

MDH Application

Commissioner Brooke Cunningham
Minnesota Department of Health
P.O. Box 64975
St. Paul, MN 55164-0975

Dear Commissioner Cunningham,

On behalf of Allina Health and Abbott Northwestern Hospital, we respectfully submit the enclosed Public Interest Review application for consideration by the Minnesota Department of Health. The Department of Health interpretation of statute 144.551 is that licensed hospital inpatient beds cannot be moved geographically from one site to another, even when there is no actual increase in total number of licensed beds, and bed relocation is subject to the bed moratorium statute. Due to this current interpretation, this submission requests approval to transfer 90 existing Abbott Northwestern Hospital unused licensed beds to the Abbott Northwestern WestHealth campus in Plymouth, Minnesota to expand inpatient operations under a two-campus, one-hospital licensure model. The proposal is intended to strengthen access to coordinated hospital-based care for patients in the west metro while preserving Abbott Northwestern Hospital's South Minneapolis capacity for the local community and for higher-acuity, highly specialized services.

The proposed transfer of existing beds builds upon Allina Health's long-standing presence at Abbott Northwestern WestHealth campus, which has served patients and families in the west metro since 1994 and has grown into a comprehensive outpatient destination with more than 50 family and specialty care clinics, emergency and urgent care, same-day surgery, diagnostic services, rehabilitation, pharmacy, and other support services. By adding inpatient capacity to this established campus, Allina Health seeks to create a more complete and integrated care environment that better aligns hospital resources with current patient utilization patterns and future community needs.

This application demonstrates that the proposed transfer is in the public interest because it leverages existing licensed bed capacity and Allina Health-owned assets rather than creating new statewide bed capacity or relying on public or state funding. The project is designed to improve geographic access to inpatient and specialty care closer to where patients live, support continuity across inpatient and outpatient services, and promote a more efficient distribution of hospital resources across Allina Health's care delivery system.

Allina Health is committed to implementing the proposed Abbott Northwestern WestHealth expansion in compliance with applicable federal and state requirements, including CMS multi-campus hospital standards, Minnesota licensure requirements, and all operational, administrative, clinical, quality, and emergency preparedness obligations necessary to support a unified hospital model. Subject to legislative approval and completion of Allina Health's internal capital approval process, the project is expected to advance through design and construction planning in alignment with the timeline outlined in the enclosed materials.

We appreciate the Department's review of this submission and respectfully request that the Minnesota Department of Health determine the proposed transfer of existing licensed beds to the Abbott Northwestern WestHealth campus to be in the public interest. Allina Health welcomes the opportunity to provide any additional information needed to support the Department's review.

Sincerely,



David Joos
Senior Vice President of Metro Region/President Abbott Northwestern Hospital

Abbott Northwestern 2026 Public Interest Review Application – Proposed transfer of (90) existing bed licenses to WestHealth

Background Information

Hospital Profile: Abbott Northwestern Hospital is the largest private hospital in the Twin Cities and is nationally known for its expert, specialized care. Each year, the hospital cares for more than 200,000 patients and their families from the Twin Cities and upper Midwest. The Abbott Northwestern Hospital campus has been an important part of its south Minneapolis neighborhood since 1882. Through our campus revitalization project, we are enhancing our hospital to help shape the next era of patient care. The new Richard M. Schulze Surgical and Critical Care Center, is set to open late summer 2026.

Allina Health expanded its outpatient care presence to the WestHealth campus in 1994. Since that time, patient care activity at the facility has continued to increase, leading to subsequent expansions in 1998, 2013, and 2014 to support growing demand.

Today, WestHealth serves as a comprehensive outpatient destination for the west metro, housing more than 50 family and specialty care clinics in a convenient, accessible location. The campus offers a broad range of services and programs, including the Breast Center, cardiovascular services, holistic health, imaging, laboratory services, orthopedic services, pharmacy, physical therapy, primary care, same-day surgery, spine care, and emergency and urgent care.

Application Purpose: This application requests approval to expand inpatient operations to WestHealth by transferring existing Abbott Northwestern licensed beds, creating a two-campus, one-hospital licensure model consistent with CMS requirements and enhance timely access to high-quality inpatient, hospital-based, and specialty care closer to where patients live.

Current Licensed Capacity:

Provider Details	
Column	Value
Provider Name	ABBOTT NORTHWESTERN HOSPITAL
HFID	00242
License #	423881
OpenGov ID	
Current License Effective Date	01/01/2026
Current License Expiration Date	12/31/2026
Provider Group	Hospital
Provider Type	HOSPITAL
Licensed Resident Capacity	1016
Address	800 EAST 28TH STREET
City	MINNEAPOLIS
State	MN
Zip	55407
County Name	HENNEPIN
Facility Email	DAVID.JOOS@ALLINA.COM
Telephone	6128634000
MN Classification	HOSPITAL
Federal Classification	HOSPITAL
Medicare Number	240057
Federal Medicare, Number Of Certified Hospital Beds	933
Administrator/authorized Agent	DAVID JOOS
State Licensed, Number Of Hospital Beds	972
Ppsr Status	Y
Deemed Status	Y
Federal Medicare, Prospective Payment System Rehabilitation Unit	39

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Program Overview: Allina Health requests approval to transfer go existing Abbott Northwestern Hospital licensed beds to the WestHealth campus in Plymouth to extend inpatient capacity and advance a modern, integrated model of care for patients in the west metro. The proposal leverages existing Allina Health-owned land and licensed bed capacity to support a two-campus, one-hospital structure that satisfies applicable CMS multi-campus requirements. This approach is intended to enhance timely access to high-quality inpatient, hospital-based, and specialty care closer to where patients live.

The program will make it possible to add specialty or multi-specialty inpatient capacity- at WestHealth while strengthening connections to the existing robust outpatient, specialty, diagnostic, and support services on the campus. This integrated approach is designed to create a more complete care destination for patients who need coordinated hospital-based services closer to home, while also supporting Abbott Northwestern Hospital's ability to continue to serve the local community as well as ensure capacity for higher-acuity and specialized patient populations.

The proposed transfer supports Allina Health's overall long-term strategy to align hospital resources with current and future patient demand, improve geographic access to inpatient care, and deliver coordinated services under a single hospital license across two complementary campuses.

Project Description

Project Scope: The project will expand the WestHealth campus to include specialty or multi-specialty inpatient capacity while supporting continued growth in outpatient, specialty, diagnostic, and support services. By integrating inpatient and outpatient care within a coordinated campus setting, the proposed transfer and repurposing of existing licensed beds will improve access to hospital-based and specialty care closer to home for growing west metro communities and advance Allina Health's broader strategy for comprehensive, connected care delivery. Allina Health will continue to serve all patients, regardless of insurance status or payer source.

Physical Plan and Phasing: Allina Health has engaged a national architectural firm to support planning and design for the proposed WestHealth expansion. In preparation for this application, Allina Health has completed feasibility and market assessment work to evaluate community need and operational requirements. This planning process is intended to ensure the project is appropriately sized, aligned with patient demand, and effectively integrated with existing campus assets. The project is expected to reach 30% schematic design completion in Q1 2027, with construction anticipated to begin in Q1 2028, subject to legislative approval and completion of Allina Health's internal capital approval process.

Financing: The proposal does not rely on public or state funding. The project will be funded through Allina Health's internal capital planning and approval process, which is expected to continue through 2027. This investment is intended to address current patient demand at the point of care by aligning resources with where patients are actively seeking and receiving care.

Project Location: The proposed expansion will be located on the existing WestHealth campus in Plymouth, Minnesota, and will leverage Allina Health's current land, infrastructure, and established care delivery assets. Building upon services already available at the campus, the project will support the continuation of existing clinical programs while expanding a more comprehensive mix of inpatient, outpatient, specialty, diagnostic, and support services. This approach will further position WestHealth as an integrated care hub for the west metro, maximize the value of existing Allina Health assets, and improve access to coordinated care closer to where patients live.

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Timeline: Allina Health is submitting this proposal to the Minnesota Department of Health by the August 1, 2026, deadline as required by Minnesota Statutes Sec. 144.552 for review and consideration during the 2027 legislative session. The project is expected to reach 30% schematic design completion in Q1 2027, establishing a more defined planning framework for the proposed WestHealth expansion. Subject to legislative approval and completion of Allina Health's internal capital approval process, construction is anticipated to begin in Q1 2028.

Compliance and Licensure: Allina Health will implement the proposed WestHealth inpatient bed expansion in compliance with applicable CMS requirements, Minnesota licensure standards, and other federal and state regulations. Implementation will include the operational, administrative, and clinical alignment needed to support a two-campus, one-hospital model under the Abbott Northwestern Hospital license, including Medicare certification, billing and coding, governance and medical staff structures, emergency preparedness, and unified quality oversight and reporting across both campuses.

Project Need

Operational Demand: The proposed transfer of existing 90 licensed beds is in response to continued growth and service demand in the west metro, where patients increasingly need convenient access to high-quality inpatient, specialty, outpatient, diagnostic, and support services closer to where they live.

As demand for specialty care and coordinated outpatient services continues to increase, Allina Health has an opportunity to strengthen the WestHealth campus as a more comprehensive care hub that supports continuity, convenience, and a more efficient patient experience. Locating inpatient capacity at WestHealth also allows Allina Health to build on existing owned assets, infrastructure, and established clinical programs, creating greater value from the current campus while advancing an integrated care delivery model designed to better serve patients across the west metro.

Demographic Trends: Allina Health began evaluating expanded services at the existing WestHealth campus in response to sustained and increasing demand from patients in the Plymouth and broader west metro area who currently receive hospital-based care at Abbott Northwestern Hospital in downtown Minneapolis.

The proposed hub model at WestHealth is intended to preserve Abbott Northwestern's role as a community hospital as well as a quaternary care center for patients requiring the highest level of specialized care, while creating inpatient capacity closer to where west metro patients live. The proposal supports improved local access, stronger continuity of care, and a more efficient distribution of hospital resources across the system; by building on an existing Allina Health-owned asset and leveraging the specialty services already present on the WestHealth campus.

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Market Demand and Patient Origination: To support its commitment to delivering care closer to where patients live, Allina Health reviewed patient origination data for the WestHealth service area. The analysis found that approximately 60% of Allina Health patients from Plymouth ZIP codes received hospital-based care at Abbott Northwestern Hospital. This pattern reflects meaningful existing demand for inpatient access in the west metro and supports the proposed transfer of licensed beds to better align capacity with where patients are already seeking care. See Table 1.1 below.

- **Demonstrated demand:** Patient utilization patterns indicate that a substantial share of current Abbott Northwestern hospital activity is generated by patients from the Plymouth-area service population.
- **Efficient use of assets:** The proposal focuses on using Allina Health's existing WestHealth campus and licensed bed capacity as efficiently as possible, rather than pursuing a larger or less targeted expansion.
- **Patient-centered impact:** Adding inpatient capacity at WestHealth would improve access to coordinated hospital-based care closer to home while supporting better operational alignment across the system.

Abbott Northwestern Hospital Patient Origination Data from Plymouth Zip Code – Table 1.1

	2024	2025	2026 ¹ (Annualized)
Discharges	13,754	14,238	14,047
Inpatient Days	64,463	67,332	62,969
Bed Need ²	252	264	246

Consequences of Not Transferring Existing Bed Licenses: If the existing bed licenses are not transferred to the WestHealth campus, patients in the west metro may continue to face unnecessary travel burdens, reduced convenience in accessing inpatient care, and potential delays in receiving hospital-based services closer to home. Maintaining the current distribution of licensed capacity could also limit Allina Health's ability to strengthen continuity of care across the inpatient, outpatient, specialty, diagnostic, and support services already established at WestHealth. In addition, without expanded inpatient capacity at WestHealth, Abbott Northwestern Hospital may have less flexibility to preserve downtown campus capacity for the local community and for higher-acuity, highly specialized patient populations. As a result, Allina Health's ability to align hospital resources with evolving patient demand will be constrained.

Public Interest Considerations

The proposed transfer of existing licensed beds to the WestHealth campus is in the public interest because it responds to sustained population growth and service demand in the west metro while improving access to care closer to where patients live. By aligning inpatient capacity with existing outpatient, specialty, diagnostic, and support services at WestHealth, the proposal strengthens a coordinated care model that supports continuity, convenience, and a more efficient patient experience. The project also reflects the continued evolution of health care delivery toward integrated, campus-based settings by leveraging existing Allina Health assets and licensed capacity rather than creating new statewide bed capacity. This approach allows Allina Health to better meet current and future patient demand in the west metro.

Allina Health requests that the Minnesota Department of Health determine this proposal to be in the public interest. The proposed transfer of existing licensed beds to the WestHealth campus represents a responsible, approach to addressing demonstrated existing Allina Health patient demand in the west metro without creating new statewide bed capacity or relying on public or state funding. By leveraging existing Allina Health assets, expanding access to inpatient and specialty care closer to where patients live, and preserving Abbott Northwestern Hospital's downtown capacity for the local community and higher-acuity and highly specialized services, the proposal supports a more coordinated, efficient, and patient-centered care delivery model. Approval of this request will allow Allina Health to align hospital resources with current and future community needs and ensure that west metro patients continue to have timely access to high-quality hospital care now and in the years ahead.