Health Policy, Health Economics Program
PO Box 64882
St. Paul, MN 55164-0882
651201-3550
www.health.state.mn.us

Hospital Public Interest Review: Proposal for a Psychiatric Hospital in Thief River Falls, Minnesota

Minnesota Department of Health

Report to the Minnesota Legislature 2014

August, 2014

Hospital Public Interest Review: Proposal for a Psychiatric Hospital in Thief River Falls, Minnesota

August, 2014

For more information, contact:
Health Policy, Health Economics Program
Minnesota Department of Health
P.O. Box 64882
St. Paul, MN 55164-0882

Phone: 651-201-3550
Fax: 651-201-5179

Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.

Protecting, maintaining and improving the health of all Minnesotans

August 13, 2014

The Honorable Tony Lourey
Chair, Health and Human Services Finance Division
Minnesota Senate
Room 120, State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155-1606

The Honorable Kathy Sheran
Chair, Health, Human Services and Housing Committee
Minnesota Senate
Room 120, State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155-1606

The Honorable Tom Huntley
Chair, Health and Human Services Finance Committee
Minnesota House of Representatives
585 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155-1606

The Honorable Tina Liebling
Chair, Health and Human Services Policy Committee
Minnesota House of Representatives
367 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155-1606

To the Honorable Chairs:

Minnesota Statutes, Section 144.552, requires that any hospital seeking to increase its number of licensed beds or an organization seeking to obtain a hospital license submit a plan to the Minnesota Department of Health (MDH) for review and assessment as to whether the plan is in the public interest.

In January 2014, Sanford Health Thief River Falls Medical Center submitted a plan to establish a freestanding psychiatric hospital in Thief River Falls, MN. Sanford Health submitted additional information in response to a request by MDH in February 2014; the health system revised its proposal in early March to limit the initial proposal from 25 beds to a 16-bed psychiatric facility.

The purpose of this letter is to provide the Legislature with the Department's findings from its review. The findings are based on quantitative analyses of actual and projected capacity and demand for inpatient psychiatric services in the Thief River Falls service area; discussions with mental health experts, including with colleagues at the Minnesota Department of Human Services; and a review of the literature.

On the basis of the review, MDH finds that **the Sanford Health proposal to establish a 16-bed psychiatric hospital, effectively extending existing capacity from 10 to 16 beds, is in the public interest**.

If you have questions or concerns regarding this study, please contact Stefan Gildemeister, the State Health Economist, at 651-201-3554 or stefan.gildemeister@state.mn.us.

Sincerely,

Edward P. Ehlinger, M.D., M.S.P.H
Commissioner
P.O. Box 64975
St. Paul, MN 55164-0975

This page left intentionally blank.

Table of Contents

This page left intentionally blank.

Section 1: Overview of Hospital Public Interest Review Process

Since 1984, Minnesota law has prohibited the construction of new hospitals or expansion of bed capacity of existing hospitals without specific authorization from the Legislature.[1] As originally enacted, the law includes specific exceptions to the moratorium on new hospital capacity. Other exceptions have been added over time, and there are currently 24 exceptions listed in the statute. Many of these exceptions apply to specific facilities, but some apply more broadly; for example, exception 10 allows for the relocation of a hospital within five miles of its original site under some circumstances.

In 2004, the Minnesota State Legislature established a new policy for reviewing proposals for exceptions to the hospital moratorium statute.[2] Under this policy, hospitals that are seeking an exception to the moratorium must submit a plan to the Minnesota Department of Health (MDH) for the completion of a "public interest review." The law requires that MDH review each plan and issue a finding on whether or not the plan is in the public interest. MDH is required to review the proposal based on a minimum of five factors outlined in Minnesota Statute 144.552, including:

- Whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services;
- The financial impact of the new hospital or hospital beds on existing acute-care hospitals that have emergency departments in the region;
- How the new hospital or hospital beds will affect the ability of existing hospitals in the region to maintain existing staff;
- The extent to which the new hospital or hospital beds will provide services to nonpaying or low-income patients relative to the level or services provided to these groups by existing hospitals in the region; and
- The views of affected parties.

The statute requires that MDH complete the public interest review within 90 days. MDH may use up to six months for a review if there are extenuating circumstances present; public interest reviews cannot start until applications are complete.

Authority to approve exceptions to the hospital moratorium rests with the Legislature.

This document and additional information about this proposal for an exception to the hospital construction moratorium, as well as documents related to previous reviews by the Department, are available online: http://www.health.state.mn.us/divs/hpsc/hep/moratorium/index.html

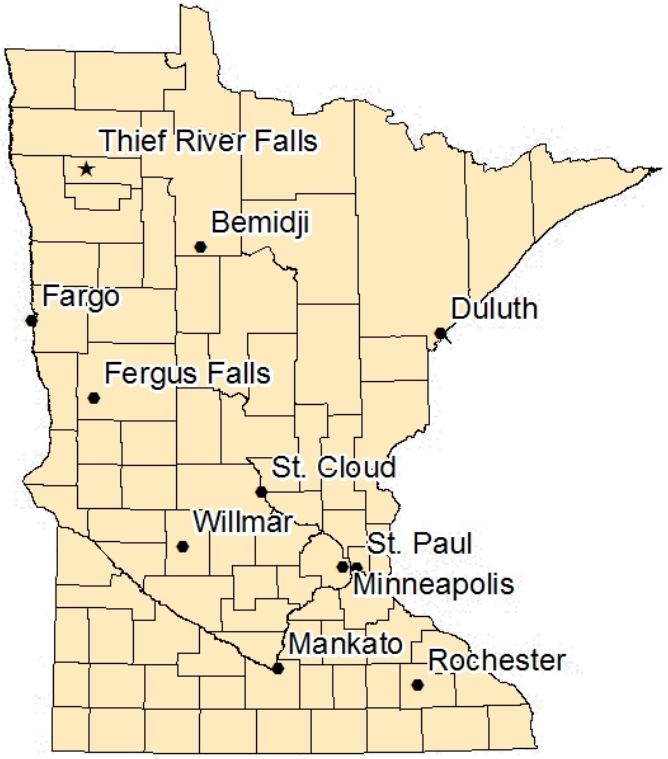
[1] Minnesota Statutes, Section 144.551.
[2] Minnesota Statutes, Section 144.552.

Section 2: Description of Sanford Health Proposed Psychiatric Hospital

In January 2014, Sanford Health submitted a plan to establish a freestanding psychiatric hospital in Thief River Falls, MN. Sanford Health submitted additional information in response to a request by MDH in February 2014; the health system revised its proposal in early March to limit the initial proposal from 25 beds to a 16-bed psychiatric facility.[3] Sanford Health currently operates a 10-bed psychiatric unit at the same location as the proposed facility that is part of the Sanford Thief River Falls Medical Center. This proposal would effectively separate this unit from the community hospital and increase licensed hospital beds from 10 to 16 beds. Should the increase in beds not be realized, Sanford Health has indicated that it will maintain the inpatient psychiatric unit at the current location while nearly all other hospital services would move into a $60 million replacement facility two miles away in the fall of 2014.

Background and Project Description

Sanford Thief River Falls Medical Center (formerly Northwest Medical Center) was purchased by MeritCare Health System in 2007 and subsequently became owned by Sanford Health following the merger of the two health systems in 2009. Sanford Health employs over 540 people in the area and the hospital has had a significant presence in the community for more than 75 years. The location as shown on the map below is remotely located in the Northwest Region of Minnesota. The nearest inpatient psychiatric services are nearly 90 miles away in Bemidji.



[3] The application by Perham Health and all supporting documentation, including the views of affected parties, can be found online at: www.health.state.mn.us/divs/hpsc/hep/moratorium/index.html.

Similar to other rural Minnesota hospitals, the Sanford Thief River Falls Medical Center serves a relatively small population spread over a large geographic area. The hospital has been designated a Medicare Critical Access Hospital (CAH) and has been offering inpatient psychiatric services for at least the past 27 years, or since MDH began collecting this information from hospitals. The CAH program allows acute care facilities to operate 10 psychiatric beds in addition to the 25-bed limit typically imposed on participation thereby being exempted from the Medicare prospective payment system. Sanford Thief River Falls Medical Center is currently licensed by MDH to hold 99 licensed beds. However, the CAH program does not allow more than the 10 additional psychiatric beds resulting in a need to separate these beds under a new license to continue participation because of a desire to expand capacity.

Table 1 shows the recent utilization and financial trends for Sanford Thief River Falls Medical Center. The hospital experienced relatively low growth in inpatient services and high growth in outpatient services from 2008 to 2012, mirroring trends seen elsewhere in the state in prior years.[4] The hospital has also seen significant increases in operating margin over this time period, rising from 1 percent in 2008 to 12.7 percent in 2012.

Table 1: Utilization and Financial Statistics for Sanford Thief River Falls Medical Center, Fiscal Year 2008-2012 (July through June)

	2008	2009	2010	2011	2012
Total Acute Care Admissions	1,965	1,934	1,805	2,226	2,244
Total Acute Care Patient Days	7,439	7,494	6,913	7,850	7,035
Outpatient Visits	28,289	30,115	40,168	43,102	43,961
ER Visits	6,675	6,637	6,848	7,455	7,385
Operating Margin[5]	1.0%	5.0%	11.0%	11.8%	12.7%
Total Acute Bed Occupancy Rate[6]	58.2%	58.7%	54.1%	61.4%	55.1%

Source: MDH analysis of the Health Care Cost Information System.

Sanford Health Proposed New Psychiatric Hospital in Thief River Falls, Minnesota

As indicated earlier, Sanford Health is proposing to establish a new 16 bed psychiatric hospital that will effectively expand the existing inpatient psychiatric capacity by six beds and physically separate the facility from most acute care services. The proposed facility will utilize approximately 50,000 square feet of the existing Sanford Thief River Falls Medical Center. Most of the acute care services will move two miles away to a recently constructed new hospital campus while the remaining 150,000 square feet of the older facility will be demolished or sold to developers due to age and condition. While a large portion of the hospital campus was constructed nearly 70 years ago, most of the occupied space of the proposed facility was constructed in 1977, with a small addition in 2000. Sanford Health has indicated that the portion of the facility that will be used has no major problems that pose safety concerns to

[4] Minnesota Department of Health. (2013). Trends at Minnesota's Community Hospitals, 2008 to 2011. http://www.health.state.mn.us/divs/hpsc/hep/publications/legislative/trendsmncommhosp.pdf.

[5] Hospital operating margin is operating income (operating revenue in excess of operating expenses) as a percent of operating revenue.

[6] Calculated based on the number of available beds or the number of beds under the hospital license that are immediately available for use or could be brought online within a short period of time.

patients, and MDH has not been notified of any building concerns that have affected patients receiving inpatient care. Capital expenditure estimates submitted to MDH indicate that Sanford Health will invest an estimated $2.5 million to renovate the newer portion of the facility regardless of the six bed expansion, and an additional $75,000 if the Legislature allows the six bed expansion.

Preliminary plans submitted as part of the application show that Sanford Health is planning to use less than one quarter of facility space (about 11,200 square feet) for the inpatient psychiatric beds while the remainder of the building will likely house all of the sub-acute community based mental health services, outpatient psychology and psychiatry professional services, as well as Pennington County Social Services.

Sanford Health currently offers sub-acute outpatient and community based services such as a 15 bed residential treatment facility and rehabilitation center for children, and a 15 bed intensive residential treatment services and crisis stabilization program for adults. The adult services were noted to include the following:

- Adult rehabilitative mental health services;
- Case management;
- Community support programs to keep people in their homes;
- Crisis response and stabilization services;
- Intensive Community Rehabilitative Services; and
- Work therapy services.

While the list of sub-acute services outlined by Sanford Health doesn't include certain specific effective mental health programs, such as assertive community treatment, partial hospitalization, or chemical dependency treatment, the proposal appears embedded in a broader community-based strategy to provide services to patients with psychiatric needs. This strategy was highlighted by Sanford Health in testimony to the Minnesota Legislature about this proposal. Furthermore, Sanford Health notes that it is considering adding an outpatient chemical dependency treatment program, and possibly, a detoxification program. These factors likely contributed to the broad level of support from other hospitals, law enforcement, homeless shelters and other agencies that provide assistance to persons during a mental health crisis. Letters of support in the application from various parties operating in area counties underscore this.

According to information submitted by Sanford Health, the facility is intended to provide inpatient psychiatric services for patients of all age groups suffering from acute psychiatric and behavioral symptoms. In 2012, 19 percent of patients served at the inpatient psychiatric unit were children or adolescent patients. Sanford Health notes that the new facility will "have the potential to design more segregated areas" to provide the safety and security necessary to serve younger patients. The application does not make it clear from form this separation will take and whether it is formally part of architectural plan from the onset. Officials at DHS have noted the particular need for such services in this region of the state through the gap analysis conducted in 2013.

Application materials also suggest that the hospital will continue to accept forensic patients[7] to a certain extent and that additional security updates will allow the treatment of these patients to be managed more safely and securely. As is the case with psychiatric capacity currently operated by the facility,

[7] Forensic patients are in the legal custody of law enforcement or a correctional facility.

patients more likely to be aggressive or who have violent histories will not be served by this facility. Likewise, patients with significant co-occurring medical needs are currently turned away due to the lack of appropriate medical staff and corresponding infrastructure. The move of nearly all non-mental health and ancillary staff from the existing hospital campus to the new campus, two miles away, will make it less likely that these types of patients will be served at the new psychiatric hospital. The exception to this limitation might be patients needing basic medical services such as limited radiology, laboratory, and dialysis or other services that may remain available on site.

The proposal anticipates that the average length of stay at the facility will be 6.2 days and is expected to operate at a daily census ranging from 11 to 15 (out of a total of 16 beds). The growth in utilization would be realized through admission of patients that would be otherwise turned away or not admitted due to capacity constraints, as estimated by Sanford Health. This utilization rate would result in 160 to 400 additional admissions per year.

Sanford Health's application describes the proposed primary service area (PSA) as the nine counties surrounding the location of the facility.[8] These counties include Beltrami, Clearwater, Kittson, Lake of the Woods, Mahnomen, Marshall, Pennington, Polk, and Roseau counties. Appendix B shows the locations of other existing hospitals that serve psychiatric patients from this area. The secondary market is described as turned away patients residing outside of the PSA, and includes a limited number of patients from the Twin Cities and Southern Minnesota.

The proposal identifies that staff on site at all times for the psychiatric facility will include, at minimum, two Registered Nurses (RNs) and one security staff. Sanford Health currently employs three board certified psychiatrists who would transition to the new facility and would employ additional RNs or licensed practical nurses (LPN), and mental health technicians to provide direct patient care at the facility, and additional security staff. Staffing guidelines submitted in the application process indicate that personnel would include eight full-time equivalent (FTE) RN and LPN staff, and four care technologists and security staff, including both day and night shifts to care for a maximum of 16 patients. Staffing would be reduced when there are fewer patients. For example, the guidelines indicate that there would be one charge nurse and three RN and LPN staff FTEs, as well as one technologist, and two security staff for a 24 hour period when there are only eight patients.

As noted earlier, Sanford Health has indicated its intent to apply for exemption from the Medicare Prospective Payment System from the Centers for Medicare and Medicaid Services (CMS). This requires meeting CMS operational criteria, including: specification of admission requirements for Medicare and non-Medicare patients, utilization review, and adherence to bed capacity restrictions. Inpatient psychiatric facilities must meet additional CMS criteria for diagnostics, evaluation and treatment, recordkeeping, discharge, staffing, psychological and social services, and therapeutic activities. The proposed hospital must qualify and meet all requirements to receive payments from CMS on a fee-for-service basis instead of a flat dollar amount per patient.

Sanford Health has indicated during the application process and in legislative testimony that the new psychiatric facility would likely not be considered an "Institution for Mental Disease" (IMD) according to federal law, because it would operate fewer than 17 inpatient psychiatric beds. This means federal and state Medicaid contributions *would* be made on behalf of eligible patients who are admitted to the

[8] This public interest review is limited to the primary service area reported by Sanford Health to MDH in January of 2014 when the official review was started.

proposed facility. In a public comment letter collected during the public interest review process, officials at the Minnesota Department of Human Services (DHS) cautioned that Sanford Health take heed of the limitations and definitions included in the federal regulations concerning IMDs to ensure that Minnesotans enrolled in public programs are able to access services at the facility.

Section 3: Evaluation of Sanford Health's Proposal in Relation to Statutory Review Criteria

The purpose of this section of the public interest review is to evaluate Sanford Health's application for legislative exception consistent with the five factors outlined in Minnesota Statutes 144.552, as well as other relevant criteria.

Factor 1: Whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services

To evaluate the extent to which there is a lack, or potential lack, of access to mental health services for this specific patient population and geographic region, MDH's analysis considered the following questions:

- **What is current inpatient capacity and utilization in the proposed hospital service area:** How many patients from the primary service area required treatment? Where have these patients received treatment? How has capacity for needed care and utilization of inpatient psychiatric services changed over the past several years? What evidence is there of a potential shortage of capacity and what is the impact of this shortage in the region?
- **If new beds are needed, is the proposed facility the best way to meet this need:** How does the mix of services proposed for the new hospital compare to the services that are needed by psychiatric patients in this area of Minnesota? What are the community-based treatment options? Can this facility effectively provide local, reliable, and timely access to a secure facility for people who have exhibited violent or physically aggressive behaviors? Is adding more beds the solution, or would enhancing other types of services reduce the potential need for inpatient mental health services?

Current Inpatient Capacity and Utilization

As shown in Table 2, in the approximately 90 mile radius surrounding Thief River Falls, Minnesota there are two other hospitals that offer inpatient psychiatric care. Both hospitals are located in the same building in Bemidji, Minnesota nearly 90 miles away. Sanford Bemidji Medical Center is a community hospital that operates a 12 bed senior mental health unit offering inpatient psychiatric services to adults 65 years of age and older and is located about three miles away from the main acute care campus. This program provides a full range of metal health services including psychiatric counseling and intensive inpatient rehabilitation to meet the specific needs of older adults with mental or emotional disorders.

The other hospital is one of Minnesota's seven 16 bed Community Behavioral Health Hospitals (CBHH).[9] The CBHH hospital in Bemidji is open to adults and provides specialized treatment and related supports

[9] CBHHs, which are operated by the Minnesota Department of Human Services, provide short-term, acute inpatient psychiatric services in 16-bed community based facilities throughout Minnesota. Underlying the concept

to patients with mental illness with an emphasis on illness management, recovery, and individualized discharge, care coordination, and aftercare planning. While some CBHH facilities in the state treat patients with complex conditions, many hospitals such as the Bemidji facility cannot accept patients from the community that have exhibited violent or aggressive behavior.

Published reports to the Legislature from both the State of Minnesota Office of the Legislative Auditor in 2013[10] and the Minnesota Department of Human Services (DHS) in 2012[11] have found that the freestanding 16 bed psychiatric hospital model as implemented by DHS are not equipped to serve mental health patients that have violent or aggressive histories for two reasons: (1) the facilities are not appropriate for this role because their physical plant and (2) their staffing do not allow for the security needed to serve aggressive patients. Although such patients may be infrequent, the DHS report also notes that finding a local, reliable, timely access to a secure facility for people who have exhibited violent or physically aggressive behaviors it is one of the highest priorities for Northwest Minnesota.[10]

Table 2: Inpatient Psychiatric Hospital Bed Capacity in the Northwest Minnesota Region as of 2012

Hospital Name	Hospital City	Distance from Thief River Falls	Available Psychiatric Beds	Psychiatric Inpatient Days	Occupancy Rate
Sanford Thief River Falls Medical Center	Thief River Falls	--	10	2,710	74.2%
Altru Health System	Grand Forks, ND	53.7 miles	23	***	***
Sanford Bemidji Medical Center*	Bemidji	89.4 miles	12	684	15.6%
State Operated CBHH** - Bemidji	Bemidji	89.4 miles	16	4,080	69.9%
All Hospitals			**61**		

Source: MDH analysis of the Health Care Cost Information System data.
*This facility only accepts geriatric patients (generally age 65 and older).
**CBHH are community behavioral health hospitals operated by the Minnesota Department of Human Services.
***Not available.

Utilization for Psychiatric Inpatient Care from the Primary Service Area

To evaluate the need for a new psychiatric hospital, MDH analyzed recent hospital claims data to identify psychiatric patients from the proposed PSA and found that Sanford Thief River Falls Medical Center sees nearly half (46 percent) of all inpatient psychiatric patients from the PSA (see Table 3). The criteria identified whether patients had a primary diagnosis of a mental health condition using Clinical Classifications Software for Mental Health and Substance Abuse (CCS-MHSA)[12] from the US Department

---

of community-based facilities is the expectation that natural support structures can be better incorporated into treatments if patients are served in proximity to their community.

[10] State of Minnesota Office of the Legislative Auditor. (February, 2013). Evaluation Report: State-Operated Human Services.

[11] State of Minnesota Department of Human Services (March, 2012). Report on the Utilization of the Community Behavioral Health Hospitals.

[12] The software defines variables that identify general and specific categories for mental health and substance abuse-related conditions. The CCS-MHSA uses the Diagnostic and Statistical Manual of Mental Disorders, Fourth

of Health and Human Services Agency for Healthcare Research & Quality. Substance abuse conditions were not included in the analysis, as the proposal for the Sanford Health facility does not extend to providing chemical dependency treatment. Similarly, the analysis did not include inpatient hospitalizations where the primary reason for hospitalization (principal diagnosis) was for a non-mental health condition, but the patient presented with a co-morbid mental health condition. Underlying that decision was the designation of the facility by Sanford Health as providing psychiatric services, not general medical care. Furthermore, it is possible that patients with mental health conditions, who are hospitalized for general medical care, may not require inpatient psychiatric care.

Table 3: Inpatient Admissions for Residents from Proposed Service Area

	Number of Psychiatric Admissions	Percent of Psychiatric Admissions
Sanford Health Thief River Falls Medical Center	375	46%
Northwest Minnesota and North Dakota Hospitals with Inpatient Psychiatric Units	316	39%
Other Hospitals with Psychiatric Units	103	13%
Other Northwest Minnesota Hospitals	14	2%
Total All Hospitals	**808**	**100%**

Source: MDH analysis of hospital discharge data. Includes data from DHS Community Behavioral Health Hospitals.

Ability of Current System Capacity to Meet Demand

In evaluating the current system capacity in the primary service area surrounding the proposed facility, MDH found that there are currently constraints or barriers to accessing inpatient psychiatric services, suggesting a potential need for additional capacity for these services.

- First, psychiatric inpatient capacity alternative to the proposed facility is not available in close proximity.
- Second, as is the case in many areas of Minnesota, patients living in the geographic service area are designated by the U.S. Health Resources and Services Administration as underserved by mental health professionals.
- Third, the existing inpatient psychiatric services at Sanford Health Thief River Falls Medical Center operate for parts of the year at or near full capacity, resulting in turn away patients seeking care at facilities in North Dakota (50 mile distance) or farther away in Minnesota.

As shown in Appendix B, the primary service area surrounding the proposed hospital site is characterized by a low density of available inpatient services for psychiatric patients. A single hospital of the Altru Health System is located about 50 miles away in Grand Forks, North Dakota, where it operates a 23 bed psychiatric unit. A 30-mile radius service area only partially overlaps with portions of the wider PSA of the proposed hospital. The other two hospitals mentioned earlier serve portions of only 2 of the 10 PSA counties located within a 30-mile radius. In contrast, patients requiring inpatient services for acute or chronic medical needs find alternatives to services at the Thief River facilities at closer proximity (within a 30 mile radius) at North Valley Health Center in Warren, Minnesota.

Edition (DSM-IV) as its starting point, and, in general, follows the categorization of mental health and substance abuse conditions and code assignments outlined in the DSM-IV.

While there appears to be no published research demonstrating the possible effects of travel distance to access hospital services may have on psychiatric health outcomes, it is clear that the considerable lack of alternatives in the region and the resulting requirement to seek services at farther distances, places a particularly heavy emotional and financial burden on psychiatric patients and their families.[13]

As noted, available physical inpatient capacity in the region is further constrained by bottlenecks in specialty service providers of mental health services. The U.S. Health Resources and Services Administration have identified the service area in the proposal as a professional shortage area for mental health services.[14] This means that the geographic area meets the following requirements: it is an area where mental health services can be delivered; population-to-professional ratios are at elevated levels; there are unusually high needs for mental health services and high population-to-professional ratios; and mental health professionals are over-utilized, excessively distant or inaccessible to residents.

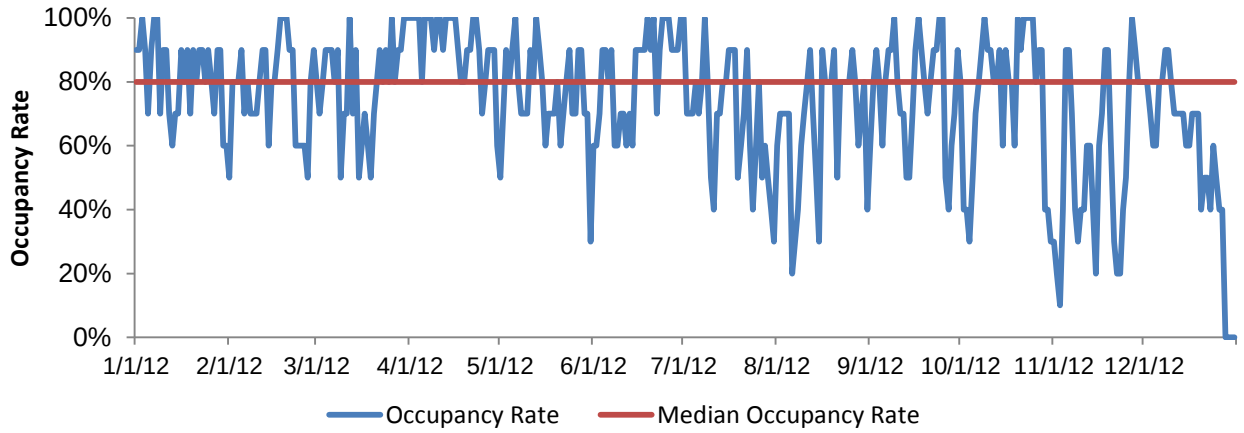
Available inpatient psychiatric capacity is in high use, as demonstrated by occupancy rates for inpatient psychiatric beds (see also Appendix C). When calculated on the basis of "available beds,"[15] the occupancy rate for the existing psychiatric inpatient unit at the existing facility was one of the 10 highest (74.2 percent) of all psychiatric units in Minnesota. Our analysis shows that during the most recent available year (2012) the inpatient psychiatric unit at Sanford Health Thief River Falls was at or above 80 percent occupancy for at least half of the time period (see Figure 1). The analysis also showed that there were 9 or 10 patients occupying the 10-bed unit for over a third of the year (135 days), constraining the ability to holding one bed for potential crisis situations.

[13] Because of unavailability of ambulance data for this research, MDH was not able to estimate the potential reduction of ambulance runs due to the potential availability of the proposed hospital. It is feasible that some of the patients who are currently seen in an emergency department at an acute care facility until they are stabilized and then transported to a hospital with a designated psychiatric unit. The cost of this travel, as well as that incurred by patients themselves and their family members was not considered in this analysis.

[14] See Mental Health Professional Shortage Areas in Minnesota here: http://www.health.state.mn.us/divs/orhpc/shortage/index.html.

[15] The definition of "available beds" is the number of acute care beds that are immediately available for use or could be brought on line within a short period of time.

Figure 1: Daily Occupancy for Sanford Thief River Falls Medical Center



Source: MDH analysis of hospital discharge data.
Note: only includes admitted patients.

As noted earlier, Sanford reports currently turning away patients because of persistent capacity constraints. Table 4 below shows that Sanford Thief River Falls Medical Center served 444 psychiatric patients, including 375 patients from the PSA. MDH estimates that approximately 77 patients from within the PSA and 54 patients from adjacent geographic regions could have been served more conveniently at the facility, raising capacity need to approximately 13 beds for a 75 percent occupancy rate. This analysis assumes that a certain share of patients would have preferred to be admitted at other facilities or for other reasons not sent to the Sanford facility. Excluded from this estimate are patients who had co-occurring medical needs, which would have likely required their admission at a different facilities.

Table 4: Inpatient Psychiatric Demand for Sanford Health Thief River Falls Medical Center

	Total Admissions	Total Number of Bed Days	Cumulative Occupancy Rate
Recent Utilization at Sanford Health TRF Medical Center	444	2,758	76%
Turned Away Patients from PSA	77	480	89%
Turned Away Patients from Secondary Market	54	332	98%
Total	**575**	**3,570**	**98%**

Source: MDH analysis of 2012 hospital discharge data and data supplied by Sanford Health Thief River Falls Medical Center.
Note: The average length of stay is 6.2 days. Only patients from the PSA with less than two co-occurring medical conditions were included. The PSA estimate also excludes about 40 percent of the market that are anticipated to continue to receive care at Altru Health System in Grand Forks, North Dakota, the DHS Community Behavioral Health Hospital in Bemidji, Sanford Medical Center in Fargo, North Dakota, and Essentia Health St. Joseph's Medical Center in Brainerd. The secondary market capture rate is 50 percent.

In addition, projected modest growth in inpatient psychiatric demand might further present capacity constraint. Assuming that the rate of inpatient psychiatric utilization per population remains relatively constant over time (4.2 per 1,000 people), the number of hospitalizations at this new hospital would be expected to increase to 639 hospitalizations in 2015 and about 691 in 2035. Table 5 below illustrates

that to maintain an occupancy rate of 75 percent the number of occupied beds would be expected to gradually increase from 15 beds in 2015 to 16 beds in 2035.

Table 5: Projected Occupancy at Proposed Sanford Health Psychiatric Hospital Serving Patients from PSA, 2015-2035

	2015	2020	2025	2030	2035
PSA population	151,560	156,220	160,330	162,480	164,450
Population growth rate		3%	3%	1%	1%
Projected annual psychiatric hospitalizations	636	656	673	682	691
Projected patient days	3,953	4,075	4,182	4,238	4,289
Projected average daily census	11	11	11	12	12
Beds needed to maintain average occupancy at 75 percent	14	15	15	15	16

Source: MDH analysis of hospital discharge data and demographic projections from the Minnesota State Demographic Center.

In conclusion, available capacity appears to be constrained because of persistent high use of currently available beds, leaving little surge capacity; the presence of patients in the PSA and beyond turned away due to capacity constraints, and modest projected future growth.

If new beds are needed, is the proposed facility the best way to meet this need?

One consideration in determining whether there is a need for a new psychiatric hospital capacity in the area is whether the proposed hospital best meets a particular demand. The model proposed by Sanford Health would utilize an existing facility as a freestanding psychiatric hospital, and offer sub-acute and outpatient mental health services in the same location. Co-locating inpatient and certain outpatient mental health services, as well as county social services, in the same building has the potential to reduce challenges related to care transitions. In addition, the freestanding hospital might be able to rely on mental health staff in co-located outpatient settings to assist in crisis situations should Sanford Health move all mental health programs to the proposed hospital location.

On the other hand, the model of a freestanding facility would effectively sever the connection between delivering psychiatric and medical care in the same institution for patients with complex needs. Sanford Health's admissions criteria will require that patients must be medically stable to be treated for psychiatric services at the new facility. This will likely prevent patients with the most complex psychiatric cases from receiving care at the facility; at this point (2012 data) patients with two or more co-occurring psychiatric and medical conditions make up about 26 percent of all psychiatric patients.[16] This is of concern, because patients with medical *and* psychiatric conditions are particularly vulnerable: they face particular challenges with maintaining a treatment regimen, are less inclined to pursue psychiatric treatment, have problems accessing care, and often disregard maintenance of well-being and

[16]MDH analysis of hospital discharge data from 2012. Bartels SJ. (2004). Caring for the Whole Person: Integrated Health Care for Older Adults with Severe Mental Illness and Medical Comorbidity. *Journal of the American Geriatrics Society*; 52(12);S249-S257. Druss BG and Walker ER. (2011). Mental Disorders and Medical Comorbidity. Robert Wood Johnson Foundation: Research Synthesis Report No. 21.

personal health.[17] Sanford Health has noted in their application materials that it will offer medical consultation services in the proposed facility. Nevertheless, this model may not serve many vulnerable patients from the region.

Another concern about the particular model chosen for proposed facility is that it will not be equipped to serve psychiatric patients who have a history of violent or physically aggressive behavior despite a documented need for local, reliable, and timely access for such a facility in the region.[18] Despite the limits on what psychiatric patients will be served by the proposed facility, it would meet the needs of the vast majority of patients from the area in what has been established as considerable barriers to accessing care.

Are there alternatives to adding new inpatient hospital beds to the system that would serve patients better?

In the process of reviewing this application, MDH examined whether the addition of new hospital capacity for psychiatric care is the right solution to the perceived problem with patients' access to timely and appropriate care. The question in this section of the analysis is not whether beds are needed, but instead whether in the spectrum of needed care an investment in beds capacity represents the most appropriate solution.

A review of the literature, including research in Minnesota, suggests that some challenges experienced in accessing inpatient psychiatric care are associated with a lack of sufficient numbers of appropriate medical staffing. This diminishes available bed capacity that can be brought "online," requiring diversion of patients to facilities that are appropriately staffed. Other research suggests that a need for inpatient psychiatric care in certain circumstances represents a failure of the continuum of care, or that it is not consistent with best practices.

For example, a portion of inpatient days for psychiatric patients has been identified as "non-acute" – patients could have been treated in step-down settings. A 2007 study[19] involving 12 Minnesota hospitals with inpatient psychiatric units found that with adequate ''intermediate resources'' approximately 45,000 inpatient bed days could be made available for other uses and serve up to 2,733 additional patients per year. Nearly a quarter (22.4 percent) of these non-acute bed days were associated with unavailable intensive residential treatment beds, 15 percent were related to court delays, 8.5 percent were attributed to chemical dependency issues, and 8.3 percent were due to the lack of 24 hour/day skilled medical/psychiatric nursing services in open and locked environments.[20] In addition, strengthening psychiatric care in alternative care settings, such as primary care, can be effective to prevent hospital admissions. A study in 2008 of severely mentally ill Medicaid patients in Maryland

[17] Lyketsos CG, Dunn G, Kaminsky MJ, Breakey WR. (2002). Medical Comorbidity in Psychiatric Inpatients. Relation to Clinical Outcomes and Hospital Length of Stay. *Psychosomatics*; 43(1):24-30. Comorbid Medical Illness in Psychiatric Patients. Current Psychiatric Reports 2000, 2:256-263.

[18] Minnesota Department of Human Services. (2012). Report on the Utilization of the Community Behavioral Health Hospitals.

[19] HealthPartners, Allina Hospitals and Clinics, and HealthEast Care System, "Psychiatric Patient Flow Study," March 2007.

[20] Ibid (2007).

found that maintenance of chronic antipsychotic treatment with adequate outpatient services were 52 to 72 percent less likely to be hospitalized.[21]

What distinguishes the proposal received from Sanford Health in Thief River Falls is the wide array of sub-acute services offered by, or in partnership with, Sanford Health. While the community-based mental health services in the area retain some gaps in scale and scope -- for instance a recent analysis for the area found that important services such as partial hospitalization and assertive community treatment are not available – Sanford Health committed in testimony to working with the advocacy community on constructing more complete solutions to providing strong and coordinated needed outpatient capacity. At this point it is not clear if this will services substance abuse and chemical dependency services that have become particularly important after the recent closure of a 42 bed residential treatment facility in Crookston, Minnesota.

Factors 2 and 3: The impact of the new hospital or hospital beds on the financial situation and ability to maintain staffing for existing acute care hospitals in the region

The expansion of inpatient psychiatric beds from 10 to 16 will result in very limited or no impact on other Minnesota acute care hospitals in the region, in relation to financial position and staffing ability. This is due to the following three reasons: (1) the remoteness of the proposed facility; (2) the focus of other inpatient psychiatric service providers on elderly patients; and, (3) the long-standing operation of an inpatient psychiatric program in the area.

As shown in Table 3, patients from the PSA seeking inpatient psychiatric care currently obtain it at a range of facilities across the wider region, including hospitals that do not operate dedicated psychiatric inpatient units. The expansion in bed capacity will likely primarily reduce hospital admissions for psychiatric conditions at such other acute care hospitals in the region. However, the impact of the expansion will be modest because of the combination of the marginal increase in capacity and the limited reliance by other facilities on psychiatric patients from the PSA.

In general, rural Minnesota is experiencing medical care provider shortages, particularly for mental health professionals. All counties in the Sanford Health service area are currently designated as Health Professional Shortage Areas (HPSAs), lacking both mental health and primary care professionals.[22] The expansion of inpatient beds will present a challenge to Sanford Health in recruiting and maintaining mental health staff, but the impact on other facilities will, again, be likely limited because of the remoteness of the facility and the relatively marginal expansion in staffing needs. Ultimately, the expansion may offer opportunities to implement recommendations that may result from the effort around the development of a statewide mental health workforce plan.

[21] dosReis S, Johnson E, Steinwachs D, Rohde C, Skinner EA, Fahey M, Lehman AF. (2008) Antipsychotic Treatment Patterns and Hospitalizations Among Adults with Schizophrenia. *Schizophrenia Research*; 101(1-3):304-11.

[22] More detail about the mental health HPSAs can be found online here: http://bhpr.hrsa.gov/shortage/hpsas/designationcriteria/mentalhealthhpsaoverview.html

Factor 4: 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

In its proposal to operate a facility for psychiatric patients, Sanford Health indicates that the proposed hospital would accept all patients regardless of ability to pay, in accordance with the agreement between Sanford Health and the Attorney General of Minnesota. Patients who currently qualify for financial assistance from the facility would receive services at low or no cost, depending on their income as a percent of the Federal Poverty Level Guidelines (FPL). Sanford Health's Community Care Program and Minnesota Discount Program are currently open to both uninsured and insured patients. The Minnesota Discount Program is only available to Minnesota residents. Patients with incomes under 225 percent or less of the FPL ($26,258 for an individual in 2014) will not be charged for care. A sliding fee scale will determine payments for patients with incomes from 226 to 375 percent of FPL ($26,374 to $43,763 for an individual in 2014).

MDH's analysis of 2012 data on uncompensated care found that, on average, charity care represented 1 percent of operating expenses for Minnesota hospitals in 2012, while bad debt accounted for about 1.2 percent. At the current facility, Sanford Thief River Falls Medical Center delivered higher than average levels of uncompensated care relative to operating expenses compared to Minnesota hospitals overall in 2012 (3.0 percent vs. 2.2 percent, respectively). Only two facilities in the region, North Valley Health Center and Essentia Health Ada, delivered higher levels of uncompensated care relative to operating expenses (3.7 percent, respectively) shown in Table 6.

The charity care portion of uncompensated care provided by the acute care hospital as a percent of operating expenses is 0.1 percent, and is less than the statewide average of 1.0 percent. It is unclear to what extent this reflects policy decisions on the part of the hospital in how to enforce its Community Care Program or is an outcome of accounting challenges with correctly attributing costs to charity care or bad debt. However, in maintaining current policies for delivering community care at the new facility, it is likely that the proposed psychiatric hospital will not provide markedly lower levels of services to nonpaying or low-income patients as compared to existing hospitals in the region.

Table 6: Uncompensated Care and Community Benefits for Select Hospitals, 2012

Total Amounts by Select Hospitals	Charity Care	Bad Debt	Total Uncompensated Care	Total Community Benefit
Sanford Thief River Falls Medical Center	**$77,243**	**$1,755,023**	**$1,832,266**	**$3,934,288**
Kittson Memorial Healthcare Center	$5,953	$39,138	$45,090	$11,703
North Valley Health Center	$21,652	$200,550	$222,202	$559,730
Essentia Health Ada	$1,458	$227,141	$228,599	$71,427
First Care Medical Services	$69,958	$308,481	$378,439	$452,577
Riverview Healthcare Association	$15,763	$867,069	$882,832	$4,555,075
LifeCare Medical Center	$150,775	$308,928	$459,702	$3,548,522
All Minnesota Hospitals	**$144,927,598**	**$171,729,351**	**$316,656,949**	**$1,043,482,431**
Percent of Operating Expenses	**Charity Care**	**Bad Debt**	**Total Uncompensated Care**	**Total Community Benefit**
Sanford Thief River Falls Medical Center	**0.1%**	**2.9%**	**3.0%**	**6.5%**
Kittson Memorial Healthcare Center	0.1%	0.8%	0.9%	0.2%
North Valley Health Center	0.4%	3.4%	3.7%	9.4%
Essentia Health Ada	0.0%	3.6%	3.7%	1.1%
First Care Medical Services	0.5%	2.2%	2.7%	3.3%
Riverview Healthcare Association	0.0%	1.9%	2.0%	10.2%
LifeCare Medical Center	0.7%	1.4%	2.0%	15.7%
All Minnesota Hospitals	**1.0%**	**1.2%**	**2.2%**	**7.1%**

Source: MDH analysis of the Health Care Cost Information System
MDH adjusts charity care, bad debt and uncompensated care by a cost-to-charge ratio that most closely reflects the actual costs of delivering services.

Factor 5: The views of affected parties

In order to assess the views of parties that might potentially be affected by the expansion of inpatient psychiatric capacity in Thief River Falls, MDH contacted 20 service providers in the region, including hospitals, residential mental health and substance abuse treatment facilities, to inform them of the proposal and the opportunity to comment. MDH also issued a State Register notice on March 17, 2014, in which it formally sought input from any interested party.

Sanford Health's proposal included a number of letters of support from county social service providers including: Social Services in the counties of Kittson, Mahnomen, Marshall/Norman, Polk, and Roseau; Health and Human Services in Beltrami County; and Human Services in Pennington County. The police department of Roseau also provided a letter of support. In general, letters of support highlighted several points:

- The Northwest region of Minnesota is designated as an underserved geographic area and needs additional access to this specialized care
- Some of the next closest facilities with available beds are often at a distance of over a hundred miles away.
- Distance to places of care that separate patients from friends and family can be detrimental to their care. This is particularly important for children, as pediatric inpatient resources are sparse and benefit from proximity.
- Difficulty with finding places for care has resulted in a strain on limited resources for county workers and police departments and caused delays care and unnecessary length of stays in hospitals and emergency rooms.

Letters of support from other service providers were also submitted with the application and can be found at: http://www.health.state.mn.us/divs/hpsc/hep/moratorium/sanfordthiefriverfalls/index.html. Many of the comments echo those noted above, in addition to expressing the expectation that the expansion might help improve timeliness of patient referrals, the proximity of referrals, coordination and follow-up of care and time to recovery.

There was also a letter of support with certain caveats from the Minnesota Department of Human Services (DHS). In the letter, DHS identifies the geographic region served by Sanford Health Thief River Falls Medical Center as having limited availability of inpatient psychiatric beds, yet also points to the absence of other services such as partial hospitalization services and assertive community treatment. DHS also cautions that the potential establishment of a new hospital must take into account federal restrictions of Medicaid funding so that DHS patients can be served at the facility. For example, federal reimbursement has restrictions for facilities that integrate medical care and psychiatric care. Finally, DHS encourages Sanford Health to serve adolescents and adults as well as identifying a need for transitional care and other alternatives to inpatient care.

Section 4: Discussion and Finding

Minnesota's mental health system has undergone significant change in recent years, with coordinated and comprehensive efforts to make the system more patient-centered, more integrated, and better able to provide patients with the right level of care at the right time, in the right setting. Yet there also continues to be evidence that the system not always serves psychiatric patients well. MDH reached its conclusions that **the proposal is in the public interest** based on the following findings:

- The current 10-bed psychiatric unit in Thief River Falls Sanford Medical Center is remotely located and nearly 100 miles from other inpatient psychiatric services in the Northwest Region of Minnesota. In addition, a recent gap analysis conducted by the Department of Human Services indicates that there is a lack of other services that could help meet the acute need of people in the region with psychiatric conditions.
- The recent occupancy rates reported by Sanford Thief River Falls and historical analysis conducted by MDH indicate that the psychiatric unit has been operating at or near capacity for a significant portion of a calendar year. It has been functioning with one of the 10 highest average occupancy rates (79 percent) for psychiatric units in recent years outside of the Twin Cities Metro Area.
- Even though population projections for the area appear largely flat (about 1 percent growth over the next 10 years), MDH analysis indicates that current demand in the service area requires an inpatient psychiatric capacity of 13 beds at existing occupancy levels. At this level of capacity, the facility would be less often "near capacity," and wouldn't turn away as many patients who meet admission criteria as is currently the case. As noted, the most complex patients would still not be served by this proposal.
- Given the relative remoteness of the facility and its modest size, the impact on other hospitals with or without emergency rooms will be negligible.
- The proposal by Sanford Thief River Falls aims to be embedded into a broader community-based strategy to provide services to patients with psychiatric needs by maintaining existing crisis response partnerships with other hospitals, law enforcement, homeless shelters and other agencies that provide assistance to persons requiring assistance when a crisis arises. Letters of support from social services agencies, including those operated by counties in the area, underscore this this commitment.

Despite our finding, MDH notes that there are a few significant concerns with the proposal: (1) the physical layout of the facility appears to be poorly aligned with needs of patients with psychiatric conditions – addressing it will likely require careful consideration in the design phase including separation of pediatric and adolescent units; (2) as is the case with psychiatric capacity currently operated by the facility, patients more likely to be aggressive or who present with complex psychiatric and medical needs will not be served by this facility; and (3) the model of establishing freestanding psychiatric capacity potentially represents a move towards a lower level of care coordination and lower cost effectiveness because of the physical delinking between psychiatric and medical care provision.

MDH, through its Compliance Monitoring division, will monitor the implementation activities as they do with similar projects, to ensure compliance with all relevant licensure and certification standards, as well as requirements under Minnesota Statutes, Section 144.552 (g).

While public interest reviews are typically exclusively focused on the case of a single proposal, MDH finds it important to comment more broadly, reflecting on this review and two previous proposals to establish freestanding psychiatric hospitals in the past six years. As part of the series of reviews on freestanding psychiatric hospitals, MDH has identified several broader issues that the Legislature may wish to consider when weighing future proposals to expand inpatient mental health capacity, or considering approaches to broader analysis of the health care delivery system for psychiatric care:

- Significant advances have been made through work by the advocacy community, mental health providers, and the Minnesota Department of Human Services to document the relative scarcity of services available for patients before they receive inpatient care and for on-going support after they leave the hospital. However, there is still limited data available to help identify reasons for bottlenecks in the provision of mental health services throughout the state, which would be helpful for developing more comprehensive analyses of current and future demand for services.
- Public interest reviews are conducted on a case-by-case basis, based on a range of criteria that are outlined in statute, that result in findings that are specific to a given health care market associated with the provision of hospital services. These findings may not extend to other regions of the state, and the focus on a specific proposal minimizes the interconnectedness of services and the fact that regional changes often have ripple effects that reviews of this type cannot adequately capture. For example, the recent sudden closure of sub-acute and residential mental health services in Central Minnesota may lead to increased stress on other ambulatory care providers, existing inpatient services, the justice system, and care for substance abuse in the region.
- Because of regulatory constraints and compelling business cases for economic development, small, freestanding facilities appear to be evolving in place of greater inpatient capacity within existing facilities that offer a broad range of services, including services for medically complex cases. As noted in this review, providing inpatient psychiatric care in a separate facility from medical services poses certain challenges that attached units of an acute care facility do not face. These challenges often result in the inability to serve patients with complex needs, including those with history of aggressive events or with medical needs alongside psychiatric needs. Ultimately such a model may segregate, rather than integrate, medical and psychiatric services when reducing fragmentation in the health care system may be a policy goal. It also misses the opportunity to reduce barriers to care for some of the most vulnerable patients with psychiatric health care needs.

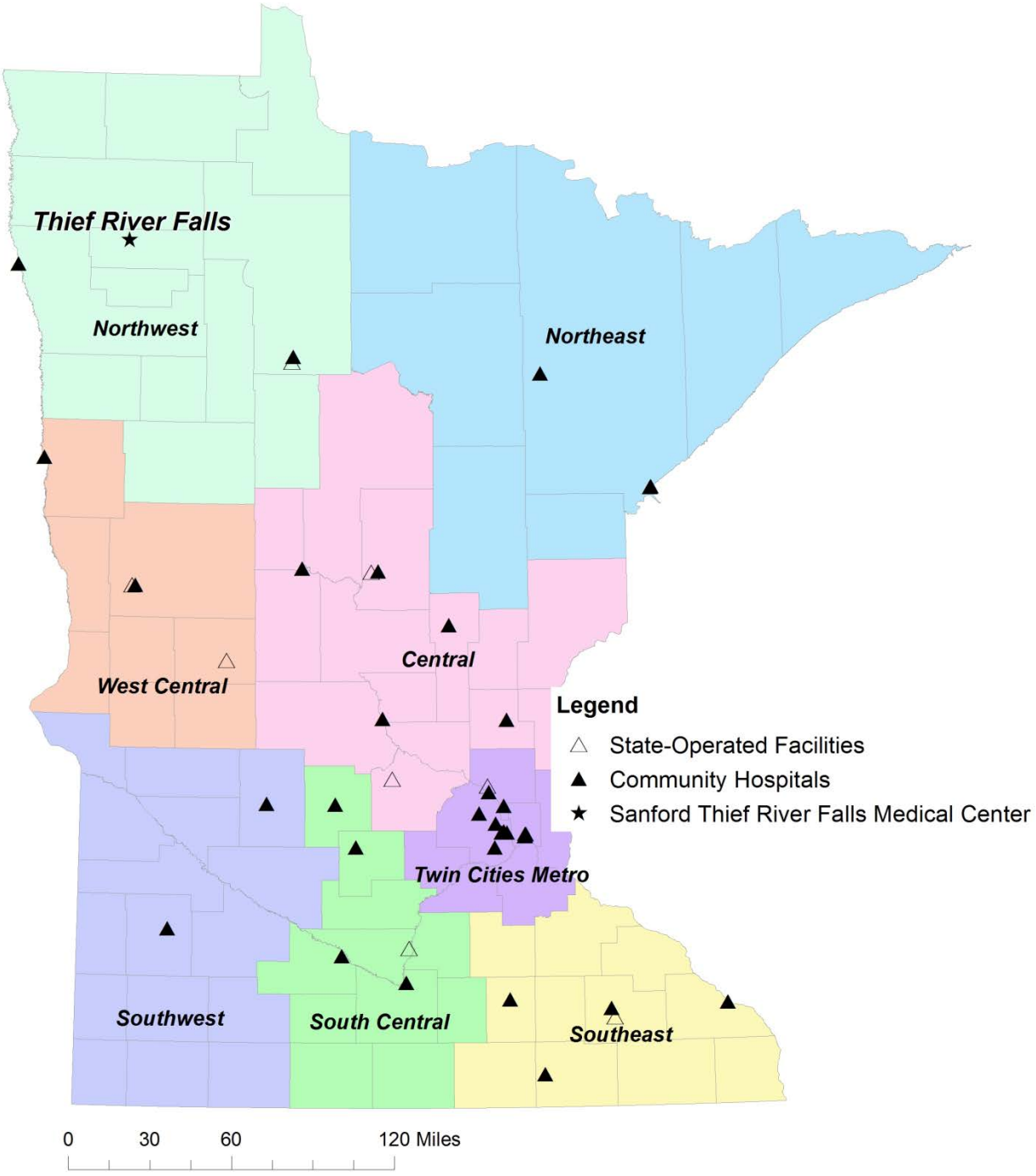
In conclusion, recent public interest reviews of proposals for freestanding inpatient psychiatric services assess care capacity expansions that represent short term remedies – but the patients served by these proposals may, because of systems failures, be lacking longer-term solutions to their needs. While the scarcity of data about break-points in the system and a lack of service-mix standards in the community make a broader analysis of investment needs for mental health service capacity challenging at this time, continuing anecdotal evidence about patients not being able to access acute psychiatric inpatient capacity indicates more robust analysis based on comprehensive data, including about outpatient care use and capacity, may be necessary in the future.

Finding:

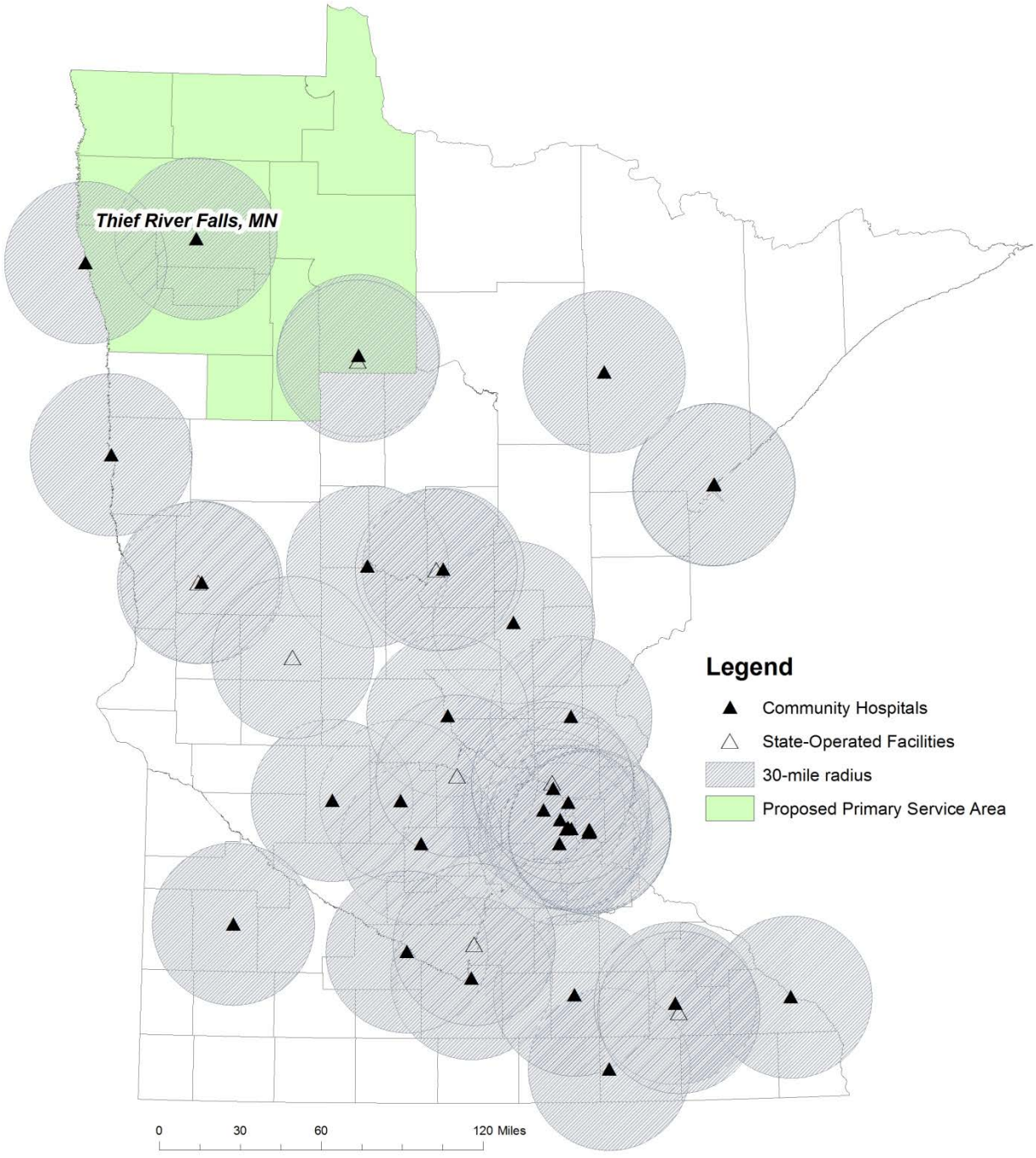
For the reasons listed above, MDH finds that Sanford Health's proposal to build a specialty psychiatric hospital in Thief River Falls is in the public interest.

This page left intentionally blank.

Appendix A: Map of Minnesota Hospitals with Inpatient Psychiatric Services Available



Appendix B: Thief River Falls Proposed Service Area and Inpatient Psychiatric 30-mile Radii



Appendix C: Minnesota Inpatient Bed Capacity for Psychiatric Care, 2012

Community Hospitals					
Hospital Name	**Hospital City**	**Region**	**Available Psychiatric Beds**	**Psychiatric Inpatient Days**	**Occupancy Rate**
Abbott Northwestern Hospital	Minneapolis	Twin Cities Metro	87	21,317	67.1%
Bethesda LTACH	St. Paul	Twin Cities Metro	12	4,361	99.6%
Fairview Southdale Hospital	Edina	Twin Cities Metro	18	5,793	88.2%
Hennepin County Medical Center	Minneapolis	Twin Cities Metro	114	31,595	75.9%
Mercy Hospital	Coon Rapids	Twin Cities Metro	40	9,514	65.2%
North Memorial Medical Center	Robbinsdale	Twin Cities Metro	26	7,364	77.6%
St. Joseph's Hospital	St. Paul	Twin Cities Metro	38	7,213	52.0%
Regions Hospital	St. Paul	Twin Cities Metro	96	27,424	78.3%
United Hospital	St. Paul	Twin Cities Metro	60	13,349	61.0%
Unity Hospital	Fridley	Twin Cities Metro	15	3,152	57.6%
University of Minnesota Medical Center - Fairview	Minneapolis	Twin Cities Metro	143	49,053	94.0%
Cambridge Medical Center	Cambridge	Central	14	3,922	76.8%
Mille Lacs Health System	Onamia	Central	10	480	13.2%
St. Cloud Hospital	St. Cloud	Central	28	3,345	32.7%
St. Joseph's Medical Center	Brainerd	Central	22	1,417	17.6%
Lakewood Health System	Staples	Central	10	775	21.2%
Fairview University Medical Center - Mesabi	Hibbing	Northeast	19	6,642	95.8%
SMDC Medical Center	Duluth	Northeast	53	7,564	39.1%
St. Luke's Hospital	Duluth	Northeast	22	4,520	56.3%
Sanford Bemidji Medical Center	Bemidji	Northwest	12	684	15.6%
Sanford Medical Center Thief River Falls	Thief River Falls	Northwest	10	2,710	74.2%
Hutchinson Area Health Care	Hutchinson	South Central	12	3,482	79.5%
Mayo Clinic Health System - Mankato	Mankato	South Central	18	2,611	39.7%
Meeker Memorial Hospital	Litchfield	South Central	10	426	11.7%
New Ulm Medical Center	New Ulm	South Central	10	2,213	60.6%
Winona Health Services	Winona	Southeast	8	1,083	37.1%
Owatonna Hospital	Owatonna	Southeast	10	2,535	69.5%
Saint Marys Hospital	Rochester	Southeast	72	20,467	77.9%
Mayo Clinic Health System-Austin	Austin	Southeast	14	2,460	48.1%
Rice Memorial Hospital	Willmar	Southwest	8	1,969	67.4%
Avera Marshall Regional Medical Center	Marshall	Southwest	10	979	26.8%
Lake Region Healthcare Corporation	Fergus Falls	West Central	14	2,080	40.7%
Total, Community Hospitals			**1,035**	**252,499**	**66.8%**
Psychiatric Hospitals					
PrairieCare	Maple Grove	Metro	**20**	**6,454**	**88.4%**
State Operated Facilities					
Anoka Metro State Operated Hospital	Anoka	Twin Cities Metro	175	39,578	62.0%
Community Behavioral Health Hospitals					
Annandale	Annandale	Central	16	4,837	82.8%
Baxter	Baxter	Central	16	4,610	78.9%
Bemidji	Bemidji	Northwest	16	4,080	69.9%
St. Peter	St. Peter	South Central	16	4,767	81.6%
Rochester	Rochester	Southeast	16	3,597	61.6%
Alexandria	Alexandria	West Central	16	4,585	78.5%
Fergus Falls	Fergus Falls	West Central	16	4,076	69.8%
Total, State Operated Services Facilities			**287**	**70,130**	**66.9%**
Total Psychiatric Beds			**1,342**	**329,083**	**67.2%**

Source: MDH analysis of the Health Care Cost Information System


MINNESOTA
MDH
DEPARTMENT OF HEALTH