FAIRFAX
BEHAVIORAL HEALTH

August 18, 2020

Mr. Matthew Gilman, MPPA
Facilities Planning and Safety Program Manager
Health Care Regulation and Quality Improvement | Certificate of Need
Oregon Health Authority
800 NE Oregon Street, Suite 465
Portland OR 97232

Dear Mr. Gilman:

RE: Responses to Oregon Health Authority Questions Regarding NEWCO's Request to Establish a 100-Bed Inpatient Psychiatric Hospital in Washington County (CN #682)

On behalf of Fairfax Behavioral Health and Universal Health Services, I am pleased to provide responses to the Oregon Health Authority ("OHA") questions included in your letter dated June 19, 2020.

I would be happy to answer any questions you have on the above responses. I can be reached at ron.escarda@uhsinc.com or at 425.821.2000 x1547.

Sincerely,

Ron Escarda
CEO & Group Director of the Pacific Northwest
Universal Health Services

1. **The certificate of need evaluation process includes reviewing whether the proposed project will improve patient's reasonable access to services. OAR 333-580-0040(3). The April 17 materials listed the organizations and the type of relationships the proposed facility will have or has with other health care organizations within the behavioral health community. The April 17 materials also stated that community investments will double after the proposed project is operational and the proposed hospital will "fully integrate" into the community and regional health care continuum. The application states that, "Willamette Valley Behavioral Health, through its proposed comprehensive set of inpatient and outpatient services, will increase inpatient psychiatric care capacity and add to and improve community-based outpatient services." To facilitate the certificate of need evaluation of the criteria described above, please provide a detailed description of how the proposed project will improve and expand the existing community-based care services currently available.**

   Although the proposed Willamette Valley Behavioral Hospital (WVBH) is first and foremost a facility for inpatient psychiatric care, like Cedar Hills Hospital it will work with existing community-based organizations to provide outpatient services pre-admission and post-discharge. We further commit to be a partner and participant in professional and government led committees and efforts that improve access and care quality.

   As stated in our July 2019 application, we plan to offer the following services at Willamette Valley Behavioral Health:

   - Partial hospitalization program ("PHP")
   - Intensive outpatient program ("IOP")
   - Chemical Dependency program
   - Co-Occurring Disorders Program
   - Medication-assisted treatment
   - Mood disorder programs
   - Women's Only Program

   Furthermore, we plan additional specialty programs for LGBQT persons, to offer complementary (i.e. meditation, art therapy and exercise) and alternative medicine (i.e. acupuncture and yoga), and provide care in-person as well as through telemedicine and telehealth.[1]

   Currently, Cedar Hills Hospital (CHH) has the following aftercare follow-up processes:

[1] Telehealth is defined as the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health and health administration. Technologies include videoconferencing, the internet, store-and-forward imaging, streaming media, and terrestrial and wireless communications. Telehealth is different from telemedicine because it refers to a *broader scope of remote healthcare services* than telemedicine. While telemedicine refers specifically to remote clinical services, telehealth can refer to remote non-clinical services, such as provider training, administrative meetings, and continuing medical education, in addition to clinical services. Please see: https://www.healthit.gov/faq/what-telehealth-how-telehealth-different-telemedicine

- It contracts with Mental Health Strategies of Horizon Health to provide post-discharge/aftercare follow-up services. Discharged patients are contacted at 24 hours, 8 days, and 30 days post-discharge. Discharged patients are interviewed with both structured and open-ended questions during each of these follow-ups, including the PHQ-9 which is used throughout care and in evaluative processes for programming. For patients sharing an adverse status at the 24 hour or 8-day intervals, the adverse status is shared with the referring Cedar Hills staff member via telephone. For those who could not or did not meet their discharge plan scheduled appointments in the first 7 days, assistance is offered to re-establish aftercare supports.

- In addition, patients and their families are invited to complete an aftercare survey, to share how they are doing 45 days after discharge. This method represents a unique longitudinal look at continuity of care, patient improvement, and satisfaction. Patient responses to the aftercare survey for UHS facilities in 2019 indicate that 92% would recommend their program and 80% reported a meaningful improvement from admission to follow-up.[2]

We will provide the same type of aftercare follow-up processes at our proposed hospital.

Additionally, Cedar Hills provides outpatient care in a 20,000 sq. ft. leased office space on campus. We plan for similar outpatient program development and operation on-campus at the proposed hospital once operational. CHH opened an outpatient program at the same time it opened the hospital in 2009. The program was intended to be a step-down for those discharging from the hospital needing further support. The program started with 10 patients and has grown to occupy a 20,000 sq. ft. office space, as noted above, adjacent to the hospital. The program is under the hospital license as per Oregon rule and is open to all who need CHH services and have Medicare, commercial insurance, pay out of pocket, or qualify for Cedar Hills scholarships or its sliding fee schedule. As discussed below, CHH has not been successful at securing contracts with CCOs who manage care for Oregon Health Plan patients but would welcome the opportunity.

Cedar Hills offers two types of outpatient services to best fit the needs of its patients.

- Partial Hospitalization ("PHP" or "Day Treatment") for patients who may need group therapy and/or medication management five days a week.
- Intensive Outpatient ("IOP") for patients who want to maintain their everyday life but need more intensive therapy than traditional once a week counseling. This level of care allows patients to progress through treatment with minimal impact on daily life, including a choice of daytime or evening groups.

Within both the PHP and IOP programs, Cedar Hills offers:

- Mental Health treatment
- Substance Abuse treatment
- Co-Occurring Disorder Treatment
- Women's only programming

[2] 2019 UHS By the Numbers.

- Medication-Assisted Treatment (MAT)

The services are overseen by a psychiatrist. Treatment plans are tailored to each patient's needs. Care is evidence-based and evidence-informed.

Services are offered in person or via telemedicine. Transportation is offered as a part of the program when needed and at no charge.

As stated in our application materials, our focus with our proposed Wilsonville hospital will be comprehensive inpatient care, but the Cedar Hills Hospital aftercare and outpatient PHP and IOP programs exemplify what we would also anticipate providing at our proposed Wilsonville hospital, when approved. The programs would integrate and improve community-based outpatient care, as has been the case at Cedar Hills. Given a 100-bed hospital, we anticipate 80 to 100 patients per day across the proposed outpatient programs, where these patients arrive from the community as qualified and as patients stepping down from the hospital as appropriate.

2. **An element of adequately serving the behavioral health needs in Oregon is the ability to find appropriate community placement after inpatient psychiatric hospitalization. This can be particularly difficult for Medicaid and Medicaid-eligible clients. UHS maintains both inpatient and outpatient programs in a number of states. To facilitate the certificate of need evaluation of the criteria described above, and in light of the certificate of need criteria focus on access by public-paid patients, please provide detailed information as follows:**

    a. **What strategies will be used to increase the percentage of Oregon Health Plan psychiatric admissions to assure the patient mix at the proposed facility would be in line with other metro area psychiatric hospitals?**

    As we stated in our April 15, 2020 response, CHH cares for Medicaid-covered patients ("Oregon Health Plan or "OHP") as it is blind to payer source in the intake process. Cedar Hills Hospital has contracts with just two coordinated care organizations ("CCOs"), Trillium and YVCCO (Yamhill Valley Coordinated Care Organization), and is out of network for the other thirteen CCOs. Thus, CHH receives few referrals, leading to relatively few Medicaid inpatients.

    Cedar Hills Hospital would absolutely like to contract with all Oregon CCOs and provide the same high-quality care, as presently. Towards this end, we are actively pursuing contracts and outreach to the CCO networks. We note this effort has been underway for multiple years, with little success. Nevertheless, our hope is that this pursuit will be successful, both at Cedar Hills and at our proposed Wilsonville facility, thereby increasing the number and percentage of Oregon Health Plan admissions.

    Provided in our September 2019 Screening Response was a payer mix table for the UHS Fairfax Behavioral Health facilities in Washington State, documenting the potential payer mix when Medicaid organizations are willing to contract with UHS facilities. In Table 1 below, we present this information for 2018 patient days

for UHS hospitals in Washington State. Table 1 demonstrates that UHS facilities provide a significant amount of care to Medicaid insureds when it can contract with Medicaid Programs. We hope to do the same in Oregon.

Table 1: Total 2018 Patient Days by Payer for UHS Fairfax Behavioral Health Hospitals in Washington State

Patient Days by Payer	Medicare	Medicaid	Commercial	All Other
Fairfax, all	**10,395**	**35,618**	**11,294**	**11,300**
Fairfax Behavioral Health Everett	5,904	26,838	7,514	9,329
Fairfax Behavioral Health Kirkland	1,598	5,889	1,304	1,073
Fairfax Behavioral Health Monroe	2,893	2,891	2,476	898

Percent Patient Days by Payer	Medicare	Medicaid	Commercial	All Other
Fairfax, all	**15.2%**	**51.9%**	**16.5%**	**16.5%**
Fairfax Behavioral Health Everett	11.9%	54.1%	15.2%	18.8%
Fairfax Behavioral Health Kirkland	16.2%	59.7%	13.2%	10.9%
Fairfax Behavioral Health Monroe	31.6%	31.6%	27.0%	9.8%

Source: WA DOH Payer Census & Patient Day Comparison From 01/01/2018 To 12/31/2018, Washington State CHARS 2018

b. In states, other than in Oregon and Washington, what percentage of UHS inpatients are placed into UHS outpatient services upon discharge?

Since UHS facilities are independently managed, individual facilities vary in how they track and store inpatient and outpatient admission and discharge data. This challenged calculation of inpatient-to-outpatient step-down rates for more than a handful of facilities. Given this, we present six behavioral health facilities within Utah, Nevada, and California in Table 2 below. For each of the six facilities, we list, across all outpatient admissions, the proportion arriving from inpatient step-downs and the proportion from direct outpatient admissions. For Provo Canyon Behavioral Health in 2019, for example, about 48% of outpatient admissions were inpatient step-downs, and about 52% were direct outpatient admissions. Furthermore, Table 2 also lists the proportion of inpatient discharges subsequently admitted by that facility's outpatient program. In 2019, this proportion for Provo Behavioral Health was about 4.5%.

Table 2: Outpatient Admission and Discharge Data, Selected UHS Facilities, 2019 and January to July 2019

Facility Statistics	2019	2020 (Jan to Jul)
Provo Canyon Behavioral Hospital (Orem UT)		
Outpatient Admissions		
From Inpatient Step-Down	48.4%	28.3%
Direct Admission	51.6%	71.7%
% Inpatient-to-Outpatient Step-Down	4.5%	3.0%
Salt Lake Behavioral Health (Salt Lake City, UT)		
Outpatient Admissions		
From Inpatient Step-Down	41.1%	43.9%
Direct Admission	58.9%	56.1%
% Inpatient-to-Outpatient Step-Down	8.7%	8.4%
West Hills Behavioral Health (Reno, NV)		
Outpatient Admissions		
From Inpatient Step-Down	57.3%	42.3%
Direct Admission	42.7%	57.7%
% Inpatient-to-Outpatient Step-Down	3.1%	2.4%
Spring Mountain Treatment Center (Las Vegas NV)		
Outpatient Admissions		
From Inpatient Step-Down	30.7%	41.0%
Direct Admission	69.3%	59.0%
% Inpatient-to-Outpatient Step-Down	1.3%	1.2%
Heritage Oaks (Sacramento, CA)		
Outpatient Admissions		
From Inpatient Step-Down	19.0%	21.9%
Direct Admission	81.0%	78.1%
% Inpatient-to-Outpatient Step-Down	6.9%	6.7%
Sierra Vista (Sacramento, CA)		
Outpatient Admissions		
From Inpatient Step-Down	26.4%	28.9%
Direct Admission	73.6%	71.1%
% Inpatient-to-Outpatient Step-Down	4.6%	3.7%

Sources: Inpatient discharges and outpatient admissions by respective facility

c. Additionally, what percentage of UHS Medicaid inpatients are placed into UHS outpatient programs upon discharge?

In an effort to respond to this question, we surveyed the remaining West Coast states for which UHS holds Medicaid contracts. In all states surveyed, which included UT, NV, CA, and AK, Medicaid plans offer no reimbursement for hospital based mental health outpatient services such as Partial Hospitalization or Intensive Outpatient Services. It is thus challenging to place these patients into outpatient programs, and so few UHS Medicaid inpatients are placed into UHS outpatient programs upon discharge.

3. **Given the recent events and anticipated changes to behavioral health services in Oregon due to COVID-19, please provide any additional information about the service area population's need for the proposed project, improvement in patient's reasonable access to services, whether sufficient qualified personnel are available to support the proposed project, and any other criteria addressed in the original application that have been affected by the pandemic.**

As of August 2020, the COVID-19-driven demand for hospital ICU beds within the Oregon healthcare system has so far not met or exceeded the supply.[3] In that sense, Oregon has fared well relative to states such as Texas or Florida. That said, COVID-19 has had and will continue to have dramatic impacts on the Oregon healthcare system in general, as well as on the delivery of inpatient and outpatient mental health care. Telemedicine and Telehealth have replaced a large variety of in-person provider visits, hospitals have limited admissions to emergency only, and the suspension and reduction of elective procedures has created financial strains on hospitals and healthcare organizations. For factors specifically related to the delivery of mental health care, mental strains related to physical distancing and anxiety inflicted by COVID-19 are expected to have long-term mental health consequences. COVID-19 has dramatically affected the healthcare landscape, and further illustrates the need for additional inpatient psychiatric care facilities.

Among the many lessons from COVID-19 include the fact that acute care hospital beds are not good substitutes for inpatient psychiatric care beds. We argued this position in our July 2019 application and September 2019 Screening Response, stating that "The inability of existing acute care providers to convert idle acute care inpatient beds to psychiatric inpatient beds has led to an overburdened mental healthcare system in Clackamas, Multnomah, and Washington counties, and contributed to the current mental health crisis facing Oregon." [4] COVID-19 has exacerbated this issue, emphasizing the non-substitutability between inpatient acute care and inpatient psychiatric beds. Overburdened acute care hospitals were not particularly likely to allocate their extra capacity to inpatient psychiatric care prior to the COVID-19 crisis, and completely unable to do so during the pandemic.

[3] Institute for Health Metrics and Evaluation, https://covid19.healthdata.org/united-states-of-america/oregon, Accessed August 18, 2020.
[4] 1st Screening Response, p. 9.

In addition to highlighting the difference between inpatient acute care and inpatient psychiatric care, COVID-19 has shifted how care is delivered. Public and private insurers have, in response to COVID-19, waived many prior constraints on telehealth and telemedicine.[5] This, combined with the COVID-19-driven constraints on in-person care, has resulted in a large expansion of these types of virtual services. Although this expansion occurred in response to the pandemic, we fully expect that Telehealth and Telemedicine will remain an important part of mental health care provided by CHH and the proposed WVBH.

Most importantly, we anticipate a surge in mental healthcare demand. Research on SARS survivors has shown the long-term mental health morbidities they faced,[6] and it is expected COVID-19 patients will face similar struggles.[7] Furthermore, the prolonged physical and social distancing necessitated by the pandemic is expected to have significant mental health consequences.[8] All of this suggests a coming surge in demand for mental health services, for which all Oregon providers and the OHA should begin preparing for immediately. Additional inpatient psychiatric capacity would help meet this coming demand.

Regarding staffing issues, we do not anticipate staff recruitment/retention problems. In fact, with many healthcare organizations currently furloughing personnel, and in some cases, eliminating positions, this has increased the supply of potentially available staff.

As we stated in our April 15, 2020 responses regarding staffing:

> Medical and technical staffing in an acute psychiatric hospital is difficult in any market. In that regard, we are no different than other local/regional providers. …UHS (or Cedar Hills Hospital) uses a "mixed employment" model. What that means is there are a number of approaches we take. They include, for example:
>
> - At Cedar Hills Hospital, we offer competitive wages, benefits package, and other benefits, such as tuition reimbursement. We know from experience this is absolutely necessary to successfully recruit/retain the needed number and quality of staff.
> - The recruitment program at Cedar Hills Hospital includes "growing our own" nursing staff through an incumbent worker program and internships with all area nursing and counseling programs.
> - Cedar Hills Hospital recruits using local resources such as advertisements in Oregon's Nursing News, the Sentinel and Oregon Health Forum.
> - Universal Health Services Human Resources Department assists CHH by providing national recruiting personnel to locate/recruit both nursing staff and physicians. This recruitment occurs regionally, nationally and even internationally, as required.
> - Cedar Hills Hospital offers sign-on bonuses at all levels and referral bonuses to staff for successful referrals.

---

[5] For CMS, https://www.cms.gov/files/document/summary-covid-19-emergency-declaration-waivers.pdf. For examples of private insurers, see S. Johnson, "COVID Drives Up Demand for Mental Healthcare, Further Crimping Access," Modern Healthcare, June 22/29, 2020.

[6] Lam, M., C. Leung, A. Kong, S. Fong. "Mental Morbidities and Chronic Fatigue in Severe Acute Respiratory Syndrome Survivors." Arch Intern Med. 2009, Vol. 169(22): pp. 2142-2147.

[7] S. Johnson, "COVID Drives Up Demand for Mental Healthcare, Further Crimping Access," Modern Healthcare, June 22/29, 2020.

[8] Galea, S, R. Merchant, and N. Lurie. "The Mental Health Consequences of COVID-19 and Physical Distancing." JAMA Internal Medicine, Published Online April 10, 2020.

- Cedar Hills works with local nursing and clinical schools to assist with training our future healthcare workforce
- UHS encourages transfers within the organization and more than 90,000 UHS employees would be eligible to transfer to the new hospital.

CHH has relationships with several area institutions for higher learning, offering internships and residency placements. These relationships are strongest with Lewis and Clark College, Portland State University, Concordia University, University of Portland, and George Fox University. These relationships will expand as we grow.[9]

[9] Letter from Ron Escarda to Matt Gilman, April 15, 2020, p. 20.