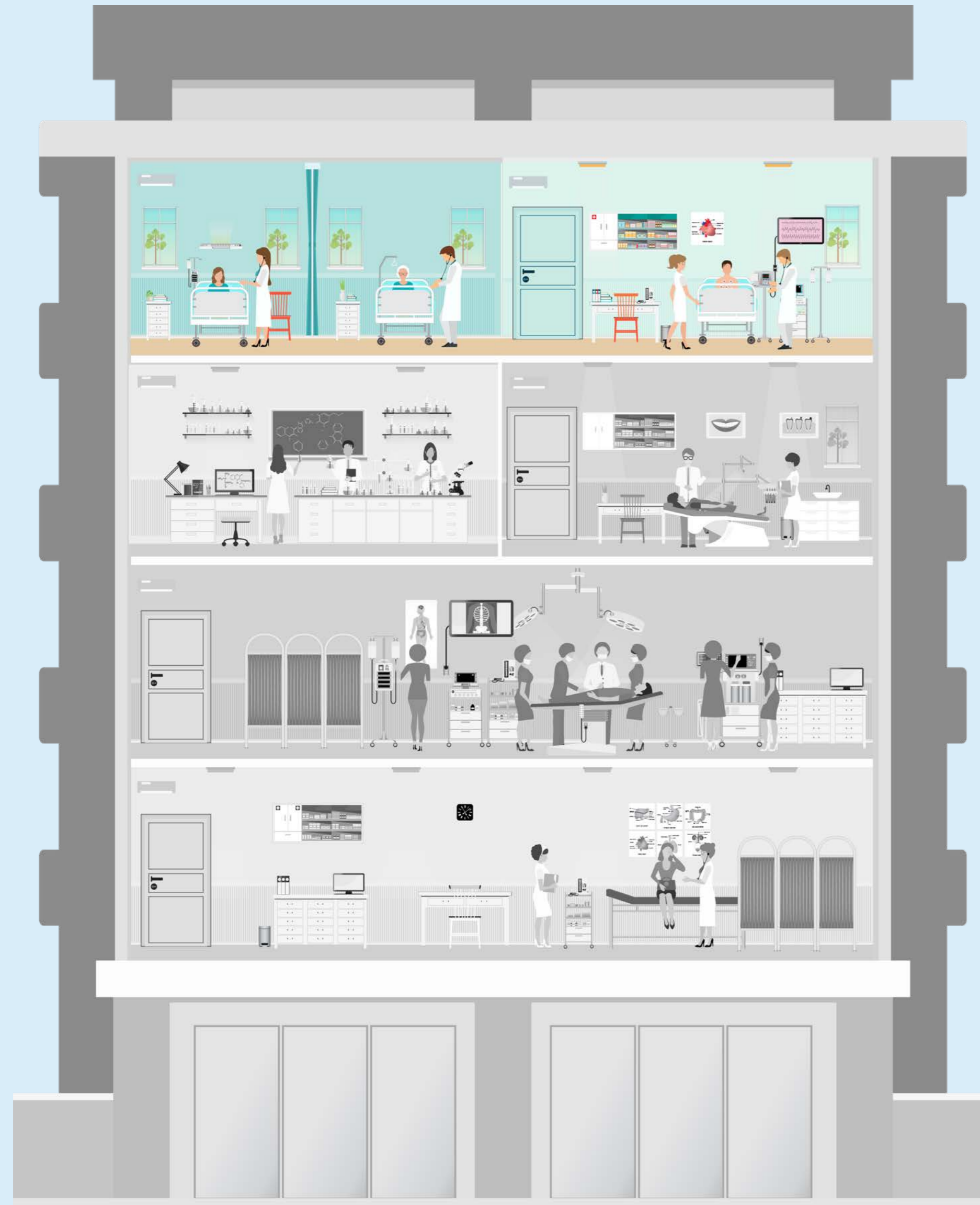


SELECT SPECIALTY HOSPITAL – WILMINGTON

Relocation of Services



Select Specialty Hospital



- Select Specialty Hospital – Wilmington is a long term acute care hospital (“LTACH”) that has been serving the greater Wilmington market for over 20 years. Currently located in St. Francis Hospital (Wilmington).
- LTACHs provide a post-acute level of care that serves the needs of patients recovering from critical illness, often with complex medical needs.
- LTACHs are a proven resource to help critically ill patients continue their progression out of the hospital and back to the home/community setting.
- Focus on helping critically ill patients begin to breathe, speak, eat, walk and think as independently as possible
- Select Medical, parent company of Select Specialty Hospital – Wilmington, is a leading operating of LTACHs in the United States (+100 as of September 2021)

Project Purpose

Relocation of Services

The purpose of this application is the relocation of existing LTACH services provided by Select Specialty Hospital – Wilmington to *ChristianaCare Wilmington* located at 501 W. 14th Street, Wilmington, DE 19801.

- 35 beds currently – proposed relocation space will have 33 private beds
- Certified by Medicaid, Medicare, and Joint Commission Accredited
- Will lease the entire 9th Floor of the ChristianaCare Wilmington tower
- Approximately 1 mile between current location and proposed relocation site
- Relocating to newer space would avoid costly renovation/infrastructure expense
- No impact to cost of care is expected

Project Summary

Relocation of Services

- Primary lease term of 10 years, additional renewal options (2 terms, 5 years each)
- Approximately 25,262 SF; 9th Floor is in shell condition and will be brand new when construction is complete
- ChristianaCare physicians will be on medical staff and provide care coverage at Select Specialty Hospital - Wilmington
- Minimal impact is expected on operating expenses and revenues relative to current operation
- Commitment to providing the highest quality of care will continue
- Relocation to newer space will help improve overall patient, staff, community experience
- Total Capital Estimate: \$7.5M - \$7.6M
- Construction Estimate: \$4.5M - \$5.2M
- No debt financing expected

Project Summary

Continued

- Staff and leadership anticipated to remain the same – approximately 134 FTEs currently (including part-time and per diem). Relocated space expected to see additional FTEs due to anticipated increase occupancy percentages (150 – 170 FTEs)
- ChristianaCare is the largest individual referral source of patients admitted to Select Specialty Hospital – Wilmington. Patients will continued to be admitted from any historical referral source
- Nearest LTACH is over 20 miles way (Havertown, PA)
- Historical average length of stay is around 35 days
- Historical Patient Mix (*Patient Day % based on 10,563 Patient Days in 2020*):
 - BCBS of DE: 12%
 - Other Commercial: 6%
 - Medicare: 62%
 - Medicaid: 11%
 - Self Pay/Other: 9%

Patient Demand

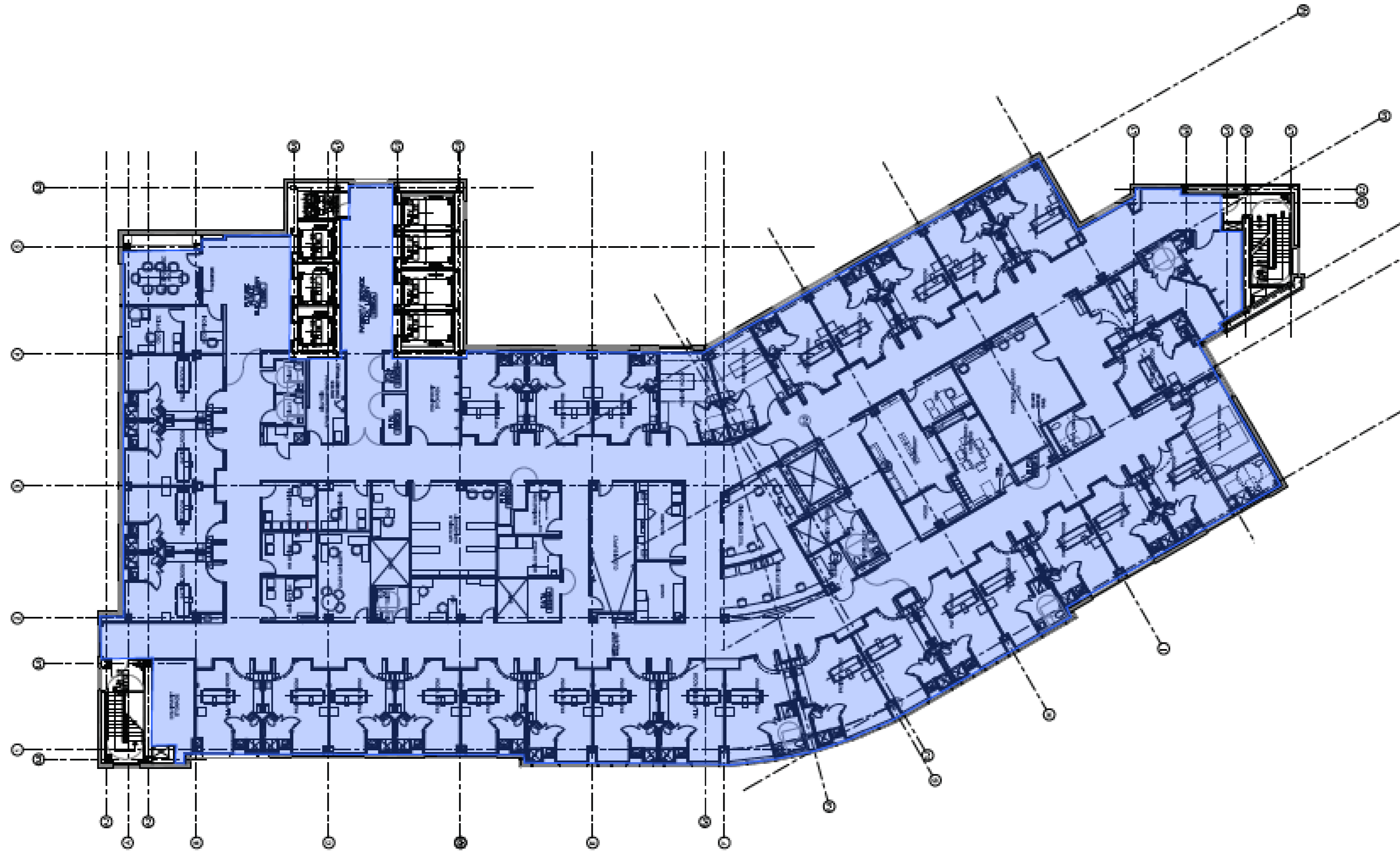
Need for LTACH Services

- Select Specialty Hospital – Wilmington has been in operations since 1999.
- Past three full calendar years over 77% average daily census.
- As per MedPar 2019 Data, over 900 LTACH Criteria Compliant patients were discharged from ChristianaCare’s Christiana and Wilmington hospitals.
- LTACH Criteria Compliant: 1) 3 nights in an ICU, and/or 2) 96 hours of mechanical ventilator services.
- Select Medical believes there is a need for 40 LTACH beds on any given day in the greater Wilmington MSA.
- Projected Utilization (*Patient Days*):
 - Year 1: 10,654
 - Year 2: 10,756
 - Year 3: 10, 800

Floor Plan

Select Specialty Hospital - Wilmington

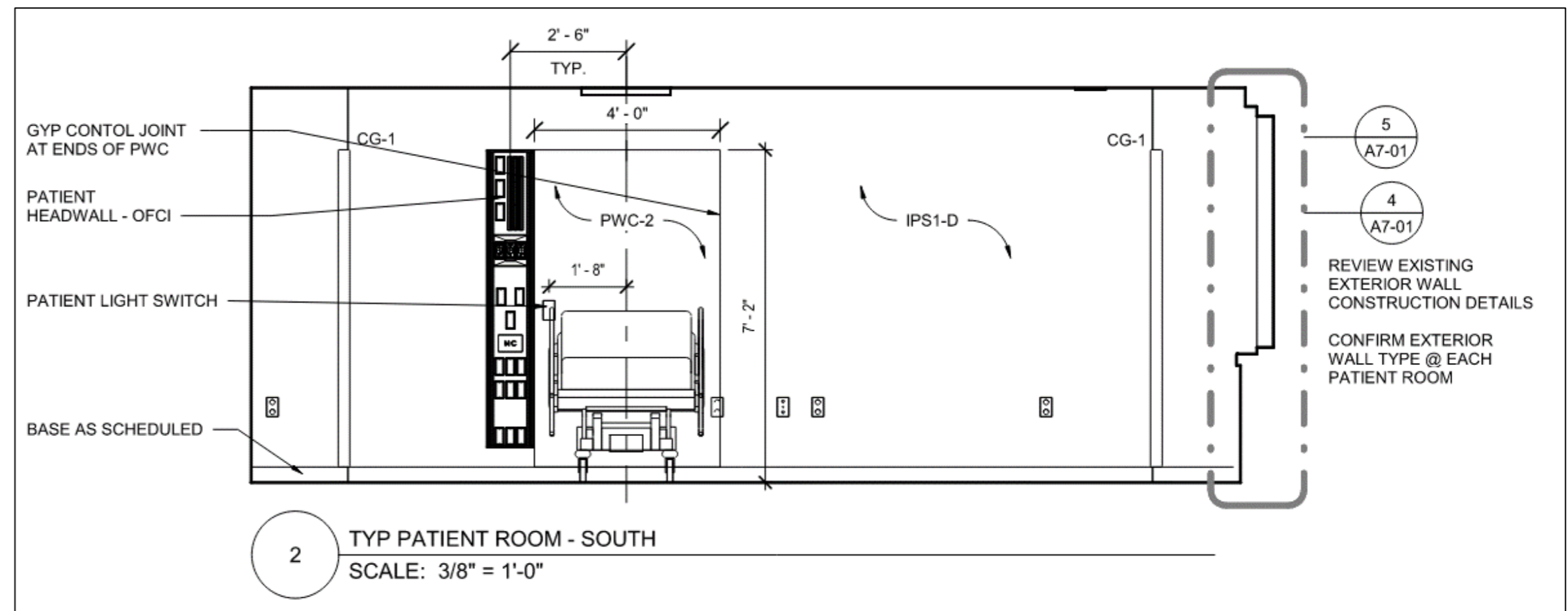
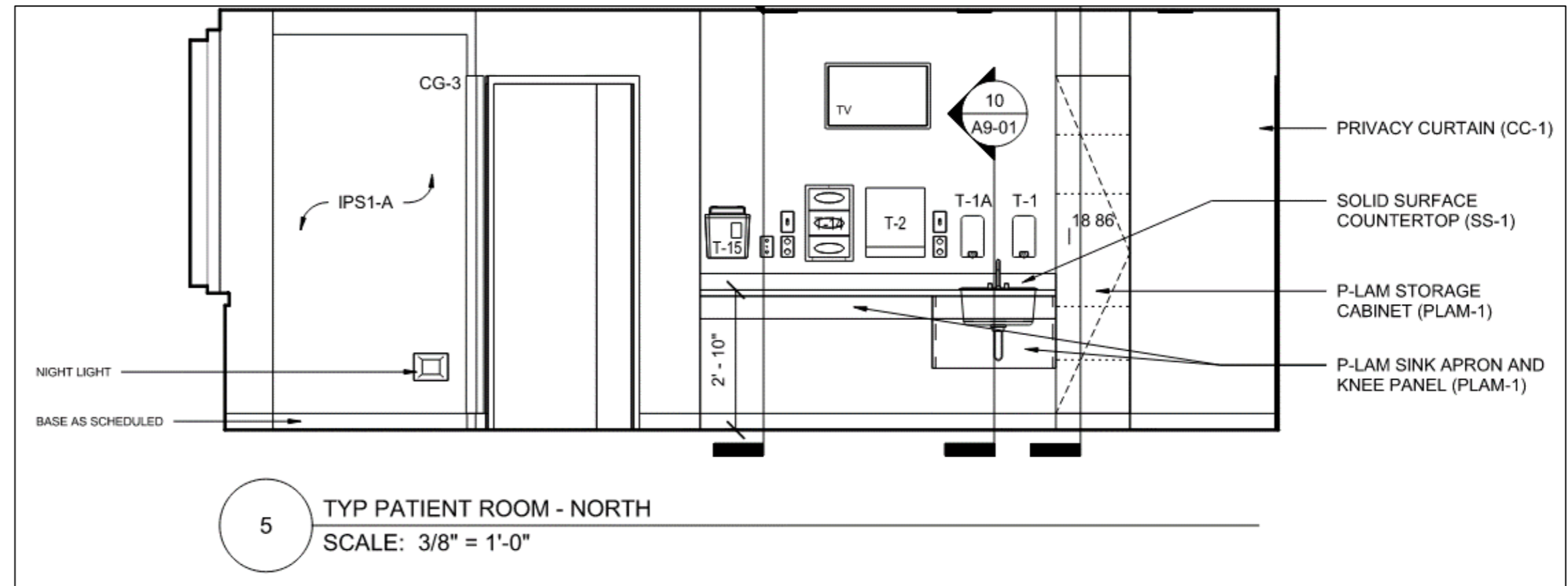
N Jefferson Street



Washington Street

Patient Rooms

Select Specialty Hospital - Wilmington



Schedule of Implementation

Projected Timeline to Opening

Submit Construction and Design Drawings	December 2021
State Approval of Construction Plans	January 2022
Permits Received from State	January 2022
Construction Completion Date	December 2022
Certificate of Occupancy	January 2023
State Licensing – Delaware Department of Health	January 2023
Relocation of Hospital	January 2023
CMS Conditions of Participation Survey	N/A – Existing Provider

Thank You