

January 28, 2020

Ron Escarda
UHS of Delaware, Inc.
367 South Gulph Road
King of Prussia, PA 19406-0958

Re: NEWCO Oregon, Inc. (CN #682) – Application Completeness

Dear Mr. Escarda:

The program has reviewed the additional materials submitted on September 16, 2019 and November 15, 2019 regarding the Certificate of Need (CN) application that NEWCO has submitted for a proposed 100 bed psychiatric facility to be located in Wilsonville, Oregon. The program has determined that the application is incomplete or requires an explanation in the following areas:

1. In response to OHA's question regarding health care organizations you have met with, you provided a list of organizations. Please provide additional details on the outcomes of those meetings regarding the relationship your facility will have with those organizations. Are there tentative agreements between you and these organizations? If yes, what are they and what is entailed in those agreements?
2. In your November 15 responses to OHA's questions, Table 3 shows that 1,701 requests and 1,055 deflections fall into the "Other" category. Please provide a detailed breakdown of what is included in this category.
3. Table 4 in the November 15 response letter shows that patients who are "self-pay" or "unfunded" have a higher rate of deflection than any other payor source. Please explain why this category has a higher deflection rate and how their admission request demographics compare to those patients who were accepted for a bed.

- a. Additionally, the above referenced Table 4 combines Medicare, Medicaid, and CCO patients into one category. Please provide the number of patients in each of these categories.
4. According to a 2016 report titled “ED Boarding of Psychiatric Patients in Oregon”, a substantial number of patients who are boarded in emergency departments due to unmet behavior health needs are Medicaid or Medicaid-eligible. Please explain how the proposed facility will meet the needs of these patients, especially in light of the “deflections” seen at your currently licensed hospital Cedar Hills.
5. Table 5 in the November 15 response letter refers to the “increase in patient deflections at Cedar Hills attributable to a lack of appropriate beds.” Please provide a definition of “appropriate bed” and explain how the lack of an “appropriate bed” has an effect on the number deflections.
6. Table 6 in the November 15 response letter shows that over 4,700 patients who presented at Cedar Hills Hospital were returned to their referral source. Please explain why these patients were not admitted. Are “deflections” defined the same as “returned to referral source”?
7. Table 37 on page 94 of the application shows that a majority of patients at Cedar Hills Hospital originate from outside the Portland tri-county area; with a substantial number of these patients coming from outside the state (55.8%). Please provide a detailed explanation on how the proposed facility plans to address the “mental health crisis” in the Portland area given that over half of the patients being treated at Cedar Hills are coming from outside Oregon and given Cedar Hills’ deflection rate.
8. What conditions, if any, would the applicant be willing to accept, to ensure that this new facility takes its share of Medicaid eligible patients?
9. The applicant has stated that the proposed facility would be managed separately from the Cedar Hills Hospital facility.
 - a. Does this mean that the proposed facility will not be managed in the same manner as Cedar Hills? If so, please provide a detailed explanation of how the proposed facility will be managed differently than Cedar Hills Hospital.

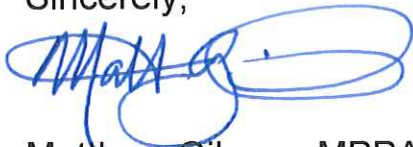
b. Please provide specific information on the management practices that will be used to ensure compliance with all state and federal regulations at the proposed hospital, in light of recent compliance issues at Cedar Hills Hospital.

10. To date, OHA has evidence of a health care worker shortage related to behavior health providers. Page 35 of the application simply states that the proposed hospital will use a mixed employment model. Additionally, Table 5 in the November 15 response letter shows deflections increasing due to “no or insufficient staff.” Please provide specific information regarding the actions that have been taken or that will be taken to ensure qualified staff are available to support the proposed facility.

Please contact me if you have any questions regarding this letter or review of your application. Receipt of the information outlined in this letter is required before the program can rule on the completeness of your application.

We appreciate your continued cooperation.

Sincerely,



Matthew Gilman, MPPA
Facilities Planning and Safety Program Manager
Health Care Regulation and Quality Improvement
Oregon Health Authority
Public Health Division
matt.s.gilman@state.or.us

cc: Frank Fox, Consultant for NEWCO Oregon, Inc.
Andre Ourso, Oregon Public Health Division
Dana Selover, Oregon Public Health Division
Steve Robison, Oregon Public Health Division
Shannon O’Fallon, Oregon Department of Justice
Erin Williams, Oregon Department of Justice