



November 16, 2023

VIA EMAIL

Diane Rydrych
Health Policy Division Director
Minnesota Department of Health
P.O. Box 64882
St. Paul, MN 55164-0882
Email: health.pir@state.mn.us

Dear Ms. Rydrych,

Regency Hospital of Minneapolis, LLC (“Regency”), is in receipt of your letter, dated September 26, 2023, which requests submission of a plan consistent with the requirements under Minnesota Statutes 144.552 for the purposes of the Minnesota Department of Health’s (“MDH”) completion of a public interest review. Please see attached for our plan, which includes responses to the checklist provided by MDH.

Should you have any questions regarding this additional information, please contact Brian Williams, Senior Vice President & Chief Development Officer, at (404) 304-5061 or BWilliams@selectmedical.com. We very much appreciate your consideration.

Sincerely,

DocuSigned by:

Brian Williams

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Brian Williams

Senior Vice President & Chief Development Officer

**REGENCY HOSPITAL OF MINNEAPOLIS LLC
PUBLIC INTEREST REVIEW APPLICATION – CHECKLIST RESPONSE**

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I. Summary of Proposal

Select Medical Corporation (“Select Medical”) is the nation’s leader in post-ICU care and recovery. Over the past 27 years, Select Medical has built a network of 108 long-term acute care hospitals (“LTACHs”) in 28 states with a singular mission: to provide an exceptional patient care experience that promotes healing and recovery in a compassionate environment. Select Medical treats medically complex patients recovering from chronic, critical illness to accelerate their ability to breathe, eat, think, talk and walk independently again so they may return to home or community.

Regency Hospital of Minneapolis LLC (“Regency”), a subsidiary of Select Medical, seeks to relocate 26 of Regency’s 92 currently licensed hospital beds from their location in Golden Valley, Minnesota (Hennepin County) to a location in St. Paul, Minnesota (Ramsey County), with the intent of providing better access for patients in the Ramsey County area needing LTACH services. LTACHs provide specialized inpatient acute care for patients recovering from catastrophic critical illness. Specifically, LTACH services include: treatment for cardiac and heart failure, infectious disease treatment, medically complex treatment, neurological and post trauma care, pulmonary and ventilator weaning, renal disease care, and wound care. This level of care is similar to the care currently provided by Regency in Golden Valley, Minnesota.

Regency is not requesting to expand the number of licensed hospital beds in Minnesota; instead, this proposal seeks to transfer/redistribute 26 beds from Regency’s 92 currently licensed hospital beds to a new satellite long-term acute care hospital (“Proposed LTACH”) located within Regions Hospital in Ramsey County in order to better serve community patients needing LTACH services. The Proposed LTACH would occupy space on the current campus of Regions Hospital as a “Hospital within a Hospital” (“HIH”). Regency would enter into a space lease agreement with Regions or an affiliate thereof for the Proposed LTACH on the Regions Hospital campus, located at 640 Jackson St, St. Paul, Minnesota 55101. Regency also would enter into a purchased services agreement with Regions Hospital or an affiliate thereof for the provision of certain ancillary clinical services including but not limited to clinical laboratory, blood bank, medical imaging, CT, MRI, nuclear medicine, ultrasound, surgical services and other clinical services. Hemodialysis services may be provided by Regions Hospital or via a separately contracted company.

II. Background information

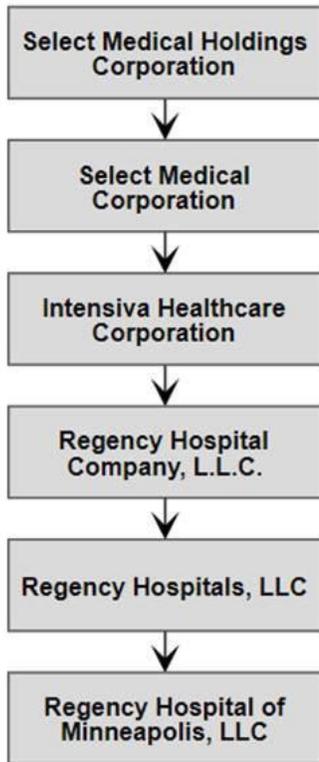
1. Submit articles of organization/joint venture/partnerships and other organizational information including the following:

a. Internal Revenue Service (IRS) Section 501(c)3 status

Regency Hospital of Minneapolis, LLC is not a tax-exempt organization. Therefore, this inquiry is inapplicable.

b. A list and organizational chart of all affiliated parties and ownership interests in each

See below for an organizational chart identifying direct and indirect interest holders in Regency. Select Medical Holdings Corporation is a publically held corporation.



c. Information on where relevant providers currently hospitalize patients

Patients needing LTACH level of care currently have two options in Minnesota: 1) Regency Hospital of Minneapolis and 2) M Health Fairview Bethesda Hospital. Alternatively, if a patient is in need of LTACH services but is not admitted to an LTACH, the patient likely will remain in an ICU or an inpatient rehabilitation facility.

2. Provide current or recent IRS forms and billing/collection agreements, for relevant hospitals/organizations, including the following:

a. Schedule H (990 Form)

Regency Hospital of Minneapolis, LLC is not a tax-exempt organization. Therefore, this inquiry is inapplicable.

b. Community Health Needs Assessment (CHNA) - Section 501(r)(3)

Regency Hospital of Minneapolis, LLC is not a tax-exempt organization. Therefore, this inquiry is inapplicable.

c. Financial Assistance Policy and Emergency Medical Care Policy - Section 501(r)(4)

Regency Hospital of Minneapolis, LLC is not a tax-exempt organization and therefore, not subject to Section 501(r)(4).

However please see Attachment A for Regency’s financial aid policy, which will be adopted for the Proposed LTACH.

d. Signed Hospital Agreement on Billing and Collection with the Minnesota Attorney General (including expiration date)

Regency Hospital of Minneapolis, LLC does not have an agreement on billing and collection with the Minnesota Attorney General. Regency acknowledges that the prevalence of medical debt among patients in Minnesota and nationwide is a serious matter. In addition to following Regency’s financial aid policy referenced above, Regency is committed to compliance with Minnesota’s new statutes on charity care and debt collection as applicable that went into effect on November 1, 2023.

3. Describe community engagement activities that have informed the proposal with references to Principles of Authentic Community Engagement (health.state.mn.us).

Below is a summary of key community involvement initiatives and association participation of stakeholders at Regency:

Regency	Minnesota Brain Injury Alliance - Walk for Thought Metropolitan Health and Medical Emergency Preparedness Coalition – Member Golden Valley Task Force Committee – Member Friends of the Redeemer United – Volunteer Worker Minnesota “No to Homelessness” – Volunteer Worker Haven Housing at Saint Anne’s Place – Volunteer Worker
CEO	Fellow of the American College of Healthcare Executives – Minnesota Chapter
CNO	Greater Minneapolis/St. Paul Association for Chief Nursing Officers – Member
Rehab	Minnesota Physical Therapy Association American Physical Therapy Association American Speech and Hearing Association American Occupational Therapy Association
Respiratory	Minnesota Respiratory Care Metropolitan Managers Committee National Board of Respiratory Care
Case Management	American Case Management Association Minnesota Nursing Home Social Worker’s Association – Committee Member
QM	Association for Professionals in Infection Control and Epidemiology/APIC

University – Clinical Rotations	Nursing – Rasmussen University – Hennepin/Anoka Speech - University of Minnesota - Mankato PT - Des Moines University and Tuft’s University PTA - Anoka Ramsay College, Herzing College, and Rasmussen – Hennepin/Anoka OT - University of Mary Pharmacy – Drake University
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4. Submit a list of stakeholders and affected parties that were identified in planning for the project.

The Proposed LTACH would occupy space on the current campus of Regions Hospital as an HIH. The Proposed LTACH intends to contract with third party physician practice groups as necessary to support LTACH services, as well as ancillary service providers.

Other short term acute care hospitals in the proposed service area (“PSA”): United Hospital, M Health Fairview Woodwinds Hospital, M Health Fairview St John’s Hospital, Lakeview Hospital.

III. Project Description

1. Describe the site for the proposed project. If additional approvals from local board(s) are needed, please include information on when the project will be heard.

The Proposed LTACH will be located on the Regions Hospital campus, located at 640 Jackson St, St Paul, Minnesota 55101. The space within which the Proposed LTACH would operate is currently in the design phase but it is anticipated that there will be approximately 18,000-20,000 square feet dedicated for the Proposed LTACH.

2. Define the objectives of the expansion in licensed beds or establishment of a new hospital such as health outcomes, health equity, or improvements in quality of life with supporting quantitative and qualitative evidence.

The reallocation of hospital beds to an HIH on Regions Hospital’s campus would provide better access for patients needing long-term acute care hospital services in Ramsey County. The Proposed LTACH would be available for patients that are discharged from all hospitals within and outside the PSA. Regency projects that a majority of the Proposed LTACH patients would come from Regions Hospital. This HIH model would help reduce some of Regions Hospital capacity pressures in the ICU, CCU and surgical ICU and allow for continuity of care, as patients discharged from Regions Hospital would remain within the same building and likely be monitored by consistent physician providers.

The HIH model has several advantages for patients. Under the proposed plan, a location within Regions Hospital would allow for LTACH patients discharged from Regions Hospital to remain in the same building, which will allow many of the same physician providers the ability to continue monitoring their patients post discharge to the Proposed

LTACH. However, the Proposed LTACH would be available for discharges from all hospitals within and outside the PSA.

3. List the hospital-based services that will be provided directly, or through contract, for both acute and non-acute care (both inpatient and outpatient or ambulatory care) as part of the expansion or new hospital.

a. Describe specific services including, for example, imaging/radiology, ambulatory surgery, cancer treatment, or dialysis services.

The Proposed LTACH will furnish long term acute care services. Long-term acute care hospitals provide specialized inpatient acute care for patients recovering from catastrophic critical illness. Specifically, LTACH services include: treatment for cardiac and heart failure, infectious disease treatment, medically complex treatment, neurological and post trauma care, pulmonary and ventilator weaning, renal disease care, and wound care.

b. Provide detail for the breakdown of beds and outpatient care by service category including, for example, the number of medical/surgical, intensive care unit (ICU/CCU), pediatrics, obstetrics, mental health/chemical dependency, and rehabilitation beds.

The proposal is for the transfer of 26 currently licensed long term acute care hospital beds to a new location on the Regions Hospital campus.

c. Provide the proposed admissions criteria or anticipated patient population including, but not limited to, patient diagnoses, acuity or complication levels, and exclusions for admission or provision of services.

Please see Attachment B for Regency's Policy on Admission Criteria. In addition, the Proposed LTACH will follow Medicare conditions for participation for patients enrolled in Medicare.

PSA utilization estimates for the Proposed LTACH as follows¹:

i. Projected utilization volumes for the Proposed LTACH:

¹The projections herein are based on Regency's historical experience operating Regency Hospital of Minneapolis.

Projected Utilization Volumes - LTACH		
Bed count: 26		
	ADC	Patient Days
Year 1	15.6	5,694
Year 2	20.3	7,402
Year 3	21.3	7,782
Year 4	22.4	8,161
Year 5	23.4	8,541

ADC = Average Daily Census

ii. Projected service utilization rates by service, age, gender, and race/ethnicity:

Projected LTACH Utilization		
Age	%	Avg LOS
18-24	1.4%	50.8
25-39	12.4%	38.1
40-54	22.4%	39.5
55-64	30.9%	40.6
65-74	22.3%	39.9
75+	10.6%	35.9
	100.0%	39.5

Projected LTACH Utilization		
Gender	%	Avg LOS
Male	60.5%	38.1
Female	39.5%	41.7
	100.0%	39.5

Projected LTACH Utilization		
Race / Ethnicity	%	Avg LOS
WHITE	59.4%	37.4
BLACK OR AFRICAN AMERICAN	15.0%	44.8
AMERICAN INDIAN OR ALASKA NATIVE	2.6%	33.6
VIETNAMESE	0.2%	20.0
ASIAN	2.1%	44.4
NATIVE HAWAIIAN OR OTHER PACIFIC I	0.2%	18.0
KOREAN	0.1%	29.0
NATIVE HAWAIIAN	0.2%	104.5
ASIAN INDIAN	0.1%	41.0
OTHER ASIAN	0.1%	24.0
NONE OF THE ABOVE	0.5%	54.8
DECLINED TO SPECIFY	14.0%	42.8
PATIENT UNABLE TO RESPOND	5.3%	38.8
	100.0%	39.5

The relative acuity of the population in the PSA is difficult to determine; however, for those patients who were admitted to Regency and Bethesda LTACHs the historical case mix index (CMI) is a good indicator of patient acuity at each facility. A higher CMI indicates a more complex and resource-intensive case load. Please refer to graphic below.

LTACH	CMI	Financial Data Date
Regency Hospital of Minneapolis	1.43	6/30/22
M Health Fairview Bethesda Hospital	1.28	8/31/21

[SOURCE: Definitive Healthcare]

d. If an emergency department is planned, describe trauma designation you are seeking.

No emergency department is planned. Therefore this inquiry is inapplicable.

e. Indicate which type(s) of health insurance payment, if any, the hospital plans to receive, for example, Medicare, Medicaid, commercial insurance, worker's comp, auto-med.

Medicare, Medicaid, commercial insurance, and workers' compensation insurance.

4. Detail timelines or phases of the project including short- and long-term plans for construction and expectations on when services will be staffed and available at the facility, operating partially and when fully staffed

Discussions regarding the specific location of the Proposed LTACH on the Regions campus are underway. Regency expects to begin fit-out of the space when Regions has the space ready. Once Regions Hospital has made the space available to Regency, it will take approximately 12 months to 14 months to fit out the space and a “go-live” would occur subsequently.

Because the Proposed LTACH is still in the early stages of development, a more detailed response on construction and staffing timelines is yet to be determined. Regency expects to have further information on necessary construction and staffing timelines by early 2024 and commits to keeping MDH apprised of such development plans.

5. Estimate the cost of the project including the following:

a. Completion of Sections 56 and 57 of the Hospital Annual Report (Capital Expenditure Commitment and Detail) found here: [Hospital and Provider Data - MN Dept. of Health \(state.mn.us\)](#)

The space within which the Proposed LTACH would operate is currently in the design phase but it is anticipated that there will be approximately 18,000-20,000 square feet dedicated for the Proposed LTACH. The expected cost to fit-out the space is estimated to be around \$500 per square feet, which would result in an approximate total project cost of \$9-\$10 million. Additionally, Regency expects to incur approximately \$1.5 million in equipment costs.

Because the Proposed LTACH is still in the early stages of development, a more detailed response on capital expenditures is yet to be determined. Regency expects to have further information on necessary capital expenditures by early 2024 and commits to keeping MDH apprised of such development plans.

b. A description of the sources of financing of the project, including municipal bonding, investment capital, private equity or other forms of financing.

Select will be capitalizing the investment from the general working capital of the overall Select Medical corporate entity.

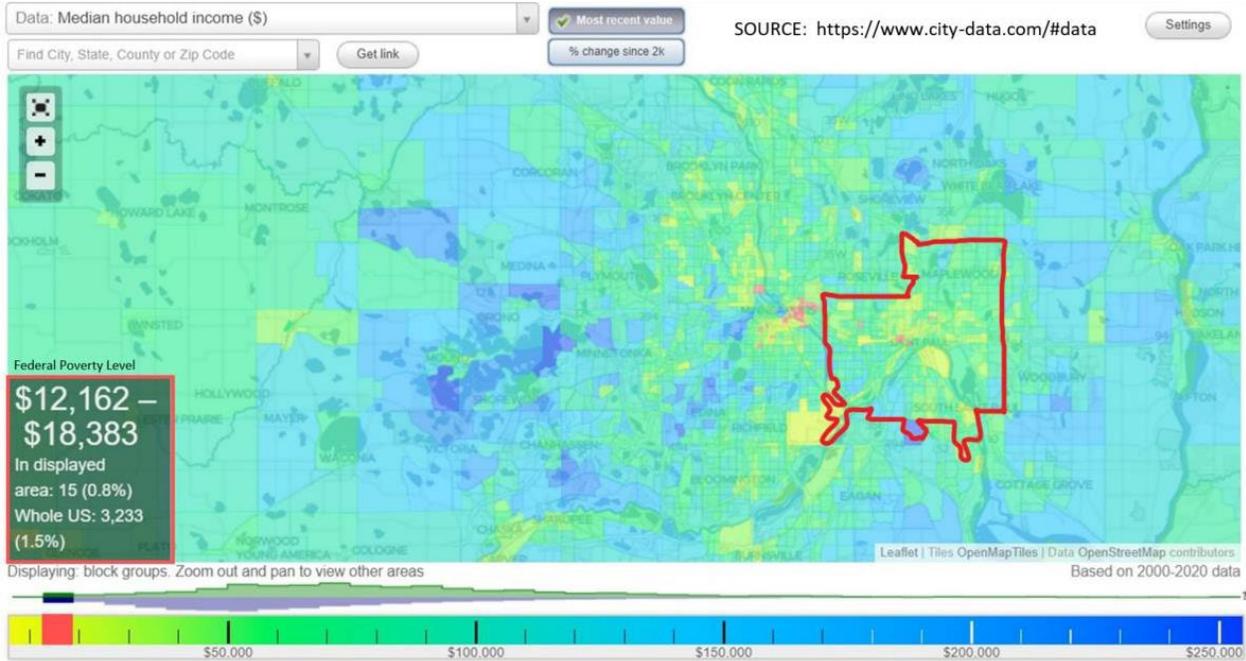
IV. Need for Project

1. Define the proposed service area (PSA) of the project including methods and rationale

a. Provide demographic estimates and projections, if available, for PSA expressed in ZIP codes or another appropriate geographic measure with population sizes by age, gender, race, ethnicity, and levels of income relative to federal poverty guidelines or other social determinants of health.

Upon review of referral patterns to Regency Hospital in Golden Valley based on the patient’s home address we determined there is a number of patients who could benefit from a more proximal LTACH.

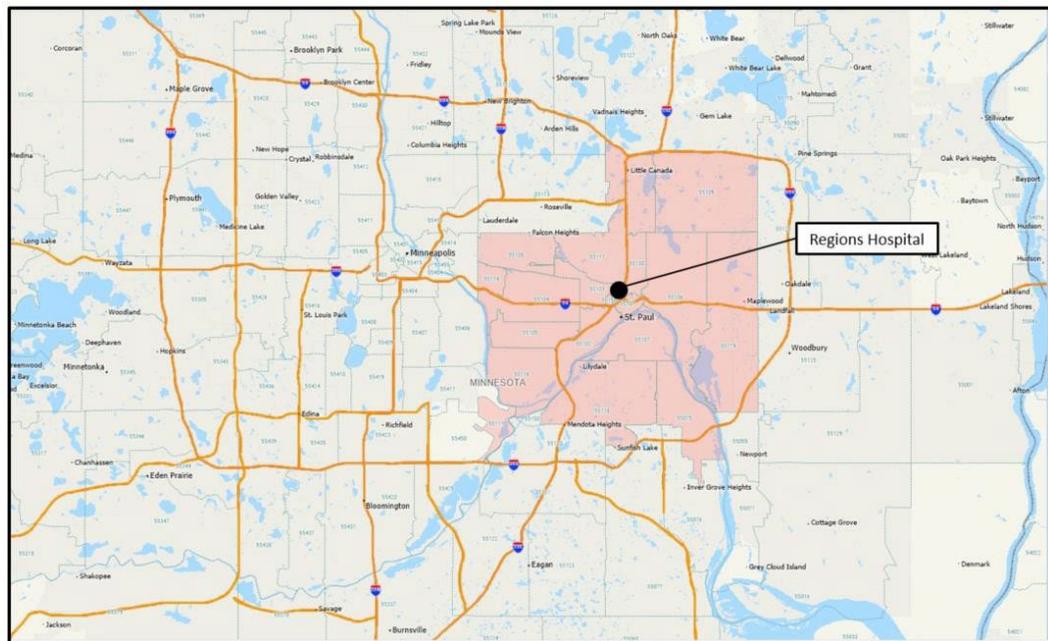
Via <https://www.city-data.com/#data> below is a modified map to show federal poverty level in yellow and red/pink compared to the scale for the PSA.



The proposed service area (“PSA”) is defined by the zip codes in the greater St. Paul area. Please refer to the illustration below.

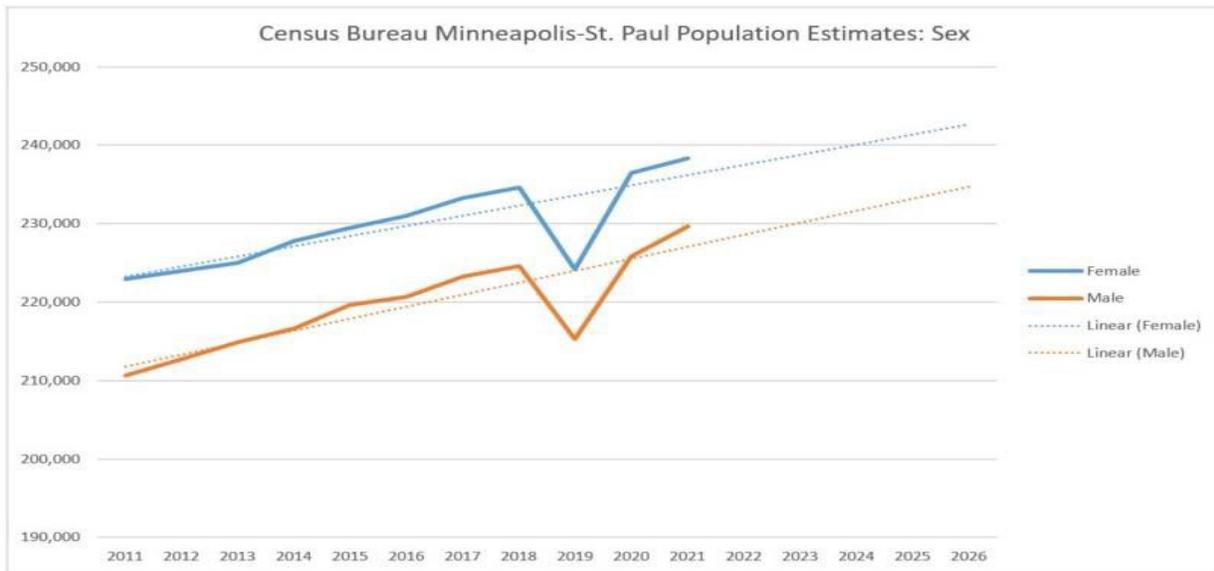
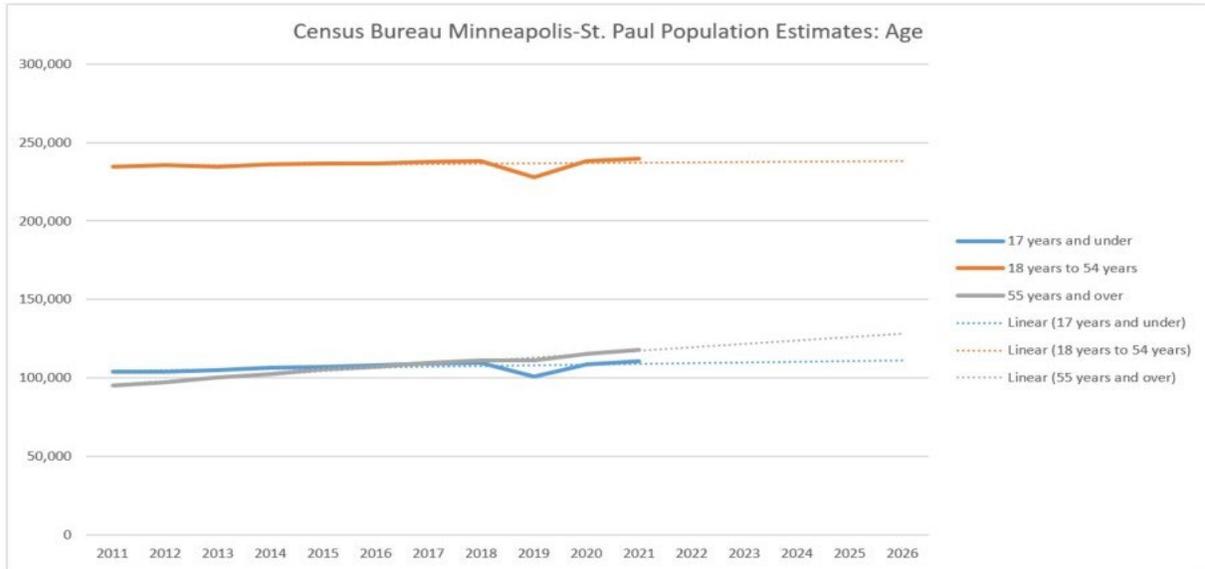
St. Paul Zip Codes

- 55075
- 55101
- 55102
- 55103
- 55104
- 55105
- 55106
- 55107
- 55108
- 55109
- 55111
- 55114
- 55116
- 55117
- 55118
- 55119
- 55130
- 55155

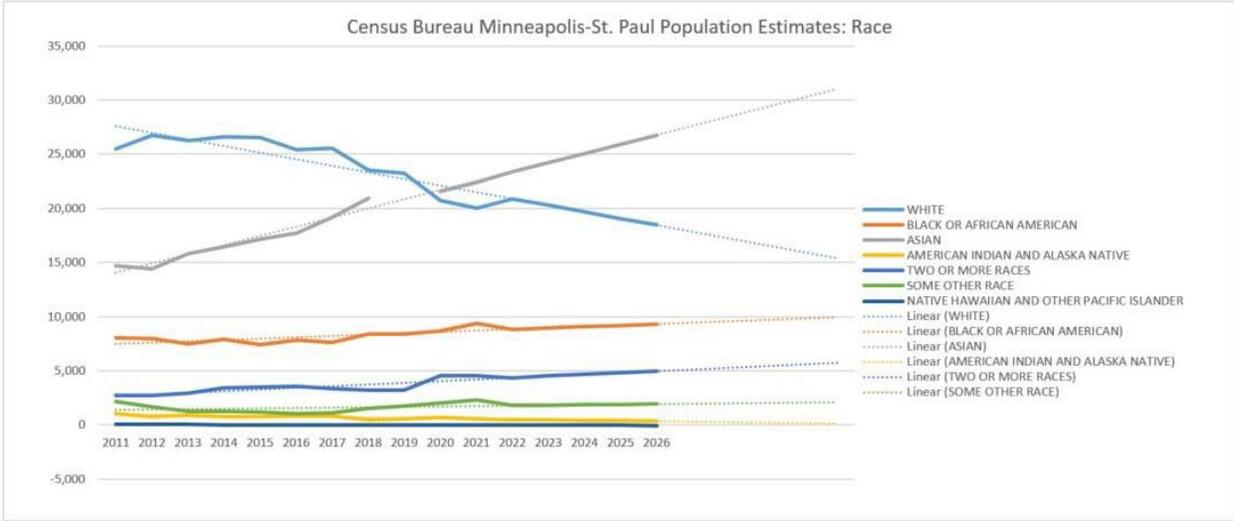


Below is a summary of the PSA demographic projections including data on current and future population size and mix by age, gender, and race/ethnicity. Utilizing historical data

from the U.S. Census Bureau American Community Survey (ACS) for the select zip codes in the St. Paul area we created a chart with a 5-year linear projection.²



² NOTE: The 2020 data were from the 5 year survey, while all of the other years' data were from the 1 year survey. Notably, the data across all years for the NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER race class were from the 5 year survey. The two surveys use different methods to produce the population estimates. Consequently, the 1 year survey tends to be more sensitive to year to year fluctuations; however it is more variable. The 5 year survey tends to be more reliable, but not as sensitive to detecting new trends. More information on the differences can be found at the following link: <https://www.census.gov/programs-surveys/acs/guidance/estimates.html>.



b. Provide incidence or prevalence of disease, behavioral risk factors, and acuity mix for PSA as it relates to proposed hospital services.

The Proposed LTACH is limited to LTACH services only and do not present any unique incidence or prevalence of disease, behavioral risk factors, and acuity mix.

c. Make available recent and projected utilization for the PSA including average length of stay and population rates by service type that are stratified by age, gender, race, ethnicity, and levels of income, or other social determinants of health wherever possible. This includes projection work done as part of project planning.

In terms of projected utilization the expectation is that M Health Fairview Bethesda’s 24 beds will be near capacity as their area hospitals likely have enough volume to internally fill.

Projected utilization for the Proposed LTACH:

Projected Utilization Volumes - LTACH		
Bed count: 26		
	ADC	Patient Days
Year 1	15.6	5,694
Year 2	20.3	7,402
Year 3	21.3	7,782
Year 4	22.4	8,161
Year 5	23.4	8,541

ADC = Average Daily Census

d. Provide estimates on the anticipated share of PSA by service line along with a description of how the project fits into the relevant market for specified geographic areas. Include, for example, any unique aspects of the project and

reasons for why the project will meet patient needs that are not currently being addressed.

The Proposed LTACH would have a positive impact on the acute care facilities in the PSA in terms of cost reductions realized by efficient patient throughput of catastrophic critically ill patients. This HIH model would help reduce some of Regions Hospital capacity pressures in the ICU, CCU and surgical ICU and allow for continuity of care as such patients would remain within the same building and likely be monitored by consistent physician providers.

Patients needing LTACH level of care have only two options in Minnesota: 1) Regency Hospital of Minneapolis (92 beds) and 2) M Health Fairview Bethesda Hospital (24 beds). The alternative is for the patient to remain in the hospital ICU, the most costly area of a hospital.

M Health Fairview is the only other LTACH in the PSA with 24 licensed beds, so our relocation of 26 beds would represent 52% of the LTACH beds in the PSA.

2. Describe any current geographic barriers to care for patients in the PSA.

a. Describe average drive-times and distance to equivalent services in the PSA.

Zip Code	Population Center (City)	Non-Rush Hour	Rush Hour
55075	South St. Paul	14 min	20 min
55101	St. Paul	4 min	5 min
55102	St. Paul	9 min	10 min
55103	St. Paul	8 min	11 min
55104	St. Paul	8 min	10 min
55105	St. Paul	12 min	13 min
55106	St. Paul	8 min	9 min
55107	St. Paul	8 min	13 min
55108	St. Paul	17 min	18 min
55109	North St. Paul	12 min	15 min
55111	St. Paul	20 min	22 min
55114	St. Paul	16 min	18 min
55116	St. Paul	15 min	17 min
55117	Maplewood	7 min	8 min
55118	St. Paul	18 min	13 min
55119	Maplewood	10 min	17 min
55130	St. Paul	7 min	8 min
55155	St. Paul	4 min	5 min

b. Define where new hospital or additional hospital beds would be in proximity to secondary, tertiary, quaternary, or other specialized services.

The Proposed LTACH is limited to LTACH services only and does not present any unique proximity challenges to secondary, tertiary, quaternary, or other specialized services. Because there is only one other LTACH in the PSA, transferring these existing licensed beds into the PSA will provide more convenient access points to other services.

c. Share any potential linkages to primary care services including designation of MDH Health Care Homes certification. For example, describe how the project might improve continuity and coordination of care.

The Proposed LTACH located on Regions Hospital’s campus, through its case management department, will participate and coordinate care with appropriate patients and their designated Health Care Homes. Throughout the patient’s stay, the team will routinely work with assigned MDH Care Coordinators for notifications and updates. There will be clear processes in place and alignment regarding, current and continuing, patient care services and clinical care plans.

3. Describe any current financial barriers to care for patients in the PSA and how the plan may address them.

Patients needing care that is equivalent to the level of care furnished in an LTACH setting have few options. Patients may remain in the ICU, which is a considerable cost to the patient as well as the community, when demand for ICU beds outpaces the supply. Patients may also transition to a skilled nursing facility or a rehabilitative facility setting, but those transitions may happen after a lengthy stay in the ICU, or admission to an LTACH.

a. Estimate the volume of uncompensated care in the area and at the proposed facility.

Below is the volume of uncompensated care provided by existing facilities in the PSA:

Hospital Name	Financial Data Date	Total Uncompensated Care Unreimbursed Costs
<i>[SOURCE: Definitive Healthcare]</i>		
<i>Hospitals in Primary Service Area (PSA)</i>		
Regions Hospital	12/31/21	\$30,248,361
United Hospital	12/31/21	\$15,792,059
M Health Fairview St Johns Hospital	12/31/20	\$13,550,928
M Health Fairview Woodwinds Hospital	12/31/20	\$7,850,642
		\$67,441,990

For the Proposed LTACH the estimated uncompensated care would be around 1% of net patient revenue. The Proposed LTACH would employ Regency’s “financial hardship policy”, which allows for an individualized patient needs assessment based on ability to pay. Historically, Regency in Golden Valley has predominately admitted both Medicare and Medicaid patients, with Medicaid

making up over 1/3 of its admissions. Regency expects these numbers to be similar for the Proposed LTACH.

b. Share relevant information on communities in the PSA including medically underserved, those on public coverage, and uninsured populations.³

See below for information on health insurance coverage and uninsured rates for the Twin Cities population.

Sources of Health Insurance Coverage by Region								
	2021 Twin Cities				2021 Greater Minnesota			
	Group	Individual	Public	Uninsured	Group	Individual	Public	Uninsured
Statewide	56.5%	3.0%	36.6%	3.9%	46.4% [#]	2.7%	46.8% [#]	4.2%
Age								
0 to 5	68.8% [^]	1.4% [^]	28.5% [^]	1.3% [^]	59.7% [^]	2.1%	33.6% [^]	4.5%
6 to 17	66.3% [^]	1.5% [^]	30.5% [^]	1.7% [^]	55.8% ^{#^}	2.3%	36.0% [^]	5.8%
18 to 24	64.9% [^]	5.2%	22.5% [^]	7.4%	59.1% [^]	2.7%	33.4% ^{#^}	4.8%
25 to 34	64.9% [^]	2.1% [^]	28.0% [^]	5.1%	43.6% [#]	2.3%	46.5% [#]	7.6%
35 to 54	64.8% [^]	3.5%	25.6% [^]	6.0% [^]	63.3% [^]	3.0%	28.7% [^]	5.0%
55 to 64	63.2% [^]	7.3% [^]	26.2% [^]	3.2%	55.7% ^{#^}	5.5% [^]	36.0% ^{#^}	2.8%
65+	2.9% [^]	0.4% [^]	95.9% [^]	0.9% [^]	1.0% ^{#^}	0.6% [^]	98.1% ^{#^}	0.3% [^]

Source: MDH Health Economics Program and University of Minnesota School of Public Health, Minnesota Health Access Surveys.
[#] Indicates a statistically significant difference between Twin Cities and Greater Minnesota within year for the same source of coverage at the 95% level.
[^] Indicates a statistically significant difference from statewide rate within year at the 95% level.
Twin Cities is the seven county Twin Cities Metropolitan Area.
Greater Minnesota is the area outside the seven county Twin Cities Metropolitan Area.
-- Last updated 05/05/2017

i. Disclose proposed financial assistance policy/emergency medical care policy and agreements on discounts and billing practices for uninsured patients such as signed agreements with the Minnesota Attorney General.

See Attachment A for Regency’s financial aid policy, which will be adopted for the Proposed LTACH.

4. Describe any new or improved services for patients in the PSA.

The Proposed LTACH is for the transfer of currently licensed beds and Regency does not intend to make any additions or modifications to the services currently rendered at its Golden Valley Location. However, this will allow a more equitable geographic distribution of existing LTACH beds and increased access to this crucial service for patients in the PSA.

³ SOURCE: <https://mnha.web.health.state.mn.us/PublicQuery.action>. NOTE: this information is not exclusively for the PSA, but for the entire Twin Cities Metro Area.

V. Impact on Other Hospitals

1. Describe the current market conditions.

a. Describe how patients currently access services that will be provided as part of the proposal.

M Health Fairview and Regency are the only LTACHs currently operating in Minnesota. By moving 26 semi-private beds to a new, larger space, Regency will be able to expand its patient base. These patients are either traveling a further distance to another LTACH, continuing to receive care in an ICU if they are unable to obtain admission to an LTACH, or being admitted to an inpatient rehabilitation hospital if the patient's needs are appropriate.

b. List of the market shares of hospitals that have five percent or more market share for each major service category that are included in the new project (e.g., percentage of admissions, patient days, or ambulatory visits).

M Health Fairview and Regency are the only two LTACHs in the State of Minnesota. Because the proposal is for a transfer of existing LTACH beds, this inquiry is inapplicable.

i. Describe potential pro- or anticompetitive effects the plan will have on other hospitals, including on price, total health care expenditures, or operating and administrative costs.

M Health Fairview and Regency are the only two LTACHs in the State of Minnesota. Because the proposal is for a transfer of existing LTACH beds, this inquiry is inapplicable.

2. Describe the anticipated financial impact of the proposed facility on existing hospitals.

M Health Fairview and Regency are the only two LTACHs in the state of Minnesota. Because the proposal is for a transfer of existing LTACH beds, this inquiry is inapplicable.

3. Describe the anticipated staffing impact of the proposed facility on existing hospitals with emergency departments in the region.

The impact of the Proposed LTACH on vacancy rates, length of time to fill positions, and wage for staff, particularly for nurses and pharmacists, is expected to be negligible. The Proposed LTACH would represent 2.0% of the total 1,296 licensed hospital beds in the PSA, which would not materially impact current staffing needs.

The Proposed LTACH intends to contract with a select few physicians (at FMV hourly rates based on their background & credentials) to lead in administrative capacities in the role of associate medical director, quality director, utilization review director,

credentialing director, pharmacy & therapeutics director, pulmonary director, infectious disease director, wound care director laboratory director, nephrology director, etc. Multiple roles may be held by a single physician.

With the HIH model, care will be furnished in a more efficient manner, and Regions Hospital providers will be able to monitor their patients through the continuum of care without burdensome travel between locations.

- a. **Provide a staffing plan that includes detailed personnel classifications and full-time equivalent (FTE) hour amounts for each position, when the hospital is fully staffed and operating at planned capacity.**

New Satellite LTACH @ Regions Hospital Assumes staffing for full capacity (26 beds)	
TITLE	FTE
Administrator/COO	1.0
House Supervisor	4.0
HR/Admin Asst.	1.0
Clinical Liaison	2.0
Case Manager	2.0
Wound Care Nurse	1.0
Dietician	1.0
Respiratory Therapy Manager	1.0
Respiratory Therapist	9.2
Physical Therapist	1.0
Physical Therapy Assistant	1.0
Occupational Therapist	1.0
Certified Occupational Therapy Asst.	0.5
Speech Language Pathologist	0.75
Registered Nurse	22.4
Certified Nursing Assistant	15.8
Materials Tech	1.0
Pharmacist	1.7
Pharmacy Tech	1.0
Quality Coordinator	1.0
TOTAL	69.4

Regency Minneapolis would provide oversight and support for this satellite facility

- b. List existing vacancy rates for relevant personnel (e.g., registered nurses, pharmacists, and radiological technicians) for the primary service area.⁴

⁴ SOURCE: “Job Vacancy Survey Findings - data tool” - Minnesota Department of Employment and Economic Development website NOTE: this information is not exclusively for the PSA, but for the entire Twin Cities Metro Area.

2022 Second Quarter (most recent available)
 By occupation
 Part-time & Full-time
 Seven County Metro Area (Twin Cities Metro Area)

Standard Occupational Classification Title	Vacancies	Vacancy Rate
Dietitians and Nutritionists	22	2.9%
Pharmacists	509	13.6%
Physician Assistants	139	9.3%
Occupational Therapists	114	6.2%
Physical Therapists	237	8.2%
Respiratory Therapists	87	9.7%
Speech-Language Pathologists	115	5.4%
Registered Nurses	3,444	8.8%
Pharmacy Technicians	1,060	25.9%
Medical Records Specialists	149	5.6%
Nursing Assistants	2,594	22.8%
Occupational Therapy Assistants	14	4.0%
Physical Therapist Assistants	35	7.8%

c. Describe anticipated timeline, approach and wage/salary structure to meet staffing plan needs for services.

i. Timeline and approach

- (1) Hiring for a new satellite will begin a few months prior to accepting patients for certain key positions. Hiring in advance of the opening will allow for employees to be properly trained and on-boarded prior to accepting patients into the hospital.
- (2) Additional front-line clinical staff will be hired as the census need is apparent and will ramp up over the first year as the Proposed LTACH census builds.

ii. Wage/Salary Structure

- (1) Leadership positions are typically paid as a salary exempt employee in line with our normal company position classification practices. The majority of front-line clinical staff are paid at an hourly rate which includes overtime and shift differential pay as per Regency policy.
- (2) Regency is operating in the Minneapolis market and understands the current wage scale requirement to attract and retain talent. Wage scales and salary rates will be comparable to Regency’s Golden Valley hospital location as well as be market competitive to the overall St. Paul market.

Attachment A
Financial Aid Policy

See attached.

Financial Hardship Discounts / Prohibition Against Waivers of Co-pays and Deductibles (Critical Illness Recovery Hospitals, Inpatient Rehabilitation Hospitals, and Provider Based Outpatient Clinics, excluding certain Joint Venture locations)



Number	C12-A
Policy Owner	Compliance Officer
Approved By	Compliance and Audit Committee

Effective Date	11/6/2000
Last Revision Date	10/27/2022
Page	1 of 2

GENERAL INFORMATION

In accordance with the Select Medical Compliance Program, Select Medical does not allow routine waiver of insurance co-payments or deductibles under any circumstances. In limited circumstances, patients may qualify for a financial hardship discount.

POLICY

Waivers of Co-Payments and Deductibles

It is the policy of Select Medical that co-payments and deductible amounts relating to payment for services shall be collected to the full extent required by Federal and state laws and private payor agreements. In accordance with the Select Medical Compliance Program, Select Medical does not allow routine waiver of insurance co-payments or deductibles under any circumstances. In limited circumstances, patients may qualify for a financial hardship discount.

Financial Hardship

Select Medical providers may provide discounts on payment for services or may waive or reduce co-payment or deductible amounts to patients who demonstrate financial hardship and who qualify for such discounts, based on inability to pay. Financial hardship will be determined in accordance with this policy based on two factors– net income and net assets. The first factor considered is the patient’s income level compared to the US Department of Health and Human Services Poverty Guidelines. The initial percentage discount will vary based on the patient’s income level. The second factor considered is the patient’s net assets and will be used to adjust the initial percentage discount.

PROCEDURES

Waivers of Co-Payments and Deductibles

1. Waiver of co-payments or deductibles may be offered to patients who demonstrate financial hardship and who qualify for such discounts, based on inability to pay in accordance with this policy and the US Department of Health and Human Services Poverty Guidelines (see Attachment A). Such waivers are considered financial arrangements of last resort and proper documentation **must** accompany all requests (see Attachment B).
2. In accordance with Federal and state law, Select Medical providers may not “balance bill” patients for covered services rendered to patients.

Financial Hardship

1. It is the responsibility of the Central Business Office Supervisor or Manager to determine the need for financial hardship discounts and determine the amount of the discount (as outlined in #3). At no time is inability to pay determined by the patient, i.e. a patient's signed declaration of his/her inability to pay his/her medical bills cannot be considered proof of financial hardship.
2. The patient's ability to pay may be reviewed at any time during the course of treatment. Typically, the patient's financial responsibility and ability to pay is determined before admission.
3. The following steps should be completed when considering and processing financial hardship discounts:
 - I. Determine if the pay source meets one of the following criteria for financial hardship eligibility:
 - a. Private pay, uninsured
 - b. Private pay, insurance will not cover treatment
 - c. Patient responsibility; insurance has paid and the remaining patient responsibility amount is under consideration for a financial hardship discount.
 - II. Assist the patient in completing a Financial Hardship Disclosure Form (see Attachment B). Determine if the income and assets are for an individual or family. If for a family, determine the family size.
 - III. Use the Sliding Scale Schedule (see Attachment A) to determine the patient's ability to pay. If patient is in California, use the California Sliding Scale Schedule (see Attachment C).
 - IV. Inform the patient that you will need proof of income and net assets. This can include, but is not limited to pay stubs, income tax returns, bank accounts, and loan documents.
 - V. Forward the Financial Hardship Disclosure Form to the Central Business Office Supervisor or Manager who will determine the amount of the discount and approve.
 - VI. When a patient qualifies for a financial hardship discount, unless otherwise specified, the discount should consistently apply to all services rendered until the financial status is reconsidered, updated and documented.
 - VII. Financial hardship discounts are considered financial arrangements of last resort. Proper documentation **must** accompany all requests for discount arrangements.

Notes

- If patients inquire how financial hardship discount amounts are determined, you may tell them they are determined in accordance with Federal Poverty Guidelines, which are based on monthly gross income and number of dependents
- Please be aware that all government and most managed care contracts forbid *routine* waiver of co-pay and deductibles.
- Some Joint Venture locations have an Agreement that requires following the other partner's Charity Care Policy or similarly titled policy and supersedes this policy. In these cases, the Joint Venture partner's policy must be followed.

Select Medical Financial Hardship Schedule
Sliding-Scale Schedule based on 2023 US Dept. of Health and Human Services Poverty Guidelines

Initial sliding scale based on income level

Secondary Factor Based on Net Assets

Number of Dependents	Annual Gross Income	Monthly Gross Income	Hourly Rate, if Full-time	Waiver %	Asset Level	Blended Waiver %	Asset Level	Blended Waiver %	Asset Level	Blended Waiver %
					(000's)		(000's)		(000's)	
<u>100% of Federal Poverty Guidelines</u>										
1	\$14,580	\$1,215	7.01	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
2	\$19,720	\$1,643	9.48	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
3	\$24,860	\$2,072	11.95	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
4	\$30,000	\$2,500	14.42	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
5	\$35,140	\$2,928	16.89	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
6	\$40,280	\$3,357	19.37	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
7	\$45,420	\$3,785	21.84	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
8	\$50,560	\$4,213	24.31	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
<u>150% of Federal Poverty Guidelines</u>										
1	\$21,870	\$1,823	10.51	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
2	\$29,580	\$2,465	14.22	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
3	\$37,290	\$3,108	17.93	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
4	\$45,000	\$3,750	21.63	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
5	\$52,710	\$4,393	25.34	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
6	\$60,420	\$5,035	29.05	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
7	\$68,130	\$5,678	32.75	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
8	\$75,840	\$6,320	36.46	100%	\$195 - 135	50%	\$135 - 70	75%	<\$70	100%
<u>175% of Federal Poverty Guidelines</u>										
1	\$25,515	\$2,126	12.27	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
2	\$34,510	\$2,876	16.59	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
3	\$43,505	\$3,625	20.92	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
4	\$52,500	\$4,375	25.24	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
5	\$61,495	\$5,125	29.56	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
6	\$70,490	\$5,874	33.89	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
7	\$79,485	\$6,624	38.21	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
8	\$88,480	\$7,373	42.54	80%	\$195 - 135	40%	\$135 - 70	60%	<\$70	80%
<u>200% of Federal Poverty Guidelines</u>										
1	\$29,160	\$2,430	14.02	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%
2	\$39,440	\$3,287	18.96	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%
3	\$49,720	\$4,143	23.90	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%
4	\$60,000	\$5,000	28.85	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%
5	\$70,280	\$5,857	33.79	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%
6	\$80,560	\$6,713	38.73	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%
7	\$90,840	\$7,570	43.67	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%
8	\$101,120	\$8,427	48.62	50%	\$195 - 135	25%	\$135 - 70	37.5%	<\$70	50%

Number of Dependents	Annual Gross Income	Monthly Gross Income	Hourly Rate, if Full-time	Waiver %	Asset Level	Blended Waiver %	Asset Level	Blended Waiver %	Asset Level	Blended Waiver %
<u>225% of Federal Poverty Guidelines</u>					(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
1	\$36,450	\$3,038	17.52	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
2	\$49,300	\$4,108	23.70	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
3	\$62,150	\$5,179	29.88	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
4	\$75,000	\$6,250	36.06	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
5	\$87,850	\$7,321	42.24	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
6	\$100,700	\$8,392	48.41	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
7	\$113,550	\$9,463	54.59	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
8	\$126,400	\$10,533	60.77	40%	\$195 - 135	19.0%	\$135 - 70	28.0%	<\$70	40%
<u>250% of Federal Poverty Guidelines</u>					(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
1	\$36,450	\$3,038	17.52	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%
2	\$49,300	\$4,108	23.70	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%
3	\$62,150	\$5,179	29.88	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%
4	\$75,000	\$6,250	36.06	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%
5	\$87,850	\$7,321	42.24	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%
6	\$100,700	\$8,392	48.41	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%
7	\$113,550	\$9,463	54.59	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%
8	\$126,400	\$10,533	60.77	25%	\$195 - 135	12.5%	\$135 - 70	18.8%	<\$70	25%



Select Medical
Financial Hardship Disclosure Form

Patient Account Number

Patient Name (Last, First, MI) Social Security Number

Patient Address City State Zip Code

Birth Date (Month/Date/Year) Telephone Number Marital Status: Married Single Widowed Separated Divorced

Employed Yes No Spouse's Name Spouse's Employer Telephone #
Patient's Employer Telephone #

Other Select Medical accounts for your household with an unpaid balance (Please list patient's NAME, DOB and FACILITY NAME)

If unemployed, please include the previous employer's name and telephone number

A. Income: Please provide the income for each of the following persons in your household. Patient, Spouse, Patient's Father, Patient's Mother, Total Household Income

B. Income Verification: Please provide verification (send only copies, no original documentation) for all sources of household income. Check attached documents: Paycheck Remittance, Employer Verification, Money Market/Investment, Unemployment Compensation, IRS Form W-2, Tax Return, Certificate of Deposit/Savings, Government Assistance, Bank Statements, Social Security, Workers Compensation, Other (describe below)

C. Family Members: Please provide the total number of people in the patient's household. (This number should only include the patient, patient's spouse, and the patient's dependents)

D. Assets and Other Resources: Do you have any assets or other resources available to you? Do you have medical insurance? Do you have a Health Savings Account or Flexible Spending Account?

Income documentation must be included to make a determination. Please furnish a copy of the 3 most recent paystubs for all household income reported and copy of most recent income tax return. If not required to file a federal tax return, Medicare patients may submit a copy of their social security letter for the year showing the gross monthly amount received. Please note that additional information may be requested if needed to assist in making a determination. Net asset documentation must be included to make a determination. Please furnish copy of most recent month's bank statements and loan statements.

I the undersigned, certify that the above information is true and accurate.

SIGNATURE

Date

WITNESS/TITLE

Amount of Waiver Based on Financial Hardship [To be completed by CBO]

%

CBO Supervisor Approval Signature

Printed Name

Date

Patient Account Number

Hospital Database # and Name

Outstanding Balance

Attachment B

Policy on Admission Criteria

All applicants for admission to our hospital will be considered for admission without regard to race, color, gender, creed, ethnicity, religion, national origin, marital status, sexual orientation, gender identity or expression, age, mental or physical disability, veteran or military status.

Information regarding any of these characteristics will be recorded solely for informational purposes, and will be considered only as required to determine the type and level of care to be provided and appropriate room assignment/cohabitation.

No referral will be rejected during the inquiry stage of admission. No admission decision will be made until a review of the referral's inquiry information and medical necessity/history data has been completed by the Clinical Liaison and then reviewed for medical appropriateness in consultation with the CEO or designee.

Patients may be medically complex including but not limited to patients with infectious disease processes such as HIV, MRSA, and Hepatitis B, but must be hemodynamically stable and not requiring current major diagnostic procedures and/or surgery.

MEDICAL INDICATIONS:

Patients requiring highly skilled nursing and/or pulmonary interventions who have complex medical surgical needs. Patient requires mechanical ventilation, multiple respiratory therapy treatments, frequent suctioning, acute tracheotomy care, frequent respiratory intervention, and cardiopulmonary monitoring. Patient may also require physical/occupational/speech therapy.

Patients requiring highly skilled nursing interventions with acute medical deficits. Patient may require respiratory intervention and miscellaneous medical or clinical resources in addition to rehabilitation services.

Patient care needs are typically specific areas of wound management, intravenous therapy, nutritional management, and patient/family education.

Patients who are catastrophically ill and/or impaired, requiring long-term acute care. Patient requires resources for palliative care and supportive purposes. Patient requires minimal use of complex medical and all therapy resources (physical/occupational/speech and respiratory).

Applicants admitted from a referring agency such as a hospital or nursing home shall provide a transfer form with current medical finding, diagnosis, and orders from a physician for the immediate care of the patient.

Exclusion: Patients, who have the potential to be harmful to themselves or others, or have behaviors that interfere in the care of others, may not be appropriate for admission.