

May 13, 2022

Minnesota Department of Health
625 Robert Street North
P.O. Box 64975
St. Paul, MN 55164-0975

To the Office of the Commissioner of Health:

Fairview Health Services and Acadia Healthcare provide the enclosed responses to your additional requests for information on the proposed inpatient mental health hospital.

Sincerely,

Trudi Noel Trysla
Executive Vice President and Chief Administrative Officer | General Counsel
Fairview Health Services

General Project Description

- The MDH letter sent to Fairview Health Services on February 3, 2022 sought to receive information on how the new standalone facility would differ from St. Joseph's Hospital. The response received indicated that a very low proportion of patients were transferred to other hospitals from the mental health unit at that hospital but did not clarify how many of those patients received *medical care* at St. Joseph's hospital.
 - Please clarify the number and proportion of patients seen between 2019 to 2021 at St. Joseph's hospital for their mental health needs who were also treated for their chronic conditions or other acute care needs that could not be managed in the new hospital.
 - Response: During the time when St. Joseph's has operated mental health units at the hospital, less than 1 percent of the mental health patients admitted at St. Joseph's Hospital were in need of a transfer to a different hospital for acute medical care. We anticipate a similar situation at the new mental health hospital where in only a very small percentage of circumstances would a patient need to be transferred to a different hospital for treatment of acute medical care. Of note, all inpatient mental health units – such as those currently operating at St. Joseph's Hospital and those

planned for the new mental health hospital – treat chronic medical conditions in tandem with mental health needs. Chronic conditions like diabetes, hypertension, etc. are fully treated within the context of mental health care and will be treated in a similar manner at the mental health hospital.

- The MDH letter sent to Fairview Health Services on February 3, 2022 asked, in light of concern over reimbursement levels, how this new hospital expects to generate revenue in excess of expenses. The response reiterated a previous statement that “reimbursement of mental health services is insufficient to cover the cost of inpatient care,” and further described how staffing and other operating expenses would be lower than inpatient mental health units at medical-surgical facilities.
 - Please provide detailed information on how the care model at the new facility would reduce fixed and or variable costs sufficient to generate revenue in excess of expenses. Please separately detail the expected effects associated with not operating an emergency department, exclusively delivering mental health services, changing the staffing model, modifying the patient mix or other factors specific to the care model you described.
 - Response: The statement “*reimbursement of mental health services is insufficient to cover the cost of inpatient care*” is true – mental health care is not reimbursed adequately. Additionally, fixed operating capital for a purpose-built mental health hospital is substantially less than that of an multi-specialty and/or tertiary/quaternary hospital. Multi-specialty hospitals, including those that offer mental health inpatient care, have the overhead structure of advanced medical or surgical specialties, intensive care units, emergency departments, transplant care, etc., and their supporting systems, including the personnel to support those areas. When you limit these complexities, as can be achieved in a purpose-built mental health hospital, the fixed and variable costs of providing inpatient mental health care are lower.

We do not expect any negative effects on patients’ experience, patient care, or patient access associated with operating a standalone mental health hospital with a specialized, integrated staffing model and without an attached emergency department. Further we do not expect there to be any significant change in the patient mix served at the new hospital compared to those served in other inpatient mental health and addiction units in our system. The mental health hospital will operate in partnership with Fairview and its system emergency departments and outpatient settings, as well as other non-Fairview emergency departments.

Timely Access to Care or Access to New or Improved Services

- The MDH letter sent to Fairview Health Services on February 3, 2022 inquired about the admissions criteria for the new hospital in the context of planned or unplanned admissions. The response noted that there will be a medical screening and triage process in order to determine medical necessity.
 - Please provide detailed information on the screening process and the admissions criteria for the new hospital including the definition that will be used for ‘medical necessity’.
 - Response: Every patient who presents to the mental health hospital will receive a medical screening exam (MSE) performed by an appropriate provider to determine whether there is an acute medical or psychiatric emergency and whether they meet admission criteria for inpatient care. Admission criteria involves clinical determination of medical necessity and the capabilities of the hospital to treat the patient’s condition.
 - In the context of mental health care, ‘medical necessity’ refers to symptoms that require hospitalization and does not designate medical conditions beyond mental health diagnoses for mental health units. As is best practice, psychiatric patients are always treated in the least restrictive environment necessary to keep them safe and provide a path to reduction of problematic symptoms. Patients who present a danger to their own safety or those who are significantly impaired by their symptoms would be hospitalized. This is true in inpatient mental health units that operate in multi-specialty hospitals, as well as in standalone mental health hospitals.
- The MDH letter sent to Fairview Health Services on February 3, 2022 requested that Fairview/Acadia share the projection model and assumptions used to estimate growth in inpatient demand. The list of Diagnosis Related Groups (DRGs) used in the model included a broad list of mental health, substance use disorders and post-operative care.
 - Please provide details on the primary DRGs you anticipate care in the new hospital would cover, and which, if any, are unlikely to be included in care at the new hospital.
 - Response: The care in the new mental health hospital will be covered by Diagnosis Related Group (DRG) 885 which, as defined by the Centers for Medicare and Medicaid Services (CMS), is the exhaustive list of all mental illness and substance use disorders that will be treated. DRG 885 is also the diagnostic code by which the new hospital will be audited by CMS.
- The MDH letter sent to Fairview Health Services on February 3, 2022 asked how the source of transferred patients would differ from St. Joseph’s Hospital. The response received stated that there is an expectation that there will be no difference. Nevertheless, this new hospital would not have an emergency department.

- Please provide statistics that indicate the volume of mental health patient transfers at St. Joseph's that came via the St. Joseph emergency department, other emergency departments from the M Health Fairview System, and emergency departments from other health systems.

- Response: As reflected below, patients admitted to St. Joseph's hospital in 2021 have come through Fairview's 10 emergency departments as well as other hospitals' emergency departments. The following table provides a look at whether patients admitted to the mental health unit at St. Joseph's Hospital in 2021 originated at an emergency department within or outside of the Fairview system. This is the most accurate comparison to planning operations at the new mental health hospital.

St. Joes Admissions 2021

| January 2021 | | July 2021 | |
|---------------|-------|----------------|-------|
| Location | Total | Location | Total |
| Inside FV | 119 | Inside FV | 92 |
| Outside FV | 11 | Outside FV | 9 |
| | 130 | | 101 |
| February 2021 | | August 2021 | |
| Location | Total | Location | Total |
| Inside FV | 93 | Inside FV | 87 |
| Outside FV | 36 | Outside FV | 15 |
| | 129 | | 102 |
| March 2021 | | September 2021 | |
| Location | Total | Location | Total |
| Inside FV | 106 | Inside FV | 91 |
| Outside FV | 35 | Outside FV | 8 |
| | 141 | | 99 |
| April 2021 | | October 2021 | |
| Location | Total | Location | Total |
| Inside FV | 92 | Inside FV | 79 |
| Outside FV | 35 | Outside FV | 6 |
| | 127 | | 85 |
| May 2021 | | November 2021 | |
| Location | Total | Location | Total |
| Inside FV | 124 | Inside FV | 85 |
| Outside FV | 42 | Outside FV | 24 |
| | 166 | | 109 |
| June 2021 | | December 2021 | |
| Location | Total | Location | Total |
| Inside FV | 113 | Inside FV | 98 |
| Outside FV | 31 | Outside FV | 5 |
| | 144 | | 103 |

- Please also confirm again that you expect to admit the same proportion of patients from emergency departments at the new facility even though it will not operate an emergency department.

- Response: We do not expect there will be any significant difference in the referral sources for patients admitted to the new inpatient hospital compared to current sites in the Fairview system.

Ability of Existing Hospitals to Maintain Staff

- The MDH letter sent to Fairview Health Services on February 3, 2022 requested detailed information on a staffing plan for the 200 full-time equivalent staff (FTE) at the new hospital. The response included many detailed positions; however a number of the categories could map to a range of staff classifications.
 - Please provide enumeration of the positions, or contracted services, that were not specifically identified in your response, such as counselors, psychologists, therapists, and security officers.
 - Response: In addition to our previous response, our current planning includes the following staffing support of the new mental health hospital. The mental health hospital will have a minimum of one licensed psychologist on the active medical staff. The hospital will employ or contract with additional psychologists consistent with the needs of the patient population. Counselors and therapists are included in the FTE counts provided on February 16, 2022. These caregivers are included in the categories labeled social workers, recreational therapy, outpatient clinicians and Intake/Admissions clinicians. That list is included again here:
 - Registered Nurses – 55
 - Mental Health Technicians – 55
 - Social Workers – 15
 - Recreation Therapy – 6
 - Outpatient Clinicians – 3
 - Psychiatrists/PAs/NPs – 10
 - Intake/Admission Clinicians – 14
 - Medical Records/HIM – 5
 - Nurse Administration – 5
 - QI/PI – 1
 - Utilization Review – 6
 - Administration/Support Staff – 25

The hospital will contract with a private security company to provide campus security. Initially, we expect to contract at least one on-site security officer 24 hours/day and increase that number as determined by our proactive risk assessment.

Provision of Services to Nonpaying or Low-income Patients

- The Fairview/Acadia response to the February 3, 2022, letter from MDH indicated that the new hospital will have dedicated patient flow procedures and metrics for all patients to track referral flow, and other intake activities.
 - Please specify these procedures and metrics.
 - Response: Admissions, referrals and patient flow will follow similar processes to those currently in place across Fairview, which includes close collaboration with other providers, hospitals and referral sources in the region. All incoming referrals will be tracked via customer relationship management software to include consumer-based and other incoming inquiry calls, professional referrals, and webform requests. This system allows us to trend and track incoming business patterns (i.e. referrals by ED system, ED physician, or ED social worker; referrals by line of business, zip code, etc.) to allocate resources appropriately and remove obstacles for easier access to care. The admissions department also tracks door-to-floor times for arriving patients to ensure timely triage, assessment, coordination with referral source, and final placement.
 - Please clarify if the 69 percent of patients admitted to inpatient mental health and addiction care in the Fairview system is specific to enrollees in state public programs or includes other payers.
 - Response: 69% of patients currently admitted to inpatient mental health and addiction care in the Fairview system are on government payor healthcare plans, including Medicare, Medicaid and other governmental programs. We expect these admissions to the new hospital to remain consistent with the above rate.
 - Please enumerate how many inpatient mental health admissions at St. Joseph's hospital between 2018 and 2020 originated with law enforcement-involved emergency departments visits. Please indicate your estimates for these admissions at the new facility given the absence of emergency services.
 - Response: Fairview does not track the number of emergency department visits initiated by law enforcement because a significant number of patients with law enforcement on the scene are transported by Emergency Medical Services (EMS) and therefore the originator of the call is often unclear. That said, we do not expect any significant change in admissions that originated with law enforcement encounters.

Impact of the Proposal on the Staff at the Existing Facility

- The Fairview/Acadia response to the February 3, 2022, letter from MDH noted that there were 204 FTE related directly to the delivery of inpatient mental health care at St. Joseph's Hospital in February of 2022.

- Please provide a detailed breakout of employee classifications, and minimum qualifications, for these 204 positions using categories similar to those planned for the proposed new hospital (including the additional clarification requested above).
 - Response: The following grid represents the breakout of staff employed in December 2021 related to operation of the inpatient mental health units, shown alongside similar planned roles for the new hospital. Minimum qualifications are also shown. Additionally, as of December 2021, Fairview employed six providers (psychiatrists, physician’s assistants, nurse practitioners) and University of Minnesota Physicians employed three clinicians who served patients on the mental health and addiction units at St. Joseph’s Hospital.

| Job role | Total employed at St. Joseph’s in Dec. 2021 | Similar category as outlined/planned for the new Hospital | Minimum Qualifications |
|---|--|--|---|
| Registered Nurses <i>(Contract. Excludes casuals.)</i> | 106 | Registered Nurses | <ul style="list-style-type: none"> • Bachelor of Science in Nursing preferred. If working as a Medical Flyer within the Behavioral Float Pool, BSN strongly preferred along with at least 2 years of current medical surgical experience as an RN in a hospital setting. • Required: Less than 1 year nursing experience • Preferred: 1-3 year Behavioral Health experience. At least 1 year of experience working in an emergency department, pediatric or adult critical care unit if working as a Medical Flyer within the Behavioral Health Float Pool. • Due to differences in scope of care, practices, or service across settings, the specific experience required for this position may vary. • Licensed Registered Nurse with Minnesota Board of Nursing |
| Mgr Nurse | 3 | Nurse Administration | <ul style="list-style-type: none"> • Bachelor’s degree in Nursing. If Bachelor’s degree is not in nursing must have a Master’s degree in nursing • Four Years nursing experience, at least two of which is in a formal or informal (charge, lead, preceptor) leadership role. • Licensed Registered Nurse. Ability to obtain Minnesota nursing license at time of hire. Basic Life Support certification (BLS) |
| Psychiatric Associate | 50 | Mental Health Technicians | <ul style="list-style-type: none"> • Bachelor’s Degree • Basic Life Support certification (BLS) |
| Health Unit Coordinator | 9 | Intake/Admission Clinicians | <ul style="list-style-type: none"> • 1 year customer service experience |
| Asst Nursing | 9 | Mental Health Technicians | <ul style="list-style-type: none"> • Current certification on the Minnesota Nursing Assistant Registry upon hire. |

| | | | |
|--------------------------|----|------------------------------|--|
| | | | <ul style="list-style-type: none"> • Or, Current enrollment in an RN program, and completion of one (1) semester of clinical rotation within the program and Basic Life Support certification (BLS). |
| NST - NC | 2 | Administration/Support Staff | <ul style="list-style-type: none"> • Current certification on the Minnesota Nursing Assistant Registry upon hire. • Or Current enrollment in an RN program, and completion of one (1) semester of clinical rotation within the program and Basic Life Support certification (BLS). |
| Behavioral Asst | 10 | Mental Health Technicians | <ul style="list-style-type: none"> • Associates Degree • 6 – 12 months experience within mental health setting preferred. |
| Clinical Treatment Coord | 13 | Social Workers | <ul style="list-style-type: none"> • Master’s degree in psychology, counseling, social work, marriage and family therapy or a related field. • Two years’ therapy, case management, or assessment experience, including providing face to face therapeutic/clinical services to adult, or child/adolescent clients. • "Basic Life Support certification (BLS) and A minimum of one of the below is required: <ul style="list-style-type: none"> ○ Licensed Independent Social Worker (LISW) ○ Licensed Independent Clinical Social Worker (LICSW) ○ Licensed Graduate Social Worker (LGSW) ○ Licensed Psychologist (LP) ○ Licensed Professional Counselor (LPC) ○ LPCC Licensing Candidate ○ Licensed Professional Clinical Counselor (LPCC) ○ Licensed Associate Marriage and Family Therapist (LAMFT) OR ○ Licensed Marriage and Family Therapist (LMFT)" |
| Court Liaison | 1 | Social Workers | <ul style="list-style-type: none"> • Master’s degree in psychology, counseling, social work, marriage and family therapy or a related field. • Basic Life Support certification (BLS) |
| Occupational Therapist | 8 | Recreation Therapy | <ul style="list-style-type: none"> • Occupational Therapy Licensure in State of Minnesota or temporary license in State of Minnesota • Active Minnesota Basic Life Support Certification |
| Supv Rehabilitation | 1 | Recreation Therapy | <ul style="list-style-type: none"> • Active MN licensure in a field of Rehabilitation Services, Audiology, Pulmonary Rehabilitation, or Cardiac Rehabilitation • Active Minnesota Basic Life Support Certification |

- Please describe any specific plans to transition care and service staff from St. Joseph’s Hospital to the new hospital or other hospitals in the Fairview system. As required by Minnesota Statute, section 144.552, please specify provisions in place or plans related to maintaining job security and compensation, addressing impact from any potential layoffs, and offering retraining opportunities for staff.

- Response: Fairview Human Resources and leadership have been working closely with the Inpatient Mental Health and Addiction employees to assist in placing them into comparable roles across the system. We have offered training through the OnTrack Program and onboarding to assist individuals in transferring to new roles across Fairview. With approximately 2,900 open positions across the Fairview system, we are confident that the remaining individuals will be placed in a comparable role.
 - For Registered Nurses (contract), as of May 6, 77 have either applied for and accepted a new role through our recruitment process, or selected a new role through a rebid process. There were 12 individuals who voluntarily resigned, have indicated they will be resigning, or reduced to a casual status. During the rebid, 9 individuals elected a voluntary layoff as there currently weren't open positions of interest to them. As new positions become available, they will be offered first to these nurses. Eight nurses decided to retire.
 - For other non-contract employees, we have been working with individuals to find a comparable role within Fairview through a priority hiring process. As of May 6, 61 offers have been accepted. 10 individuals had previously worked in a casual status and have another role at a different site. There have been 16 resignations, and 19 individuals are still working through the placement process. Given the number of open positions within Fairview, we believe that there will be a comparable role available for the remaining individuals.