

September 3, 2026

Office of the Secretary
Delaware Health Care Commission
Delaware Department of Health and Social Services
Herman M. Holloway Sr. Health and Social Services Campus
1901 North DuPont Highway Main Admin Building
New Castle, DE 19720

Attention: Latoya Wright, MBA
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*Re: Opposition to ChristianaCare Application for Certificate of Public Review for Proposed
Georgetown Neighborhood Hospital*

Dear Members of the Delaware Health Resources Board:

On behalf of Beebe Healthcare, we respectfully submit this letter opposing ChristianaCare's application for a Certificate of Public Review ("CPR") to construct and operate a proposed "Neighborhood Hospital" in Georgetown, Delaware.

The application should be denied because the project, as proposed, does not satisfy the requirements of Delaware law governing acute care hospitals and appears inconsistent with the General Assembly's recent statutory protections applicable to nonprofit acute care hospitals.

I. The Proposed Facility Does Not Meet the Statutory Requirements for a General Hospital

Under Delaware law, a general hospital must provide onsite:

1. Diagnostic x-ray services with facilities and staff for a variety of procedures;
2. Clinical laboratory services with facilities and anatomical pathology services regularly and conveniently available;
3. Operating room service with facilities and staff; and
4. Emergency department facilities and staff.

The General Assembly expressly incorporated these requirements in 16 Del. C. §1001 when defining a "general hospital."

ChristianaCare's application describes a "Neighborhood Hospital" or "microhospital" consisting primarily of emergency services, short-stay inpatient beds, and limited diagnostic imaging. The application specifically identifies onsite imaging services such as x-ray, CT and ultrasound and proposes emergency and inpatient beds, but does not demonstrate that the facility will provide the full complement of services required by Delaware law for licensure as a general hospital, including clinical laboratory services with anatomical pathology services, and operating room services with required facilities and staff.

Indeed, the application repeatedly describes the facility as a "microhospital" or "Neighborhood Hospital," concepts that are not separately recognized under Delaware's hospital licensure statute. Delaware law recognizes general, long-term care, psychiatric, rehabilitation, and surgical hospitals. It does not recognize a distinct category of "Neighborhood Hospital."

Accordingly, unless the applicant demonstrates compliance with all statutory requirements applicable to a licensed acute care hospital, the project cannot lawfully proceed.

II. The Application Raises Significant Concerns Under Senate Bill 313 and Title 29

The application further states that ChristianaCare will "jointly operate" the Neighborhood Hospital with Emerus Holdings, Inc., while retaining a 51% ownership interest, and that Emerus will be responsible for the day-to-day management and operations of the facility.

These representations raise substantial concerns under recently enacted provisions of Delaware law protecting nonprofit acute care hospitals from for-profit ownership, control, and influence. Senate Bill 313 established a moratorium on transactions involving nonprofit acute care hospitals and prohibits a person or entity other than a charity or not-for-profit entity from engaging in certain control transactions involving acute care hospitals. The legislation expressly addresses arrangements involving minority ownership interests, governance rights, operational control, and other mechanisms by which a for-profit entity may exercise influence over hospital operations.

Most importantly, Section 9304(b), as amended, provides:

"A person, other than a charity or not-for-profit entity under §2531 of Title 29, may not submit, and the Board may not accept, process, review, or act upon, an application for a Certificate of Public Review for the construction, development, establishment, or acquisition of an acute care hospital.... Any application submitted in violation of this subsection is void and of no legal effect."

The application's disclosure that the facility will be jointly operated through a venture involving Emerus, a for-profit company, creates a threshold legal question as to whether the applicant satisfies these statutory requirements. The proposed allocation of ownership and operational responsibility warrants careful scrutiny because the application itself contemplates for-profit participation in management and operations of the hospital.

At a minimum, the Board lacks a sufficient record to conclude that the proposed hospital would be built, owned, controlled, and operated by a qualifying nonprofit entity as required by Delaware law. Unless and until the applicant demonstrates full compliance with Sections 2531, 2534, and 9304 of the Delaware Code, the application should not proceed.

III. Denial Is Required Unless the Applicant Demonstrates Full Statutory Compliance

The Board's review authority is limited by statute. The issue is not whether a microhospital model may offer certain benefits, but whether the specific project proposed complies with Delaware law governing acute care hospitals and COPR applications. Because (i) the proposed Neighborhood Hospital does not appear to satisfy the statutory requirements applicable to a general hospital, and (ii) the proposed ownership and operational structure raises unresolved questions regarding compliance with Delaware's restrictions on for-profit participation in acute care hospital projects, ChristianaCare's application should be denied unless and until the applicant affirmatively demonstrates full compliance with all applicable provisions of Titles 16 and 29 of the Delaware Code.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'David Tam'.

David Tam, M.D.
President & Chief Executive Officer
Beebe Healthcare