applicant cited that, the Facility Guidelines Institute (“FGI”) standards of the American Institute of Architects (“AIA”), which the Department utilizes as its standard of review of architectural plans, have specified since 2006 that single-bed rooms should be the standard in new construction[[10]](#footnote-10)

**3-****The Growing Population Will Increase the Number of Patients in Need of IRF Services**

1. Growth in the population in the service area
2. Growth in the aging population

The Applicant’s service area, Worcester County, has experienced high rates of growth. Worcester County’s population increased to 862,111 in the 2020 Census, an eight percent (8.0%) increase over the 2010 Census of 798,552, positioning Worcester County as the Commonwealth’s second-most populated county.[[11]](#footnote-11) The city of Worcester is the Commonwealth’s second largest city, with 206,518 residents per the 2020 Census data.[[12]](#footnote-12)

Based on 2018 estimates from University of Massachusetts Donahue Institute, the Worcester County population is projected to increase 4.6% between 2020 and 2030 and increase by an additional 2.4% by 2040 for a total 7.18% estimated growth between 2020 and 2040. These are likely an underestimation because the actual 2020 Census population is 2.8% higher than the estimated 2020 population, per UMass Donahue Institute (“UMDI”) 2018 projections.

**Table 9: Worcester County Total Population Growth Based on 2018 Population Estimates**

| **Total Population** | **2020 Estimate** | **Projection for 2030** | **Projection for 2040** |
| --- | --- | --- | --- |
| Worcester County | 838,577 | 876,966 | 898,111 |
| Increase over prior years projections | | 38,389 | 21,145 |
| % Increase over prior years projections | | 4.60% | 2.40% |
| [[13]](#footnote-13)Source: UMass Donahue Institute UMDI-DOT Vintage 2018 Projections.[1] | | | |

According to the U.S. Census Bureau’s 2020 Census, 16.1% of Worcester County’s total population, or 138,800 residents, is aged 65 and over. The majority of IRF patients are over age 65. Consequently, the significant size of the elderly population in Worcester County is an indicator of increasing need for inpatient rehabilitation services.

**Projections**

The Applicant provided historical data of patient days and discharges as well as data showing admissions that were lost due to the multi-bed rooms with COVID-19 impacting admissions. For the projections, the ramp up of patient days was done starting with the historical patient day data and adding a general increase of 2.4% per year from 2023 to 2024, the year construction is substantially complete. Following 2024, annually, days and discharges were added by 2.4%[[14]](#footnote-14) and a percent of admissions previously lost from being unable to accommodate demand. The Applicant projects the average daily census to grow from 80 in 2019, the year before COVID-19, to 85 in 2026 with the new bed configuration.

**Table 10: Projections Fairlawn Rehabilitation Hospital Projected Occupancy Trends**

**CY 2024-2026**

| **Indicator** | **CY 2024** | **CY 2025** | **CY 2026** |
| --- | --- | --- | --- |
| Patient Days | 28,231 | 29,721 | 30,997 |
| Discharges | 2,133 | 2,246 | 2,342 |
| Avg. Length of Stay | 13.2 | 13.2 | 13.2 |
| Licensed Beds | 110 | 110 | 110 |
| Average Daily Census | 77 | 81 | 85 |
| **Occupancy** | **70%** | **74%** | **77%** |
| Source: Fairlawn Rehabilitation Hospital Internal Data. | | | |

***Analysis***

Staff finds that overall, the Applicant has demonstrated sufficient need for additional private IRF inpatient beds at Fairlawn to reduce the number of patients turned away due to non- compatibility and infection control issues. As a result, this will improve patient flow and alleviate throughput issues in communal bathing areas, and support efforts to ensure patients receive care in the appropriate setting. Staff agrees that this Proposed Project will address issues of bed blockages and enable the Applicant to meet the current and future demand of aging population and their families in the appropriate setting.

As a result of the above analysis, Staff finds that the Applicant has met the provisions Factor 1(a).

**Factor 1: b) Public Health Value, Improved Quality of Life and Health Outcomes, Assurances of Health Equity**

For this Factor, the Applicant must demonstrate that the Proposed Project adds measurable public health value in terms of improved health outcomes and quality of life for the Applicant’s existing Patient Panel, while providing reasonable assurances of health equity.

**Public Health Value- Improved Quality and Outcomes**

The Applicant reports the Proposed Project will provide an IRF care environment that promotes healing, while enhancing the patient experience. The Proposed Project seeks to remediate the significant design issues related to multi-bed rooms and communal bathrooms that have ongoing quality of life impacts for patients at the Hospital. By converting nearly half of the hospital’s beds from multi-bed and semi-private to private rooms, the Hospital will be able to enhance infection control and better allow patients to rest and recover, while facilitating family involvement in patient care.

The Applicant stresses that inpatient rehabilitation facilities offer valuable therapeutic services in an acute care setting “to enable patients to regain independence after a life-changing illness or injury.” The Applicant utilizes advanced technology[[15]](#footnote-15) and best practices, that are not generally provided in other levels of care such as Skilled Nursing Facilities (SNF), to optimize outcomes for patients by focusing on enabling more of its patients to remain in their current home and community as they age. Accordingly, the Applicant asserts that SNFs’ rehabilitation services are not an appropriate substitute for those patients needing more intensive inpatient rehabilitation care that Fairlawn provides. The Applicants states that the success of IRF programs and services is due in large part to the specialty-trained physicians and staff memberswho comprise a comprehensive, multidisciplinary team including a medical director who is aPhysical Medicine and Rehabilitation (“PMR”) trained physician, and who is the multidisciplinary team leader. In addition, the program includes trained rehabilitation nurses, occupational therapy, physical therapy, respiratory therapy, speech-language pathology, dietary and nutritional counseling, pharmacist, and case management.[[16]](#footnote-16)

**Measurable Patient Quality**

Patient quality can be measured via publicly available data reported by CMS and the Massachusetts Center for Health Information and Analysis (“CHIA”).[[17]](#footnote-17) following implementation, the impact of the Proposed Project on the Hospital’s ability to continue to deliver high-quality services to its patients.

1. Health Outcomes and Quality of Life – Successful Return to Home and Community

The Successful Return to Home and Community metric reflects the rate at which patients returned to home or community from the Applicant and remained alive without any unplanned hospitalizations in the 31 days following discharge. The Applicant reports that for the current period, its successful return to home and community metric is approximately 64%, which is consistent with the national average.[[18]](#footnote-18) The successful rate of return reflects the Applicant’s ability to return patients to independence following their inpatient stay at the hospital.

1. Health Outcomes and Quality of Life – Effective Care

This measure consists of three separate quality indicators:

1. Percentage of patients whose functional abilities were assessed, and functional goals were included in their treatment plan.
2. Percentage of patients who are at or above an expected ability to care for themselves at discharge.
3. Percentage of patients who are at or above an expected ability to move around at discharge.

This measure reflects a patient’s improvement with self-care activities as a result of the therapy and treatment provided during their stay at the Hospital. The Applicant reports its rates for the first two quality indicators (a, and b) are consistent with the national average, and the Applicant’s rate for the third quality indicator exceeds the national average (63% compared to 53.7%).[[19]](#footnote-19) The measures relating to improving functional abilities, are an important goal for IRF patients. The last (c) measures the expected functional achievement with the actual achievement.

**Public Health Value /Health Equity-Focused**

The Hospital states that Encompass Health’s Inclusion and Diversity Program was established in 2008 to address both community and workplace needs, and that it does not discriminate based on race, color, national origin, sex, age, or disability in the delivery of healthcare to its patients. As an affiliate of Encompass Health and UMass Memorial, the Applicant has implemented the *Encompass Health Way*, where, the Applicant states, “diversity plays an integral role in how business is conducted.“ Encompass Health operates in diverse communities across the nation and through hiring, is committed to ensuring that inclusion and diversity are incorporated into day-to-day business practices at all levels of the organization, including at Fairlawn.

The Applicant has programs to ensure that it provides patients with culturally responsive care. One example of its approach to diversity and inclusion is the mandatory diversity training at time of hire and biannually for all Encompass Health employees. The curriculum includes “Unconscious Bias and You” and “Success Through Inclusion” training sessions.

The Applicant describes its Language Access program for patients with limited English proficiency (LEP) as providing free language services to community members whose primary language is not English, through qualified interpreters and has also implemented technology to enhance communication efforts using the “Stratus” video language translation assistance system, which provides assistance in 18 languages. Additionally, it provides patient care information written in other languages.

The National CLAS Standards (the “Standards”) include 15 actions that advance health equity and eliminate healthcare disparities, leading to enhanced access to care for all members of the community and to advances in health outcomes and quality. In the DoN application, the Applicant, describes its efforts to achieve these standards in greater detail.

***Analysis***

The Applicant anticipates that through de-densification and the addition of single rooms at the Hospital, it will provide its patients with improved access to high quality services, which will improve health outcomes and thereby, quality of life. Quality of life includes aspects of physical health, and delayed access to care can decrease one’s quality of life. Research indicates that delayed access to quality health care negatively affects patient satisfaction as well as health outcomes due to delays in treatment. Accordingly, staff finds that through the Proposed Project, the Applicant is likely to improve access to timely, effective, quality, comprehensive rehabilitation services, and thereby enhance patient satisfaction, health outcomes and quality of life for its patients.

To assess the impact of the proposed Project, the Applicant notes required standard reporting measures provided to CMS that include quarterly reporting of Measures A and B described herein. Annually, as part of the standard conditions the Applicant shall report those measures to the Program. (Attachment 1)

Staff finds that the Applicant has described a case for serving more patients with improved quality and health outcomes and has provided reasonable assurances of health equity through its LEP program and through its diverse payer-mix. Staff notes that through standard conditions related to language access, the Applicant meets the requirements of the Department’s Health Equity Program.

As a result of the above analysis, Staff finds that the Applicant has met the provisions of Factor 1(b).

**Factor 1: c) Efficiency, Continuity of Care, Coordination of Care**

The Proposed Project, the Applicant states, will allow the Hospital to continue to operate efficiently and effectively by enabling a higher occupancy level for the Hospital’s existing licensed bed capacity while providing continuity and coordination of care for the Applicant's Patient Panel. Currently the Applicant uses several strategies to ensure continuity and coordination of care.

* Optimizing resources - The addition of private rooms, including dedicated negative-pressure isolation rooms, is expected to allow the Hospital to improve efficiencies by more fully utilizing its licensed bed capacity, resulting in increased annual occupancy rates at ~ 77% by the third year post project implementation, which is above the current inefficient operational maximum of ~73% (as discussed in Factor 1(a) and throughout this Application).
* Initiating an early discharge planning processes - An interdisciplinary team process that engages a patient’s community-based providers, with the Hospital clinical staff, patients’ family members, caregivers and needed community resources improves the coordination of care and maximizes the patient’s outcomes. This process, which promotes greater success once the patient is discharged to the community, begins during the preadmission screening of patients, and continues throughout the inpatient rehabilitation stay.
* Utilizing technology- Utilizing Encompass Health Connection, Encompass’ secure web-based portal, which enables physicians and clinical care teams to review patient diagnoses, orders, medications, and overall progress and thereby facilitates care collaboration and communications with community-based providers.
* Maintaining an open medical staff model- Community-based physicians, including internists, hospitalists, and other specialties (e.g., neurologists) are able to care for patients’ medical needs alongside the Hospital’s physical medicine and rehabilitation physicians or physiatrists who attend to patients’ physical rehabilitative needs.
* Implementing and exploring telehealth opportunities when appropriate, consultations and follow-up appointments with a variety of specialties, including behavioral health is scheduled. Certain telehealth appointments that typically are in-person may be less disruptive to a patient’s extensive therapies, more cost effective (by preventing ambulance transport to/from the Hospital), and less taxing for the patient. Currently the Hospital is implementing and expanding telehealth services with UMass Memorial Health.

***Analysis***

The Applicant has described how models of care and the use of technology can enhance communication between the Hospital and community-based physicians which means that patients return to their primary and specialty care physicians upon discharge with no interruption or gap in care, thus improving the coordination of patient care.

Staff finds that through these initiatives that directly impact patients, the Applicant has met Factor 1(c).

**Factor 1: d) Consultation**

The Applicant has provided evidence of consultation, with all government agencies that have licensure, certification, or other regulatory oversight, which has been done and will not be addressed further in this report.

**Factor 1: e) Evidence of Sound Community Engagement**

The Department’s Guideline for community engagement defines “community” as the Patient Panel and requires that, at minimum; the Applicant “consult” with groups representative of the Applicant’s Patient Panel. Regulations state that efforts in such consultation should consist of engaging community coalitions statistically representative of the Patient Panel.” To accomplish this goal, the Applicant engaged the Patient and Family Advisory Council (PFAC), multiple community stakeholders focus and staff.

The Applicant affirms that the PFAC is an important component of the Hospital’s operations and culture. While COVID-19 impacted the ability of the PFAC Council to meet in person, the Hospital emailed information regarding the Proposed Project to the its members in December 2021 and during the monthly January PFAC virtual meeting, the Hospital’s CEO described the Proposed Project, and the PFAC agreed that the proposed project is needed.

The Applicant further sought to engage its patients, local residents, and community groups.[[20]](#footnote-20) From September through November 2021, Hospital representatives held thirty-one (31) open community meetings where a total of 362 attendees participated with attendance ranging from 1 to 35. These meetings were publicized in a variety of newsletters, publications and the Hospital’s social media. The goal of the meetings was to inform the community, answer questions and seek input about the Proposed Project, and additionally, to ask attendees about their own needs. Questions asked focused on the timing, design, and the availability of the additional private rooms. The Applicant anticipates continuing such engagement and outreach within the primary service area to build upon the lines of communications established through this effort.

In order to engage staff, the Hospital’s leadership held multiple Town Hall meetings with option of in-person or virtual participation. It provided updates and timelines on the Proposed Project with the opportunity to ask questions and to offer input. The Hospital reports a meaningful exchange ensued with management and staff both gaining valuable insights.

***Analysis***

Staff finds that the Applicant has sufficiently engaged a broad array of community coalitions by holding multiple meetings and has therefore addressed the community engagement requirements of this factor.

As a result of the above analysis, Staff finds that the Applicant has met the provisions of Factor 1(e).

**Factor 1: f) Competition**

The Applicant asserts the Proposed Project will compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending noting three contributing reasons.

1. As an Encompass Health affiliated hospital, the Hospital is a cost-effective provider of inpatient rehabilitative care. This is demonstrated by lower Medicare payments to Encompass Health, on average, for patients with a comparable acuity at other IRF providers. The Applicant notes, upon completion of the Proposed Project, the Hospital’s prices will not increase as a result.
2. The Hospital, as part of Encompass, is currently able to maintain a competitive cost structure through established ‘best practice’ clinical protocols, supply chain efficiencies, sophisticated management information systems and overall economies of scale. As a result of the project, the Hospital will realize operating and staffing efficiencies through improved facility design that includes enhanced staff sight lines to patients, more efficient staff workflow areas, more optimally sized and located support areas such as pharmacy, and a new nurse call system.
3. The Proposed Project will ensure that more patients seeking access to needed IRF services can receive admission to the facility in a timelier manner with the increase in private and semi-private rooms. More admissions will result in an overall reduction in health care costs because patients awaiting discharge from higher cost, general acute care hospitals can be discharged sooner.

***Analysis***

Staff concurs with the Applicant’s assertions that, as a cost effective provider, and for the above three cited reasons, improved patient access to existing licensed beds in a care setting that is more optimally and efficiently designed, it will likely be able to continue to compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending.

As a result of information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project has met Factor 1(f).

**Factor 2: Health Priorities**

For Factor 2 the Applicant must demonstrate that the Proposed Project will meaningfully contribute to the Commonwealth’s goals for cost containment, improved public health outcomes, and delivery system transformation beyond the Patient Panel.

**Factor 2 a) Cost Containment**

The Proposed Project does not include any new or expanded services, however through dedensification, its increased number of semi-private and private beds and efficiencies of improved space will allow a larger number of potential patients access to the existing inpatient rehabilitative care already provided by the Hospital. More individuals suffering from a variety of illnesses and injuries will benefit from such cost-effective care. As noted in Factor 1, Patients treated in inpatient rehabilitation facilities experience significant improvements in their activities of daily living function, and are able to maintain higher levels independence, increasing their chances of returning to the community setting. By reducing the likelihood of readmission to an ED or acute care hospital, additional healthcare expenses associated with readmission furthers the goals of cost containment.

**Factor 2 b) Public Health Outcomes**

Though the Applicant is not proposing a new or expanded service, the Proposed Project will benefit the members of the Patient Panel and the larger Worcester community by enabling patients to achieve and maintain their individualized maximum level of function and thereby improve quality of life through greater independence following injury or illness. While all residents in need of inpatient rehabilitation services will benefit from the Proposed Project, patients age 65 years and older will particularly benefit because this population generally experiences more health-related issues, including cardiac, pulmonary, orthopedic and neurological disorders all of which can reduce functionality, as compared to younger populations. As the population experiences these conditions, in addition to residents losing functionality making them unable to accomplish important tasks such as grocery shopping or scheduling medical appointments meaning they also lose independence and become socially isolated. Improved access to inpatient rehabilitation services helps residents return to independence with greater functionality, thereby leading to improved health outcomes for the Worcester community.

**Factor 2 c) Delivery System Transformation**

As discussed in Factor 2b, the Hospital has programs, processes, and protocols to connect patients with social services agencies. As inpatients the Hospital patients have access to clinical social workers who assess patient needs and work with patients and their families to implement appropriate services during the patient’s stay and following discharge. Further, since behavioral health (BH) is an important component of the Hospital’s rehabilitation services, patients’ behavioral health needs are assessed so these needs may be addressed during their stay and in discharge planning to ensure the right resources are in place to treat them. Neuropsychiatric physicians in private practice currently provide consultations at the Hospital. Additionally, the Hospital has plans leverage telehealth to expand access to behavioral health providers for patients.

Investment in the Future

The Applicant reports that realizing its dependency upon its staff to meet the needs of its patients, the Hospital invests in the future of health care in the Worcester region by coordinating with local educational training programs. It also maintains clinical teaching affiliations with local educational institutions to provide clinical and technical rotations at its facilities around the country for students of physical therapy, occupational therapy, speech language pathology, and nursing programs. These include:

* UMass Chan Medical School physiatry students
* Worcester State University nursing students
* Westfield State University physician assistant students
* Quinsigamond Community College nursing students
* BayPath University allied health and practical nursing students
* Anna Maria College nursing students

COVID-19

As discussed throughout, following project implementation, with more private rooms the Hospital will be able to increase admissions of patients with conditions that require isolation for appropriate infection control. The Hospital currently cares for patients who are positive for COVID-19, as well as patients who are recovering from the effects of it. To treat patients with COVID-19, it set up flexible COVID-19 units and implemented policies and procedures to safely care for patients. The Hospital has provided care to a significant number of patients recovering from COVID-19 who often experience general myopathy (weakness) requiring inpatient rehabilitation services including occupational therapy, physical therapy, and speech therapy as needed.

Through the Proposed Project and the Hospital’s comprehensive rehabilitation services, coordination of care and with the open medical staff model, the hospital will be able to accept more transfers from local providers freeing up needed acute care beds.[[21]](#footnote-21)

***Analysis***

Central to the goal of Delivery System Transformation is the integration of social services and community-based expertise. The Applicant provided an overview of how patients are assessed and linked to internal support services (e.g., social worker/community health worker) and community-based organizations for social services.

Throughout the Application the Applicant has emphasized the need to provide more IRF services to more patients to address the ongoing and anticipated increase in demand as the population ages.

Staff concurs with the Applicant’s assertion that it is imperative that through the provision of IRF services, patients be given the opportunity to reach their full potential for independence while drawing upon community resources when needed.

Ultimately, cost savings are achieved through timely access to services that can be utilized efficiently. A blocked, idle bed reflects inefficiency in resource use and diminished access to that needed resource. When patients are denied access, their recovery may be adversely impacted which can lead to greater costs. Accordingly, Staff affirms that it is unlikely that the proposed project will raise costs to the health care system.

As a result of information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project has met Factor 2.

**Factor 3: Relevant Licensure/Oversight Compliance**

The Applicant has provided evidence of compliance and good standing with federal, state, and local laws and regulations and will not be addressed further in this report.

**Factor 4: Demonstration of Sufficient Funds as Supported by an Independent CPA Analysis**

Under factor 4, the Applicant must demonstrate that it has sufficient funds available for capital and operating costs necessary to support the Proposed Project without negative effects or consequences to the existing Patient Panel. Documentation sufficient to make such finding must be supported by an analysis by an independent CPA.

The CPA report is an analysis of the Applicant’s projections and supporting documentation including:

1. Fairlawn’s historical operating results for fiscal years (FY) ended 2019, 2020 and 2021, including Balance Sheets and Income Statements;
2. Five-year financial forecast (the “Projections”) prepared by the Applicant- FY ending 2025[[22]](#footnote-22) through 2029, including pro forma financial statement with assumptions;
3. Schedule of Estimated Total Capital Expenditure provided February 3, 2022;
4. Audited Financial Statements of Fairlawn Rehabilitation Hospital as of and for the year ended December 31, 2020 and as of and for the year ended December 31, 2019, provided December 17, 2021.

The CPA calculated and evaluated standard financial metrics, reflecting profitability, liquidity, and solvency[[23]](#footnote-23) of the operating projections with the actual performance of the Applicant to assess the feasibility and reasonableness of the Projections.

**Revenue**

The CPA reviewed revenue associated with Net Patient Service Revenue (NPSR) since it is the only revenue category impacted by the Proposed Project. To determine the reasonableness of the projected NPSR, the underlying assumptions upon which management relied were examined, including that while total licensed beds (110) remain constant, the creation of private and semi-private rooms will enable a more efficient use of beds, thereby adding to admissions and patient days.

The historical patient days and discharges data show that admissions were lost due limitations of the multi-bed rooms and to COVID-19. Since the acute hospitals in the region, curtailed elective surgeries, including orthopedic surgeries, the need for rehabilitation hospitalizations declined. The projections include a ramp up of patient days starting with the historical patient day data and adding a general increase of 2.4% per year from 2023 to 2024, and throughout the projection period, adding days and discharges to account for the lost admissions and growth that will be due to the new bed configuration. In the year before COVID-19 and with the old bed configuration the average daily census (ADC) was 80. With the new bed configuration in 2029 the ADC is projected to increase to 90. The CPA’s comparison of the projected NPSR by payer-mix to the audited FY 19 and 20 financial statements determined that they were similar. The payment rates were then inflated by 2.3% each of the succeeding years.

The CPA concludes the projected revenue growth reflects a reasonable estimation based primarily on historical operations and improvements in bed configuration.

**Operating Expenses**

The CPA analyzed *Salaries and Benefits*, *Supplies* and *Other Operating Expenses* and *Depreciation Expense* for reasonableness and feasibility as related to the projection of Fairlawn. *Salaries and Benefits* were calculated as a function of Full Time Equivalents (FTEs) per occupied bed which accounts for the increase in the needed number of FTEs as the patient population increases. Further, since the GSF increases, FTEs were increased and accounted for with an annual increase of 3%.

*Supplies* were calculated as an historical cost per patient day and inflated by $.50 per patient day over the projection years. *Other Operating Expenses* were calculated as an historical cost per patient day, except for Management fees, which are calculated at 5% of NPSR and remain constant throughout the projection years.

*Depreciation Expense* reflects the incremental expense related to the proposed project. The projections reflect new construction and building improvements depreciated over an average life of 20 years and equipment depreciated over an average life of 8 years.

The CPA concludes that the projected growth in operating expenses reflects a reasonable estimation based primarily upon historical operations.

**Capital Expenditures and Cash Flows**

Capital expenditures and future cash flows of the Applicant were reviewed to determine whether sufficient funds would be available to support the payment for project and whether the cash flow would be able to support the continued operations. The project will be financed by a combination of the annual cash flows and borrowing from Encompass Health, which will be repaid during the projection period. The CPA considered the current and projected capital projects and loan financing obligations included within the Projections and the impact of the projected expenditures on Fairlawn Rehabilitation Hospital’s cash flow and considers that the pro-forma capital expenditures and resulting impact on Fairlawn’s cash flows are reasonable.

**CPA’s Conclusion**

The CPA noted that the Financial Projections indicate a net pre-tax profit margin ranging from 16.60% to 16.13% for years ending 2025 through 2029, and concludes: “*Based on my review of the relevant documents and analysis of the projected financial statements, I determined the project and continued operating surplus are reasonable expectations and are based on feasible financial assumptions. Accordingly, I determined that the Projections are feasible and sustainable and not likely to have a negative impact on the Patient Panel or result in a liquidation of assets of Fairlawn Rehabilitation Hospital.”*

***Analysis***

As a result of information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project has met Factor 4.

**Factor 5: Assessment of the Proposed Project’s Relative Merit**

Applicant asserts that relative to potential alternatives the Proposed Project was superior in terms of quality, efficiency, and capital and operating costs and that the proposed addition is the only option that can maintain the Applicant’s existing licensed bed capacity while maximizing the number of private patient rooms.

**Alternative considered- Existing Structure**

In evaluating potentially less-expensive alternatives for the Proposed Project, the Applicant assessed the existing four-story facility that currently provides inpatient rehabilitation services to patients to assess whether space exists to eliminate three and four bed patient rooms and create a significant number of private rooms and determined that there is no available expansion space on these floors to create new patient rooms. The top three floors of the four-story structure house semi-private and multi-patient rooms, acute care support and acute therapy services; while the ground floor consists of offices, outpatient therapy, the entrances and building infrastructure (including a large boiler room, electrical rooms, the Hospital switchboard and an elevator mechanical room).

**Alternative 2- Proposed Project**

The proposed new construction of the four-story addition is the only viable option. By extending each of the existing nursing units associated with the Proposed Project the existing layout and infrastructure of the current patient care units will be operationally and cost effectively leveraged to enable the conversion nearly half of the Hospital’s beds (54) to private rooms with baths.

**Alternative Quality:**

As stressed in Factor 1 b) numerous published studies have identified the benefits of private, single-occupancy acute care patient rooms, which include a reduction in the risk of infection, reduction in patient stress, and enhancement of patient privacy and communication. Any alternative proposals that results in fewer rooms would limit the quality enhancements associated with private patient rooms.

**Alternative Efficiency:**

Any alternative proposals that results in fewer rooms with private showers would continue to result in scheduling inefficiencies and underutilized beds and low occupancy rates at the Hospital such that productivity and efficiency would not reach the level operational effectiveness associated with the Proposed Project.

**Alternative Capital Expense:**

The Applicant has opted to leverage existing areas such as nursing stations, medication rooms, elevators and operational support (such as clean and dirty utility rooms and janitor closets) and focus the cost of new construction primarily on the addition of private patient rooms with showers. Any alternative to the Proposed Project would result in similar or greater capital expense in order to maintain the current bed capacity.

**Alternative Operating Costs:**

The anticipated increased daily census will Incrementally raise operating costs for staffing and supplies. However, these will be offset by the revenue generated by the optimal utilization of the existing licensed beds and the opportunities for operating efficiencies. Any alternative that proposes to serve the same patient population would incur similar operating costs since labor expense is a main component of patient’s stay (specifically Registered Nurses, Rehabilitation Nursing Techs, Occupational and Physical Therapists).

***Analysis:***

Staff finds that the Applicant has appropriately considered the quality, efficiency, and capital and operating costs of the Proposed Project and recognizes that there are no feasible alternatives. As a result, Staff finds that the Applicant has appropriately considered the quality, efficiency, and capital and operating costs of the Proposed Project and recognizes that there are no feasible alternatives. t of information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project has met Factor 5.

**Factor 6: Fulfillment of DPH Community-based Health Initiatives**

The total required CHI contribution of $2,125,700.55 will be directed to the Massachusetts Statewide Community Health Funds. To comply with the Holder’s obligation to contribute to the Massachusetts Statewide Community Health Funds, the Holder must submit the payment, a check for $2,125,700.55, to Health Resources in Action (the fiscal agent for the CHI Statewide Initiative).

1. The Holder must submit the funds to HRiA within 30 days from the date of the Notice of Approval.
2. The Holder must promptly notify DPH (CHI contact staff) when payment has been made.

Payment should be sent to:

Health Resources in Action, Inc., (HRiA)

2 Boylston Street, 4th Floor

Boston, MA 02116

Attn: Ms. Bora Toro

**Findings and Recommendations**

Based upon a review of the materials submitted, Staff finds that, with the addition of the recommended conditions detailed below, the Applicant has met each DoN Factor for the Proposed Project and recommends that the Department approve this Determination of Need, subject to all applicable standard and Other Conditions.

**Conditions to the DoN**

1. The total required CHI contribution of $2,125,700.55 will be directed to the Massachusetts Statewide Community Health Funds.
2. To comply with the Holder’s obligation to contribute to the Massachusetts Statewide Community Health Funds, the Holder must submit the payment, a check for $2,125,700.55, to Health Resources in Action (the fiscal agent for the CHI Statewide Initiative).
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Boston, MA 02116

Attn: Ms. Bora Toro

# **Attachment 1: Measures for Annual Reporting**

The Applicant reports the following Measures to CMS on a quarterly basis. These Measures will be reported to DoN program staff in its annual report required by 105 CMR 100.310(A)(12).

1. Health Outcomes and Quality of Life – Successful Return to Home And Community

The Successful Return to Home and Community metric reflects the rate at which patients returned to home or community from the Applicant and remained alive without any unplanned hospitalizations in the 31 days following discharge. The Applicant reports that for the current period, its successful return to home and community metric is approximately 64%, which is consistent with the national average.[[24]](#footnote-24) The successful rate of return reflects the Applicant’s ability to return patients to independence following their inpatient stay at the hospital.

1. Health Outcomes and Quality of Life – Effective Care

This measure consists of three separate quality indicators:

1. Percentage of patients whose functional abilities were assessed, and functional goals were included in their treatment plan.
2. Percentage of patients who are at or above an expected ability to care for themselves at discharge.
3. Percentage of patients who are at or above an expected ability to move around at discharge.

1. The hospital license reads *Fairlawn Rehabilitation Hospital, an affiliate of Encompass Health* [↑](#footnote-ref-1)
2. HPP includes all Medicare, Medicaid and other government payments for healthcare. [High Public Payer Hospital information on CHIAmass.gov](https://www.chiamass.gov/high-public-payer-hospitals/)

   Center for Health Information and Analysis. [Massachusetts Hospital Profiles.](https://www.chiamass.gov/assets/docs/r/hospital-profiles/2019/FY19-Massachusetts-Hospital-Profiles-Technical-Appendix.pdf) Technical Appendix. <https://www.chiamass.gov/assets/docs/r/hospital-profiles/2019/FY19-Massachusetts-Hospital-Profiles-Technical-Appendix.pdf> [↑](#footnote-ref-2)
3. IRFs are free standing rehabilitation hospitals and rehabilitation units in acute care hospitals that provide an intensive rehabilitation program. Patients who are admitted must be able to tolerate three hours of intense rehabilitation services per day. CMS collects patient assessment data only on Medicare Part A fee-for service patients. These facilities are exempt from the Medicare Hospital PPS and are paid under the IRF Prospective Payment System (PPS) effective 1/1/2002. [Inpatient Rehabilitation Facilities at CMS.gov](https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandComplianc/InpatientRehab) [↑](#footnote-ref-3)
4. Discussed further in Factor 1 [↑](#footnote-ref-4)
5. “Other Conditions” includes, but is not limited to, patients treated for Traumatic Spinal Cord Injury, Pain Management, Arthritis, Guillian-Barre, Orthopedic Osteoarthritis, Burn Program, Parkinson’s Disease, and Amputees, each of which accounted for fewer than 11 patients in a given period. [↑](#footnote-ref-5)
6. Joint Commission re-accreditation surveys for these disease programs were completed on October 29, 2021. [↑](#footnote-ref-6)
7. Three and four bedded rooms [↑](#footnote-ref-7)
8. Applicant’s bed configuration was revised from 54 to 52 private rooms since Application submission following additional consultations with the architect. [↑](#footnote-ref-8)
9. As defined in 105 CMR 100.100, Patient Panel is the total of the individual patients regardless of payer, including those patients seen within an emergency department(s) if applicable, seen over the course of the most recent complete 36-month period by the Applicant or Holder. Patient Panel also means:

   (1) If the Applicant or Holder has no patient panel itself, the Patient Panel includes the Patient Panel of the health care facilities affiliated with the Applicant [↑](#footnote-ref-9)
10. As noted in the 2006 Guidelines: Perhaps the most widely anticipated change in the text in the General Hospitals chapter (now Chapter 2.1) is the change in room capacity in medical/surgical (including postpartum) units. *The 2006 edition specifies that the single-bed room is the minimum standard in new construction.* Approval of a two-bed arrangement is still permitted if a facility’s functional program demonstrates it is necessary. In addition, when an organization undertakes a major renovation, the patient room bed compliment is permitted to remain the same. [↑](#footnote-ref-10)
11. [United States Census Bureau, Quick Facts, Worcester County, MA](https://www.census.gov/quickfacts/worcestercountymassachusetts) (last visited Jan. 1, 2022) [↑](#footnote-ref-11)
12. “[Worcester’s population increases to 206,000, while county’s multicultural population increases 276%, new Census figures show](https://www.masslive.com/worcester/2021/08/worcesters-population-increases-to-206000-while-countys-multicultural-population-increases-276-new-census-figures-show.html.)”, MassLive (Aug. 13, 2021) [↑](#footnote-ref-12)
13. [↑](#footnote-ref-13)
14. Source, CPA report [↑](#footnote-ref-14)
15. such as Bioness H200 (an electrical stimulation device that reeducates muscles and reduces spasticity, helping patients improve hand function and voluntary movement), SaeboStretch (a dynamic resting hand splint that help neurologically impaired clients maintain, or improve motion while minimizing joint pain and damage), VitalStim® Therapy (an innovative technology that electrically stimulates swallow functions), and Experia (a personalized swallowing treatment that works with VitalStim® Therapy to help patients learn to swallow again). [↑](#footnote-ref-15)
16. Case management:Coordinates with the care team, family and community caregivers prior to the patient’s discharge to provide training for family members caring for patients after discharge. This may involve visiting the patient’s home address any special needs such as services or equipment the patient will have require upon returning home. [↑](#footnote-ref-16)
17. Each of these measures can be viewed and trended online, enhancing the transparency of the Hospital’s current performance and, [↑](#footnote-ref-17)
18. This measure is sourced from Medicare enrollment and claims data and is reported on the Medicare.gov Care-Compare site. Updates are provided quarterly. [Medicare Care-Compare](https://www.medicare.gov/care-compare/details/inpatient-rehabilitation/223029?city=Worcester&state=MA&zipcode=.) [↑](#footnote-ref-18)
19. This is another measure that is reported with quarterly updates on the Medicare.gov Care-Compare site. Id. [↑](#footnote-ref-19)
20. whose members may be likely to need inpatient rehabilitation hospitalization and that reflected its Patient Panel, based on age, gender, sexual identity, race, ethnicity, disability status, socioeconomic status, and health status [↑](#footnote-ref-20)
21. The successful treatment of patients recovering from COVID-19 is illustrated by information included in Exhibit C of the DoN Application. [↑](#footnote-ref-21)
22. FY 24 is projected to be the first full year of operation. [↑](#footnote-ref-22)
23. Profitability metrics, such as EBITDA, EBITDA Margin, Operating Margin and Total Margin are used to assist in the evaluation of management performance in how efficiently resources are utilized. Liquidity metrics, such as Current Ratio, Cash Days on Hand and Days in Accounts Receivable measure the quality and adequacy of assets to meet current obligations as they come due. Solvency metrics, such as Total Assets and Total Equity measure the company’s ability to service debt obligations. Certain metrics can be applicable in multiple categories. [↑](#footnote-ref-23)
24. This measure is sourced from Medicare enrollment and claims data and is reported on the Medicare.gov Care-Compare site. Updates are provided quarterly. [Medicare Care-Compare](https://www.medicare.gov/care-compare/details/inpatient-rehabilitation/223029?city=Worcester&state=MA&zipcode=.) [↑](#footnote-ref-24)