

March 4, 2022

Marc Gorelick, MD
President and Chief Executive
Children's Minnesota

Submitted via e-mail

Dear Dr. Gorelick,

Thank you for submitting the proposal on behalf of Children's Minnesota ("Children's") to expand licensed hospital capacity in Saint Paul, MN by 22 beds for the provision of inpatient mental health services. As is the Minnesota Department of Health (MDH) practice concerning such proposals, we have posted the submitted material online at: www.health.state.mn.us/data/economics/moratorium/

After reviewing the proposal, we request that Children's Minnesota submit the following additional information, so that MDH may appropriately consider in our review factors specified in Minnesota Statutes, Section 144.552, subpart c, as well as other pertinent issues. As you know, recent changes to the statute require that the additional information be made available within 14 days of receipt of this request, which would be no later than March 17, 2022. This request, as well as summary data from your response, will be posted online as well.

General Project Description

Please provide an estimate for the total costs of the proposed licensed bed expansion, as well as the anticipated financing mechanism (e.g., will Children's raise funds through municipal borrowing). To the extent possible, please detail the costs in the following categories:

- Building and space reconfiguration,
- Medical equipment expenditures, and
- Operating costs for the next five years to staff the new mental health unit.

We understand that coinciding with the establishment of the proposed mental health unit, Children's is planning to consolidate intensive care services at the Minneapolis campus. How many patients Children's expect to be served by the new mental health unit may also require intensive care unit services? How will Children's address any potential impact this consolidation might have on the provision of care at the new mental health unit?

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Timely Access to Care or Access to New or Improved Services

The proposal indicated that over the past three years Children's needed to transfer over 2,100 patients to other facilities for inpatient mental health care. Please provide summary counts of transfers with the following additional information:

- Patient origin ZIP code,
- Hospital destination identifier or ZIP code,
- Emergency department visit status, and
- Days in the emergency department.

MDH expects these data will be summary data. However, we will aggregate any information further to ensure patient privacy. MDH staff are happy to discuss data aggregation and secure transfer of information.

Provision of Care to Nonpaying or Low-Income Patients

The proposal highlights that Children's has experienced financial challenges due to Medicaid reimbursement rates. Do you expect the reimbursement rates to affect the payer mix of patients served in the proposed new beds? Will the payer mix for the new mental health unit differ from that in other inpatient areas at Children's?

Should you or your staff have questions about the public interest review, in general, or this correspondence, specifically, please follow-up with me or with Alisha Simon, who leads MDH's activities related to the Minnesota Hospital Bed Moratorium. Alisha can be reached at Alisha.Simon@state.mn.us.

Sincerely,



Stefan Gildemeister

Director, Health Economics Program

PO Box 64882

St. Paul, MN 55164-0882

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