



## Minnesota Psychiatric Society

*Improving Minnesota's mental health care through education, advocacy, and sound psychiatric practice, and achieving health equity.*

August 22, 2022

Stefan Gildemeister  
State Health Economist & Director, MDH Health Economics Program  
P.O. Box 64975  
St. Paul, MN 55164-0975

Regarding: Proposed M Health/Acadia Hospital

Dear Mr. Gildemeister:

This is to inform you that Minnesota Psychiatric Society (MPS) opposes building this hospital. There are significant mental health and substance abuse treatment needs in Minnesota, for a range of treatment services, including adult inpatient beds. However, we do not think the proposed hospital will best meet those needs. Further, we are concerned the proposed hospital will disadvantage existing hospitals and services. In short, it is our opinion that the proposed hospital is not the best use of our scarce community resources.

Access to hospital beds in Minnesota is a problem, especially for some segments of the mentally ill population. We also have a shortage of places to send patients when they might be able to leave acute hospital care, a problem which contributes to the unavailability of hospital beds when they are needed by other patients. MPS is very concerned that some of the patients most in need of an acute bed are those who are most ill, a large segment of whom have public insurance. The proposed hospital will be restricted in its ability to bill Medical Assistance under federal law because the proposed hospital will meet federal criteria for "institute for mental disease."

Another concern is that the proposed hospital will not have an emergency room. The consequence of that design is that the hospital will depend upon referrals from other ED's. As practicing psychiatrists, we have seen in our community how that lack of ability to provide emergency assessment allows the hospital to cherry pick which patients they will accept, since they do not have the immediate responsibility for the patient. That leads to denying acceptance to some patients who have insurance that does not pay well and denying to accept some patients with more challenging and often more expensive care needs. That would include patients with more severe and complex other medical illness, and behaviors that will require a higher level of staffing for safety. In the end, it is the other hospitals that must pick up a disproportionate amount of the more expensive and less well reimbursed care. This occurs in an environment where the new hospital at the same time hires away nursing and psychiatric staff from the existing hospitals. Ultimately all that can compromise those other hospitals' abilities to maintain their own psychiatric hospital beds. We are very concerned that for profit Acadia will have 85% financial stake in the proposed facility.

Thank you for your attention to this.

Sincerely,

Handwritten signature of Matt Kruse in black ink.

Matt Kruse, MD, FAPA  
MPS President

Handwritten signature of Michael Trangle in black ink.

Michael Trangle, MD, DLFAPA  
MPS Legislative Committee Chair