

The document in its entirety
consisting of **568 pages** is on file in
the Clerk of Council's Office



and their Joint Venture Entity

Rehabilitation Hospital of Columbus, LLC

**Propose to Establish a New 40-Bed Comprehensive
Inpatient Physical Rehabilitation Hospital**

November 17, 2020

Section 1: General Identifying Information

1. Enter the following information for the person or entity that will offer or develop the new institutional health service. If applicable, this information should correspond with the information submitted to the Department of Human Resources as the "Name of the Governing Body." The contact person should be a person directly affiliated with the Applicant and not a consultant or attorney.

APPLICANT		
Applicant Legal Name: Rehabilitation Hospital of Columbus, LLC		
d/b/a (if applicable):		
Address: 1800 Howell Mill Road, Suite 850		
City: Atlanta	State: Georgia	Zip: 30318
County: Fulton	Main Business Phone: 404.425.1307	
Parent Organization: Piedmont Encompass Rehabilitation Hospitals, LLC		
CONTACT PERSON		
Name: Christine Macewen	Title or Position: Executive Director, Corporate Development (Piedmont Healthcare)	
Phone: 404.425.1307	Fax: 478.472.3248	
E-mail Address: Christine.macewen@piedmont.org		

2. Is the name of the facility or proposed facility different than the Applicant's legal name? YES NO

If YES → Enter the facility information below. If applicable, this information should correspond to the "Name of Facility" maintained by the Department of Human Resources.

If NO → Continue to the next question.

FACILITY		
Facility Name: Rehabilitation Hospital of Columbus		
Facility Address: 8301 Veterans Parkway		
City: Columbus	State: Georgia	Zip: 31909
County: Muscogee	Phone: 404.425.1307	

3. If the facility is currently existing, is it currently licensed or permitted by the Department of Human Resources?

YES NO Not Applicable

If YES → Attach a copy of any and all licenses and permits at **APPENDIX B**.

If NO → Continue to the next question.

If Not Applicable → Check one of the following: Not Currently Existing (Proposed Only) No License or Permit Required

4. Is the legal owner of the facility different than the Applicant? YES NO

If YES → Identify the legal owner and all individuals or entities that own 10 percent interest or more in the facility. Include complete names, addresses, and telephone numbers.

If NO → Continue to the next question.

OWNER #1		
Name:		
Address:		
City:	State:	Zip:
Phone:		
OWNER #2		
Name:		
Address:		
City:	State:	Zip:
Phone:		
OWNER #3		
Name:		
Address:		
City:	State:	Zip:
Phone:		

5. Check the appropriate box to indicate the type of ownership of the Facility. Check only one box.

TAX EXEMPT	<input type="checkbox"/> Not-for-Profit Corporation		
	<input type="checkbox"/> Public (Hospital Authority or Government)		
TAX PAYING	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Business Corporation	<input type="checkbox"/> Sole Proprietor
	<input type="checkbox"/> Limited Liability Partnership	<input checked="" type="checkbox"/> Limited Liability Corporation	

6. Will the **entire** facility be operated by an entity other than the Applicant or the legal owner?
 YES NO

If YES → Identify the operator and include the complete name, address, and telephone number.

If NO → Continue to Question 8.

OPERATOR		
Name:		
Address:		
City:	State:	Zip:
Phone:		

7. Check the appropriate box to indicate the type of **operator**. Check only **one** box.

TAX EXEMPT	<input type="checkbox"/> Not-for-Profit Corporation		
	<input type="checkbox"/> Public (Hospital Authority or Government)		
TAX PAYING	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Business Corporation	<input type="checkbox"/> Sole Proprietor
	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> Limited Liability Corporation	

8. Please provide documentation of the organizational and legal structure of the Applicant as indicated in the table below. Attach this documentation as **APPENDIX C**. Please attach the documents in the order they are listed.

ORGANIZATIONAL STRUCTURE	
Not-for-Profit Corporation	<input type="checkbox"/> Name of Each Officer and Director <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Certificate of Existence <input type="checkbox"/> Bylaws <input type="checkbox"/> Organizational Chart(s) <input type="checkbox"/> Application/Authorization to do Business in Georgia (for Non-Resident Corporations)
Public (Hospital Authority or Government)	<input type="checkbox"/> All Governing Authority Approvals for this Application and Project <input type="checkbox"/> Bylaws <input type="checkbox"/> Organizational Chart(s)

ORGANIZATIONAL STRUCTURE	
Sole Proprietor	<input type="checkbox"/> County and Municipal Government Business Authorization Documents (e.g. Licenses, Permits, Etc.) <input type="checkbox"/> Bylaws <input type="checkbox"/> Organizational Chart(s)
General Partnership	<input type="checkbox"/> Name, Partnership Interest, and Percentage Ownership of Each Partner <input type="checkbox"/> Partnership Agreement <input type="checkbox"/> Certificate of Existence <input type="checkbox"/> Bylaws <input type="checkbox"/> Organizational Chart(s)
Limited Liability Partnership	<input type="checkbox"/> Name, Partnership Interest, and Percentage Ownership of Each Partner <input type="checkbox"/> Partnership Agreement <input type="checkbox"/> Certificate of Existence <input type="checkbox"/> Certificate of Registration <input type="checkbox"/> Articles of Organization <input type="checkbox"/> Bylaws <input type="checkbox"/> Organizational Chart(s)
Business Corporation	<input type="checkbox"/> Name of Each Officer and Director <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Certificate of Existence <input type="checkbox"/> Bylaws <input type="checkbox"/> Organizational Chart(s) <input type="checkbox"/> Application/Authorization to do Business in Georgia
Limited Liability Corporation	<input checked="" type="checkbox"/> Name of Each Officer and Director <input checked="" type="checkbox"/> Articles of Incorporation (Certificate of Formation) <input checked="" type="checkbox"/> Operating Agreement <input checked="" type="checkbox"/> Certificate of Existence <input type="checkbox"/> Bylaws Not Applicable to LLC <input checked="" type="checkbox"/> Organizational Chart(s) <input checked="" type="checkbox"/> Application/Authorization to do Business in Georgia (for Non-Resident Corporations)

9. If you have identified the Applicant as a Not-for-Profit Corporation, Business Corporation, or Limited Liability Corporation, explain the corporate structure and the manner in which all entities relate to the Applicant.

NOTE: Do not exceed the allotted space for your response.

The Rehabilitation Hospital of Columbus, LLC ("Rehab Hospital of Columbus" or "Rehab Hospital") is a wholly-owned subsidiary of Piedmont Encompass Rehabilitation Hospitals, LLC, which is a 50/50 joint venture between Piedmont Healthcare and Encompass Health Corporation. The managing members of the Applicant LLC are set forth in the corporate documents included in Appendix C.

Piedmont Healthcare ("Piedmont") is the parent company and sole member for not-for-profit purposes of Piedmont Atlanta Hospital, Piedmont Fayette Hospital, Piedmont Mountainside Hospital, Piedmont Newnan Hospital, Piedmont Henry Hospital, Piedmont Newton Hospital, Piedmont Rockdale Hospital, Piedmont Athens Regional Medical Center, Piedmont Walton Hospital, Piedmont Columbus Regional Midtown, and Piedmont Columbus Regional Northside.

Encompass Health Corporation ("Encompass" or "Encompass Health") is a publicly-traded company that owns and operates three CIPR hospitals in Georgia: Encompass Health Rehabilitation Hospital of Savannah, Encompass Health Rehabilitation Hospital of Newnan, and Walton Rehabilitation Hospital, An Affiliate of Encompass Health. Two additional CIPR hospitals have been approved but are not yet operational: Encompass Health Rehabilitation Hospital of Henry County and HealthSouth Rehabilitation Hospital of Forsyth. (HealthSouth Corporation changed its name to Encompass January 1, 2018.)

10. Does the Applicant have Legal Counsel to whom legal questions regarding this application may be addressed?

YES NO

If YES → Identify the lead attorney below.

If NO → Continue to the next question.

LEGAL COUNSEL		
Name: Robert C. Threlkeld		
Firm: Morris Manning & Martin, LLP		
Address: 1600 Atlanta Financial Center, 3343 Peachtree Road, NE		
City: Atlanta	State: Georgia	Zip: 30326
Phone: 404.504.7757	Fax: 404.365.9532	
Email: rct@mmmlaw.com		

11. Did a Consultant prepare and/or provide information in this application? YES NO

If YES → Identify the Consultant below.

If NO → Continue to the next question.

CONSULTANT		
Name: Marty E. Chafin		
Firm: Chafin Consulting Group, Inc.		
Address: 2566 Shallowford Road, Suite 104-150		
City: Atlanta	State: Georgia	Zip: 30345
Phone: 770.939.4454	Fax: 770.939.3882	
Email: mchafin@chafinconsulting.com		

12. Does the Applicant wish to designate and authorize an individual other than the Applicant Contact listed in response to Question 1 to act as the representative of the Applicant for purposes of this application?

YES NO

If YES → Please complete the information in the table on the next page. By doing so, the Applicant authorizes the representative to submit this CON application and make amendments thereto; to provide the Department of Community Health with all information necessary for a determination on this application; to enter into agreements with the Department of Community Health in connection with this CON; and to receive and respond, if applicable, to notices in matters relating to this CON.

If NO → Continue to the next question.

AUTHORIZED REPRESENTATIVE		
Name:		
Firm:		
Address:		
City:	State:	Zip:
Phone:	Fax:	
Email:		

NOTE: This authorization will remain in effect for this application until written notice of termination is sent to the Department of Community Health that references the specific CON application number. Any such termination must identify a new authorized representative. Also, if the authorized representative's contact information changes at any time, the Applicant must immediately notify the Department of Community Health of any such change.

13. Does the Applicant have any lobbyist employed, retained, or affiliated with the Applicant directly or through its contact person or authorized representative?

YES NO

If **YES** → Please complete the information in the table below for each lobbyist employed, retained, or affiliated with the Applicant. Be sure to check the box indicating that the Lobbyist has been registered with the State Ethics Commission. Executive Order 10.01.03.01 and Rule 111-1-2-.03(2) require such registration.

If **NO** → Continue to the next question.

LOBBYIST DISCLOSURE STATEMENT		
Name of Lobbyist	Affiliation with Applicant	Registered with State Ethics Commission?
W. Thomas Worthy, on behalf of parent, Piedmont Healthcare	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Kay Rogers Childers, on behalf of parent, Piedmont Healthcare	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Stephen Butler, on behalf of parent, Piedmont Healthcare	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Arthur "Skin" Edge, on behalf of parent, Encompass Health Corporation	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
John "Trip" Martin, on behalf of parent, Encompass Health Corporation	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Boyd Petit, on behalf of parent, Encompass Health Corporation	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
John Bozeman, on behalf of parent, Encompass Health Corporation	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Lauren Fralick, on behalf of parent, Encompass Health Corporation	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Jay Roberts, on behalf of parent, Encompass Health Corporation	<input type="checkbox"/> Employed <input checked="" type="checkbox"/> Other Affiliation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Section 2: Project Description

14. Indicate the type of facility that will be involved in the project.

FACILITY TYPE							
<input type="checkbox"/> Birthing Center	<input checked="" type="checkbox"/> Hospital						
<input type="checkbox"/> Continuing Care Retirement Community (CCRC)	<input type="checkbox"/> Nursing or Intermediate Care Facility						
<input type="checkbox"/> Freestanding Ambulatory Surgery Center	<input type="checkbox"/> Personal Care Home						
<input type="checkbox"/> Home Health Agency	<input type="checkbox"/> Traumatic Brain Injury Facility						
<input type="checkbox"/> Diagnostic, Treatment or Rehabilitation Center (DTRC) <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Freestanding Single-Modality Imaging Center</td> <td><input type="checkbox"/> Freestanding Multi-Modality Imaging Center</td> </tr> <tr> <td><input type="checkbox"/> Mobile Imaging</td> <td><input type="checkbox"/> Practice-Based Imaging</td> </tr> <tr> <td colspan="2"><input type="checkbox"/> Other:</td> </tr> </table>		<input type="checkbox"/> Freestanding Single-Modality Imaging Center	<input type="checkbox"/> Freestanding Multi-Modality Imaging Center	<input type="checkbox"/> Mobile Imaging	<input type="checkbox"/> Practice-Based Imaging	<input type="checkbox"/> Other:	
<input type="checkbox"/> Freestanding Single-Modality Imaging Center	<input type="checkbox"/> Freestanding Multi-Modality Imaging Center						
<input type="checkbox"/> Mobile Imaging	<input type="checkbox"/> Practice-Based Imaging						
<input type="checkbox"/> Other:							

15. Indicate the services that will be involved or affected by this project.

SERVICES		
ACUTE	Hospital Inpatient <ul style="list-style-type: none"> <input type="checkbox"/> Medical/Surgical <input type="checkbox"/> Open Heart Surgery <input type="checkbox"/> Pediatric <input type="checkbox"/> Obstetrics <input type="checkbox"/> ICU/CCU <input type="checkbox"/> Newborn, ICU/INT <input type="checkbox"/> Newborn/Nursery <input checked="" type="checkbox"/> Rehabilitation <input type="checkbox"/> Acute, Burn, Other Specialty <input type="checkbox"/> Long Term Acute Care <input type="checkbox"/> Inpatient, Other <input type="checkbox"/> Psychiatric, Adult <input type="checkbox"/> Substance Abuse, Adult <input type="checkbox"/> Psychiatric, Child/Adolescent <input type="checkbox"/> Substance Abuse, Child/Adolescent <input type="checkbox"/> Psychiatric, Extended Care <input type="checkbox"/> Destination Cancer Hospital 	Diagnostic Services <ul style="list-style-type: none"> <input type="checkbox"/> Computerized Tomography (CT) Scanner <input type="checkbox"/> Magnetic Resonance Imaging (MRI) <input type="checkbox"/> Positron Emission Tomography (PET) <input type="checkbox"/> Diagnostic Center, Cancer/Specialty
		Other Outpatient Services <ul style="list-style-type: none"> <input type="checkbox"/> Ambulatory Surgery <input type="checkbox"/> Birthing Center
		Clinical/Surgical <ul style="list-style-type: none"> <input type="checkbox"/> Emergency Medical <input type="checkbox"/> Emergency Medical, Trauma Center <input type="checkbox"/> Adult Cardiac Catheterization <input type="checkbox"/> Gamma Knife <input type="checkbox"/> Lithotripsy <input type="checkbox"/> Pediatric Cardiac Catheterization <input type="checkbox"/> Megavoltage Radiation Therapy
LONG-TERM	<ul style="list-style-type: none"> <input type="checkbox"/> Skilled Nursing Care <input type="checkbox"/> Intermediate Nursing Care <input type="checkbox"/> Continuing Care Retirement Community (CCRC) 	<ul style="list-style-type: none"> <input type="checkbox"/> Personal Care Home <input type="checkbox"/> Traumatic Brain Injury (TBI) <input type="checkbox"/> Home Health
OTHER	<ul style="list-style-type: none"> <input type="checkbox"/> Administrative Support <input type="checkbox"/> Non-Patient Care, Other 	<ul style="list-style-type: none"> <input type="checkbox"/> Grounds/Parking <input type="checkbox"/> Medical Office Building

16. Check the most appropriate category(ies) for this project. Check all that apply.

PROJECT CATEGORY	
<p>Construction</p> <p><input checked="" type="checkbox"/> New Facility</p> <p><input type="checkbox"/> Expansion of Existing Facility</p> <p><input type="checkbox"/> Renovation of Existing Facility</p> <p><input type="checkbox"/> Replacement of Existing Facility</p>	<p>Service Change</p> <p><input checked="" type="checkbox"/> New Service**</p> <p><input type="checkbox"/> Expansion of Service</p> <p><input type="checkbox"/> Expansion or Acquisition of Service Area</p> <p><input type="checkbox"/> Consolidation of Service</p> <p><input type="checkbox"/> Relocation of Facility</p> <p><input type="checkbox"/> Other</p>
<p>Procurement of Medical Equipment</p> <p><input type="checkbox"/> Purchase</p> <p><input type="checkbox"/> Lease</p> <p><input type="checkbox"/> Donation (fair market value must be used)</p>	<p>**The proposed hospital will be comprised of 11 new beds and 29 existing beds relocated from Piedmont Columbus Regional Northside's CIPR program.</p>

17. Please provide the following site information for the facility and services identified in this application. Check the appropriate box to indicate the current status of the site acquisition. Attach the appropriate documents that provide for the Applicant's entitlement to the site at **APPENDIX D**.

NOTE: If an unsigned lease is attached, include a letter documenting both parties' commitment to participate in the lease once the CON is approved, if applicable.

PROJECT SITE INFORMATION		
Street Address: 8301 Veterans Parkway		
City: Columbus	County: Muscogee	Zip: 31909
Number of Acres: 8		
Status of Site Acquisition		
<input type="checkbox"/> Purchased (attach deed)	<input type="checkbox"/> Leased (attach lease)	
<input type="checkbox"/> Under Option (attach option agreement)	<input type="checkbox"/> Under Contract (attach contract or bill of sale)	
<input checked="" type="checkbox"/> Other; please specify: Property owned by Encompass Health has been assigned to Applicant entity.		
Zoning		
Is the site appropriately zoned to permit its use for the purpose stated within the application?		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
If NO → Describe what steps have been taken to obtain the correct zoning and the anticipated date of re-zoning:		
Encumbrances		
Are there any encumbrances that may interfere with the use of the site, such as mortgages, liens, assessments, easements, rights-of-way, building restrictions, or flood plains?		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

18. Provide a detailed description of the proposed project including a listing of the departments (e.g. ED, ICU), services, (e.g. Home Health, Cardiac Cath), and equipment (e.g. MRI, PET, Cath) involved.

NOTE: *If your description exceeds this blocked space, attach additional 8-½ by 11-inch pages, number the first sheet Page 9.1, the second Page 9.2 and so on. Do not alter the main page numbers of this application. Once printed, insert your additional pages 9.1, etc. behind this Page 9.*

The Rehabilitation Hospital of Columbus, LLC proposes to establish a 40-bed freestanding Comprehensive Inpatient Physical Rehabilitation ("CIPR") Program to meet the identified gap in care for service area adult residents arising from the atypical barriers to care described herein. The proposed project will be comprised of eleven (11) new CIPR beds and 29 existing CIPR beds relocated from Piedmont Columbus Regional Northside ("PCRN") for a total complement of 40 beds. The proposed project will remedy service area residents' atypical geographic access and attendant quality barriers to care, thus is responsive to the exception to need criteria.

The CIPR hospital will be located in Columbus, Muscogee County, in CIPR Planning Area 3 ("PA3"). The proposed service area for the project is a 7-county area including Muscogee County (as the primary service area) and Harris, Marion, Stewart, Talbot, Chattahoochee, and Taylor counties as the secondary service area. The proposed service area is based on PCRN's actual historical CIPR patient origin.

PCRN is the sole CIPR program in the service area, operating a highly-utilized 29-bed adult CIPR program that is in need of expansion. The community's need for additional inpatient rehabilitation ("rehab") beds is demonstrated by the fact that PCRN is operating literally at capacity many days of the year, resulting in an average *annual* occupancy of 94.0% in CY19 and a year-to-date ("YTD") CY20 *average* occupancy of 94.7%, despite the negative impact of COVID-19 on healthcare providers' overall utilization and patient volume this calendar year.

Because too few CIPR beds are available for service area residents, patients discharged from general acute care hospitals who are in need of, and would benefit from, intensive inpatient rehab services are too often delayed in receiving that care, or must forego that level of physician-prescribed intensive inpatient rehab care altogether. To illustrate, between July 2019 and October 2020 (the most recent 15 month period for which data is available and which coincides with Piedmont's fiscal year period beginning July 1 of each year), *PCRN was unable to admit 101 patients in need of CIPR services solely because there was not a bed available.* During that same time period, an additional 159 patients in need of CIPR care were admitted to a less intensive post-acute setting (*i.e.*, home health or skilled nursing facility) instead of the physician-prescribed CIPR services, oftentimes because of the lack of an available CIPR bed in the service area.

Too few beds in the service area also means that patients in need of CIPR services who are ultimately admitted to a CIPR program must remain in the acute care hospital longer than necessary, negatively impacting both the patient ready for discharge to a CIPR program and patients in need of that occupied general acute care bed. To illustrate, for patients who were able to obtain CIPR services at PCRN during the 15-month period July 2019 through October 2020, *Piedmont Columbus Regional ("PCR") and PCRN combined had patients remain in their general acute care beds an excess 4,396 days, or an average of 2.7 excess days per CIPR-discharged patient, while awaiting discharge to an available and accessible CIPR bed.* Any delay discharging patients in need of CIPR care adversely impacts the patient who needs that physician-prescribed intensive, interdisciplinary rehabilitation and restorative care to recover to his/her highest level of functioning. Moreover, delays in discharging patients to a CIPR program means that patients in need of general acute care beds are also unnecessarily delayed in receiving needed care.

Absent sufficient number of beds in the service area, patients are traveling out-of-state to receive CIPR care because the closest CIPR Planning Area 3 provider is more than 60 miles from the proposed project. Moreover, that "closest" Georgia provider (Phoebe Sumter Medical Center) does not appear to actually provide CIPR services since the hospital has reported no (0) CIPR patients for at least the last two calendar years. Notably, the other existing CIPR providers in CIPR PA3 are located even farther from Muscogee County and the proposed Rehab Hospital, *i.e.*, Phoebe Putney Memorial Hospital in Albany, John D. Archbold Memorial Hospital in Thomasville, and South Georgia Medical Center in Valdosta. These facilities are no less than a ninety minute drive (to Phoebe Putney), and almost three (3) hours to Archbold Memorial Hospital and South Georgia Medical Center.

Piedmont has recognized the need for additional beds to meet the needs of its service area adult residents, thus is partnering with Encompass Health to develop a freestanding 40-bed inpatient rehab hospital easily accessible to service area residents. The combination of complementary skills and expertise of Piedmont, a Georgia, community-based not-for-profit health system and Encompass, a national leader in inpatient rehab care, will ensure that service area residents have available and accessible rehab beds when needed.

Encompass is the nation's leading owner and operator of inpatient rehab hospitals with 136 inpatient rehab hospitals in 35 states and Puerto Rico, representing approximately 23% of the licensed acute rehabilitation beds nationally and approximately 31% of Medicare patients served. As detailed later in this application, service area patients and their families will benefit from Encompass' proven high quality, cost-effective programs and services, including their rehab-specific hospital design, clinical equipment, and technology.

The proposed 40-bed inpatient rehab hospital will include:

- All private rooms, including two bariatric rooms;
- Well-equipped therapy gym with specialized equipment and an Activities of Daily Living ("ADL") suite;
- Dedicated and extensive outdoor therapy area;
- Dialysis treatment area for patients to remain on-site when dialysis is needed;
- Dedicated dining room and a separate activities / day room for patients and families; and,
- Sufficiently-sized and appropriately-designed support spaces.

The total project cost estimate for the 40-bed hospital is \$33,820,251. The project will be funded with cash on hand by the ultimate parent entities of the Applicant, Piedmont and Encompass.

As part of the proposed project, Piedmont Healthcare and Piedmont Columbus Regional Northside commit to permanently discontinue offering CIPR services at PCRN, evidenced by *conditioning this application on the permanent closure of its 29-bed inpatient rehab program at PCRN*. (See Appendix E for an Affidavit from Scott Hill, Piedmont Columbus Regional Northside CEO, attesting to the permanent closure of PCRN's CIPR program upon the opening of the proposed new 40-bed CIPR hospital.) Thus, the proposed project will increase adult CIPR beds in Planning Area 3 by a net of only 11 new beds.

Notably, however, should the Department of Community Health ("Department" or "DCH") evaluate the need for the proposed 40-bed hospital without consideration of Piedmont's commitment to permanently close its CIPR program on the PCRN campus, there is demonstrated gross bed need for a total of 81 CIPR beds in the service area which is more than the proposed 40-bed hospital and existing 29-bed unit combined. Therefore, even presenting a counter-factual hypothetical scenario that the 29-bed PCRN unit would remain in place following implementation of the proposed project, which it will not, there is a need for the proposed 40-bed hospital.

Section 3: General Review Considerations

All Certificate of Need applications are evaluated to determine their compliance with the general review considerations contained in Rule 111-2-2-.09. Please document how the proposed project conforms with the following general review considerations.

Rule 111-2-2-.09(1)(a): Consistency with State Health Plan

The proposed new institutional health services are reasonably consistent with the relevant general goals and objectives of the State Health Plan.

19. Explain how the project is consistent with the State Health Plan or why it does not apply. Also explain how the application is consistent with the Applicant's own long range plans.

NOTE: *If your explanation exceeds this blocked space, attach additional 8-½ by 11-inch pages, number the first sheet Page 10.1, the second Page 10.2 and so on. Do not alter the main page numbers of this application. Once printed, insert your additional pages 10.1, etc. behind this Page 10.*

The *Comprehensive Inpatient Physical Rehabilitation Services (CIPR) Component Plan* issued March 2007, does not contain any specific goals or objectives. However, the proposed project is consistent with the general health planning goals of providing accessible, quality, cost-effective services to the residents of the proposed service area.

The proposed 40-bed CIPR hospital addresses the identified need for additional adult CIPR beds in the service area, thus ensuring that patients and families in need will have high quality, accessible adult intensive inpatient rehabilitative and restorative services in a cost-effective and well-planned manner.


Moreover, the proposed project is a joint venture between two health systems that provide high quality care to residents throughout Georgia: Piedmont Healthcare and Encompass Health. Thus, service area residents will benefit from the JV partners' proven policies, procedures, resources, and infrastructure, as well as their commitment to ensuring access for all patients in need with an indigent and charity care commitment of three percent (3%) annually of adjusted gross revenues.


Rule 111-2-2-.09(1)(b): Need

The population residing in the area served, or to be served, by the new institutional health service has a need for such services.

20. Please explain the need for your particular project or service. For services for which a need methodology exists in the State Health Plan, please use the said methodology. In submitting information to explain the need for your project, please also use the following guidelines:

- For any population projections, the official projections of the Office of Planning and Budget should be utilized;
- Include maps that clearly define both the primary and secondary service areas and identify all other providers of the proposed service that lie within the primary and secondary service area on such maps;
- Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients, visitors, and employees; and
- For services that already have documented utilization rates, include such historical utilization data, and projections for future utilization.

 **NOTE:** *If your explanation exceeds this blocked space, attach additional 8-½ by 11-inch pages, number the first sheet Page 11.1, the second Page 11.2 and so on. Do not alter the main page numbers of this application. Once printed, insert your additional pages 11.1, etc. behind this Page 11.*

 Attach any documentation, such as magazine articles, research papers, or any other document that cannot be reproduced or created in MS Word format and that supports the need for your project into **APPENDIX E**. All documents such as tables, charts, and maps that support your need analysis and that are able to be inserted or created in MS Word format should be inserted following this page according to instructions in the note above.

The Rehab Hospital of Columbus proposes to establish a 40-bed freestanding CIPR hospital to care for service area adult residents in need of intensive inpatient rehab services. The hospital will be located in Columbus, Muscogee County, CIPR Planning Area 3. The proposed project will remedy service area patients' atypical geographic access and attendant quality barriers to care.

The proposed project will only be an 11 bed increase in the number of CIPR PA3 beds because the facility will be comprised of 29 relocated beds from Piedmont Columbus Regional Northside, the sole CIPR provider in the service area, and 11 new beds. The new, state-of-the-art, rehabilitation specific facility, run with the combined expertise of Encompass Health Corporation, the largest CIPR provider in the country, and Piedmont Healthcare, the largest health system in the state, will have an outsized positive impact on the patients in the service area.

The following pages provide detailed information demonstrating need for the proposed project. For ease of reference, the information is organized as follows:

- A. The Proposed Project will Address a Gap in Care for Service Area Residents.
 1. Service Area Population Projections.
 2. Service Area Residents Need Additional CIPR Beds.
 3. Proposed Project Remedies Atypical Barriers to Care and Meets Hughston Criteria.
 4. Other Post-Acute Care Services are Not an Appropriate Substitute for CIPR Care.
 5. Service Area Residents' Historical Utilization Supports a 40-bed Freestanding CIPR hospital.

- B. Service Area Residents will Benefit from the Proposed Piedmont Encompass Project.
 1. Benefits of the Proposed Joint Venture.
 2. Proposed Programs, Services, and Facility Design Ensure High Quality Care is Provided.
 3. Patients Benefit from Encompass' Corporate Structure, Support, Infrastructure & Resources.
 4. Patients Benefit from Encompass' High Quality, Cost-Effective Care.
 5. Encompass' Facilities Benefit Service Area Residents and Hospitals by Caring for COVID-19 Patients.

- C. Piedmont Columbus Regional Northside will Permanently Discontinue Offering CIPR Services on its Campus Upon Opening of the Proposed 40-bed CIPR Hospital.

A. The Proposed Project will Address a Gap in Care for Service Area Residents.

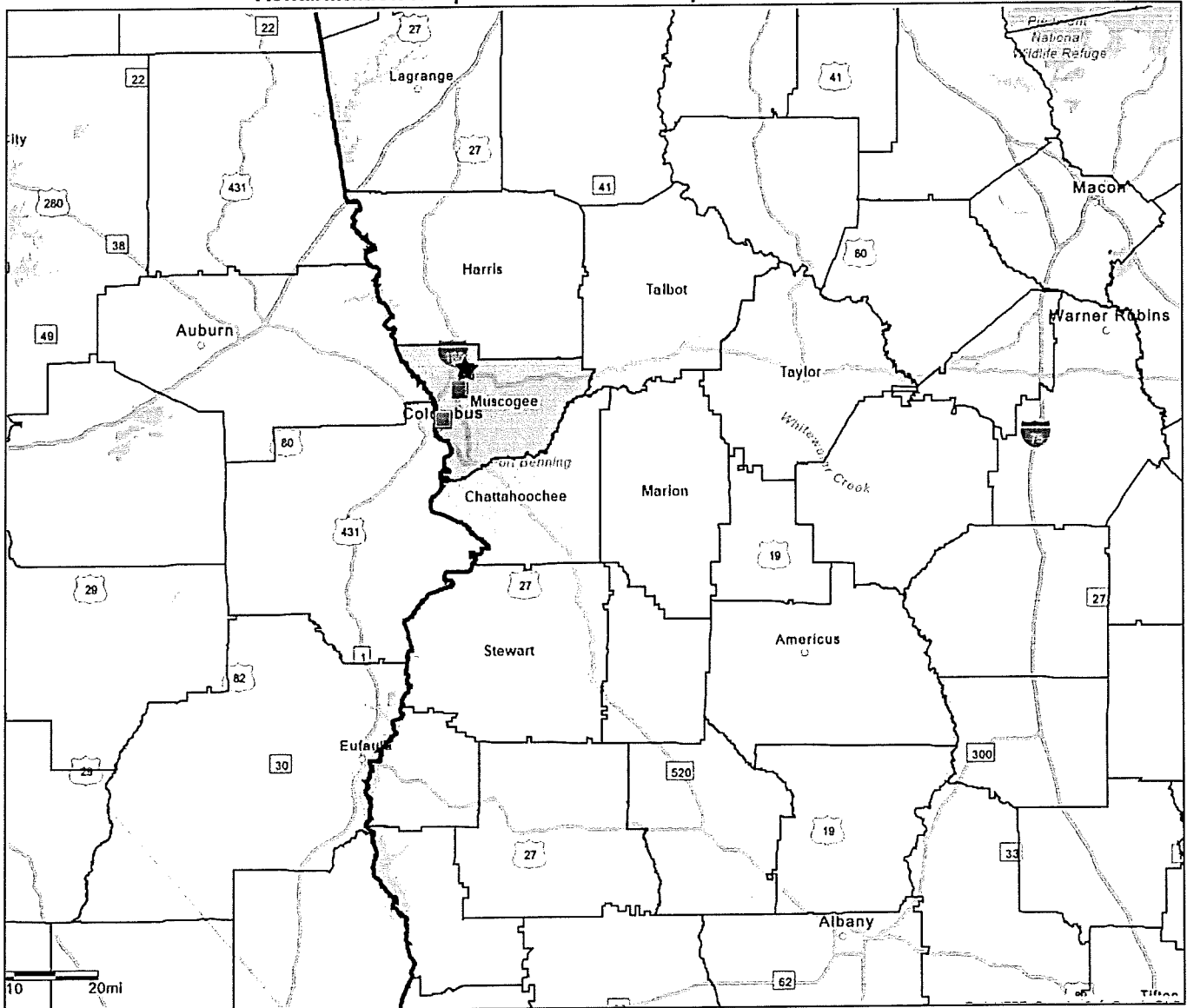
1. Service Area Population Projections.

The Rehab Hospital's proposed service area is a 7-county area including Muscogee, Harris, Marion, Stewart, Talbot, Chattahoochee, and Taylor counties, as shown in the table and map below. The proposed service area is based on PCRN CIPR patient origin for the most recent 12 months of data available (Sept. 2019 – August 2020) and considering patient migration patterns in general, and specifically for the defined service area patients utilizing PCRN as well as those who travel out-of-state to receive CIPR inpatient care at Regional Rehabilitation Hospital in Phenix City, Alabama.

Muscogee County is the proposed primary service area county, comprising the majority (67.5%) of PCRN's CIPR patients during the most recent 12 month period. Secondary service area counties account for an additional 12.4% of PCRN's patients, so that the total service area (primary and secondary counties combined) comprises approximately 80% of PCRN's CIPR patients.

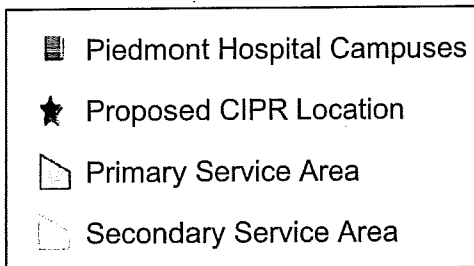
Table 1 <i>Proposed Service Area</i> Based on PCRN CIPR Patient Origin, Sept. 2019 – Aug. 2020		
County	Adult CIPR Patients	% of Total
<i>Primary Service Area</i>		
Muscogee	512	67.5%
<i>Secondary Service Area</i>		
Harris	58	7.6%
Marion	14	1.8%
Stewart	10	1.3%
Talbot	7	0.9%
Chattahoochee	3	0.4%
Taylor	2	0.3%
<i>Subtotal</i>	94	12.4%
All Other Counties	153	20.2%
Total All Patients	759	100.0%
Source: Piedmont Healthcare Internal Data.		

**Figure 1
Rehabilitation Hospital of Columbus Proposed Service Area**



Source: ArcGIS.

Legend:



The service area adult population is forecasted to increase to more than 229,000 in 2025, the planning year horizon for the proposed project, as shown in the table below. Muscogee County, the home county of PCRN and the proposed project, comprises the vast majority of the 2025 total service area population whether considered in terms of the adult population (72.4%) or the population ages 65 and over (68.2%).

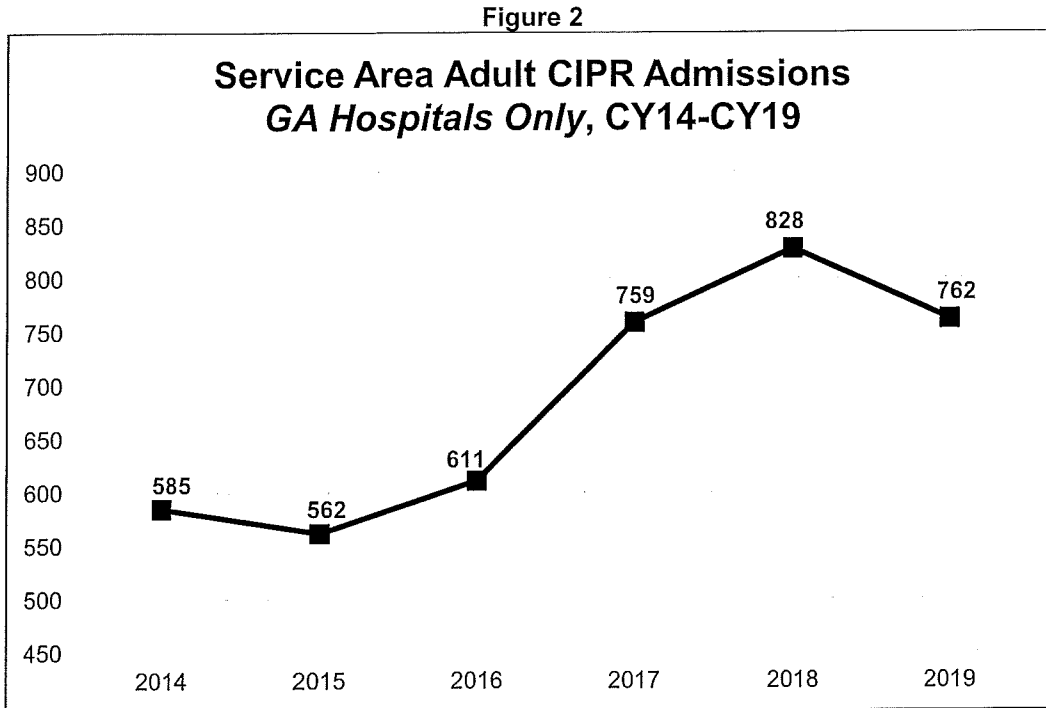
County	2020	2025	Numeric Change, 2020-25	% Change, 2020-25
<i>Primary Service Area</i>				
Muscogee	160,231	165,899	5,668	3.5%
<i>Secondary Service Area</i>				
Chattahoochee	9,266	9,399	133	1.4%
Harris	28,879	31,318	2,439	8.4%
Marion	6,929	7,042	113	1.6%
Stewart	4,678	4,519	-159	-3.4%
Talbot	4,951	4,675	-276	-5.6%
Taylor	6,400	6,232	-168	-2.6%
<i>Subtotal, SSA</i>	<i>61,103</i>	<i>63,185</i>	<i>2,082</i>	<i>3.4%</i>
TOTAL	221,334	229,084	7,750	3.5%
Source: Office of Planning & Budget ("OPB") Resident Population Projections, 04/01/2017.				

The service area's large and growing population ages 65 and over ("65+" or "elderly") is an important consideration in the need for CIPR services because the elderly population is the primary user of inpatient rehab services. Specifically in CIPR PA3, Medicare patients (who are predominantly ages 65+) comprised 79.7% of total CIPR PA3 providers' patient population in CY19, according to the DCH Annual Hospital Questionnaire ("AHQ") database published 6/1/20. As such, the service area's large and growing elderly population will continue to increase the need for CIPR services.

County/Area	Total Population		Pop 65+		65+ Pop, % Change	65 + Pop as a % of Total Pop	
	2020	2025	2020	2025		2020	2025
<i>Primary Service Area</i>							
Muscogee	213,727	220,353	30,171	36,002	19.3%	14.1%	16.3%
<i>Secondary Service Area</i>							
Chattahoochee	13,274	13,471	579	646	11.6%	4.4%	4.8%
Harris	35,495	37,679	7,590	9,399	23.8%	21.4%	24.9%
Marion	8,758	8,777	1,815	2,101	15.8%	20.7%	23.9%
Stewart	5,570	5,371	1,004	1,053	4.9%	18.0%	19.6%
Talbot	6,059	5,714	1,525	1,686	10.6%	25.2%	29.5%
Taylor	8,127	7,846	1,734	1,924	11.0%	21.3%	24.5%
<i>Subtotal, SSA</i>	<i>77,283</i>	<i>78,858</i>	<i>14,247</i>	<i>16,809</i>	<i>18.0%</i>	<i>18.4%</i>	<i>21.3%</i>
Total	291,010	299,211	44,418	52,811	18.9%	15.3%	17.7%
Source: OPB Resident Population Projections, 04/01/2017.							

2. Service Area Residents Need Additional CIPR Beds.

The service area residents' utilization of adult CIPR services at Georgia hospitals is significant, and has materially increased (30.3%) since 2014, as illustrated by the following graph. Notably, the vast majority of service area residents who received CIPR care at a Georgia hospital received their care at PCRN, *i.e.*, 589 patients out of the 762 in-state CIPR patients (or 77.3%), according to the DCH AHQ database published 6/1/20. Thus, the slight decline in service area adult CIPR admissions between 2018 and 2019 shown below is illustrative of the fact that there are too few CIPR beds to meet the needs of service area residents.



Source: DCH AHQ database published 6/1/20.

To be clear, the 30.3% increase in service area residents' CIPR admissions between 2014 and 2019 includes all adult CIPR patients receiving CIPR services at any hospital in Georgia. As shown in the table below, the historical actual increase in service area adult CIPR admissions to a Georgia hospital between 2014 and 2019 was almost ten times (10x) the adult population growth for that same time period.

Table 4
CIPR Adult Discharges are Growing Significantly Faster than Population
Comparison of Historical Increases in Service Area CIPR Admissions
(Georgia Hospitals, Only) to Adult Population, 2014-2019

Service Area	2014	2019	Numeric Change, 2014-19	% Change, 2014-19
Adult CIPR Admissions	585	762	177	30.3%
Adult Population	212,482	219,810	7,328	3.4%

Sources: DCH AHQ database published 6/1/20 and OPB Resident Population Projections, 04/01/2017.

PCRN is the sole CIPR provider in the defined 7-county service area, and as shown below, has been operating at or above the Department's 85% occupancy standard since 2016.

The high and increasing average annual occupancy at the sole provider in the service area is prima facia evidence that there is a need for additional service area beds, even before all of the other benefits of the proposed project are considered.

Table 5 <i>The Sole CIPR Provider in the Service Area has High and Increasing Utilization</i> PCRN Occupancy by Year, 2014 – 2019									
PCRN CIPR	2014	2015	2016	2017	2018	2019	Increase	% Increase	% CAGR
Admissions	694	684	695	745	773	750*	56	8.1%	1.6%
Patient Days	7,900	7,766	8,963	9,207	9,639	9,952	2,052	26.0%	4.7%
ALOS	11.4	11.4	12.9	12.4	12.5	13.3			
ADC	21.6	21.3	24.6	25.2	26.4	27.3			
Beds**	29	29	29	29	29	29			
Occupancy**	74.6%	73.4%	84.7%	87.0%	91.1%	94.0%			

Source: Annual Hospital Questionnaires, 2014-2019.
 Notes: CAGR is compound annual growth rate.
 Admissions and Inpatient Days were used in the analysis in order to match reported patient origin data, except where noted.
 *2019 admissions match CIPR Addendum.
 **Beds and occupancy based on the hospital's reported set-up and staffed 29-bed unit.

Moreover, as shown in Table 6 below, the occupancy rate at PCRN is continuing to increase, despite the current COVID-19 pandemic that has been reducing patient volumes at hospitals across the country, including in Georgia.

Table 6 PCRN Adult CIPR Occupancy, YTD CY2020 <i>PCRN Occupancy is High and Increasing</i>			
Month	Actual Patient Days	Available Patient Days	Average Monthly Occupancy
Jan	895	899	99.6%
Feb	827	841	98.3%
Mar	864	899	96.1%
Apr	717	870	82.4%
May	883	899	98.2%
Jun	828	870	95.2%
July	853	899	94.9%
Aug	826	899	91.9%
Sept	834	870	95.9%
Total	7,527	7,946	94.7%

Source: PCRN Internal Data.

The high and increasing occupancy of the sole CIPR provider in the service area means that there are too few beds available for service area residents, as demonstrated by the high number of adult patients in need of CIPR services who were unable to access care at PCRN solely because of the lack of an available bed. As shown below, between July 2019 and October 2020, PCRN was unable to admit 101 patients in need of CIPR services solely because there was not a bed available.

Table 7 Patients were Unable to Be Admitted Solely because No Bed was Available at PCRN Due to High CIPR Occupancy, July 2019 – Sept. 2020		
Month	Average Monthly Occupancy	Patients Unable to be Admitted because No Bed was Available
Jul-19	88.1%	7
Aug-19	95.4%	13
Sep-19	83.8%	8
Oct-19	93.8%	3
Nov-19	84.7%	0
Dec-19	99.4%	12
Jan-20	99.6%	11
Feb-20	98.3%	12
Mar-20	96.1%	6
Apr-20	82.4%	1
May-20	98.2%	14
Jun-20	95.2%	2
Jul-20	94.9%	3
Aug-20	91.9%	2
Sep-20	95.9%	7
Total, 15 mos.	93.2%	101
Source: PCRN Internal Data.		

During that same time period, an additional 159 patients in need of CIPR care were admitted to a less intensive post-acute setting (*i.e.*, home health or skilled nursing facility) instead of the physician-prescribed CIPR services, oftentimes because of the lack of an available CIPR bed in the service area.

Not only are patients denied access to CIPR services in the service area because there are too few beds, but service area patients also remain in general acute care beds longer than necessary awaiting discharge to an inpatient rehab bed. To illustrate, for the 15-month period July 2019 through October 2020, Piedmont Columbus Regional and PCRN combined had patients remain in their general acute care beds an excess 4,396 days, or an average of 2.7 excess days per CIPR-discharged patient, while awaiting discharge to an available and accessible CIPR bed. Any delay discharging patients in need of CIPR care adversely impacts the patient who needs that physician-prescribed intensive, interdisciplinary rehabilitation and restorative care to recover to his/her highest level of functioning. Increased time spent in the acute care setting also exposes the patient to the threat of hospital-acquired infections. Moreover, delays in discharging patients to a CIPR program means that patients in need of general acute care beds are also unnecessarily delayed in receiving needed care.

Absent a sufficient number of adult CIPR beds in the service area, patients must seek care elsewhere. In this instance, service area residents who travel outside the service area for care most often travel out-of-state to receive CIPR services at the Phenix City, Alabama Regional Rehabilitation Hospital. (Please note that the Regional Rehabilitation Hospital in Phenix City, Alabama is jointly-owned by Piedmont and Encompass. Thus, the Applicant entity, a JV between Piedmont and Encompass, has access to Regional Rehab Hospital's internal patient origin data, including the number of Georgia service area patients traveling out-of-state to receive care there.)

As shown below, the lack of available and accessible CIPR beds in the Georgia service area counties means that a significant number of Georgia service area residents must travel out-of-state for CIPR services. Notably, more Muscogee County patients travel to Alabama for CIPR services than remain in-state, even when considering all hospitals in Georgia.

Table 8 Georgia Service Area Residents are Traveling to Phenix City, AL for CIPR Services Because Too Few Beds are Available in the Service Area (CY19) Comparison of CIPR Service Area Patients Remaining In-State vs. Out-Migrating to AL				
GA Hospital Admissions by Patient's Home County		Regional Rehab Hospital Patients (Phenix City, AL) Discharges from Svc Area Counties	Service Area Residents' Total CIPR Discharges	% Service Area Patients Traveling Out-of-State for CIPR Care
GA County	Adult CIPR Discharges			
<i>Primary Service Area</i>				
Muscogee	595	602	1,197	50.3%
<i>Secondary Service Area</i>				
Chattahoochee	25	5	30	16.7%
Harris	95	47	142	33.1%
Marion	12	2	14	14.3%
Stewart	10	5	15	33.3%
Talbot	12	3	15	20.0%
Taylor	13	2	15	13.3%
Total	762	666	1,428	46.6%
Sources: DCH AHQ Database, 06/01/20; and Encompass Health Regional Rehabilitation Hospital Internal Data. Notes: The Georgia adult CIPR admissions are based on patient origin data from the AHQ database and include admissions to any Georgia hospital, including providers outside CIPR PA3. Alabama out-migration is specific to the Regional Rehab Hospital in Phenix City, Alabama, only; thus, likely understates the outmigration of Georgia residents to Alabama for adult CIPR services.				

The need for service area residents to travel out-of-state for CIPR care has been increasing since 2014 as the service area residents' need for adult CIPR services has grown. As shown below, when considering only Regional Rehab Hospital in Phenix City, Alabama, the number of service area residents traveling out-of-state for CIPR services has increased from 422 patients in 2014 to 666 in 2019, a 57.8% increase during that time period. When the out-migrating patients are added to the service area patients remaining in-state for care, the increase is similarly high, with total adult CIPR patients (*i.e.*, patients remaining in-state and traveling out-of-state combined) increasing from 1,007 in 2014 to 1,428 in 2019, an increase of 41.8% over the five-year period. Clearly, there is a need for additional beds to meet service area patients' high and increasing need for CIPR services.