PrairieCare

Dear Mr. Gildemeister:

This letter is in response to your letter, dated August 7, 2015, requesting additional information to consider the public interest review application. We have included your bulleted questions in bolded italics below for ease of reference:

How many beds will be dedicated to the CCBP (contract beds)? The DHS budget passed assumes an average daily census of 8 clients in contract beds (available 4th quarter of CY15/FY16) and ramp up to average daily census of 12 clients in contract beds in the 2nd biennium (FY18). PrairieCare has indicated a willingness to contract with DHS for as many or as few CCBP/contract beds in the facility as DHS desires.

Primary Service Area: Based on our discussions with DHS, it is likely that youth admitted to the facility will be from all across Minnesota.

Data to estimate the need: We refer again to the DHS report indicating that over 300 patients per year need this service but are unable to receive it. We anticipate a length of stay averaging 30-90 days. Assuming the short end of that range, a 30 day length of stay (LOS), we could serve 12 patients per year per bed, or 240 patients per year if all 20 beds were filled continuously. Based on our discussions with DHS, it is likely that the acuity of the patient population served will make serving 20 patients at a time challenging; we forecast an average daily census of 14-16 patients. If this forecast is accurate, and if the patients spend only 30 days in the facility, we could serve 168-192 patients per year. It bears noting that, based on our discussions with DHS, we anticipate most patients will require more than 30 days of hospitalization to achieve sufficient clinical stability such that discharge to another level of care is medically indicated.

Services Provided, inpatient and outpatient for child and adolescent:

Outpatient: The Partial Hospital Program (which is for children and adolescents) will continue to operate in the building, is an off-campus department of the 50-bed Brooklyn Park facility and will not be operated under the license of the 20-bed Maple Grove facility. Outpatient clinic services will also be available, but again these services will not be provided under the 20-bed hospital's license or provider number. We are beginning to explore options for relocating the PHP and clinic services elsewhere—either to the campus of the Brooklyn Park facility or to another location altogether. This option is being explored now—but may not occur for one or more years—because we anticipate demand for the inpatient hospital services will be substantial and the non-inpatient space may eventually be needed to serve the needs of the inpatient programming.

Inpatient: The licensed hospital will primarily serve children & adolescents requiring extended acute care inpatient services consistent with those criteria typically used to characterize youth in the CCBP. We anticipate offering these services to youth in the CCBP through a DHS contract; other youth admitted to the hospital may have other clinical needs and other funding sources, including commercial insurance and self-pay, or may receive care through charity care.

www.prairie-care.com

12918 63rd Avenue North Maple Grove, MN 55369

P: 763.383.5800 F: 763.559.6450

PrairieCare

In case the demand is not what it is projected to be initially or eventually, the facility needs the flexibility to admit "traditional" short-term acute psychiatric patients in order to remain viable and provide services to the CCBP-type patients. In written communication with DHS, PrairieCare made the following representations, which we reaffirm:

- The facility will require an unrestricted license to operate as a 20-bed psychiatric hospital.
- The remaining [non-contracted] beds will be used, ideally, for the provision of long term acute hospitalization for patients that are not contracted for by the Department of Human Services, but the facility needs the flexibility to be able to serve the needs of the patients as they present, in order to maintain a sustainable average daily census.
- DHS would be able to elect to contract for (or utilize) additional beds at the facility as necessary to meet the needs of the children of Minnesota.

Services Not Provided: The facility will not have the capabilities to care for a child whose medical/surgical needs would require hospitalization on a medical/surgical unit. Patients referred to the facility will be accepted for admission after achieving medical/surgical stability or, alternatively, if acute medical/surgical needs develop in an admitted patient, that youth will be transferred to a facility capable of providing such services.

The facility will also not provide care to patients who are volitionally and repeatedly assaultive to staff, visitors, or other patients and/or who engage in substantial property destruction in a manner not directly related to a DSM-5 established mental illness for which extended acute care psychiatric hospitalization is medically indicated.

What diagnoses will be treated and excluded:

Inclusion Criteria: It is anticipated that patients admitted to the facility will have one or more DSM-5 psychiatric diagnoses for which inpatient psychiatric hospitalization is indicated. Based on discussions with DHS, it is anticipated that patients with mood disorders (e.g., major depressive disorder, bipolar disorder, etc.), autism spectrum disorders, reactive attachment disorder, post-traumatic stress disorder, psychotic disorders (e.g., schizophrenia, etc.) and other psychiatric illnesses will be admitted to the facility.

Exclusionary criteria: It is anticipated that patients with a primary DSM-5 diagnosis of a substance use disorder, or a patient with a comorbid but substantial substance use disorder, may not be appropriate for the facility. As noted above, the facility will not have the medical capabilities to care for a child whose medical/surgical needs would require hospitalization on a medical/surgical unit. The facility will also not provide care to patients who are committed as mentally ill and dangerous, or who are volitionally and repeatedly assaultive to staff, visitors, or other patients and/or who engage in substantial property destruction in a manner not directly related to a DSM-5 established mental illness for which psychiatric hospitalization is medically indicated.

12918 63rd Avenue North Maple Grove, MN 55369 P: 763.383.5800 F: 763.559.6450

PrairieCare

The credentialed workforce proposed to staff the proposed hospital:

The proposed hospital will be staffed by a broad array of credentialed clinicians and support staff. With a census of 14-16, we anticipate the facility will require 1.5FTE Child & Adolescent Psychiatrists. The planned additional credentialed staff includes 0.75FTE Behavior Analyst and 1.0FTE Therapist, as well as 2.0FTE Activity/Occupational therapists.

Anticipated Payer Mix

The anticipated payer mix excluding CCBP patients is as follows: Prepaid Medical Assistance Plans: 40%; Commercial Insurance: 50%; Self-Pay: 10%.

It should be noted this is a skewed projection as it omits the Medicaid (CCBP) population that we anticipate will make up the bulk of the payer mix.

Charity Care Policy

Our charity care policy for the facility, providing for discounts up to 400% of Federal Poverty Levels, is attached.

Please let me know if there are additional questions that arise from this response and I would be happy to provide additional information.

Sincerely,

John Ryan
General Counsel

www.prairie-care.com

12918 63rd Avenue North Maple Grove, MN 55369

P: 763.383.5800 F: 763.559.6450