

North Carolina State Health Coordinating Council
c/o Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation

**RE: Novant Health/HealthSouth Inpatient Rehabilitation Petition – Adjusted Need
Determination for HSA III in the Proposed 2018 SMFP**

Public Hearing Comments

Good morning, my name is Ed Mowen. I am President of the Mid-Atlantic Region of HealthSouth Corporation. In this role, I have operational responsibility for 19 rehabilitation hospitals located in South Carolina, Virginia, West Virginia, Maryland and East Tennessee. The Novant Health Rehabilitation Hospital of Winston-Salem, which received CON approval last year and currently is under development, will be part of the Mid-Atlantic Region of HealthSouth. My team and I will be responsible for the management of the new 68-bed replacement hospital.

I am here today to support the Petition for 50 additional inpatient rehabilitation beds in HSA III being submitted by Novant Health and HealthSouth. As you have already heard from Ms. Pendergrast and Dr. McWilliams, there are many reasons that support the need for additional inpatient rehabilitation beds in HSA III. We believe that HSA III is unique and additional inpatient rehabilitation beds are needed to meet the needs of HSA III residents. The Petition being submitted today provides detailed information to support that need.

Today I would like to tell you a little about HealthSouth and what we have learned about the impact of competition in a market. HealthSouth is a recognized national leader in rehabilitation services and we are excited about bringing our extensive experience and expertise in

developing and operating inpatient rehabilitation hospitals to North Carolina through our collaboration with Novant Health. Rehabilitation is all we do. We provide inpatient and outpatient rehabilitation services and have a national reputation for providing high-quality care with excellent results. HealthSouth's goal for every patient is to maximize a patient's recovery in activities of daily living and in vocational activities. HealthSouth's success depends on the quality of care provided in each HealthSouth rehabilitation hospital. Our hospitals consistently meet or exceed national averages for improved functional gains and are typically more efficient in length of stay management and in discharging patients to home. HealthSouth's intensive rehabilitation programs get patients better faster, translating to higher overall outcomes and cost savings. HealthSouth hospitals nationwide participate in a comprehensive and consistent approach that allows our hospitals to achieve superior outcomes.

As discussed in our Petition, there is little competition in HSA III; 95% of the beds are owned by one provider. In addition, these beds are well utilized; operating at over 80% of total bed capacity. An important aspect of competition is permitting consumers to have access to facilities that best meet their needs. Approval of this Petition will provide the opportunity for the development of a new 50-bed inpatient rehabilitation hospital in Mecklenburg County or elsewhere in HSA III, that will expand access to inpatient rehabilitation for HSA III residents. A new provider in HSA III would ensure that consumers and physicians have choices which are not impeded by the lack of available bed capacity. Increasing the number of inpatient rehabilitation beds in HSA III will enhance local and regional consumer access to inpatient rehabilitation. As discussed in our Petition, the need for additional inpatient rehabilitation beds in HSA III is real

and immediate, especially considering the newly-adopted stroke guidelines from the American Heart Association and American Stroke Association. In June 2016, the AHA/ASA Guidelines for Adult Stroke Rehabilitation and Recovery, published in the periodical *Stroke*, provided a synopsis of best clinical practices in the rehabilitative care of adults recovering from stroke. The guidelines were endorsed by the American Academy of Physical Medicine and Rehabilitation, the American Society of Neurorehabilitation, the American Academy of Neurology, and the American Congress of Rehabilitation Medicine. Per the Guidelines it is recommended “that stroke patients be treated at an in-patient rehabilitation facility (IRF) rather than a skilled nursing facility (SNF).”

Thank you very much for allowing us to present our Petition today. We recognize that this is the first step in the development of new inpatient rehabilitation beds in HSA III and that if the Petition is approved, the review process will be competitive. We would appreciate the opportunity to submit a CON application for a new hospital in HSA III.

Thank you and I would be happy to answer any questions.