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Media contacts: Jonathan Modie, 971-246-9139, PHD.Communications@state.or.us

State turns down request for 100-bed Wilsonville psychiatric hospital
NEWCO Oregon 'has not met burden of proof' in certificate of need application

PORTLAND, Ore.—The Oregon Health Authority is proposing to deny a state certificate of need application by NEWCO Oregon Inc. to build a 100-bed freestanding psychiatric hospital in Wilsonville.

The proposed decision issued today found that NEWCO, a wholly owned subsidiary of Universal Health Services Inc. (UHS), had not met its burden of proof to justify the need for the facility. The proposed facility would be located at 9500 SW Day Road in northwest Wilsonville, and would serve adolescent, adult and geriatric psychiatric patients.

NEWCO, which submitted its certificate of need application in January 2016, can appeal the proposed decision or submit a new application with sufficient information to meet certificate of need criteria.

The full proposed decision is found on the Certificate of Need Program site, www.healthoregon.org/cn.

The Certificate of Need Program, administered through the Health Care Regulation and Quality Improvement Section at the OHA Public Health Division, is a standardized, regulatory program instituted in 1971. It arose out of the Oregon Legislature's desire to achieve reasonable access to quality health care at a reasonable cost. ORS 442 charges the program with reviewing proposals for new hospitals and nursing facilities to ensure health services are adequately distributed in the state without unnecessary duplication of services or excessive cost to patients.

According to the OHA's letter outlining the proposed decision to Ron Escarda, a NEWCO representative, "NEWCO has not met its burden of demonstrating that the (certificate of need) criteria can be met."

In its proposed decision, OHA found that NEWCO met only one of eight criteria spelled out in the certificate of need administrative rules: that its financial status is adequate to support the proposed project, and it will continue to be adequate following implementation of the project.

NEWCO—or an affected party—can request an informal hearing with the OHA's Certificate of Need Program within 10 days of the proposed decision. The informal hearing would be held within 15 days following receipt of the request. OHA would render a final decision within 10 days of the closing of the informal hearing.

Once a proposed decision becomes final, either as a result of an informal hearing or because no one requested an informal hearing, NEWCO or an affected party can request a reconsideration hearing within 60 days of the final decision. The Oregon Office of Administrative Hearings would conduct the reconsideration hearing. The final order resulting from the reconsideration hearing could then be appealed to the Oregon Court of Appeals.

For more information on the Certificate of Need Program, visit www.healthoregon.org/cn.

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