

April 2, 2018

Alisha Simon, Health Economics Program
Minnesota Department of Health
P.O. Box 64882
St. Paul, MN 55164-0882

Dear Ms. Simon:

On behalf of Fairview Health Services, thank you for the opportunity to provide feedback on the request by HealthPartners to add 100 licensed beds at Regions Hospital.

As one of the state's largest and most comprehensive nonprofit health systems, Fairview owns and operates 11 hospitals and medical centers throughout the state, including St. Joseph's Hospital in downtown St. Paul, which holds the distinction as Minnesota's oldest hospital.

Since 1853, St. Joseph's has continually evolved to meet current and pressing community health needs. Just last year, in response to community need, St. Joseph's expanded its mental health services to offer 105 much needed inpatient mental health/chemical dependency beds, including the state's only inpatient addiction program licensed to care for pregnant women. This newly expanded program is a key community asset in addressing the opioid crisis and other pressing mental health needs.

Another unique aspect of St. Joseph's is that it trains eight physicians each year as a member of the University of Minnesota's Family Medicine and Community Health residency program. This critical program helps address the shortage of primary care providers in our state.

We are concerned that this expansive moratorium request, if granted, could jeopardize these much needed programs and services and have other negative consequences. Our concerns include:

- Long-term, we are concerned that this request would put at risk the financial viability of the other St. Paul and surrounding area hospitals. The expansive Regions proposal would likely result in consumers with HealthPartners insurance being steered to Regions. This would be at the expense of St. Joseph's and other area hospitals, including St. John's in Maplewood, Woodwinds in Woodbury and Fairview Ridges Hospital in Burnsville.

If our other area hospitals are significantly impacted, it would put at risk Fairview's ability to continue to fund the important programs described above and many others. These programs are much needed to address the opioid crisis, the state's ongoing mental health needs and the shortage of primary care providers.

- The steering of individuals with HealthPartners insurance to Regions also would restrict consumer choice for where to receive services. We are seeing demand grow in our suburban settings and we aim to provide options—both urban and suburban—for patients to receive care. If steering were to occur, it would inconvenience patients and hurt community hospitals at the benefit of Regions and HealthPartners.
- We also are concerned that this creates unneeded overall inpatient bed capacity in St. Paul without meeting the most critical need for mental health services. Downtown St. Paul has sufficient licensed beds in place to meet community needs—with the glaring exception of mental health—and this proposal does not adequately address that need. Mental health needs continue to be the primary driver in hospital access issues in downtown St. Paul.
- Both the scope and extended timeline of the request also are concerning. To justify such a large request, Regions projects patient needs out to 2050—far longer than the 5 to 10 years that is more typical in our industry. The Regions proposal does not consider factors like government policy changes, medical and technological advancements, the economy and changes in disease states—all crucial factors that may very well decrease the need for hospital beds and change the way health systems operate.

As the Minnesota Department of Health conducts its review to determine whether the Regions plan is in the public interest, we hope you will take these issues into consideration.

Sincerely,



Laura Reed, RN, DNP
President, Acute Care Hospitals
Fairview Health Services