

August 27, 2021

Stefan Gildemeister
Director, Health Economics Program
PO Box 64882
St. Paul, MN 55164

Via electronic mail

RE: Request for Additional Information

Dear Mr. Gildemeister:

Thank you for your August 13, 2021 letter requesting additional information to conduct a public interest review of PrairieCare's proposal to add 30 licensed beds to the existing children's psychiatric hospital in Brooklyn Park. PrairieCare offers the responses below to your information requests:

The application mentions that internal utilization data and statistical modeling was used to establish need for 30 additional hospital beds. Please share this information with us and include major assumptions, the sources of those assumptions, methods used, and input data brought to bear in the analysis.

PrairieCare has relied on periodic checking of the MDH/MHA "Bed Finder" (<https://www.mnmhaccess.com/>) data to confirm PrairieCare's own lack of bed availability mirrors that of other hospitals with pediatric psychiatry beds. For its own analysis, PrairieCare looked at census and declined admissions. PrairieCare's 71-licensed beds are essentially "full" for 9 months out of the year, beginning mid-September and ending mid-June of each year. For the 13-month period from July 1, 2020 – July 31, 2021, PrairieCare had 2,474 inpatient admissions, averaging 190 per month. During that same time, PrairieCare declined 1,627 admissions, a 39.6% declination rate. The declined admissions are for a combination of reasons, many of which would be addressed by adding capacity (e.g., no child beds, no single occupancy options, a tentative discharge falling through, beds being filled after transferring hospital did not respond in a reasonable amount of time), as well as concerns that may not be addressed by adding capacity (e.g., patient does not meet admission criteria, patient is medically unstable).

30 additional beds could provide an additional 800 patients with a 10-day average length hospital stay if fully occupied during the 9-months of the year where demand exceeds current availability of beds. This represents half of PrairieCare's declined admissions and would be a significant and meaningful step towards rightsizing the number of beds available.

For the most recent 36 months, please provide monthly counts of:

- **Transfer requests from emergency departments (ED)**
- **Transfer requests from non-ED sources**
- **Counts of patient admissions accepted from emergency departments**

- **Counts of patient admissions accepted from non-ED sources**

This information was provided via secure file transfer to Nathan Hierlmaier.

PrairieCare administrative claims data requested for the most recent 36-month period

This information was provided via secure file transfer to Nathan Hierlmaier.

Hospital Annual Report requested for the past three and five fiscal years

PrairieCare's full hospital annual reports for the past five years were provided via secure file transfer to Nathan Hierlmaier.

As you note, PrairieCare files an abbreviated report each year and many of the requested sections are not completed. PrairieCare's accounting is not set up in a way to track or organically pull this information. We are also currently undergoing an external audit, the results of which would potentially impact the classification of revenue and expenses that would be attributed to the hospital. PrairieCare could commit to manually calculating the same financial information for 2020 that was provided in our October 14, 2016 response to MDH for a previous moratorium public interest review. This data would be consistent with the definitions in the Minnesota Hospital Annual Report for fiscal year 2020 and provided within the next 60 days after the audit is complete, if that would be helpful to your analysis. We do not have the capability to manually calculate the other fields.

How might the expansion impact staffing vacancies at other nearby hospitals?

PrairieCare currently estimates it is as much as 20% below optimal staffing levels in some direct patient care positions for its current, 71-bed hospital workforce. PrairieCare anticipates that number may increase with the hospital's vaccine mandate for staff going into effect alongside other hospitals next month. PrairieCare understands that staffing vacancies currently exist at most, if not all, Minnesota hospitals, and it is difficult to predict what will happen with the resolution of the pandemic and whether the significant shifts into remote working will remain. The value proposition for direct patient care hospital staff, who need to be in-person full time, needs to be there or many of those staff will choose another position or career with remote work flexibility.

What are the current constraints in filling staff such as average length of time to fill positions by major employee classification?

During the pandemic, PrairieCare has experienced the same significant workforce shortages that other hospitals have experienced, particularly with patient care staff. We are currently implementing strategies to enhance our retention and career advancement opportunities within PrairieCare, and to expand our recruiting efforts to visa holders, new graduates, and other talent pools that were previously underrecruited by PrairieCare. The lack of qualified and available candidates for patient care positions is a significant issue for PrairieCare, and we understand that to be the case for most hospitals in Minnesota.

The following table shows January 1, 2020 through current data from PrairieCare’s Human Resources information systems on the time to fill job postings:

Position	HRIS-Reported Time to Fill
Groups Therapist	42 days
HUC	53 days
Medical Receptionist	22 days
Nursing Leader	21 days (internal)
Primary Care Consultant	34 days
Psych Tech	45 days
Recreational Therapist	42 days
RN	51 days
Social Worker	49 days
Therapist	51 days

What are the estimated compensation costs (wages and benefits) once hospital beds are fully operational?

We estimate that total compensation costs inclusive of wages and benefits to staff 30 additional beds would be approximately \$4,500,000. This number is arrived at with the assumption that these beds will only be needed and staffed from mid-September through mid-June each year. PrairieCare does not currently experience a demand for all 71 currently licensed beds during the summer, and we anticipate the seasonal drop in census during the summer will continue.

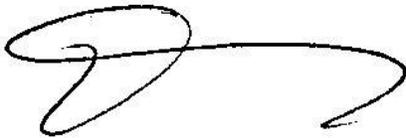
The FTEs required for staffing 30 additional beds would be:

Position/Title	FTE
Board Certified Child Psychiatrist	4
Social Workers	8
Psychotherapists	5
Groups Therapists	1
Art Therapists	1
Spiritual Care	1
Reception	1.5
Primary Care Consultants	1.5
RN	11
Psych Techs	17
HUCs	3
Rec Therapist	2
Nurse Manager	1
TOTAL	53

Please notify MDH about whether PrairieCare Brooklyn Park Hospital, like other hospitals in the state, has entered into an agreement with the Minnesota Attorney General related to hospital billing and collection practices for patients without health insurance. As part of your response, please let us know the dates and terms for any agreement.

The Minnesota Attorney General's Hospital Agreement is described by the Minnesota Attorney General's office as "an agreement between all nonprofit Minnesota hospitals and the Minnesota Attorney General's office... [that]... requires that they meet certain standards of conduct imposed by their charitable missions." Signing on to the agreement in its current form would have no bearing on PrairieCare, since the threat of losing nonprofit status would mean nothing to an organization that does not have it. Nonetheless, PrairieCare has reached out to the Minnesota Attorney General's office to inquire about that office's desire to enter into a similar agreement with PrairieCare. PrairieCare maintains that it meets the spirit of the Hospital Agreement and will continue to do so with or without such an agreement in place, and further commits to good faith negotiation on a Hospital Agreement, should the Minnesota Attorney General's office indicate an interest in negotiating one with PrairieCare.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "Todd Archbold", with a large, stylized initial "T" and a long horizontal stroke extending to the right.

Todd Archbold
PrairieCare CEO