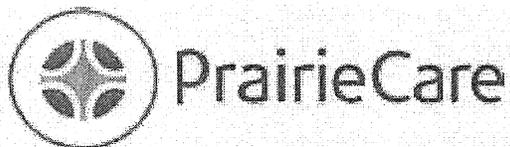


AUG 03 REC'D



July 21, 2015

Commissioner Edward Ehlinger, MD, MSPH
Office of the Commissioner of Health
P.O. Box 64975
St. Paul, MN 55164-0975

Re: PrairieCare Public Interest Review Application

Enclosed is an application from PrairieCare to relicense the existing Maple Grove facility, located at 12915 63rd Avenue North, for the purpose of providing psychiatric hospitalization for youth in part through a contract with the Minnesota Department of Human Services. The Minnesota Legislature passed and Governor Dayton signed S.F. No. 1458 earlier this year, providing for a hospital moratorium exemption contingent on a finding that the project is in the public interest.

If you have any questions or require additional information, please contact John Ryan, General Counsel for PrairieCare and Bill Wyss, Deputy Director of the Children's Mental Health Division:

John Ryan
12918 63rd Avenue North
Maple Grove, MN 55369
jryan@prairie-care.com
952-826-8371

Bill Wyss
540 Cedar St
St Paul, MN 55101
bill.wyss@state.mn.us
651-431-2364

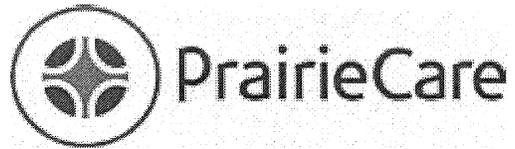
Sincerely,

A handwritten signature in black ink, appearing to read "Joel Oberstar".

Joel Oberstar, MD
Chief Executive Officer
PrairieCare

A handwritten signature in black ink, appearing to read "Jennifer DeCubellis".

Jennifer DeCubellis
Assistant Commissioner
Minnesota Department of Human Services



PrairieCare Psychiatric Children's Hospital

Public Interest Review Application

Prepared by PrairieCare

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Executive Summary

PrairieCare Extended Intensive Services, LLC respectfully requests the Minnesota Department of Health find this proposal to relicense an existing psychiatric hospital in Maple Grove is in the public interest. This facility will primarily serve patients requiring longer-term acute hospitalization and will function as a safety net provider of acute psychiatric inpatient services to the youth of Minnesota. This facility's relicensure is primarily driven by the Minnesota Department of Human Services' efforts to increase bed availability under the Continuing Care Benefit Program.

Since 2011, PrairieCare has operated a Child/Adolescent psychiatric hospital for short-term acute care at this Maple Grove facility. With the new licensure of the Brooklyn Park facility in September of this year, the Maple Grove facility is an ideal location to address the need for longer-term hospitalization in the Twin Cities, which is within an hour's drive of nearly 50% of the population of Minnesota and close to the specialized medical care many patients will require. PrairieCare intends to operate this facility to fulfill the obligations of a contract, which is still in the process of being drafted by the Department of Human Services.

This facility will require a modest amount of renovation to address the change in patient profile anticipated. Although construction plans have not been finalized, we anticipate the renovations will be necessary including: making the walls in heavily trafficked areas more abuse resistant, creating more open/free space to allow patients more opportunities to be away from each other, and more spacious group rooms to address the individual needs of the patient population served.

We believe this facility will be an asset to the referral sources, including the Minnesota Department of Human Services, Minnesota Counties, other acute psychiatric units, and residential treatment centers around the state. We respectfully request the Department of Health find this proposal in the public interest, to permit PrairieCare Extended Intensive Services, LLC to serve this vulnerable, underserved population.

Description of PrairieCare

PrairieCare began operations in the Twin Cities with two outpatient locations in 2005, and has grown to offer Inpatient Hospital, Partial Hospital Program (PHP) and Intensive Outpatient Programs (IOP) in addition to clinic mental health services. PrairieCare opened its current 20-bed child and adolescent psychiatric hospital in Maple Grove in February 2011. The hospital was accredited by the Joint Commission in 2012, and was named a Top Performer on Key Quality Measures® in 2013 and anticipates being named a Top Performer in 2014 in the coming months.¹

PrairieCare is nearing completion of a 50-bed child and adolescent psychiatric hospital in Brooklyn Park. It is anticipated that the facility will open in September of this year; patients in the Maple Grove facility will transfer to the Brooklyn Park hospital at that time. The Brooklyn Park hospital will continue to be Joint Commission accredited and will offer inpatient psychiatric hospital services to youth in a 78,000 square foot purpose-built facility at the intersection of Highway 610 and Zane Avenue.

PrairieCare is committed to serving all patients, regardless of ability to pay. Our organization-wide charity care policies provide for tiered charity care discounts for families earning up to 400% of the federal poverty level. This charity care policy will apply to the relicensed Maple Grove facility as well.

PrairieCare prides itself on being singularly focused on psychiatric care and mental health. Our Mission, Vision, and Values reflect the focus of the organization on individualized, patient centered care that attends to the whole person, their family and collaborating clinicians.

MISSION

To provide every individual patient the psychiatric care they truly need.

VISION

Transforming psychiatric healthcare.

VALUES

Respect for the intrinsic dignity of patients and their families
is the foundation of effective treatment relationships.

Ethical Care requires both scientific understanding and a compassionate spirit.

Attentive Collaboration with patients, families and colleagues promotes optimal treatment outcomes.

Living these values with patients means living them with each other.

¹ <http://www.qualitycheck.org/qualityreport.aspx?hcoid=495662>

Project Description

In the context of the pending relocation the Maple Grove services to Brooklyn Park, PrairieCare was approached by staff from the Minnesota Department of Human Services (DHS) to explore the possibility of providing long-term acute psychiatric hospitalization services for youth in the existing Maple Grove facility. A number of reports to the legislature, including most notably those from 2009², 2010³, and 2014⁴, have called for Child and Adolescent Behavioral Health Services hospitalization to increase capacity, provide for better access to specialized care available in the Twin Cities metropolitan area, and accept children whose complex needs include extreme aggression or active self-harm. It is our intent to address those needs through the re-licensure of the Maple Grove facility through a wholly-owned subsidiary of PrairieCare, LLC: PrairieCare Extended Intensive Services, LLC.

In 2013, the Minnesota Association of County Social Services Administrators (MACSSA) and the Children's Mental Health Division partnered to gather informal data on how many children in Minnesota fit the patient profile described above. Out of 87 counties, 53 (including multi-county partnerships) responded that there were 339 children in 2012 whom they had difficulty placing and 385 with this level of need. (See fn 2 at pp. 11). With a length of stay anticipated to be greater than 30 days, the identified needs would dictate that more than 25 beds be added. PrairieCare anticipates that the first-year census may be limited to 14-16 patients, due to the continued occupancy of 30% of the building by the existing Partial Hospital Program (PHP). We have already begun planning for the relocation of the PHP, so that the entire building can be used for acute psychiatric hospitalization for the fully licensed capacity of 20 beds, though that is still short of the number called for in the DHS Legislative Reports.

With an agreement in principal for PrairieCare to provide these services, DHS staff worked with members of the legislature and the governor's office to enact Chapter 71 of the 2015 Minnesota Session Laws to provide funding for the patients to be treated at this facility and the 144.551 moratorium exemption for this project, contingent upon a finding by the Minnesota Department of Health that the project is in the public interest. PrairieCare continues to work with DHS staff to define the contract expectations for this service, with a draft contract expected to be provided to PrairieCare by July 30, 2015. It is hoped that the hospital will be licensed by MDH and begin providing services to patients in need at the beginning of 2016.

² <http://archive.leg.state.mn.us/docs/2014/mandated/140707.pdf>

³ <http://archive.leg.state.mn.us/docs/2010/mandated/101545.pdf>

⁴ <http://archive.leg.state.mn.us/docs/2009/mandated/090480.pdf>

Anticipated service profile

PrairieCare intends to serve the needs of children and adolescents in the state who require long-term acute hospitalization. The admission criteria for the program are broad and not yet fully established with the Department of Human Services, but generally would include those youth with multiple failed shorter-term hospitalizations or residential treatment center placements, severe aggression or self-injury that is the direct and proximal result of mental illness, and any other mental illness whose symptoms and severity require long-term highly intensive intervention and for which a less restrictive environment is inappropriate or unavailable.

We anticipate the facility will primarily serve patients through the Continuing Care Benefit Program (the "CCBP"), but the facility may also accept patients that do not meet that criteria. We are currently working with the Department of Human Services on the number of beds to be contracted under the CCBP, the exact criteria for CCBP, and resolving the question of what we should do if the need for this service exceeds the number of beds contracted for. In the event that not all of the facility's beds are contracted or filled by CCBP patients, PrairieCare may choose to accept other patients that meet criteria for admission to an inpatient psychiatric facility but not CCBP criteria. This was an important piece of the initial discussions with the Department of Human Services because it would permit the facility to continue to operate and maintain staffing levels without sensitivity to the number of CCBP patients admitted to the facility.

Benefits to the Community

With the addition of this service, existing psychiatric units in the state will less frequently be called upon to hospitalize these long-term patients on short-term units while they await placement elsewhere. We have experienced this situation regularly in our short-term acute psychiatric hospital and have found that it is undesirable, but currently unavoidable, for patients to await long-term program placement while treated a short-term unit. The treatment program, therapeutic milieu and resources available on a short-term unit are very different from those ideal for a long-term patient. In addition, the "long-term" patients become understandably frustrated seeing their "short-term" peers admit to and discharge from the program while they themselves are "stuck" awaiting placement.

Need for Hospital

PrairieCare believes the need for this facility was conclusively established by the Department of Human Services' 2014 report to the legislature. We stand ready to work with DHS to provide a high-quality, Joint Commission Accredited facility for the long-term hospitalization of youth in need of this level of care.

Project Cost

Renovations to the existing Maple Grove facility in order to care for this patient population, which tends to be characterized in part by youth with profoundly aggressive behavior to staff and the physical plant,

along with frequent self-injurious/self-harming behaviors, are projected to cost \$500,000. Renovations include creating more open spaces in which patients can employ self-regulation techniques as well as added capacity for space in which patients can utilize sensory integration and other calming activities to manage dysregulated moods and behaviors. We will continue to utilize the outdoor play area and indoor clerestory area for gross motor exercise and we plan to provide space for exercise equipment (e.g. treadmill, stationary bicycle, etc.). Finally, we plan to renovate the nursing station to minimize patient access to objects that can be used for self-harm or harm to others (e.g., computer cords, pens/pencils, etc.).

Effect on other Facilities

We believe that the addition of this capacity will have a positive impact on the short-term acute psychiatric units and residential treatment centers in the state by providing an additional treatment setting for those patients for whom long-term acute care psychiatric services are medically indicated. We do not believe the facility will have a positive or negative impact on existing acute medical hospitals, other than the downstream effect of making additional short-term psychiatric beds available by facilitating the hospitalization of long-term patients in a more appropriate setting.

Conclusion

We ask that the Minnesota Department of Health find this proposal to be in the public interest. The project, designed in response to the Department of Human Services' request and in close collaboration with DHS staff, is a necessary addition to the psychiatric resources available for youth in Minnesota.

Letters of Support

We have solicited letters of support from several key stakeholders and will forward those not directly sent to your office. Please see the enclosed letter of support from NAMI Minnesota.