

**Health Systems Agency of Northern Virginia
Board of Directors Meeting
Teleconference Meeting
January 24, 2022**

Members Present

Michael Carrasco
Sahil Chaudhary
Linda Cook
Tom Fonseca, Chairperson
Michelle Kimmel
Pamela Kincheloe, RN
Patrice Lepczyk
Sally Patterson
Douglas Samuelson
Kamila Torrez
Terry West

Staff Present

Ann McFeeley
Dean Montgomery

Guests (Partial List)

Matt Pearson, CEO, Encompass Health Rehabilitation Hospital of Northern Virginia
Judy Randal, Loudoun County
Shaik Samdani, MD, Medical Director, Encompass Health Rehabilitation Hospital of Northern Virginia
Thomas Stallings, Counsel, Encompass Health Rehabilitation Hospital of Northern Virginia

I. Call to Order

Tom Fonseca, Chairperson, Health Systems Agency of Northern Virginia (HSANV), called the meeting to order at 7:32 PM. He welcomed those present and reviewed the agenda.

Fonseca stated that, among other matters, the Committee would consider a certificate of public need (COPN) application from Encompass Health Rehabilitation Hospital of Northern Virginia, COPN Request VA-8605. The hospital proposes to add 20 rehabilitation beds to the 60 beds it is now licensed to operate.

II. Previous Minutes

Minutes of the December 13, 2021 meeting were approved as corrected.

III. Conflicts of Interest

Fonseca followed established HSANV conflict of interest procedures to determine whether any member had a conflict on the Encompass Health COPN application. No conflicts were declared, alleged, or otherwise identified.

IV. Encompass Health Rehabilitation Hospital of Northern Virginia, COPN Request VA-8605

HSANV Staff Review

Dean Montgomery summarized the HSANV staff review of the application. Examination of the application in the context of applicable COPN regulatory requirements and regional (planning district 8) hospital inpatient rehabilitation market conditions found that:

- Local inpatient rehabilitation use rates remain comparatively low, but recently demand has increased steadily, region wide and statewide.
- Northern Virginia (PD 8) population-based inpatient rehabilitation discharge rates grew at a compound annual growth rate (CAGR) of more than 5% over the last five years. A rate of growth this high is not sustainable and should slow considerably, but demand is likely to continue to grow faster than the population over the next few years.
- Though there is no indication of a near term regional need for additional hospital based inpatient rehabilitation beds, considered from an internal organizational perspective, current volumes and trends permit Encompass-NV to make a compelling argument that the hospital has an internal, institution-specific need for additional capacity.
- The project, which would add 20 beds to the 60 bed hospital, is similar to, and consistent with, a number of local inpatient rehabilitation service expansion projects that have been authorized on the basis of an institution specific need.
- Age-specific demand projections suggest that additional inpatient rehabilitation beds are likely to be needed regionally by 2026. The Encompass-NV proposal is compatible with this forecast. In addition, projected=year one and year two service volumes suggest the additional capacity requested is likely to be used effectively.

Based on these considerations and findings, and on the data and arguments presented in the application, staff concluded that the proposal satisfies requirements and conditions for approval.

Encompass Health Rehabilitation Hospital of Northern Virginia Presentation

Matt Pearson, CEO, Encompass Health Rehabilitation Hospital of Northern Virginia (Encompass-NV), introduced himself and Shaik Samdani, MD, Medical Director, Encompass Health Rehabilitation Hospital of Northern Virginia. Pearson and Samdani discussed the background and nature of the project.

Among the factors and considerations cited in support of the project, Pearson and Sandami emphasized:

- Encompass Health-NV has served Northern Virginia for more than a decade, providing both inpatient rehabilitation care and home health care services.
- The hospital's services are highly regarded, resulting in a strong and growing referral network and community support for the project.

- Demand has increased steadily since the hospital opened with 40 beds in 2010, necessitating two incremental expansions which added 20 beds over the last six years.
- Recent service volumes are unusually high, with average annual occupancy consistently above 90% making efficient operations more difficult.
- Encompass-NV has a pressing internal need for additional beds to permit the hospital to operate efficiently and serve its patients more effectively.
- The hospital qualifies to add needed capacity in accordance with the institutional need provision of the Virginia State Medical Facilities Plan.
- Given current and projected demand at Encompass-NV, and authorized regional bed capacity, at least 20 additional beds are likely to be needed within the next five years.
- Encompass-NV is an appropriate location to add needed inpatient rehabilitation capacity in Northern Virginia.

Board Questions, Discussion

In response to questions, Encompass-NV representatives indicated that

- Encompass-NV surveys of patients treated indicate high levels of satisfaction with the care provided.
- All patient rooms at the hospital are private, single occupancy. All additional beds also would be in private rooms.
- Continuing high occupancy constrains service volume (admissions and days of care provided) at the hospital. It also affects the hospital's responsiveness to referring physicians and the community generally. The hospital frequently is unable to admit a prospective patient because an empty bed is not available.
- Most (a large majority) of those discharged from the hospital return to their home with some form of home health care.
- Encompass-NV accepts (admits) COVID-19 patients in need of inpatient rehabilitation care.
- The hospital has a broad service area. It serves a substantial number of patients residing outside the planning region (outside PD 8).

Public Comment

Judy Randal, Loudoun County, spoke in support of the hospital, noting population growth and aging are increasing the need for rehabilitation care. She also encouraged hospital officials to take steps to ensure that there will be sufficient staff to operate the beds requested.

Final (Summary) Presentations

Matt Pearson thanked the board for its consideration of the application and offered to answer any additional questions members might have.

Staff Recommendation

Based on the information presented in the agency staff report on the application, and on the testimony presented by Pearson and Sandami, Montgomery recommended approval of the application.

He noted increasing demand for inpatient rehabilitation services regionally and at Encompass-NV specifically. Recent high occupancy levels and increasing demand at the hospital qualify Encompass-NV to add capacity in accordance with the institutional provision of the Virginia State Medical Facilities Plan.

The capital cost of the project is within the range commonly seen for hospital expansion projects locally and elsewhere in Virginia. There is no indication that adding needed capacity (20 beds) at Encompass-NV will have negative health system effects or affect operations of nearby services (Reston Hospital Center and Inova Fairfax Hospital) noticeably.

Board Deliberation and Vote

Sally Patterson offered a motion to recommend approval of the application. Pamela Kincheloe seconded the motion. The motion passed by a vote of eleven in favor (Carrasco, Chaudhary, Cook, Fonseca, Kimmel, Kincheloe, Lepczyk, Patterson, Samuelson, Torrez, West) and none opposed.

V. Virginia General Assembly, 2022 Session

Members and staff reviewed legislative developments to date in the 2022 session of the Virginia General Assembly. The discussion focused on oversight committee (Senate Education and Health, House Health Welfare and Institutions) membership, contact information, and legislative proposals of potential interest to HSANV. Updates on the status of issues and associated bills of interest will be forwarded to the board weekly throughout the session.

VI. Other Business

Members and staff discussed recently tabulated and charted COVID-19 data showing the status locally and statewide of the recent surge in cases, hospitalizations, and deaths.

The next HSANV board meeting was set for Monday, February 7, 2022.

VII. Adjourn

Fonseca adjourned the meeting 8:25 P.M.

Respectfully submitted,



Dean Montgomery

