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March 15, 2019

**VIA PDF & REGULAR MAIL**

Mr. Kevin McDonald  
Chief, Certificate of Need  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

Re: Encompass Health Rehabilitation  
Hospital of Salisbury  
Matter No. 18-22-2435

Dear Mr. McDonald:

Attached please find four (4) copies of the responses to completeness questions and the additional information provided by Encompass Health Rehabilitation Hospital of Salisbury ("EHRH Salisbury") in connection with its Certificate of Need ("CON") application to add 10 beds to its existing 64-bed special hospital rehabilitation in Salisbury, Wicomico County, in response to your February 22, 2019 request. These responses also have been submitted as of this date electronically, in both Word and PDF format, to Ruby Potter at [ruby.potter@maryland.gov](mailto:ruby.potter@maryland.gov).

**PROJECT IDENTIFICATION AND GENERAL INFORMATION**

1. **The application states that the "d/b/a" of the hospital was to change to "Encompass Health Rehabilitation Hospital of Salisbury" as of 1/1/2019. Please confirm whether that occurred and is how the applicant should now be identified.**

**RESPONSE:**

The "d/b/a" of the hospital changed to "Encompass Health Rehabilitation Hospital of Salisbury" as of January 1, 2019. The applicant should be referred to as Encompass Health Rehabilitation Hospital of Salisbury.

2. **Please provide a variant of Table A that augments the "before the project" configuration of licensed beds with the intended "after the project" configuration of licensed beds.**

**RESPONSE:**

EHRH Salisbury is currently licensed for 64 beds and proposes to increase to 74 licensed beds when the project is completed. Please see Attachment 17 for an augmented TABLE A. Physical Bed Capacity Before and After Project. This table indicates that when the project is completed, the Hospital will designate 46 beds in the 26 semi-private rooms located in Nursing Unit #1 for licensure along with 14 beds in Nursing Unit #2 and 14 beds in Nursing Unit #3, resulting in a total of 74 licensed beds.

**STATE HEALTH PLAN GENERAL REVIEW STANDARDS**

**Charity Care Policy**

3. Staff appreciates your response format, i.e., creating a table that displays each part of the standard with columns that quotes the relevant policy language and identifies where in the policy the statement can be found. **HOWEVER**, it appears that the applicant used the charity care standard from the Acute Care chapter rather than the (slightly different) charity care language from the Rehabilitation Hospital chapter (which you stated correctly above the table with the response). Please revise this response using the correct language from the standard.

That said, staff's review of your responses identified several areas where "repair" of the policy and procedures is needed:

- **Re: Determination of Probable Eligibility:** The statement in the policy complies with this subpart. However, the Plain Language Summary makes no reference to this initial determination, but instead says:

**How to Apply for Assistance Under the Financial Assistance Policy**  
To apply for financial assistance, please submit a complete Financial Assistance Application with supporting documents to the address above.  
**([http://encompasshealth.com/-/media/healthsouth/project/healthsouth/files/financial-assistance/2018\\_plain\\_language/salisbury\\_hospital\\_financial\\_assistance\\_policy\\_plain\\_language.pdf?la=en&hash=0E7447D8B4FAF24A094E77CCCA2765B66F6614C8](http://encompasshealth.com/-/media/healthsouth/project/healthsouth/files/financial-assistance/2018_plain_language/salisbury_hospital_financial_assistance_policy_plain_language.pdf?la=en&hash=0E7447D8B4FAF24A094E77CCCA2765B66F6614C8))**

As we confirmed in your Encompass Health Rehabilitation Hospital application process, requiring a completed application with considerable documentation like tax returns, bank statements, and pay stubs prior to determination of probable eligibility does not comply with the intent of this standard. The intent is to ensure that a procedure is in place to inform a potential charity care recipient of his/her probable eligibility *within two business days of initial inquiry* based on a simple and expeditious process. While final determination based on a completed application with the required documentation is permissible, the policy *and procedures* must include the more easily navigated determination of probable eligibility.



**In short, your Plain Language Summary does not align with the statement in the policy. Please remedy this in your written and website Plain Language Summary.**

**RESPONSE:**

The Plain Language Summary has been revised to reference the Initial Financial Assistance Application and the availability of a probable eligibility determination within two business days of receipt. The revised Plain Language Summary is provided as Attachment 18. The Initial Financial Assistance Application is listed on the EHRH Salisbury website at:

[http://encompasshealth.com/-/media/healthsouth/project/healthsouth/files/financial-assistance/2018\\_application/salisbury\\_initial\\_financial\\_assistance\\_application.pdf?la=en&hash=529ADDEBDE4CCB66CF357D43E58335A630D01692](http://encompasshealth.com/-/media/healthsouth/project/healthsouth/files/financial-assistance/2018_application/salisbury_initial_financial_assistance_application.pdf?la=en&hash=529ADDEBDE4CCB66CF357D43E58335A630D01692).

The revised Plain Language Summary will also be listed on the website.

- **Re: Notice of charity care policy: Please provide a copy of the Notice as posted. And re: individual notice, it needs to be provided prior to admission. Your response stated that “patients will be offered a plain language summary of the Financial Assistance Policy during discharge or intake.” The standard - and common sense - requires that it be disseminated prior to admission, not *at discharge* (by definition a time after the patient’s decision-making - perhaps without this information - has already occurred). So, this provision is not in alignment with the standard, and needs to be revised.**

**RESPONSE:**

See Attachment 19 for a copy of the revised Financial Assistance Policy making it clear that patients will be provided with a plain language summary of the Financial Assistance Policy at admission. This revised Financial Assistance Policy will also be posted to the website.

See Attachment 20 for a copy of the notice of charity care policy as posted.

PLEASE SEE BELOW FOR CORRECTED STANDARD LANGUAGE WITH CITATIONS

**.04 Standards.**

**A. General Review Standards.**

**(1) Charity Care Policy. (a) Each hospital and freestanding acute inpatient rehabilitation provider shall have a written policy for the provision of charity care that ensures access to services regardless of an individual's ability to pay and shall provide acute inpatient rehabilitation services on a charitable basis to qualified persons consistent with this policy. The policy shall have the following provisions:**

- (i) **Determination of Eligibility for Charity Care.** Within two business days following a patient's request for charity care services, application for medical assistance, or both, the facility shall make a determination of probable eligibility.

Financial Assistance Policy - Page 3

“Upon receipt of a completed Initial Financial Assistance Application, a determination of probable financial assistance eligibility will be made within two business days.”

- (ii) **Notice of Charity Care Policy.** Public notice and information regarding the facility's charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the facility's service area population, and in a format understandable by the service area population.

Financial Assistance Policy - Page 4

“Annually, hospital will review and disseminate the availability of financial assistance in patient access sites and other places within the community served by the hospital.”

**Notices regarding the facility's charity care policy shall be posted in the registration area and business office of the facility.**

Within the hospital, the revised financial assistance Plain Language Summary is currently posted near the lobby outside of Case Management. The revised notice will also be posted in the ambulance entrance. In addition, the charity care policy will be posted in the registration area and business office of the facility.

**Prior to a patient's admission, facilities should address any financial concerns of patients, and individual notice regarding the facility's charity care policy shall be provided.**

Financial Assistance Policy - Page 3

“All patients will be provided with a plain language summary of the Financial Assistance Policy at admission.”

- (iii) **Criteria for Eligibility.** A hospital shall comply with applicable State statutes and HSCRC regulations regarding financial assistance policies and charity care eligibility. A hospital that is not subject to HSCRC regulations regarding financial assistance policies shall at a minimum include the following eligibility criteria in its charity care policies. Persons with family income below 100 percent of the current federal poverty guideline who have no health insurance coverage and

**are not eligible for any public program providing coverage for medical expenses shall be eligible for services free of charge. At a minimum, persons with family income above 100 percent of the federal poverty guideline but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale of discounts for family income bands. A health maintenance organization, acting as both the insurer and provider of health care services for members, shall have a financial assistance policy for its members that is consistent with the minimum eligibility criteria for charity care required of hospitals that are not subject to HSCRC regulations regarding financial assistance policies.**

Financial Assistance Policy, Attachment B (Attachment 7 of the Application) contains a chart showing that a patient with family income less than or equal to 200% of the federal poverty guideline is eligible for a 100% discount. The 2019 Financial Assistance Discount Guidelines can be found at [http://encompasshealth.com/-/media/healthsouth/project/healthsouth/files/financial-assistance/2019-discount-guidelines/salisbury\\_discount\\_guidelines.pdf?la=en&hash=C82E02E977457C4DA6CDBFA17CFB27E466B0494D](http://encompasshealth.com/-/media/healthsouth/project/healthsouth/files/financial-assistance/2019-discount-guidelines/salisbury_discount_guidelines.pdf?la=en&hash=C82E02E977457C4DA6CDBFA17CFB27E466B0494D)

4. **Your application failed to respond to subparts 10.24.09.04A(1)(c)(i) and (ii) of the charity care standard. Please complete your response by:**
- a) **Defining your level of commitment to charity care;**
  - b) **Disclosing the amount of charity care provided at Encompass Health's HealthSouth Chesapeake Rehabilitation Hospital for the most recent two years;**
  - c) **Detail a specific plan for achieving the level of charitable care provisions to which the applicant committed for the proposed project**

**RESPONSE:**

- a) The applicant will provide 2% of Total Operating Expenses as Charity Care.
- b) The level of charity care, as a percentage of total operating expenses, provided at EHRH Salisbury was .004% for 2016 (\$750 in charity care/\$19,060,285 in total operating expenses) and .008% for 2017 (\$1266 in charity care/\$15,557,981 in total operating expenses).
- c) Provided herein is the specific plan of EHRH Salisbury for achieving the level of charitable care provisions to which it has committed.

EHRH Salisbury will use its best efforts to assure that potential patients and patients' families, hospital discharge planners, other points of contact at referral

sources, and the overall community are aware of the hospital's financial assistance policy in a variety of ways.

EHRH Salisbury's Business Development Director and clinical liaisons are continuing to engage with EHRH Salisbury's Maryland-based referral sources to educate those referral sources on the availability of financial assistance and the methods through which financial assistance can be requested. EHRH Salisbury is committed to working with all referral sources, including, but not limited to Atlantic General Hospital and Peninsula Regional Medical Center. The clinical liaisons are working with and will continue working with the local acute care hospital discharge planners, case managers, physicians, nurses, and therapists to ensure that those individuals who have the most hands-on contact with patients potentially in need of inpatient rehabilitation are aware of the availability of financial assistance at EHRH Salisbury. EHRH Salisbury will engage in these communications through face-to-face contacts in addition to telephonic communication, electronic mail, and regular mail. EHRH Salisbury receives reports from its clinical liaisons and will use these reports to assess additional efforts needed to raise awareness of its financial assistance policy. Further, the Business Development Director and clinical liaisons will seek out community events that present possible opportunities to educate the public on the services offered at EHRH Salisbury and the financial assistance policy available for those who are unable to pay in part or in full.

Within the hospital, the revised financial assistance Plain Language Summary is currently posted near the lobby outside of Case Management. The revised notice will also be posted in the ambulance entrance, registration area, and business office.

### Quality

5. **As required by:**

- a) **subpart (a)(iii) of the standard, provide documentation of compliance with the conditions of participation of the Medicare and Medicaid programs;**

**RESPONSE:**

See Attachment 8 of the Application (Joint Commission accreditation) as documentation of compliance with the conditions of participation of the Medicare and Medicaid programs

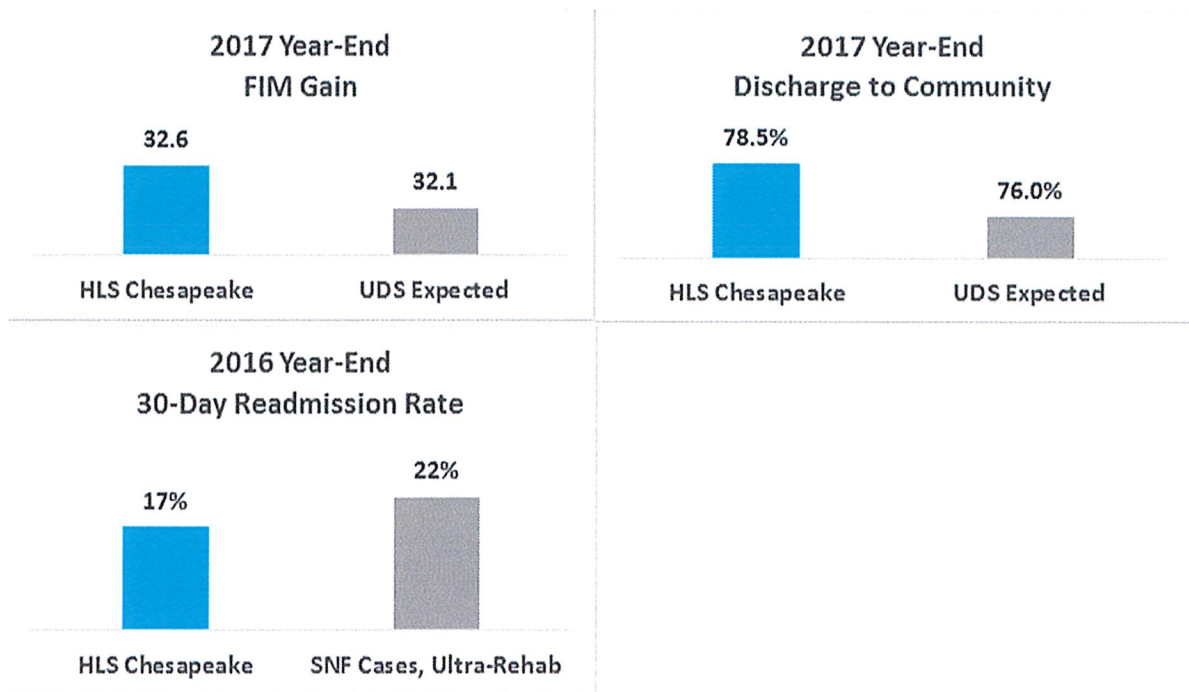
- b) **subpart (b) which requires an applicant to "report on all quality measures required by federal regulations or State agencies."**

**RESPONSE:**

EHRH Salisbury reports on all quality measures required by federal regulations or State agencies. See Attachment 21 for a copy of the most recent Medicare.gov Hospital

Compare quality report for EHRH Salisbury found at <https://www.medicare.gov/inpatient-rehabilitationfacilitycompare/#profile&pid=213028>.

Encompass Health Rehabilitation Hospital of Southern Maryland’s CON application included a number of examples of EHRH Salisbury’s impressive performance indicators, including the following:

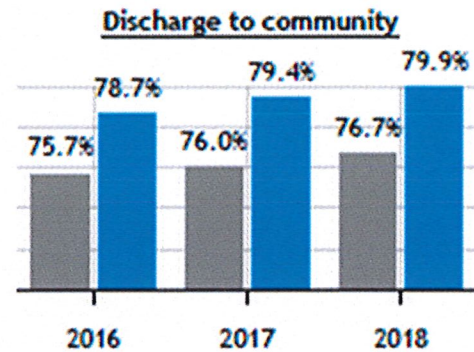


Sources: (1) FIM, Discharge Location: Encompass Health Care (2) 30-Day Readmission Rate: CMS Analytic File

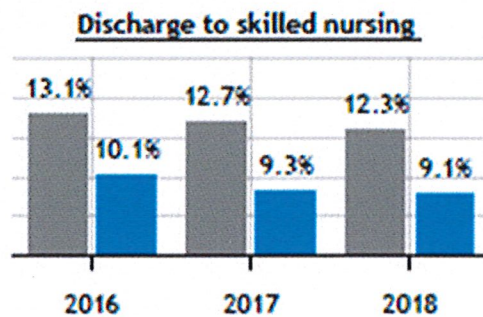


Even beyond the high quality provided in Maryland, Encompass Health is a national leader in quality health care and exceeds national averages in numerous quality measures as evidenced by the following:

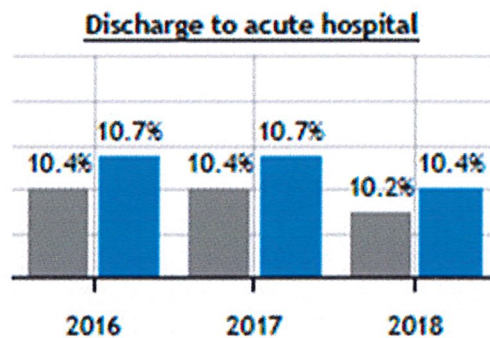
## IRF quality



Percent of cases discharged to the community, including home or home with home health. Higher is better.



Percent of patients discharged to a skilled nursing facility. Lower is better.



Percent of patients discharged to an acute care hospital. Lower is better.

UDSMR<sup>(2)</sup>
 Encompass Health

### Need

6. **If the applicant wishes to provide further evidence of need, we offer the opportunity to augment your need case with outmigration data if so desired.**



**RESPONSE:**

EHRH Salisbury obtained Medicare discharge data for CY 2017 reported by hospitals for patients who were residents of the three Lower Eastern Shore Maryland Counties (Somerset, Wicomico, and Worcester) and Sussex County, Delaware which comprises its service area.

These data were sorted based on the type of hospital reporting. For those hospitals which are classified by CMS as “Rehabilitation” (either as a freestanding rehabilitation hospital or as operating a designated inpatient rehabilitation unit within an acute care general hospital), 1,657 discharges were reported for the Salisbury service area residents whose payor source was Medicare fee-for-service. Of those total discharges, 1,154 (69.6%) were discharged from EHRH Salisbury indicating its dominance within the service area shared with the Rehabilitation Unit of BayHealth - Milford Memorial Hospital, which reported 394 (23.8%) of the total service area Medicare discharges. BayHealth is located in Sussex County, Delaware.

In summary, the data confirms an insignificant amount of outmigration of service area residents to rehabilitation hospitals outside the EHRH Salisbury service area during the period. The applicant assumes that the care-seeking behavior and migration patterns of non-Medicare patients discharged by a rehabilitation hospital were similar. For these reasons, the need for the proposed bed expansion at EHRH Salisbury is primarily to accommodate the future patients from the services area who are projected to use hospital inpatient rehabilitation services and have historically obtained them at EHRH Salisbury and BayHealth without migrating outside the Hospital’s service area.

Shown below are the Medicare discharges reported by EHRH Salisbury and other “Rehabilitation” hospitals in CY 2017.

PROVIDER NAME	DISCHARGES	%
BAYHLTH - MILFORD MEM HSP-REHAB DPU	394	23.8%
ENCOMPASS HLTH REHAB HSP OF SALISBURY	1,154	69.6%
ALL OTHERS	109	6.6%
<b>Grand Total</b>	<b>1,657</b>	<b>100.0%</b>

**Impact**

- You state that “HSCRH is committing to 2% charity care and therefore this Project will increase access for patients who are indigent or uninsured.” 2% of what? Admissions? Patient days? Operating budget?**

**RESPONSE**

The applicant is committed to providing 2% of Total Operating Expenses as charity care.

### **Transfer & Referral Agreements**

8. **The transfer and referral agreements provided are for treatment in general hospitals, whereas the intent of the standard is to ensure that there are “transfer and referral agreements with facilities, agencies, and organizations that: a) are capable of managing cases that exceed its own capabilities; and, b) provide alternative treatment programs appropriate to the needs of the persons it serves. Please revise the response to include such.**

### **RESPONSE:**

The Care Management Program at Encompass Health focuses on promoting effective communication and coordination across care settings to ensure a smooth transition from hospital to community and a seamless integration of services. An underlying focus in the Encompass Health Care Management Program is the importance of engaging patients and their caregivers in the discharge planning process to help make the transition from hospital to the next level of care safe and effective. A case manager is assigned to all patients on admission to provide care coordination while the patient is in the hospital, as well as to initiate discharge planning and begin coordination and collaboration of services with the individuals and service providers responsible for providing care to the patient post-discharge.

Integration of services from the hospital to community depends on knowing what services are needed and available and developing good working relationships with the community resources. EHRH Salisbury case managers work closely with home health agencies, long term care facilities, and other providers that can provide services to patients once they complete their inpatient rehabilitation. At the time of discharge, case managers assist with making sure that necessary medical follow-up appointments are scheduled with the patient’s primary care physician or specialists, and the rehabilitation physician sends necessary medical information regarding the patient’s rehabilitation stay to the community physician who will be following the patient. If home health services are needed post-discharge, case management collaborates with the home health agency to make sure that services are initiated as soon as possible.

For patients discharged to the community, follow-up phone calls are made by the case manager to assure that the discharge arrangements have been implemented as planned, medical follow-up appointments have been scheduled, and any questions that the patient or caregiver may have regarding the discharge instructions are answered.

Thus, EHRH Salisbury discharge planners provide patients and families with options that maximize patient convenience while avoiding favoring one provider over others. For example, a patient in need of home health services will receive a list of home health providers serving the area where the patient resides and will be asked to choose whom they would like to use to receive services. The discharge planner will then assist in setting up the service for the patient

## AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES

9. **The application makes reference to attachments 3 and 4 which seem to be mislabeled and the elements described are not included.**

### RESPONSE:

Please see Attachment 22 which corrects the attachments on Page 34 of the Application, (referencing Attachments 15 and 16).

10. **The application states: “HSCRH management has estimated that over the past 12 months, the Hospital has denied admission to [insert number here] patients for lack of an available and suitable bed due to high occupancy. Please provide this information.**

### RESPONSE:

EHRH Salisbury utilizes “nurse liaisons” to work with discharge planners and others at neighboring acute care general hospitals to identify patients who might need continuing care in an inpatient rehabilitation hospital setting. These include: Peninsula Regional Hospital, Atlantic General Hospital, Easton Memorial Hospital and hospitals located in Delaware and Virginia.

In CY 2018, EHRH Salisbury nurse liaisons reviewed the status of hospitalized patients seeking post-acute rehabilitation services, including inpatient hospital rehabilitation care, and determined that 345 patients who were otherwise medically suitable could not be admitted to EHRH Salisbury in a timely manner for lack of an available and suitable bed due to high occupancy.

11. **You reference an alternative of “consider[ing] and reject[ing] the operation of a satellite hospital inpatient rehabilitation unit at a nearby health care facility.”**
- a) **Which facilities came under such review?**
  - b) **Were any of them contacted (provide copies of any such written contact) regarding their interest?**
  - c) **MHCC and HSCRC staff are cognizant that many CCFs believe themselves capable of such patient care. Please address the capability of such facilities in your service area to provide this care.**

### RESPONSE:

- a) EHRH Salisbury considered the alternative of the operation of a satellite hospital unit. After careful consideration, it was determined that the proposed project

presented a better alternative than a potential satellite unit location. The proposed project delivered the best alternative for the patients in need of this service and the most cost-effective solution to addressing the need for additional beds at EHRH Salisbury and the need for more patient room capacity.

- b) No specific contacts were made.
- c) Comprehensive Care Facilities (CCFs) are facilities which admit “patients suffering from disease or disabilities or advanced age, requiring medical service and nursing service rendered by or under the supervision of a registered nurse. See COMAR 10.07.02.01B.(6) CCFs are nursing homes, or skilled nursing facilities (SNFs). CCFs are not hospitals. Inpatient rehabilitation hospitals are hospitals specifically designed to offer intensive rehabilitation services to patients who cannot be served in other less intensive rehabilitation settings, such as CCFs. Skilled nursing care is not the same as hospital care. In 2010, CMS implemented comprehensive regulations mandating that every IRF patient must require both hospital-level care and intensive rehabilitation. The Medicare regulations with respect to IRFs require far more intensive rehabilitation care and are much more stringent than the Medicare requirements that apply to rehabilitation services provided by SNFs. See, e.g., 42 CFR Section 412.622(a)(3) which requires an IRF to provide and requires the IRF patient to reasonably be expected to actively participate in and benefit from, an intensive rehabilitation therapy program consisting of at least 3 hours of therapy per day at least 5 days per week, beginning within 36 hours of admission. The federal SNF regulations contain no such requirement.

IRFs must serve an inpatient population of whom 60% require intensive rehabilitation services for treatment of one or more of 13 specified conditions (such as stroke, spinal cord injury, brain injury, fracture of femur, neurological disorders, etc.). 42 CFR Section 412.29(b)(1) and (2). In 2018, 68.7 percent of Encompass Health’s patients had at least one of these 13 compliant conditions. Over 50 percent of Encompass Health patients are admitted with neurological-related conditions.

In addition, IRFs must have in effect a procedure to ensure that patients receive close medical supervision, as evidenced by at least 3 face-to-face visits per week by a licensed physician with specialized training and experience in inpatient rehabilitation, to assess the patient both medically and functionally, and modify the course of treatment as needed to maximize the patient’s capacity to benefit from the rehabilitation process. Id. at Section 412.29(e) and 42 CFR Section 412.622(a)(3)(iv). IRFs are also required to furnish through the use of qualified personnel, rehabilitation nursing, physical therapy, and occupational therapy, plus, as needed, speech-language pathology, social services, psychological services (including neuropsychological services), and orthotic and prosthetic services. Id. at Section 412.29(f). IRFs must have a director of rehabilitation who



provides services to the IRF hospital and its inpatients on a full-time basis. The director must be a physician, licensed under State law, who has had, after completing a one-year hospital internship, at least two years of training or experience in the medical-management of inpatients requiring rehabilitation services. *Id.* at Section 412.29(g). An IRF must have a plan of treatment for each inpatient that is established, reviewed, and revised as needed by a physician in consultation with other professional personnel who provide services to the patients. *Id.* at Section 412.29(h). An IRF must also use a coordinated interdisciplinary team approach in the rehabilitation of each inpatient, as documented in the clinical entries made in the patient's medical record, to note the patient's status in relationship to goal attainment and discharge plans. Team conferences must be held at least once per week to determine the appropriateness of treatment. *Id.* at Section 412.29(i). Most nursing care in IRFs is provided by specially-trained registered rehabilitation nurses ("CRRNs") at a far higher level of nursing than is provided in most SNFs or CCFs. To foster excellence in the practice of rehabilitation nursing, Encompass Health supports continued certification in rehabilitation nursing through its CRRN® certification plan.

There are numerous other requirements applicable to IRFs, which are not imposed on any therapy or rehabilitation services which may be provided by a SNF or CCF. An IRF must complete a patient assessment in accordance with Section 412.606(b), which requires a clinician of the IRF to perform a comprehensive, accurate, standardized, and reproducible assessment for each Medicare Part A fee-for-service inpatient using the inpatient rehabilitation facility patient assessment instrument. The assessment must include direct patient observation and communication with the patient and patient data from the patient's physicians, patient's clinical record, and other sources. 42 CFR Section 412.610. There must be an admission assessment, and an assessment that covers calendar days 1 through 3 of the IRF admission, which must be completed by day 4. Section 412.610(c). There must also be a discharge assessment that covers the two calendar days prior to discharge and the 3 calendar days thereafter. *Id.* at Section 412.610(c)(2).

Skilled nursing facilities are nursing facilities, not hospitals. They have far fewer and far less stringent requirements. Medicare pays for therapy services in a SNF if they are furnished in accordance with a plan that meets the requirements of 42 CFR Section 409.17(b) through (d). See 42 CFR Section 409.23(c), and the May 6, 2011 Federal Register at page 26387 and August 8, 2018 Federal Register at page 39241. Unlike IRFs, in which the plan of care must be established by a physician as provided in Section 412.29(h), the plan for therapy in a SNF does not have to be established by a physician. Section 409.17(b). In addition, SNFs are required to submit patient assessments on the 5<sup>th</sup>, 14<sup>th</sup>, 30<sup>th</sup>, 60<sup>th</sup>, and 90<sup>th</sup> days of post-hospital SNF care. 42 CFR Section 413.343. On the other hand, IRFs are required to perform comprehensive, accurate, standardized, and reproducible assessments upon admission, and during calendar days 1 through 3 of the

patient's hospitalization in the IRF, and are required to perform discharge assessments. Section 412.610(c). In addition, IRFs must provide interdisciplinary rehabilitation care under the direct supervision of a rehabilitation physician. Section 412.622(a)(3)(iv). There is no requirement for direct supervision by a physician of rehabilitation services provided in a SNF.

Further, the outcomes for patients show a fundamental difference in the level of care received at an IRF from the services received at a SNF. As described in Encompass Health Rehabilitation Hospital of Southern Maryland's CON application, an analysis was prepared to compare utilization patterns of Medicare FFS patients from the three counties closest to EHRH Salisbury (Wicomico, Worcester, and Somerset) receiving inpatient rehabilitation care at EHRH Salisbury with those patients from this region receiving rehabilitation care at SNFs. The analysis demonstrated that the rehabilitation length of stay at EHRH Salisbury was dramatically shorter relative to the post-acute length of stay at area SNFs even as the diagnostic mix and patient severity were comparable. Comparable Medicare patients showed an average length of stay for rehabilitation of 14.6 days at EHRH Salisbury as compared with an average length of stay of 38 days at SNFs for patients receiving "ultra-rehabilitation" services.

In addition, the acute care lengths of stay (prior to the rehabilitation stay) were considerably shorter for patients discharged to EHRH Salisbury: This reflects the fact that Encompass Health hospitals can admit patients earlier, even as continuing medical management is required. This permits earlier initiation of rehabilitation services.

In total, patients discharged from this three-county Eastern Shore region to EHRH Salisbury reported a total facility stay (acute + rehabilitation stay) of 19 days; in contrast, patients discharged to SNFs had a total facility stay (acute + rehabilitation stay) of 45 days. Therefore, on average, the total number of inpatient days for patients served at EHRH Salisbury was more than 25 days shorter for its patients. After completing inpatient rehabilitation, EHRH Salisbury patients also had a significantly lower 30-day readmission rate relative to comparable patients discharged to a SNF.

Residents of Wicomico, Worcester, Somerset  
Medicare FFS patients, CY 2016  
Including all High Potential Rehabilitation Discharges (8 cohorts)

	EHRH Salisbury	SNF cases, ultra-rehabilitation
<b># Discharges</b>	<b>205 patients</b>	<b>186 patients</b>
<b>Acute ALOS</b>	<b>4.7 days</b>	<b>7.3 days</b>
<b>Rehabilitation ALOS</b>	<b>14.6 days</b>	<b>38.1 days</b>
<b>Episode ALOS</b>	<b>19.3 days</b>	<b>45.3 days</b>
<b>30-day readmission rate</b>	<b>17.2%</b>	<b>22.6%</b>

FFS payments: CMS Standard Analytic File, CY2016

Notes: Ultra-rehabilitation: Defined as patient who had the majority of their units in the HIPPS codes for "ultra-high therapy;" this definition is associated with at least 720 hours per week of rehabilitation services

Patient cohorts: High potential rehabilitation patients defined by ICD10 codes aligned with CMS13 definitions for IRFs

At the end of the day, there can be no reasonable dispute that a fundamental legal and clinical difference exists between the inpatient rehabilitation services provided in a hospital setting and the skilled nursing care provided in a skilled nursing facility.

**Viability**

12. The letters of support referenced on p. 40 were not provided.

**RESPONSE:**

See Attachment 23

**REVISED TABLES**

Please see Attachment 24 which is an entire Table Set. The following tables have been revised to accurately represent charity care: J and K (correcting an inadvertent omission). The remaining tables are unchanged from what was submitted in the Application.

Sincerely,



Carolyn Jacobs

Please see attached signature pages

cc: Ruby Potter

Mr. Kevin McDonald  
March 15, 2019  
Page 16

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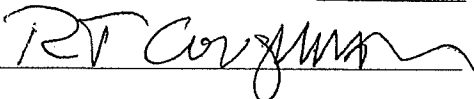
Craig Stofko  
Health Officer  
Somerset County Health Department  
7920 Crisfield Highway  
Westover, MD 21871



“I hereby declare and affirm under the penalties of perjury that the facts stated in this March 15, 2019 Completeness Response of Encompass Health Rehabilitation Hospital of Salisbury and its attachments are true and correct to the best of my knowledge, information, and belief.”

Name: Richard J. Coughlan

Title: Director, DHG Healthcare

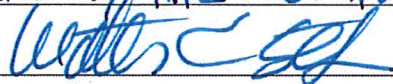
Signature: 

Date: March 15, 2019

"I hereby declare and affirm under the penalties of perjury that the facts stated in this March 15, 2019 Completeness Response of Encompass Health Rehabilitation Hospital of Salisbury and its attachments are true and correct to the best of my knowledge, information, and belief."

Name: WALTER C. SMITH

Title: DIRECTOR, STATE REGULATORY AFFAIRS, ENCOMPASS HEALTH

Signature: 

Date: MARCH 15, 2019