

Sent via electronic mail.

December 18, 2023

Ms. Jamie McCarthy
Partner, Office Co-Head - Minneapolis
Dorsey & Whitney LLP

Dear Ms. McCarthy,

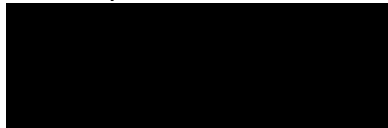
Thank you for submitting your hospital public interest review application under Minnesota Statutes, section 144.552. The Minnesota Department of Health (MDH) has reviewed the materials, sent on November 16, 2023, from Select Medical Holdings Corporation on behalf of Regency Hospital of Minneapolis, LLC for the proposed new long-term acute care hospital in Saint Paul, Minnesota.

MDH has determined that the application for a public interest review can be considered complete as of December 15, 2023 for purposes of beginning our review timeline. However, MDH does require some additional information to appropriately consider relevant factors listed in Minnesota Statutes, section 144.552, paragraph (c) as well as other pertinent issues, described below.

We request a response to the additional information request within 21 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/>.

Should you have questions about the public interest review, in general, or this correspondence, you may reach me by email at Alisha.Simon@state.mn.us.

Sincerely,



/s/ Alisha Simon

Health Economics Program, Minnesota Department of Health
PO Box 64975 St. Paul, MN 55164-0975

www.health.state.mn.us

Enclosure: Request for Additional Information from Select Medical Public Interest Review Application – November 16, 2023

Enclosure: Request for Additional Information from Select Medical for Public Interest Review Application

DECEMBER 18, 2023

The Minnesota Department of Health (MDH) received the application for public interest review for a proposed 26-bed long-term acute care hospital from Select Medical Holdings Corporation on behalf of Regency Hospital of Minneapolis, LLC on November 16, 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

- Provide a comprehensive list, location, years in operation, and number of beds for all Select Medical Long-term Acute Care Hospitals.
- Describe any specific community engagement activities already undertaken related to the proposed hospital beyond the list of relevant organizations.
- Share any details on the intent to obtain accreditation for the hospital by a national trade group such as the Joint Commission.

Project need and access

- Provide a count of the number of licensed beds that were made available at Regency's Golden Valley location, and the average daily census over the past five years at that location.
- Provide additional details describing how the projected utilization volumes (average daily census and patient days) on pages 8 & 12 of the application were estimated.
- Describe the types of conditions or patient profile that will be treated at the proposed hospital.

- Provide data or information related to the number of the proposed primary service area that Regency Hospital did not take due to lack of beds or decided not to come to Regency due to distance concerns.

Potential financial and staffing impact on other hospitals

- The current labor market for these positions is already competitive. Please share any additional details, on future Select Medical efforts to expanding this workforce, such as training programs or specific steps with local universities and schools to attract and retain additional rehabilitation professionals.
- Provide staffing data by unit for the Regency Hospital of Minneapolis location from the most recent four quarters similar to that provided by other Minnesota hospitals to the Minnesota Hospital Association at the following web page:
<https://www.mnhospitals.org/data-reporting/mandatory-reporting/nurse-staffing-data>.

Financial access to nonpaying or low-income patients

- Provide a current and projected breakdown of patients by health insurance coverage in table format.
- Describe how the 'Financial Hardship Prohibition Against Waivers of Co-pays and Deductibles' information is disseminated to patients and caregivers.
- Provide the amount of charity care provided for the most recent two complete fiscal years as a total and as a percent of operating expenses.

Quality and patient experience of care

- Provide the most recent three years of quality data for Regency Hospital of Minneapolis and how it compares to national and Minnesota hospital performance (for M Health Fairview Bethesda Hospital).
- 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, and other relevant quality metrics.