

August 13, 2021

Mr. James McClean
Regions Hospital
640 Jackson Street
St. Paul, MN 55101

Transmitted via email

Dear Mr. McClean,

Thank you again for submitting Regions Hospital's proposal to add 45 licensed beds at the site in Saint Paul. As is our custom, we have posted the proposal online at:

<https://www.health.state.mn.us/data/economics/moratorium/index.html>

After reviewing the proposal, we request that Regions Hospital submit the following additional information so that the Minnesota Department of Health (MDH) may appropriately consider relevant factors specified in Minnesota Statutes, Section 144.552 (c) 1-4. As you know, recent changes to the statute require that the additional information be made available within 14 days of receipt of this request. This request, as well as summary data from your response, will be posted online as well.

Requested Additional Information:

- (1) Whether the new hospital beds are needed to provide timely access to care or access to new or improved services
 - Please provide any projections of estimated future inpatient care that were used to determine that 12 medical-surgical beds per year would be needed in the next three to four years. In your response, please include:
 - Assumptions and methods used, including optimal or target occupancy levels,
 - Sources of input data, and
 - Considerations, if any, related to the on-going COVID-19 pandemic.
 - In your proposal, you reference "significant closures and service line changes at other hospitals in St. Paul". Please provide greater detail what specific change necessitate the 45-bed expansion. Please respond to the following questions:
 - What are the specific closures or line changes at other nearby hospitals that will cause patients to receive care at the new beds at Regions instead of those hospitals?
 - Are there unique services that will now be provided at Regions that are no longer provided at other nearby hospitals?
 - Have there been agreements among Regions and other area hospitals related to these closures and service line changes so that specialized services are not unnecessarily duplicated and are provided in sufficient volume to ensure the maintenance of high-quality care?

Mr. James McClean

Page 2

August 13, 2021

- (2) The financial and staffing impact of the new hospital beds on existing acute-care hospitals with comparable services
- Please describe whether and how the 45-bed expansion might affect the financial position of other hospitals serving patients from the East Metro Area.
 - Please provide detailed information on the potential impact of the 45-bed expansion on the ability for nearby hospitals to maintain staff including, at least, the following information:
 - A staffing plan for the phased addition of the 45 inpatient beds including the count of full-time equivalent positions per bed for physicians, registered nurses, other nursing staff, as well as other staff, including community health workers.
 - To the extent possible, estimate how the expansion will impact existing staffing vacancies, current or recent length of time to fill positions at other nearby hospitals.
 - The expected (approximate) added costs, as applicable for estimated compensation costs (salaries and benefits) once beds are fully operational.
- (3) 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
- Please notify MDH about whether Regions 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.

If you have any questions about this request, please contact Alisha Simon, who can be reached at 651-968-6048 or alisha.simon@state.mn.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stefan Gildemeister', written over a horizontal line.

Stefan Gildemeister
Director, Health Economics Program
PO Box 64882
St. Paul, MN 55164-0882