

Executive Offices

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St. Paul, MN 55103
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Hospitals

- St. John's Hospital
- St. Joseph's Hospital
- Woodwinds Health Campus
- Bethesda Hospital

Clinics

- Family Medicine
- Internal Medicine
- Pediatrics

Medical Home Care

- Home Care
- Hospice Care

Outpatient Care

- Urgent Care
- Digestive Care
- Pain Care
- Optimum Rehabilitation/
Physical Therapy
- Radiology Care
- Surgery Centers
- Vascular Center

Pharmacies

Special Services and Education

- Behavioral Care
- Breast Care Center
- Cancer Care
- Diabetes Care
- Heart Care
- Orthopaedic Care
- Sleep Care
- Medical Laboratory

Medical Transportation

Foundation



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January 8, 2008

Julie Sonier
Director, Health Economics Program
Division of Health Policy
Minnesota Department of Health
P.O Box 64882
Saint Paul, MN 55164-0882

RE: Hospital Interest Review—Prairie Saint John

Dear Ms. Sonier:

I am writing on behalf of the HealthEast Care System regarding the application by Prairie St. John (PSJ) for a new 144-bed mental health hospital in Woodbury. Currently St. Joseph's Hospital staffs 36 inpatient mental health beds and 28 chemical dependency beds. We have plans to add 4 additional Mental Health and Chemical Dependency beds in 2008. We fear that a new facility will fracture the current system due to the severe staffing shortage of mental health practitioners, especially psychiatrists and chemical dependency counselors in Minnesota. As a result, existing programs, like ours, that serve a higher percentage of elderly, disabled (Medicare) and poor (enrolled in Minnesota government health care programs) will be not be able to operate at current levels.

Below is a table depicting the current mix of patient days by payer served by St. Joseph's in fiscal year 2007 as compared to the planned mix of patient days per Prairie St. John application to the Minnesota Department of Health. As you can see, the business model of PSJ plans on serving a much lower percentage of Medicare and MA patients. PSJ indicates they will serve MA patients, however, it is unclear whether they can be a licensed provider by DHS to provide services to Minnesota government health care enrollees.

Types of Payer	St. Joe's MH	St. Joe's CD	Prairie St. J
Medicare	36	14	15
MA/GA/MnCare	30	45	25
Private	31	40	60
Un-ins/charity	3	1	
Private pay			10
Total Gov.	66	60	40

St. Joe's based on inpatient days for
FY 2007 % patient days for 2007
PSJ, submitted in MDH response

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PSJ indicated that 6 new psychiatrists and 65 additional health care staff would be necessary to open the facility during phase one, and 9 psychiatrists and 97 staff for phase two. PSJ states in its application that it is successful in recruiting psychiatrists and other staff nationally. We are aware that PSJ has recruited Minnesota psychiatrists that are currently staffing existing MH/CD programs. In fact, we have been informed that a team of psychiatrists that we worked for two years to recruit has recently signed a contract with PSJ. One physician also provides services to our CD unit three days a week and we are concerned that he will not be available if a new facility is opened. In addition, we currently have openings for a psychologist, social workers, and several chemical dependency counselors.

PSJ has indicated that they will not admit patients with general medical conditions. As a result, we expect that we will be referred patients with higher acuity/risk factors that will put an additional strain on our unit which will be exacerbated if we continue to lose staff. Also, if the balance of payers shifts for St. Joseph's and other current providers to more government payers and uninsured, it will seriously impact our ability to maintain the current level of services. Finally, the location in Woodbury, is not easily accessible for patients that rely on mass transit or live in low income housing or other residential or transitional facilities; these patients will not be able to access the PSJ programs or hospital due to lack of personal transportation.

The impact of new behavioral hospital will also significantly impact Woodwinds hospital, located in Woodbury. The emergency services capacity at Woodwinds was not designed to meet the emergency services needs of a 144 bed behavioral health hospital that will attract patients from across the Twin Cities service area. Obviously, this significantly increased demand would have a negative impact on meeting the emergency services needs of our primary service area. Similarly, for inpatient services, there will likely be a significant increase in the demand for medical transfers into Woodwinds from the PSJ facility. Woodwinds' hospital capacity is already challenged to meet the increasing demand for inpatient medical services from the primary service area as evidenced by recent bed expansions in 2006 and again in 2008. The increased demand created by the PSJ facility will compromise Woodwinds' ability to meet the inpatient demand of the primary service area.

HealthEast has been meeting with other mental health and chemical dependency stakeholders in the East Metro area over the last several months to study and make recommendations regarding our current systems and practices with the goal of improving MH/CD services in a cost effective manner. A study was undertaken to determine whether there are sufficient MH/CD beds in the areas. Sg2, a national consulting firm, looked at utilization trends across the county for comparable metropolitan areas. In comparing the Twin Cities to Madison, Denver, San Diego, and Seattle, they determined that there was no need for additional beds in the Twin Cities.

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The East Metro group has developed several recommendations that will improve care to the MH/CD population without building a new facility. The group proposes establishing a centralized Mental Health Crisis Center in the East Metro area that improves the system by centralizing access, expanding psychiatric resources and triaging care. The basic principle: Improve services and maximize resources by providing the right service at the right time. The group also made recommendations to enhance and expand community services, and increased housing and detox options. They identified the need to improve medication access and adherence which requires expanded community outreach as our patients access their care at a variety of locations, including primary care clinics. A summary of the recommendations is attached.

In summary, we urge the State to seriously consider other proven and more cost effective options for improving mental health and chemical dependency services in Minnesota. The Prairie St. John for-profit business model, service capabilities, and suburban location are clearly established to achieve a favorable mix of payers and patients. This reallocation of existing business in the market will only serve to erode the financial performance of existing providers and worse, only serve to further fragment the behavioral care to all patients by stretching existing professional services over additional sites in the market.

Thank you for inviting us to respond to this application process. We believe this decision could have significant implications to the care of mental health and chemically dependent patients in our communities. We strongly encourage the State to consider the research and recommendations of the local expertise on the East Metro Planning Group for solutions to improve our behavioral care system. The creation of more beds is not a solution but rather a bigger band-aid on a serious problem facing members of our community. We appreciate your consideration of our position on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Sara J. Criger". The signature is fluid and cursive, with a large initial "S" and "C".

Sara J. Criger
CEO, St. Joseph's Hospital
Vice President, HealthEast Behavioral Health Services
651-232-3611

**Overview of the
East Metro Planning Process
June-November 2007**

INTRODUCTION

In 2006, the East Metro Adult Crisis Stabilization (EMACS) partnership received a DHS Crisis Infrastructure grant to further develop and integrate the Mental Health Crisis Infrastructure in the East Metro (Ramsey, Dakota and Washington counties)

In 2007, Ramsey, Dakota and Washington counties joined with the Department of Human Services Adult Mental Health and State Operated Services Divisions to form a Sponsor Group to call together a comprehensive group of the East Metro providers that serve individuals experiencing a mental health crisis.

The goal was to bring together stakeholders to further evolve an integrated community based mental health system in the East Metro area by engaging in a planning process to determine the adequacy of services and assess resource utilization across the continuum of care. The focus of the group was on the services necessary for individuals from the initial crisis incident through crisis stabilization. The group would assess the current system and suggest improvements based on current gaps and the area's changing demographics and Mental Health trends.

On June 27, 2007, over 40 individuals representing counties, SOS, DHS, non-profit providers, Hospitals, Detox, Health Plans, and Consumer Groups came to a community meeting to hear more about how they could be involved in this planning process.

PROCESS

At the meeting on June 27, there was broad consensus and a heightened interest to work together to develop a single, comprehensive plan for improving the East Metro Adult Mental Health Continuum of Care over the next 1-5 years. At the meeting, those present agreed to divide in to four workgroups to develop a work plan:

- Acute Inpatient Care
- Community Services
- Housing
- Resource/Data

Following the large group portion of the meeting, each of the four work groups met to further clarify their charge and begin the work of developing a work plan based on their group's focus. Each group was assigned a facilitator and a leader from the Sponsor Group.

- *Acute Inpatient Care* focused on determining how existing beds were being utilized, if any additional Inpatient capacity was necessary, and how to improve the patient flow in to and out of the Inpatient Care System.
- *Community Services* focused on determining what community services were necessary and how they could be integrated to provide for a better continuum of care
- *Housing* focused on the housing needs of individuals moving through the initial crisis to stabilization
- *Resource/Data* served as a central repository for data from all the work groups and made this information available to the work groups to help inform their work

Following the June 27 meeting, each group began meeting to develop a detailed plan of the types of changes they would suggest to improve the East Metro Adult Mental Health Continuum of Care.

On November 20, the large group of stakeholders was invited back to a community meeting to hear the results of the planning process, endorse the plan and determine how to move it forward.

OUTCOME

Each work group developed a plan that sketched out their ideas on how to improve the system. The work groups came to differing levels of details with their planning, but all were able to put together the ideas that captured the consensus of the participants on how to improve the system. When these plans were presented to the Sponsor Group and the EMACS Leadership Team on November 13, this group was able to create a plan by prioritizing the needs identified by the work groups.

- *Acute Inpatient Care* group developed a plan that included:
 - reducing non-acute days at the existing inpatient units by reducing bottlenecks at discharge and in the Emergency Departments through improving access to existing services and creating additional community capacity
 - improving the integrity of the continuity of care by addressing community-to-hospital and hospital-to-community transfer of clients and information
 - increasing the number of specialty beds that would be available to serve
 - MI-CD patients (intoxication and enhanced risk)
 - MI-Medically Complex
 - Behavioral Crisis in need of structured services
- *Community Services* developed a plan that focused on the development of a consolidated and integrated set of community services that would be based out of a Crisis Center, centrally located and fully integrated with the spectrum of services - both community and inpatient.
- *Housing* developed a plan focusing on the supportive housing needs of this population with an increase in options that include:
 - Short term transitional housing for individuals who no longer need acute level of care, but do not have stable housing
 - Long term supportive housing that is both scattered site and site-based that offers a spectrum of intensity of services
 - Integration of the existing housing resources available and improving access to these services

With members from each stakeholder area present (Consumers, Hospitals, Counties, DHS, SOS, Health Plans, and Community Providers), the group adopted an overview (attached) to present to a reconvening of the large stakeholder group on November 20, 2007.

NEXT STEPS

At the large stakeholder meeting, with over 30 people representing the broad spectrum of stakeholders, the group agreed to move this plan forward with unanimous sentiment and start to develop an implementation schedule to focus collective work on making these changes possible.

Three work groups were created to develop tangible actions with a timeline and people accountable to implement these changes:

- *Crisis Center* group will focus on the services that are to be consolidated, integrated and located within the Crisis Center
- *Community Services* group will focus on the services that are to be consolidated, integrated and located out in the East Metro community
- *Fiscal and Policy* group will work on the fiscal notes, legislative and policy changes that will need to occur to allow this system integration and consolidation to take place

These groups committed to work through March, 2008 to identify tangible next steps, including structural and financial details, and then develop an implementation schedule.

Working Together to Improve the East Metro Mental Health Crisis System

East Metro stakeholders, with leadership provided by an enhanced East Metro Adult Crisis Service (EMACS) partnership, agree to focus their time, energy and resources to work on the following improvements to the Mental Health Crisis System:

MENTAL HEALTH CRISIS CENTER

The East Metro partnership imagines a Mental Health Crisis Center centrally located in the East Metro that improves the system by centralizing access, expanding psychiatric resources and triaging care. The basic principle: Improve services and maximize resources by providing the right service at the right time.

The proposed Crisis Center would include:

Centralized phone/mobile assessments		
Nursing Assessments	Observation Capacity	Psychiatric Evaluation and Treatment
On-site pharmacy		On-site peer support services
	Eyes on Medication Site	
Centralized access to community based services		

ENHANCED AND EXPANDED COMMUNITY SERVICES

While some services are located at the Crisis Center, equally important to this system improvement will be increasing the capacity, access and integration of community services:

Primary Stabilization Workers	Community Outreach	Gap Psychiatry	Family Support and Education
Crisis Aides	Respite Options	Residential Beds	

INCREASED HOUSING AND DETOX OPTIONS

Housing		Detox
The East Metro partnership will work to develop a range of short-term supportive housing options for individuals that are in need of both housing and some support services to stabilize from a crisis episode.	The East Metro partnership will support and coordinate with other East Metro and Metro initiatives that are working to create permanent supportive housing.	The East Metro partnership will support and coordinate with other East Metro efforts in the development of Detox beds that serve mentally ill intoxicated individuals with enhanced risk: intoxicated with something other than alcohol, low level harm to self or others, and/or low level medical needs

East Metro Crisis Planning Summary of Recommendations

Processes to Improve

Better Align Existing Resources

Reduce "Hot Potato" with Clients Between Counties

Housing Training for Case Managers and More Action

Change the Federal and State Definition of Homeless

Expand Capacity

Expand available Safe Haven Units

Additional Rent Subsidies

Increase Units of Permanent Supportive Housing

Increase Number of Units Available to Those With Criminal History

Services to Create

Create/Improve Housing Specialist Position Accessible to Everyone

Create an online service similar to the Psych Bed Finder for Housing – an enhanced Housing Link

Housing

Reduce Bottlenecks moving from the Inpatient Unit to the next level of care

Reduce Bottlenecks moving from the Emergency Room to the next level of care

Improve Community to Hospital and Hospital to Community client transfers

Improve Discharge Planning

Improve transfer of baseline and treatment information between community and hospital

Apply HIPPA regulations uniformly across the East Metro to best benefit family and providers

Work with court system to establish best practices, time frames and expectations around pre-trial hearings

Joint Recommendations

Increase Long-term Behavioral Medical beds/services for those whom independent living may not be an option (90+ days)

Increase # of transitional care type beds (transitional housing with services)

Add Psychiatrists and maximize existing Psychiatrist time

Expand state subsidized financing to dual eligible Medicare/Medicaid in the metro

All payers cover all service options

Increase # of crisis beds for people in behavioral crisis who need structured services

Increase Number of Detox Beds that deal with intoxication with enhanced risk

Improve Medication Access and Adherence

Acute Care

East Metro Crisis Planning Summary of Recommendations Community Services Workgroup

