



*Protecting, maintaining and improving the health of all Minnesotans*

February 6, 2014

Casey R. Johnson  
CFO, Sanford Health Thief River Falls  
120 LaBree Avenue South  
Thief River Falls, MN 56701

Dear Mr. Johnson,

We are in receipt of your proposal to establish a freestanding hospital with 25 psychiatric beds at 120 LaBree Avenue South, Thief River Falls, MN. In order to begin our review, the Minnesota Department of Health (MDH) asks that you complete your application by submitting information regarding the proposed exception to the hospital moratorium. Please address each item detailed below so that MDH is able to address criteria that it is required to consider under the law.

**Project Background**

- What will the charity care policies be at the new psychiatric hospital and how will they differ from the charity care policies at the existing acute care facility?

**Anticipated service profile**

- Is the new psychiatric hospital intended to provide chemical dependency services in addition to psychiatric services, and what level of those services are anticipated for the facility?
- What population projections for the primary service area counties from the State's Demographer's Office did Thief River Falls hospital consider in its application?
- What will the admission criteria be for the proposed new psychiatric hospital? In other words, what levels of acuity will prevent patients from being admitted at the facility?
- What medical services are intended to remain at the psychiatric hospital and how will the new psychiatric hospital serve patients who have both psychiatric and medical conditions?

**Need for hospital**

- Provide detailed information on current and projected occupancy rates.
- Submit an assessment of the adequacy of outpatient psychiatric and community-based behavioral health services in the proposed primary services area. Please include the extent to which those capacity constraints contribute to potentially preventable hospitalizations for psychiatric inpatient care.
- Provide responses to the following questions about your assessment for the need for inpatient capacity:
  - Given the range of factors that contribute to rates of psychiatric admissions, including a variety of demographic and health care environment factors, can you please clarify the reasons why one would expect to see rates of admissions in the primary service area be consistent with those for the state overall?

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- In your experience, what are the reasons to believe that patients residing at a significant distance from the proposed new facility would travel to the new facility in the future? In other words, why have those patients in the past sought to be admitted to Sanford Health Thief River Falls Hospital?

**Effect on Other Facilities**

- Provide information about the extent to which expected staffing needs for the new facility have been met and the process for recruiting the remaining needed staff with appropriate qualifications.
- Provide information on how many of the anticipated future staff are currently employed at neighboring facilities in the region and the extent to which they will continue to provide care at other facilities.

In addition to the information requested above, please note that MDH requires an application and fee for licensure for the new replacement facility currently under construction. As noted in previous communications between the Department and your staff, these steps typically coincide with approval of architectural plans. Since the approved construction plans for this replacement facility show a capacity for 25 beds, the license application must reflect the same number of beds.

If an exception to the moratorium for a separate psychiatric hospital licensed with 25 beds is approved by the Minnesota Legislature, a second license application and fee will be required for licensure of that facility. Please contact Mary Henderson at MDH to obtain information about licensure and certification. Mary can be reached by email at [Mary.Henderson@state.mn.us](mailto:Mary.Henderson@state.mn.us) or by phone at (651)201-4115.

Should you have questions related to the public interest review process required under Minnesota Statutes, Section 144.552, please contact Nate Hierlmaier at [Nathan.Hierlmaier@state.mn.us](mailto:Nathan.Hierlmaier@state.mn.us) or by phone at (651) 201-3541.

Sincerely,



Stefan Gildemeister  
Director, Health Economics Program  
Minnesota Department of Health  
85 E. Seventh Place, Suite 220  
St. Paul, Minnesota 55101