



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

November 16, 2007

Mr. John Ryan  
Special Projects Liaison  
Prairie St. John's Psychiatric Hospital  
7616 Currell Blvd, Suite 100  
Woodbury, MN 55125

Dear Mr. Ryan:

This letter is to acknowledge that MDH received Prairie St. John's application for a public interest review of your proposal to construct a mental health hospital in Woodbury on November 9, 2007. Upon an initial review of the application, we find that additional information is required before we can consider this application complete enough to proceed with the review. The additional information that is required before the review can proceed is listed below, referencing the criteria that MDH is required by statute to consider in its review.

**(1) Whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services**

- o What is the specific location of the proposed hospital? Please provide a geographic description of the location of the proposed hospital site, including any potential street address, and cross-street references.
- o How many new licensed beds Prairie St. John's is seeking through this application? Is Prairie St. John's seeking an exception to the hospital moratorium for the 96 beds proposed for Phase 1, or the 144 beds upon completion of Phase 2?
- o Please describe how Woodbury and the East Metropolitan area were selected for the hospital site and how the hospital's primary service area was determined.
- o How did Prairie St. John's determine the need for the proposed acute mix of child, adolescent and adult psychiatric beds, the need for adult chemical dependency treatment beds, and the need for adult co-occurring beds? Please share with us any data or analysis used to estimate the need for these beds.
- o What specific services will be provided at the hospital, inpatient and outpatient for both pediatric and adult patients? What services will not be provided?
  - o What diagnoses or groups of diagnoses do you plan to treat at this facility, and what will be excluded?
  - o Will psychiatric emergency services and/or crisis care be offered at this site on a 24 hour basis?
  - o Will a primary medical care emergency department be included in the hospital? If so, at what level of service (Minnesota trauma system level I, II, III, IV)?

- If no primary medical care emergency department is provided, how and where will hospitalized patients suffering medical complications, acute injuries, medication errors, medical errors, or other untoward events receive emergency services?
- Will medically unstable patients be admitted to the facility? If not, how will medical stability be determined? How will patients that become medically unstable during their stay receive care, and where?
- Will patients with both serious mental illness and chronic medical conditions be admitted to the facility?
- Will alcohol and drug medical detoxification services be provided?

**(2) The financial impact of the new hospital or hospital beds on existing acute-care hospitals that have emergency departments in the region**

- You have indicated that Prairie St. Johns currently operates outpatient programs in Woodbury and Minnetonka. When these patients need hospitalization, to which facilities are they currently referred? Please provide information on the numbers of patients referred for hospitalization and the facilities where patients were hospitalized, separately for children, adolescents, and adults (with and without chemical dependency) over the past one to three years.
- What percentage of the patients hospitalized at the proposed Prairie St. Johns hospital in Woodbury are anticipated to be referred from Prairie St. Johns outpatient programs?
- What steps, if any, has Prairie St. John's taken to address potential concerns about the impact that self-referral of patients may have on other hospitals in the region?
- How similar is the proposed Woodbury hospital to Prairie St. John's existing hospital in Fargo? Please provide information on patient volumes (by diagnosis or groups of diagnoses), inpatient days, charges, adjustments, operating expenses, and payer mix for the Fargo hospital, for its most recently completed fiscal year.
- What volume of admissions and patient days does Prairie St. John's expect to provide to each of the populations it proposes to serve within each service (mental health – children, adolescent, and adult; adult chemical dependency treatment; and adult co-occurring conditions)?

**(3) How the new hospital or hospital beds will affect the ability of existing hospitals in the region to maintain existing staff**

- Please describe the credentialed workforce needed to staff the proposed hospital in both Phase 1 and Phase 2. For example, how many psychiatrists, advanced practice registered nurses, pharmacists, physician assistants, psychiatric registered nurses, psychologists, social workers, and occupational therapists will likely be employed?
- How will this workforce be recruited?

**(4) The extent to which the new hospital or hospital beds will provide services to nonpaying or low-income patients relative to the level of services provided to these groups by existing hospitals in the region**

- o Your application states that Prairie St. John's is a "private, Catholic affiliated psychiatric health care organization." Please clarify whether the proposed facility will be operated as a for-profit or nonprofit entity.
- o On page 14 of your application, you state that Prairie St. John's Fargo hospital provides 12% of *gross* revenues in charity care. Page 19 of the application states that Prairie St. John's provided 12% of its *net* revenues in the form of charity care.
  - o Please provide a copy of the charity care policy of the Fargo hospital, and a copy of the proposed charity care policy at the Woodbury hospital if one is available.
  - o Is the \$2 million cited based on charges, or has it been adjusted to reflect the cost of providing charity care? Please provide information for the Fargo hospital's most recent fiscal year on 1) charges for charity care services; 2) total charges; 3) total operating expenses; 4) revenue; 5) net revenue; and 6) net income.
- o Will the proposed hospital accept patients whose services are reimbursed by county governments?

If you have questions about this request for additional information, please feel free to contact me at (651) 201-3561, or by e-mail at [julie.sonier@state.mn.us](mailto:julie.sonier@state.mn.us).

Sincerely,



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