

Commissioner Jan Malcolm
Minnesota Department of Health
P.O. BOX 64975
St. Paul, MN 55164-0975

Dear Commissioner Malcolm,

Pursuant to [MN 2021 Session Laws, 1st Special Session- Chapter 7](#)- Article 3, Section 30, Subdivision 1, (29), this is Regions Hospital's plan for Public Interest Review to add 45 inpatient bed licenses. Since Regions Hospital last completed a formal Public Interest Review process for the addition of new inpatient bed capacity in 2018, the community we serve continues to experience significant capacity constraints despite the addition of new bed licenses authorized during the 2018 legislative session. On top of the pre-existing license capacity constraints at Regions, significant closures and service line changes at other hospitals in St. Paul have intensified the need for additional bed capacity. The Minnesota Legislature recently authorized 45 new bed licenses for Regions and required an updated Public Interest Review plan. Below please find an update on the use of bed licenses authorized in 2018, subsequent occupancy data, and a plan for the use of the licenses authorized in 2021.

Beds Authorized in 2018

In November of 2017 Regions Hospital submitted a Public Interest Review application for the addition of 100 inpatient bed licenses. The legislature granted 55 of those licenses during the 2018 legislative session. With the demand for inpatient services and recent closures and service line changes at other hospitals in St. Paul, Regions has used those licenses at an even faster rate than we predicted in our Public Interest Review application submitted in 2017. Forty of the 55 new licenses are already currently in use and construction is underway to deploy the remaining 15 for inpatient mental health (originally planned for 2025) four years ahead of schedule.

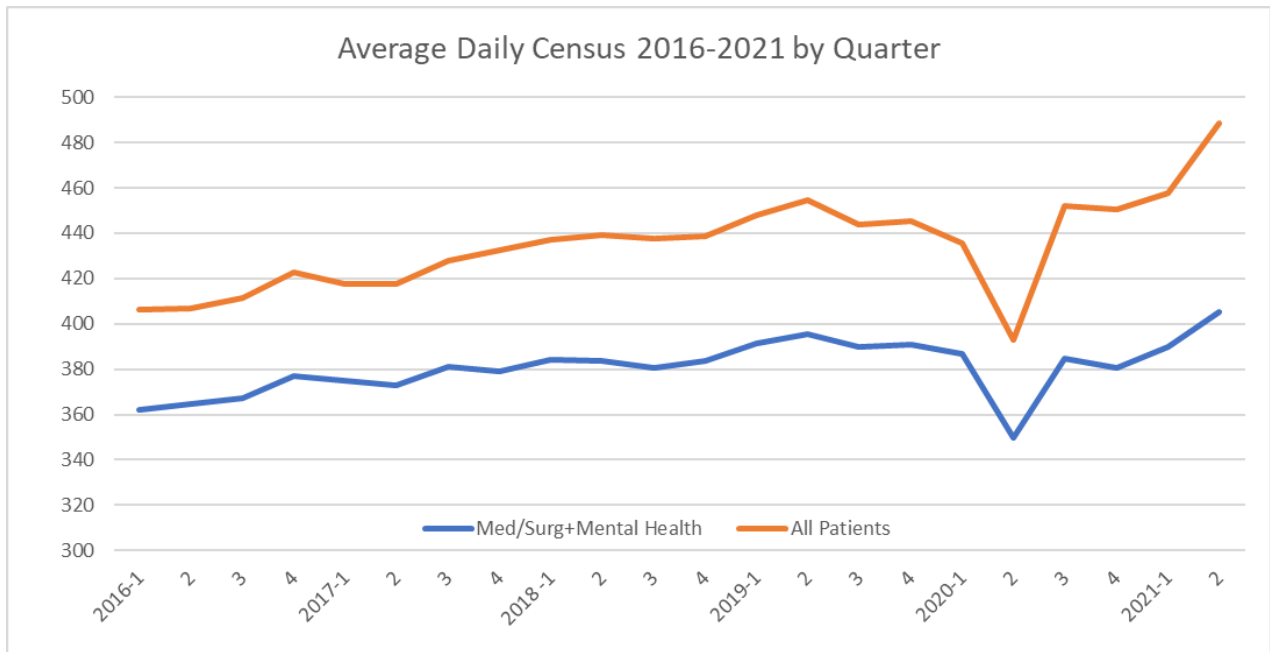
2018 Bed License Deployment

Date	Beds added
August 2018	5 medical/surgical beds
February 2019	12 medical/surgical beds
July 2020	6 labor & delivery beds
February 2021	15 medical/surgical beds
November 2021 (planned)	20 mental health beds*

* While 15 of the 55 beds authorized in 2018 were designated for inpatient mental health Regions plans to use some of the new licenses authorized in 2021 to build out a 20 bed unit this year.

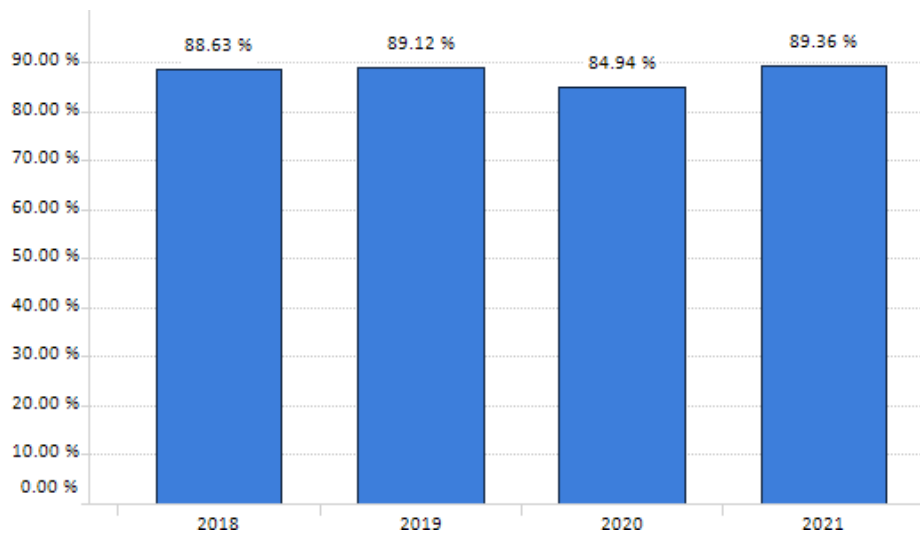
Occupancy data

Despite the addition new licenses granted in 2018, Regions is still operating at higher than optimal occupancy levels for a level 1 trauma center. In fact, Regions’ average occupancy in 2021 is higher than it was in 2017 when we last submitted a Public Interest Review application for additional capacity. We also continue to see increasing incidents of St. Paul hospital emergency departments needing to go on divert status (emergency department closed to incoming ambulances), which is increasingly concerning with the loss of one of St. Paul’s emergency departments last year.

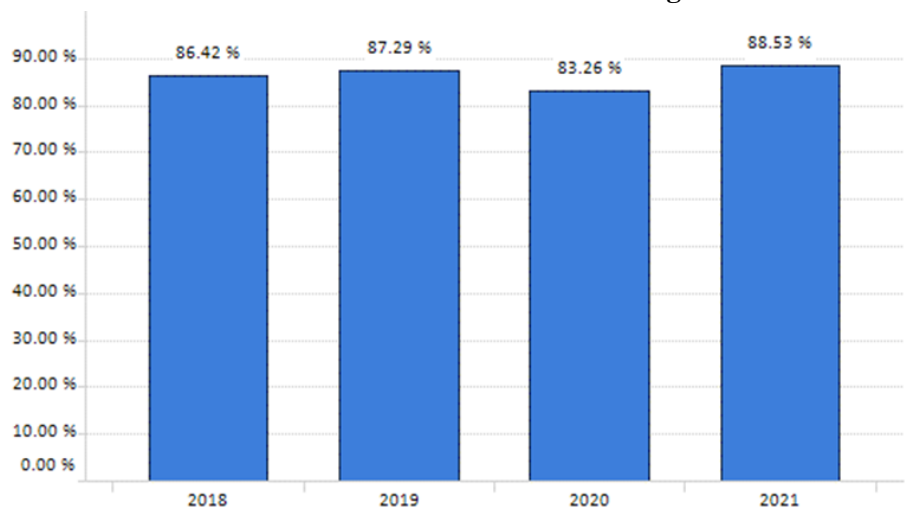


Regions Hospital Occupancy Levels

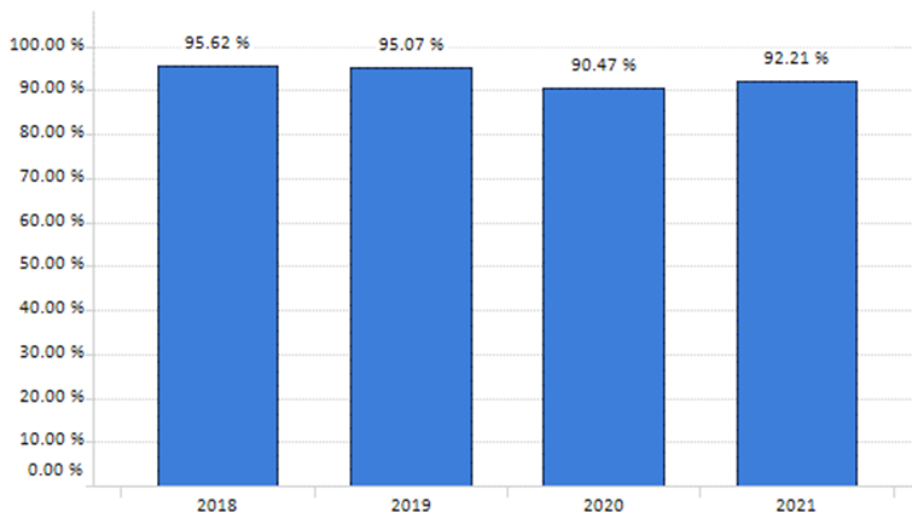
Total



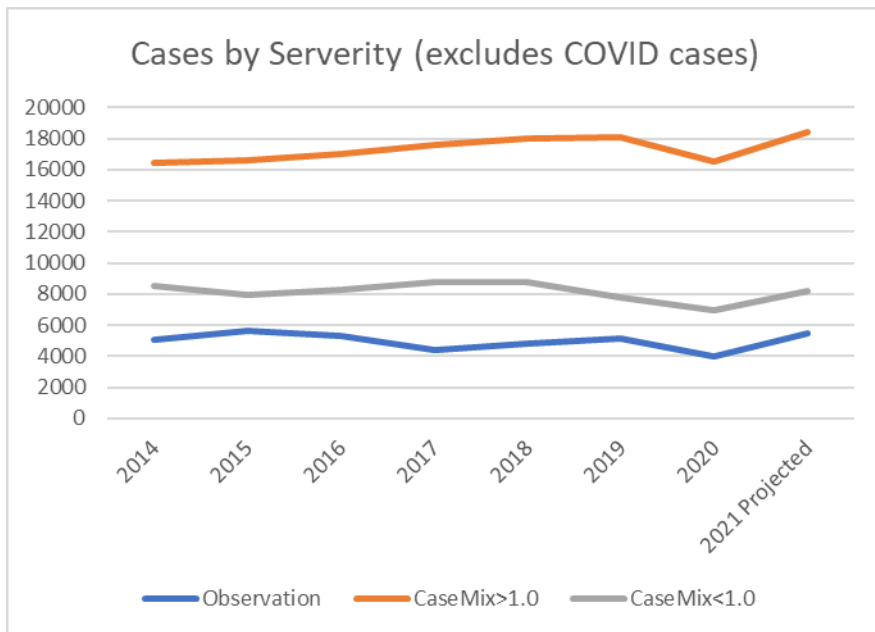
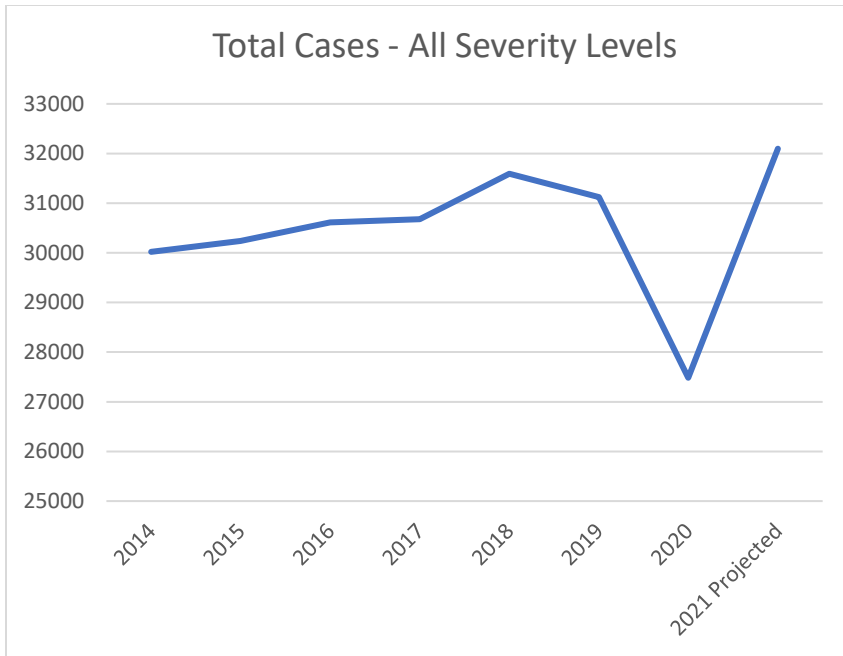
Medical/Surgical



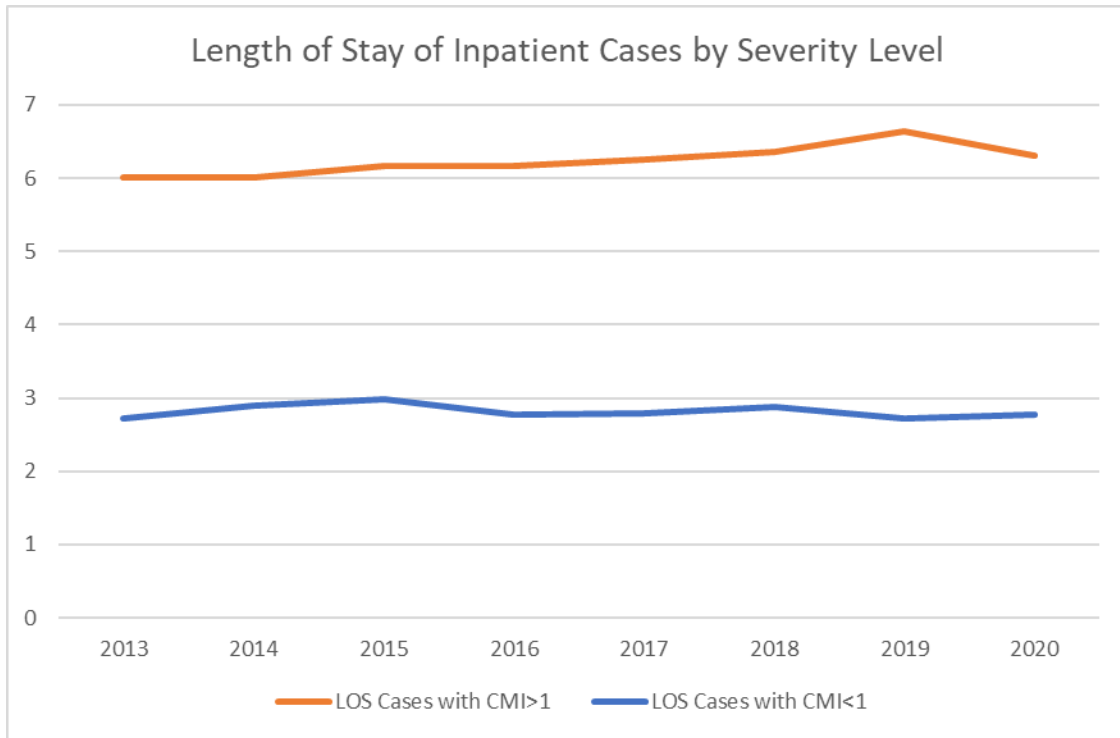
Mental Health



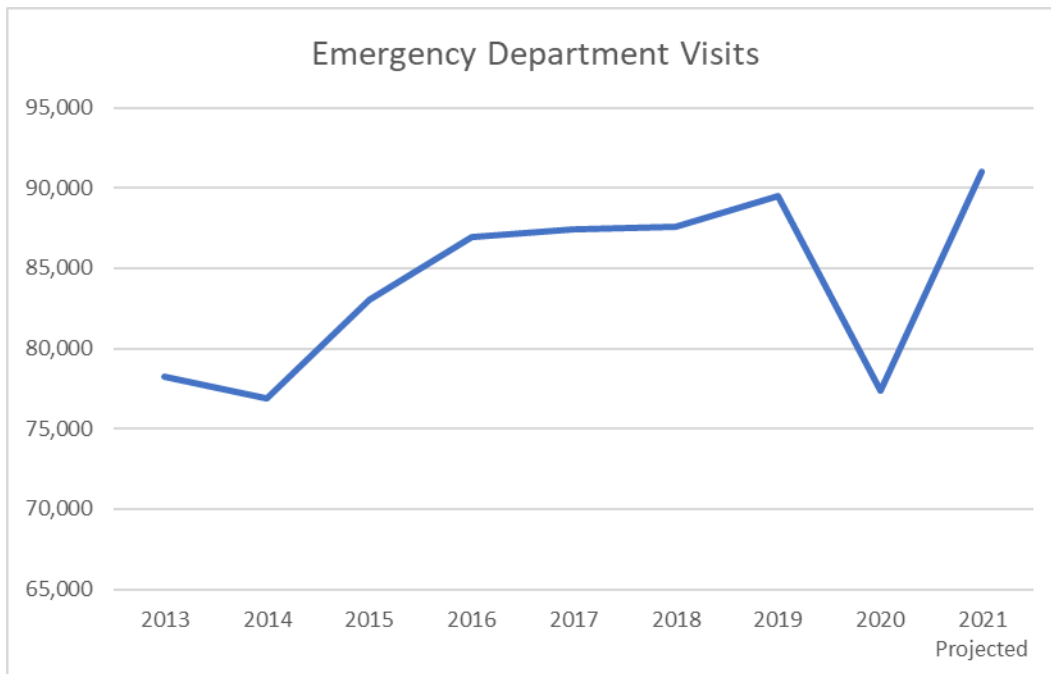
Occupancy remains high in part because Regions is seeing high severity case numbers increase while lower severity case numbers have been generally flat.

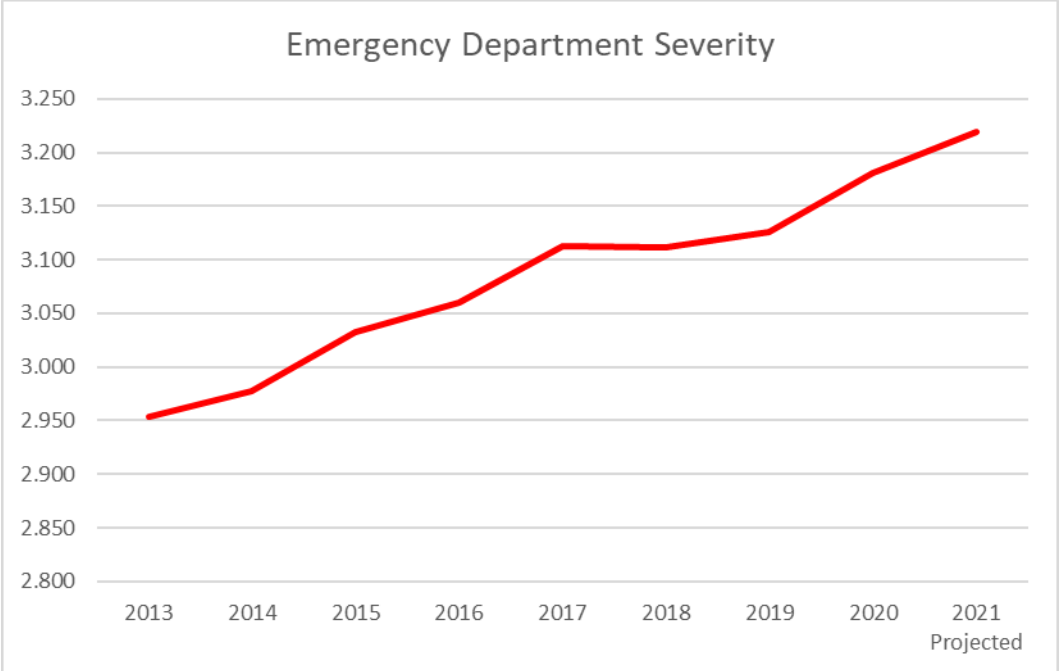


Higher severity cases come with longer lengths of stay. On average higher severity patients are in the hospital twice as long as lower severity cases.



With the loss of one of St. Paul's three major emergency departments in 2019 Regions is seeing higher numbers of emergency visits and the severity level of those cases continue to increase.





Beds Authorized in 2021

The first five of the 45 new licenses authorized in 2021 will be used for additional inpatient mental health beds, adding to the 15 designated for that purpose in 2018 for a total of 20 new beds to be opened this year. This will fully utilize the space in Regions existing mental health building with a total of 120 beds once completed. Regions will continue to monitor occupancy levels and will deploy the remaining bed licenses for medical/surgical use as needed based on community demand an available space.

Our current projection for the use of the remaining licenses is as follow:

Date	Beds to be added
Fall 2022	12 medical/surgical
Spring 2023	12 medical/surgical
Spring 2024	12 medical/surgical

Thank you in advance for your timely review and consideration of this information. We look forward to working with you to get these newly authorized licenses issued and new bed capacity online to serve our community.

Sincerely,



Megan M. Remark
President and CEO
Regions Hospital

Received Date: July 30, 2021