



February 8th, 2013

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Lakewood Health System received your letter dated January 23, 2013 requesting written comments on the proposal for a 12 bed inpatient geriatric psychiatric hospital in Perham, Minnesota. We appreciate the opportunity to voice our opinion in responding to your questions.

- *Whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services;*

ANSWER: Currently Lakewood Health System has a average daily census of 7.3 in our 10 bed Distinct Part Unit (geriatric psychiatric unit). Central Minnesota is fairly saturated with geriatric psychiatric beds that are available to the older population. We do not think it would not be in anyone's best interest to open another geriatric program in this area due to availability of beds.

- *The financial impact of the new hospital or hospital beds on existing acute care hospitals that have emergency departments in the region;*

ANSWER: Lakewood receives minimal referrals from the Perham area and are confident in the service that we provide that we feel we would maintain the clientel we serve. Based upon our 5 years of operational experience, it is our opinion, the number of referrals from the Perham area would not keep a unit of 12 beds viable. We do see geriatric psychiatric patients being admitted from emergency rooms, when medical clearance for admission has been determined. The Geriatric psychiatric unit will not likely have an impact on how patients present to the Emergency Room.

- *How the new hospital or hospital beds will affect the ability of existing hospitals in the region to maintain existing staff;*

ANSWER: Our greatest concern is for the competition for staff. It has been difficult to recruit and retain good psychiatric provider, social services and nursing staff. There is generally a shortage of nurses in rural Minnesota. This appears to be even more evident with psychiatric nurses. Having another program so close would put added pressure on our staffing and could negatively impact the viability of our program and other psychiatric programs in central Minnesota.

- *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;*

- *The views of affected parties; Psychiatrists, the attending providers at the Lakewood Health System Distinct Part Unit:*

ANSWER: Mark Holub, M.D

I do not have a concern about the competition for patients. We have the best program in the State. If we can continue to provide outstanding service our referral sources will continue to use us. We currently treat patients from all over Minnesota and even a few from the Dakotas. Having competition will just push us to be better. The demographics in rural Minnesota reflect an increasing proportion of elderly residents that are living longer and are requiring more psychiatric care. We will never be able to be fully at capacity due to the nature of our work. My greatest concern is for the competition for staff. It has been difficult to recruit and retain good psychiatric staff. There is generally a shortage of nurses in rural Minnesota. This appears to be even more evident with psychiatric nurses. In the 5 years I have been at Reflections we have also experienced an increase in patient acuity. This increase in acuity requires us to increase staffing levels, resulting in further pressures on our staffing resources. Having another program so close would put added pressure on our staffing which at times limits our capacity. If you have any other questions concerning this matter please do not hesitate to contact me.

- ANSWER: Tom Wittkopp, M.D.

In my view, the opening of a geriatric psychiatric hospital in Perham was proposed in order to use some of the old hospital/clinic space, similar to our situation. They are a critical care hospital, and will benefit, for now, from the Medicare allowances given a hospital unit in that hospital setting. The need for a geriatric hospital in Perham is questionable, however, at this point in time. The referrals from that area to our unit would not keep a unit of 12 beds viable. The problem is that they have the North Dakota border nearby, with some restrictions, therefore, as far as a western referral area. It becomes a serious problem when Lakewood and Perham compete for qualified psychiatric nursing staff. I'm sure they have lined up qualified medical staff, but their nursing staff recruitment will impact ours. In the end, the proposed new unit requires patients in order to be viable. It is my opinion that the need for this unit is still 5-10 years away, when the aging population puts an even greater pressure on geriatric psychiatric management and treatment.

If you have further questions, please contact Psychiatric Services Director, Kathe Dellacecca at Lakewood Health System. Thank you for allowing us to provide input.

Sincerely,



Tim Rice, CEO/President
Lakewood Health System