

August 29, 2023

PeaceHealth RiverBend LLC

*PeaceHealth Inpatient Rehab
CN #699*



PeaceHealth



Presentation Agenda

Introduction	Alicia Beymer - CAO, PeaceHealth Sacred Heart University District
Lifepoint Overview	Marty Mann – Senior Vice President, Lifepoint Health Brian Samberg – Vice President, Lifepoint Health Sharon Smeltzer – Vice President, Lifepoint Health
CON Justification	Jody Corona – Health Facilities Planning & Development
Facility Overview	Marty Mann – Senior Vice President, Lifepoint Health
Closing/Community Support	Alicia Beymer - CAO, PeaceHealth Sacred Heart University District



PeaceHealth



Lifepoint Health



Facility Rendering





PeaceHealth Overview



- PeaceHealth, based in Vancouver, Wash., is a not-for-profit Catholic health system offering care to communities in Washington, Oregon and Alaska.
- PeaceHealth features **16,000 caregivers, 1,200 providers and 10 medical centers** serving both urban and rural communities throughout the Northwest.
- In 1890, the Sisters of St. Joseph of Peace founded what has become PeaceHealth. The Sisters' focus was finding the best way to serve the unmet need for healthcare in their communities. Today, PeaceHealth is the legacy of the founding Sisters and continues with a spirit of respect, stewardship, collaboration and social justice in fulfilling its Mission.



Cultural Alignment

We carry on the healing mission of Jesus Christ by promoting personal and community health, relieving pain and suffering, and treating each person in a loving and caring way.



Every person receives safe, compassionate care; every time, every touch.



Making Communities Healthier

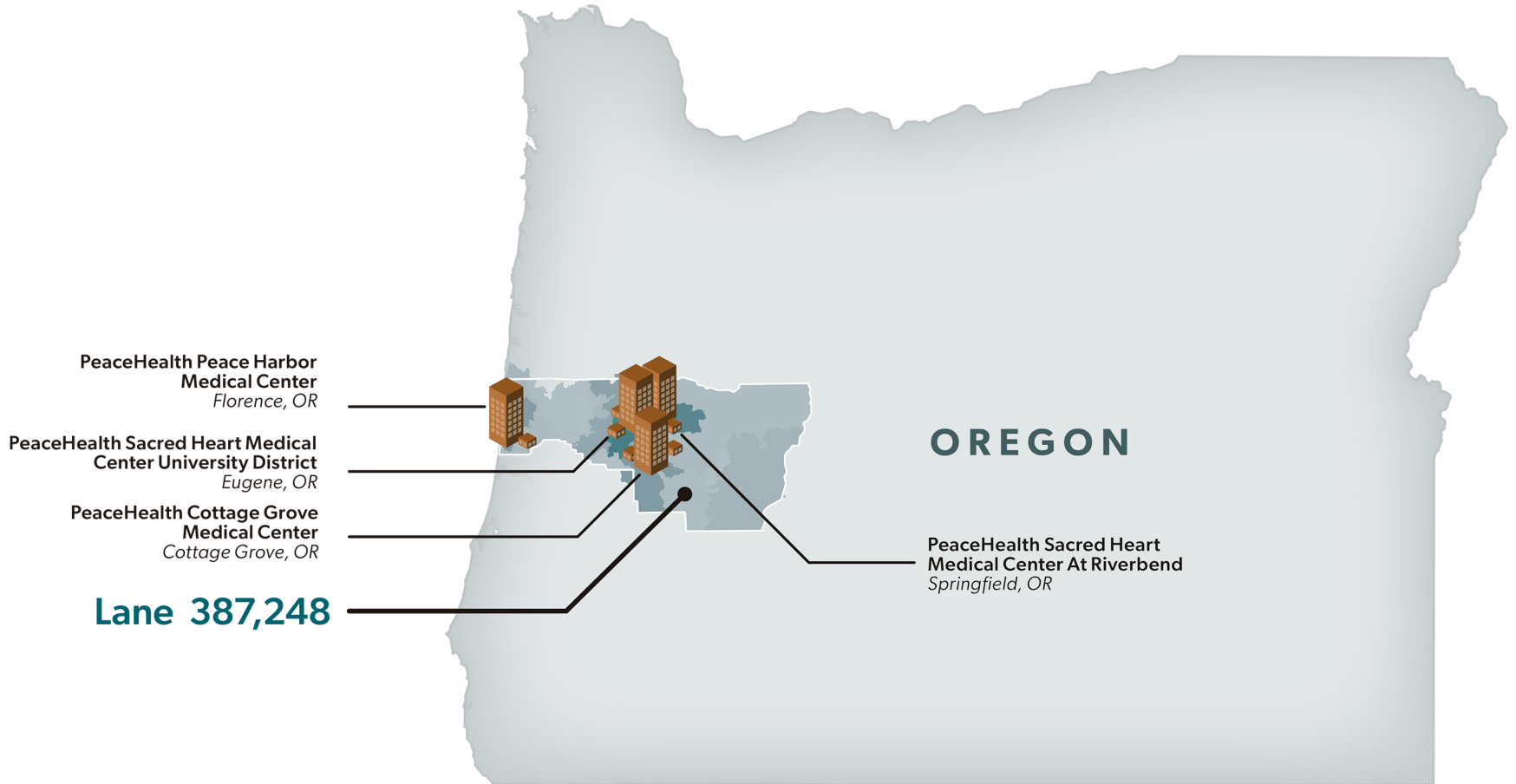
Create a place where:

- *People choose to come*
- *Where physicians want to practice*
- *Employees want to work*



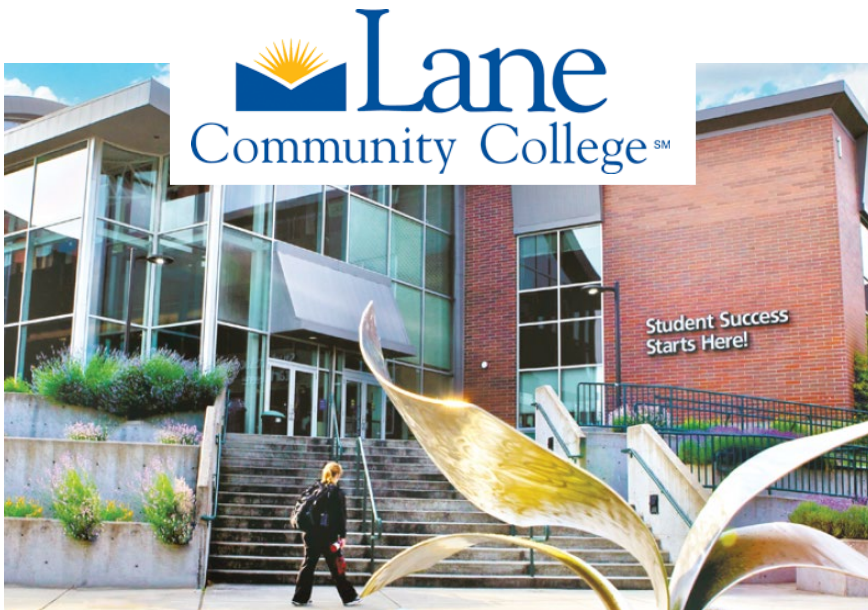


PeaceHealth Oregon Network





Workforce Partnerships



Following PeaceHealth financial support:

Cohort increase at LCC – 90 RN students per year to 125 per year
Cohort increase at Bushnell - 36 BSN students per year to 80 per year



Existing Partnership & Outcomes

Current State



27-bed ARU at
Sacred Heart University District



Proposed Future State



50 – Bed Joint Venture Rehabilitation Hospital

Pre vs. Post Lifepoint Affiliation Outcomes

- Capability to serve more patients while also addressing a more complex case mix
- Improved quality outcomes across key indicators
- Enhanced reputational excellence in community as a leading provider of rehabilitation services



To preserve access, PeaceHealth Sacred Heart Medical Center Riverbend is proposed as a temporary location

- One existing medical/surgical unit at Riverbend will be used as an interim rehabilitation unit until the new IRF is constructed and operational.
 - Note: this unit is temporarily available only because of staffing shortages which are expected to stabilize in 2026
 - The unit can accommodate a maximum of 27 beds; there are no other underused units and no other units are available to convert.
- As demonstrated in the data included in the CN application, Riverbend operated at or well above 100% of licensed capacity throughout the period of 2018-2022 on 353 licensed beds. The highest census day was 385 beds.
- Given Riverbend's high occupancy, and lack of unused or underused space, **27 beds is the maximum number of beds that can be used for this purpose, and the beds may only be used temporarily.**
- While we do not have data to opine on architectural issues at non-PeaceHealth hospitals, the record shows that other existing Service Area hospitals have census and economic circumstances that prevent them from owning and/or operating acute rehabilitation beds.



While the temporary location is newer space, it will remain fundamentally acute care, not IRF space.

- The temporary Riverbend location has 775 square feet per bed; the new IRF will have 1,200 square feet per bed.
- These differences have the following implications for the temporary location:
 - No new beds and no designated unit for acquired brain injury or spinal cord patients
 - The temporary main therapy suite will NOT include:
 - private therapy rooms,
 - a cooking therapy room, and an activities of daily living (ADL) therapy suite/apartment
 - sufficient space for new equipment including the Bionik InMotion Arm for Neurological Rehabilitation for robotic-assisted shoulder and elbow therapy, a Smart car, and Ekso Bionics EksoGT, an exoskeleton for stroke/ spinal cord injury rehabilitation.



LifePoint's Culture

Our Mission

Making communities healthier[®]

Our Vision

We want to create places where:

- People choose to come for healthcare
- Physicians and providers want to practice
- Employees want to work

Our Core Values



Champion patient care



Do the right thing



Embrace individuality



Act with kindness



Make a difference together

Lifepoint's Joint Venture Rehabilitation Experience

Lifepoint has joint venture (JV) experience with health systems across the country with 54 joint venture partnerships including 16 joint ventures in development and 6 announced behavioral health partnerships in development



Rehabilitation Hospital Overview

Service Line Details



Clinical Expertise

- Lifepoint has proficiency in developing superior clinical protocols and clinical programming customized to each partner's unique patient population, ensuring that the most acute patients are receiving the highest quality treatment possible (e.g., dedicated Brain Injury units)



Operational Management

- Lifepoint's Rehabilitation partnerships are supported by a range of management services including: Day to Day Operations, Contract Management, Development of Marketing and Educational Materials, Financial Services, Legal and Compliance Services, Purchasing Support



Rehabilitation Specific Staffing

- Under Lifepoint's care model, the scope of Rehabilitation staffing includes Rehabilitation Nurses, Physical Therapists, Occupational Therapists, Speech-Language Therapists, Respiratory Therapists, Pharmacists, Case Managers, and a support staff with oversight by the joint venture Partners



Lifepoint's Rehab Hospitals are designed and tailored to the needs and cultures of their respective partners and communities

LifePoint's Joint Venture IRF partnerships have been recognized among the highest quality, most patient-centered rehabilitation hospitals in the Country



- 90th Percentile -

- 90th Percentile -



- 80th Percentile -

- 80th Percentile -



- 70th Percentile -

- 70th Percentile -

PeaceHealth's Sacred Heart ARU has shifted its outcomes trajectory from below average to being in the 80th percentile Nationally



Lifepoint IRFs: National Recognition



Lifepoint's Mercy St. Louis JV IRF has received its state quality award in pursuit of the Malcolm Baldrige National Quality Award. Other Lifepoint IRFs have also begun their pursuit of this prestigious award

Lifepoint IRFs Recognized by *Newsweek* 2022

*Ranked #1
in its state*

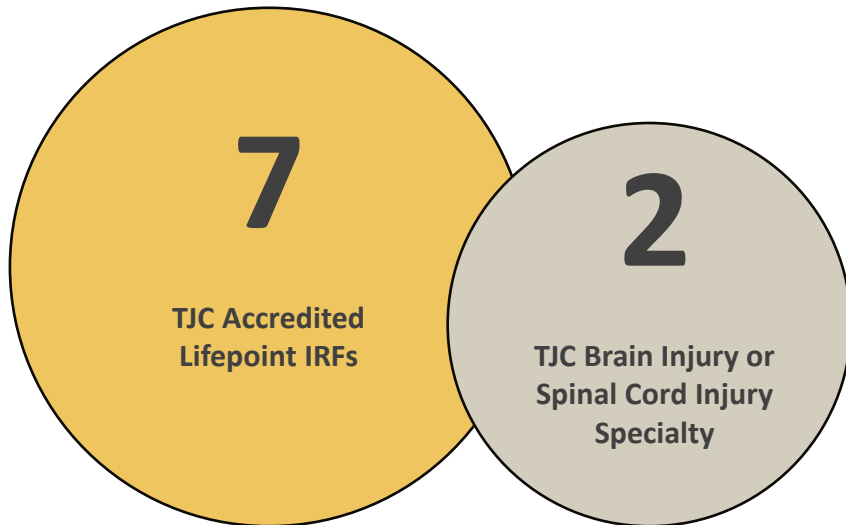
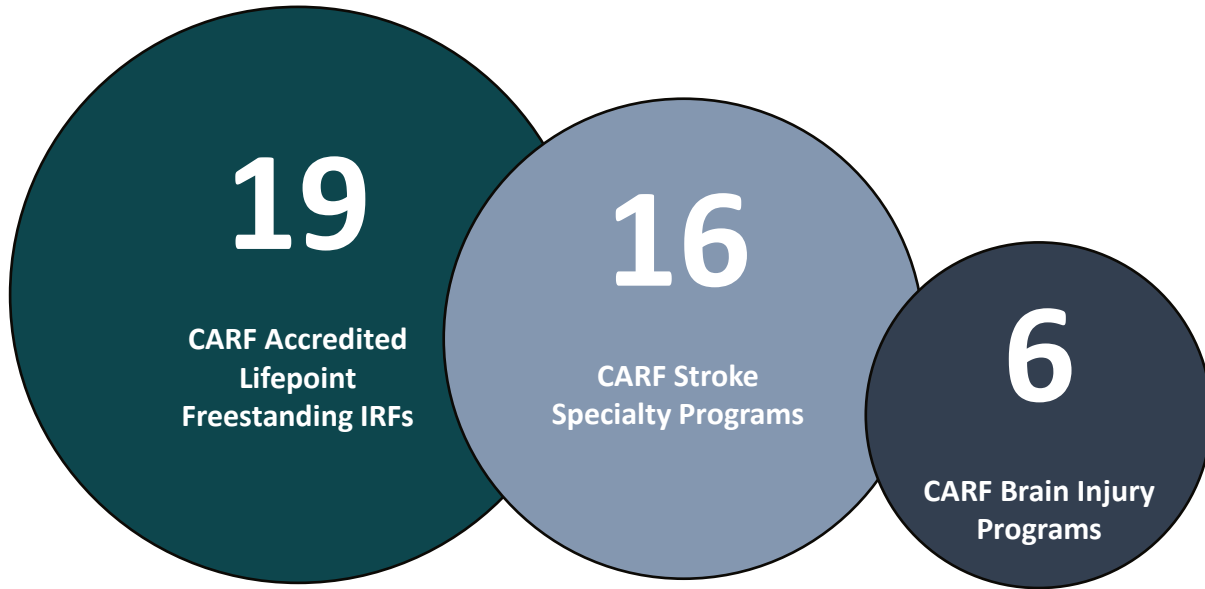
PennMedicine - Lancaster Rehabilitation Hospital
Community Health Network - Community Rehabilitation Hospital North
Baptist Memorial Rehabilitation Hospital
Mercy - Rehabilitation Hospital Oklahoma City
Mercy - Rehabilitation Hospital St. Louis
CHI Franciscan Rehabilitation Hospital
Central Texas Rehabilitation Hospital
Mercy - Rehabilitation Hospital Springfield
University Hospitals - Avon Rehabilitation Hospital
Texas Rehabilitation Hospital of Fort Worth
University Hospitals - Rehabilitation Hospital
Atlantic Rehabilitation Institute
Community Health Network - Community Rehabilitation Hospital South
The Rehabilitation Hospital of Montana
Methodist Rehabilitation Hospital

*Ranked #2 in
the Country*





CARF & TJC Highlights



- Lifepoint’s operational IRFs are accredited across CARF (**19**) and TJC (**7**)
- Facilities are outfitted with dedicated brain injury units for patients with low stimulation private dining and therapy gyms
- Many of Lifepoint’s more recently opened IRFs have CARF applications in process or are preparing to submit applications later this year

Innovative Patient Care

Helps patients gain mobility and achieve better outcomes

ekso
BIONICS

Ekso Bionics – NR Suit



NR Suit

The Innovator

The first robotic exoskeleton designed for neurorehabilitation patients recovering from neurological deficits like stroke and spinal cord injury. Designed to help support and protect the patient while allowing for limb movement with increased strength and reduced effort.



Before Ekso:

- Less gait training
- More bed and mat exercises
- 2–3 physical therapists for manual therapy
- Risk of readmission after discharge



With Ekso:

- Early mobility
- 1–2 physical therapists
- Faster recovery
- Reduced risk of readmission

Better patient outcomes, both in and outside the device:

- Improved functional efficiency
- Increased gait speed and more natural gait
- Increased distance walked, leg strength and endurance
- Improved balance (SCI and stroke)
- Improved functional independence (SCI and stroke)
- Improved midline alignment (stroke)

Innovative Patient Care cont.

Facility Equipment Highlights

Upper Extremity InMotion Robot

The InMotion robot provides task specific training and does not require a patient to have active movement in order to move. A patient can initiate a series of movement patterns following prompts on the robot's screen the movement.

Gait Progression with Life Gait

Lite Gait is a body weight support system with a treadmill that offers a safe transition for the patient and the therapist to advance with gait skills minimizing the risk of falls.

Electric Standing Frame

The Electric Standing frame is a motorized patient lift that can elevate a 350 lb. patient from sitting to a standing position.

Kinetic Kinevia Active Passive Cycle

The Kinetic Kinevia cycle offers exercise for upper and lower extremity movement therapy and offers passive/active/soft and symmetry options.

Technobody Iso0Free Balance Equipment

The Technobody uses a 3D camera with a force plate to give the patient 3-dimensional biofeedback. The Technobody has multiple training and assessment modules including virtual games for functional training.



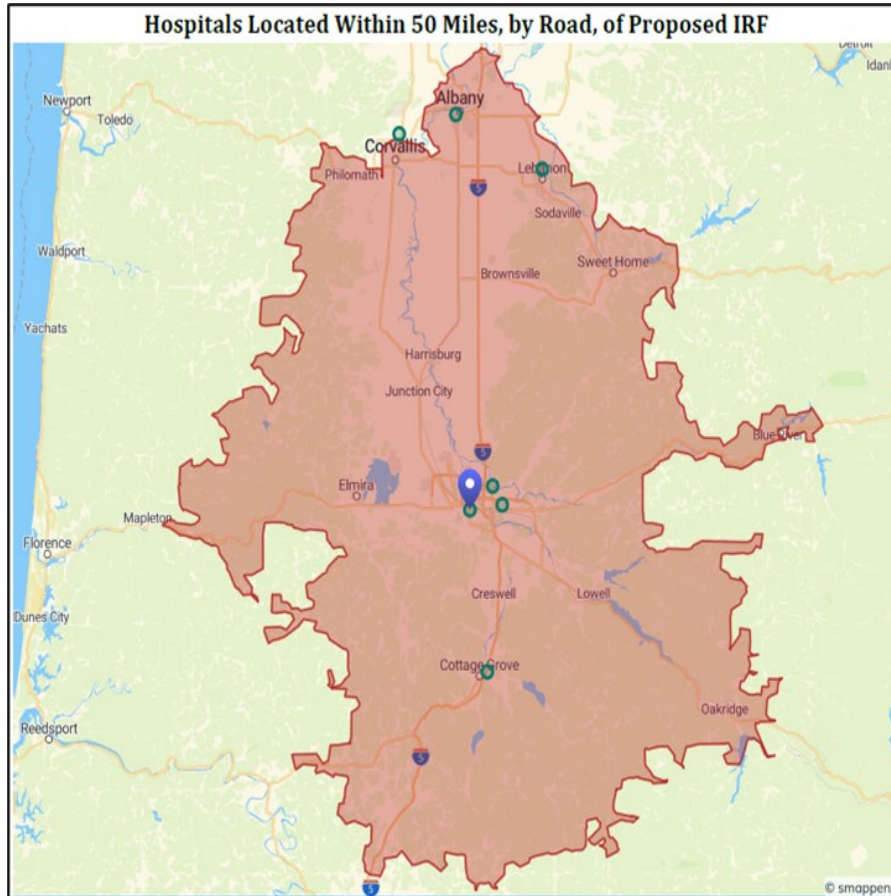


The 5 County Service Area will have 847,000+ Population by 2031

Column1	2010	% of 2010 Population	2020	% of 2020 Population	% Change 2010-2020	2031	% of 2031 Population	% Change 2020-2031
Tot. Pop.	724,676	100.0%	782,147	100.0%	7.9%	847,888	100.0%	8.4%
Pop. By Age								
0-14	120,623	16.6%	116,736	14.9%	-3.2%	114,426	13.5%	-2.0%
15-44	282,464	39.0%	299,134	38.2%	5.9%	337,473	39.8%	12.8%
45-64	204,481	28.2%	193,690	24.8%	-5.3%	190,140	22.4%	-1.8%
65-74	63,439	8.8%	100,448	12.8%	58.3%	98,606	11.6%	-1.8%
75-84	37,072	5.1%	52,036	6.7%	40.4%	80,162	9.5%	54.1%
85+	16,597	2.3%	20,103	2.6%	21.1%	27,081	3.2%	34.7%
Tot. 0-64	607,568	83.8%	609,560	77.9%	0.3%	642,044	75.7%	5.3%
Tot. 65 +	117,108	16.2%	172,587	22.1%	47.4%	206,058	24.3%	19.4%
Source: Portland State University								

- According to the latest population data published by Portland State University, the total population of the Service Area is approximately **783,000**
 - It is projected to be **847,888** by 2031, the target planning horizon. As shown in the table above, between 2010 and 2020, **the fastest growing cohort in the Service Area was residents aged 65+,** having grown by **47.4%**, while the under 65 population growth was virtually flat
- Over the period of 2020-2031, the Service Area’s 65+ population is projected to grow another **19.4%**

To determine numeric need, the LLC evaluated both the 5 County Service Area and the 50 miles by road OAR requirement



- PeaceHealth is the only provider of IRF services in both Service Areas
- There are a total of thirteen hospitals in the 5 County Service Area, of which six are CAHS.
- There are seven hospitals located within 50 miles, by road
- The acute care bed need projection methodology suggests a small surplus of beds in both today, but numeric need by 2031.

The OAR temporary rules added a path for CN-approval of specialty IRF beds even absent numeric need *if number of beds proposed at the applicant facility cannot be justified under these general acute inpatient rules, a certificate of need for new specialty beds may be issued where an adjustment is indicated because conversion of other beds to sufficient specialty beds to meet calculated specialty bed need is not architecturally and economically feasible.*



OAR CN Requirements to Justify New Facilities

OAR 333-590-0060 requires that:

- An applicant proposing a new acute inpatient facility, rather than replacement or expansion of an existing facility, must **weigh its plans against the availability of beds at existing, reasonably accessible facilities, especially those within the proposed service area of the applicant; and against the feasibility of development of alternative facilities and services.**
- Per rule, factors such as quality of care; types of services; levels of care available; anticipated changes in hospital locations, patient origins, service mix, age mix, reimbursement mix, transportation patterns, population shifts, and locations of physician specialists; and documented commitments to develop pro-competitive initiatives such as alternative delivery systems, selective contracting, successful competitive bidding, and other market-oriented changes are to be considered.
- The written record provides the substantiative information on these factors; and demonstrates that there are not 50 beds in a single hospital to convert.



OAR CN Requirements to Justify New Facilities

Both the 5 County Service Area and the 50 miles by road area is Unique: the majority of hospitals are CAHs, and the remaining hospitals generally operate at high occupancy. The planned closure of University District limits options for 50 beds.; a number that is efficient to operate and responds to community need

- Per OAR, reasonably accessible beds are those located within 50 miles by road of the proposed location. There are a total of 7 hospitals within 50s mile by road, of which two are critical access hospitals.
- By federal law, CAHs are limited to a maximum of a 10-bed distinct-part unit. Even if the physical space exists to staff these units, 10 beds does not meet the unmet need, and the cost to recruit and retain staff would be high in small units in more remote, rural communities.
- PeaceHealth can confirm that neither Cottage Grove (located within the 50 miles by road) or Peace Harbor (in Lane County, but outside of the 50 miles by road) could establish a 10-bed unit.
- Operating multiple small IRFs would also lead to unnecessary duplication and likely increased expense. It would also likely limit the ability for any single unit to have the technology, equipment and skilled staff proposed by PeaceHealth Riverbend IRF.



- There are circumstances and unmet needs in the region, and existing Service Area hospitals have architectural, census, and economic circumstances that have made them choose not to own and/or operate acute rehabilitation beds.

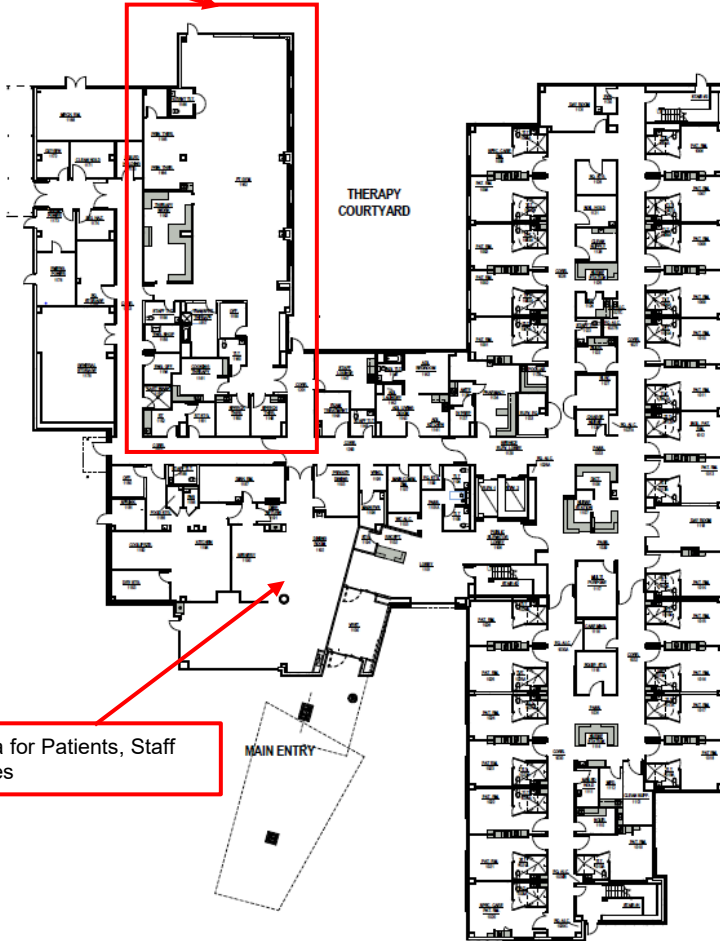
- The data shows a very limited unused capacity in the PPS hospitals in the 50 mile by road geography. Based on actual peak census, occupancy is 94% and NO hospital has 50 remaining licensed beds available on its highest census day. The pending closure of UD equates to 117 beds fewer in the Service Area and temporary “loss” of 27 beds at Riverbend.

Hospital	City	Licensed Beds	Census on Highest Occupancy Day, 2018-2022	Remaining Licensed Beds Available on Highest Census Day	Occupancy on Peak Census Day
McKenzie-Willamette Medical Center	Springfield	113	109	4	96.4%
Sacred Heart Medical Center UD	Eugene	117	82	35	Pending Closure
Sacred Heart Medical Center Riverbend	Riverbend	353	385	-32	109.1%
Samaritan Albany General Hospital	Albany	79	46	33	58.2%
Good Samaritan Regional Medical Center	Corvallis	188	149	39	79.2%
PPS Hospital Service Area Sub-Total with University District		850	771	79	92.9%
PPS Hospital Service Area Sub-Total without University District		733	689	44	93.9%

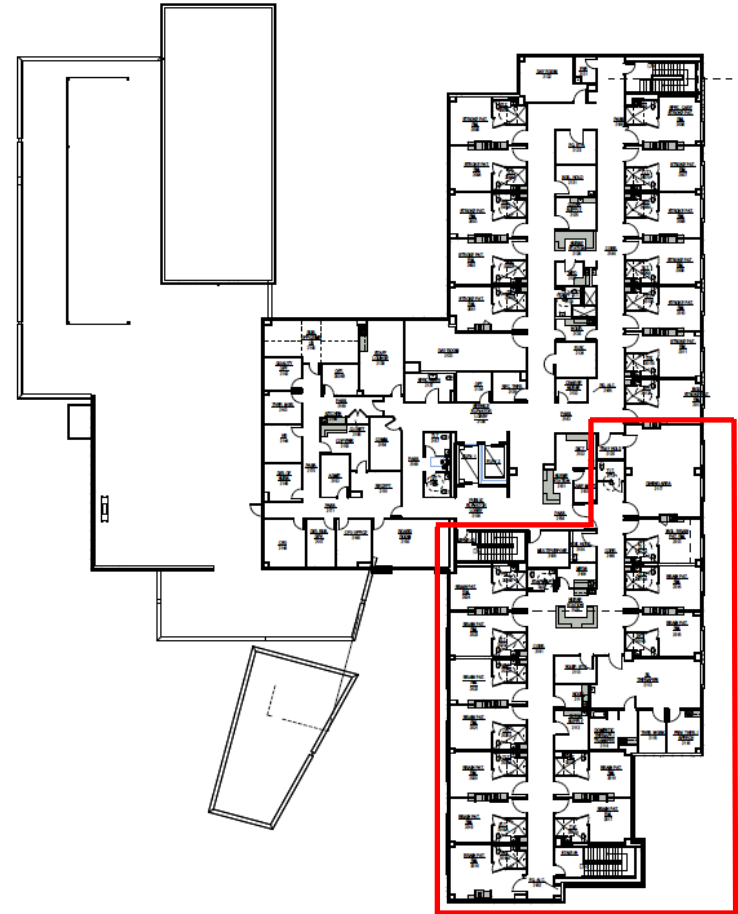


IRF – Example Floor Plans

Patients Therapy and Treatment Space



FIRST FLOOR PLAN



SECOND FLOOR PLAN

Growth of Spine and Neuro service lines can be accommodated in the JV IRF with the Spine / Acquired Brain Injury unit that is a secure area with dedicated therapy gym and dining



Facility Renderings cont.



Gym Space Example



State of the art therapy equipment

- Upper Extremity InMotion Robot
- Lower Extremity Robot
- EKSO
- Gait Progression with Lite Gait
- Electric Standing Frame
- Kinetic Kinevia Active Passive Cycle

Gym Space Example



Car Transfer & Cooking Therapy





Letters of Support

Name	Role	Organization
Dr. Karthik Mahedevan	Internal Medicine Physician	PeaceHealth
Dr. Geetha Gangu	Hospitalist Medical Director	PeaceHealth
Stephanie Bulger	President	Lane Community College
Dr. Travis Littman	Medical Dir. Trauma	PeaceHealth
Desi Shubin	Chief Nursing Officer	McKenzie-Willamette Medical Center
Eric Van Houten	CEO	Cascade Health Solutions
Todd Salnas	CEO	Slocum Orthopedics
Joeseph Womack	President	Bushnell University
Bryan Stewart	System VP Home and Community	PeaceHealth
Eve Gray	Director LC Health and Community Services	Lane County Dept. Health and Human Services
Dr. Rick Padgett	Executive Medical Director OHVI	PeaceHealth
Dr. Megan Dorenkamp	Clinical Neuropsychologist	PeaceHealth



Appendix



PeaceHealth

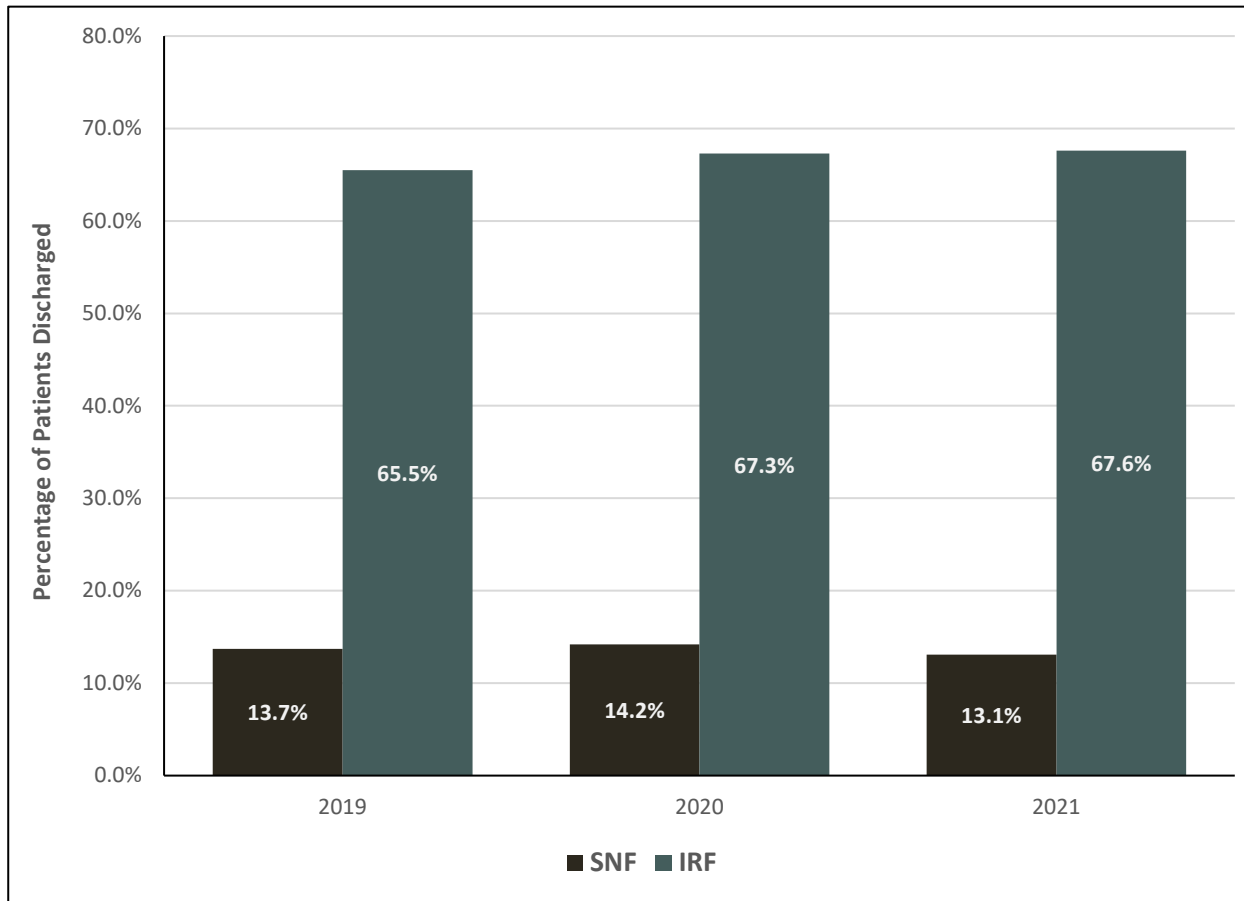


Inpatient Rehabilitation: Unique Level of Service

	Acute Care Hospital	Inpatient Rehabilitation Facility (IRF)	Skilled Nursing Care (SNF)	Home Health	Outpatient Rehabilitation
Focus	Diagnosis, surgery & short-term acute interventions	Interdisciplinary rehabilitation program with a goal of increasing functional independence and discharge to home or a community setting	Medical and/or Rehab care requiring longer recovery time	Medical/Rehab care in home setting. Therapy, Nursing, Social Work & aide visits available	Rehab Care on an outpatient basis to improve function level or decrease pain with functional activities
Anticipated LOS	2-5 days	7-15 days	10-100 days	30-90 days	Up to 90 days
Physician Visit	Daily	Daily	As needed, or face to face visit every 30 days	Initial order; Recertified every 60 days	Initial Order renewal every 30-60 days
Therapy Activity	Varies	3 or more hours/day with 2 therapy disciplines minimum	Minimum of 30 minutes 5x/week	2-3x/week	1-5x/week

Inpatient Rehabilitation Care Outcomes

Patients Discharged to Community by Care Setting



IRF settings consistently produce significantly higher successful discharge to community percentages compared to SNFs

Source: MedPAC March 2023 Report to the Congress: Medicare Payment Policy