



Protecting, Maintaining and Improving the Health of All Minnesotans

Sent via electronic mail.

August 31, 2023

Ms. Gina Thomas
Chief Development & Public Relations Officer
Nobis Rehabilitation Partners
450 Century Pkwy, Suite 220
Allen, TX 75013-8044

Dear Ms. Thomas,

Thank you for submitting your hospital public interest review application under Minnesota Statutes, section 144.552. The Minnesota Department of Health (MDH) has reviewed the materials dated August 1, 2023 from Nobis IRF Holdings, LLC for the proposed new hospital in Roseville, Minnesota. MDH has determined additional information is required to appropriately consider relevant factors listed in Minnesota Statutes, section 144.552, paragraph (c) as well as other pertinent issues.

The additional information sought is described in the attached enclosure. Should you have questions about the public interest review, in general, or this correspondence, please follow up 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.

Per statute, a response to the additional information request is required within 14 days of the receipt of this letter. As with all public interest review materials, this letter and responses will be posted at <https://www.health.state.mn.us/data/economics/moratorium/index.html>.

Sincerely,

Diane Rydrych
Health Policy Division Director
PO Box 64882
St. Paul, MN 55164-0882
www.health.state.mn.us

Enclosure: Request for Additional Information from Nobis IRF Holdings, LLC Public Interest Review Application – August 31, 2023

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Request for Additional Information from Nobis IRF Holdings, LLC Public Interest Review Application

AUGUST 31, 2023

The Minnesota Department of Health (MDH) received the application for public interest review for a proposed 60-bed inpatient rehabilitation hospital from Nobis IRF Holdings, LLC (Nobis) on August 1, 2023. This document provided responses to guidance supplied by MDH; however, there were portions of this application that require clarification, further explanation, or additional information necessary for the review. Following a similar outline, this document requests additional information or specific materials sought by MDH so that MDH can issue a finding to the Minnesota legislature.

- **Background information**

- The application notes that Nobis has opened 13 inpatient rehabilitation hospitals in the last two years and that there are an additional eight under development. Please provide a comprehensive list, location, years in operation, and number of beds for all Nobis inpatient rehabilitation hospitals currently open and those under development, as well as the same information for any such hospitals that have closed and the year they closed.
- Please describe any community engagement activities already undertaken related to the proposed 60-bed inpatient rehabilitation hospital.
- Please share any details on the intent to obtain accreditation for the Minneapolis Rehabilitation Hospital by a national trade group such as the Joint Commission or another accrediting organization for inpatient rehabilitation services.
- Under new legislation,¹ a new health care entity (including, possibly, the Minneapolis Rehabilitation Hospital, LLC) may be considered a transaction subject to notification to both the commissioner of health and attorney general in Minnesota. Please provide a statement on applicability of the law (MN Statutes 145D.01 or 145D.02 ([HF 402 5th](#)))

¹ <https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/66/>

Engrossment - 93rd Legislature (2023 - 2024) Posted on 05/22/2023 11:36am, revisor.mn.gov) to this new hospital.

- **Need for project and new or improved services**
 - The Nobis bed need methodology in the application stratifies traditional Medicare (noted as fee-for-service) and Medicare Advantage. Please provide additional details on how this methodology estimates discharges in Table 18 on page 42 for these two programs specific to the distribution of coverage in the proposed primary service area.
 - The application mentioned in general terms the incidence rates of acute discharges that require additional inpatient rehabilitation beds. Please provide additional detail on the distribution of specific conditions treated and average lengths of stay at Nobis hospitals by diagnosis related group or major diagnostic category for the following: stroke, other neurological conditions, fracture of the lower extremity, debility, brain injury, other orthopedic conditions, cardiac conditions, major joint replacement of lower extremity, spinal cord injury, and all other conditions.
 - As a freestanding facility, there are likely limitations on specialty services that would be provided in a general acute care hospital. Please share any additional information on limitations of specialized services and how those care needs would be provided (e.g., cancer treatment or organ transplantation).

- **Potential impact on other hospitals' ability to maintain existing staff**
 - The application asserts that the new hospital's employees will not impact other existing Minnesota hospitals' ability to maintain staff. However, the current labor market for these positions is already competitive. Please share any additional details, on future Nobis efforts to expanding this workforce, such as training programs or specific steps with local universities and schools to attract and retain additional rehabilitation professionals.

- **Financial access for nonpaying or low-income patients**
 - The application noted that Nobis anticipates the type of health insurance to be mostly comprised of Medicare. Please provide aggregate admissions or discharges by payer mix data (including separate percentage for charity or discounted care) for all Nobis rehabilitation hospitals or a similar Nobis rehabilitation hospital for the most recent three years.

- While Nobis is not a tax-exempt organization, the Attorney General's agreement may be signed by for profit hospitals. Does Nobis intend to become a signatory of the agreement? More information on the hospital agreement can be found here: <https://www.ag.state.mn.us/Consumer/Publications/MedicalBillingPointers.asp>.
- Please provide additional details on the specific level of discounts afforded to patients per the financial assistance policy.

- **Patient experience of care**
 - The information provided in the application (Table 21) showed higher performance for Nobis hospitals relative to weighted national performance in a comparable market. Please share the specific data used including name of facility, time frame, and external validation.
 - Provide a narrative description of steps taken to improve quality of care for issues such as pressure ulcers/pressure injuries that are new or worsened, falls with major injury during stay, change in patients' ability to care for themselves, patients' ability to move around, improvements in functional ability goals, medication reconciliation, catheter-associated urinary tract infections, clostridium difficile infections, vaccinations, readmissions, and return home rather than to acute care hospital.