Long Term Acute Care Hospitals

Successful Planning for Long Term Acute Care Hospitals Owned by Select Medical Corporation

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Situation

NHA has been working with Select Medical Corporation since mid 2003 in an effort to obtain Certificate of Need approval in the State of Florida for new freestanding long term acute care hospitals. Prior to retention of NHA, Select efforts in this regard had been unsuccessful.

Solutions

NHA was retained to work with Select and develop the necessary strategy to present new hospital projects as well as develop information to support previously requested hospital projects to result in either approvals or negotiated settlements.

The first project utilized information developed by NHA in a settlement conference to receive approval on a pending, denied certificate of need application without proceeding to litigation. As this was a hospital in hospital, after its approval and the August 2004 change in CMS regulations for these types of operations, NHA then prepared the necessary documentation to receive a modification to the approval to allow for a freestanding hospital to be built in Orlando, Florida. This hospital is under construction.

On a second “non-NHA” work product, NHA served as the expert witness against the opposition in an effort to obtain approval for Select based on developed data, additional analyses and presentation of operational, programmatic and financial issues on behalf of Select. Based on the testimony, the court approved this freestanding 60-bed LTAC in April 2005.

NHA was also retained to prepare seven project CON applications, including preparation of the detailed data analysis and assessment to support the projects’ need, presentation of the information in the required format, serve as expert in health planning, operations and healthcare finance and represent the client before the State’s regulatory body. Two of these applications have received certificate of need approval and are under construction; one has been aborted due to the new CMS guidelines relative to hospital in hospital projects; and, four are pending final judgment.

Based on Select’s 2005 acquisition of SemperCare, NHA also prepared the necessary financial documentation to justify a modification to a proposed project to allow for the construction in Tallahassee, Florida of a 30-bed freestanding LTAC rather than a hospital in hospital which would not be financially feasible. This modification has also been approved, a new CON issued and the hospital is under construction.
NHA continues to work with Select on an ongoing basis in the evaluation, planning and
development of new long term acute care hospitals.

For More Information

For more information about NHA services, call our offices at (305) 444-5007. To access information using the
World Wide Web, go to: http://www.nhaconsulting.com/

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