



**OREGON STATE SENATE**

November 16, 2016

Ms. Jana Fussell  
Certificate of Need Coordinator  
Public Health Division  
Oregon Health Authority  
800 NE Oregon Street, Suite 465  
Portland OR 97232

**Re: Certificate of Need Application by Universal Health Services to operate a 100-bed Psychiatric Hospital in Wilsonville Oregon**

It is my understanding Universal Health Services ("UHS") has submitted a certificate of need request for a 100-bed psychiatric hospital. NEWCO Oregon, Inc., DBA Willamette Valley Behavioral Health, proposes to develop a freestanding psychiatric hospital for children, adolescents and adults in Washington County in the State of Oregon. I fully support their request.

Willamette Valley Behavioral Health is a wholly owned subsidiary of Universal Health Services ("UHS"). UHS is one of the largest and most respected hospital management companies in the nation with a mission to provide superior quality healthcare services. Universal is also the owner of Cedar Hills Hospital, an 89-bed adult, inpatient psychiatric hospital, located in Portland Oregon. Willamette Valley Behavioral Health will bring local clinical expertise and market knowledge from Cedar Hills as well as the very broad experience and expertise of UHS in developing and operating psychiatric hospitals.

The planned service area of Clackamas-Multnomah-Washington counties includes over 1.7 million residents (2014), almost one-half of the state's population. In this service area, there are currently seven acute care hospitals with adult inpatient psychiatric beds. As of 2014, these seven facilities had an average occupancy of 80.7%. Cedar Hills Hospital, which operates 89 inpatient beds, is the only freestanding psychiatric hospital in the planned service area, and as of November 2015, it operated with an occupancy of 93%. There are also two acute care hospitals in the Service area that provide inpatient child/adolescent psychiatric beds.

I understand UHS has met with mental health and medical providers in the planned service area and the surrounding region to assess the availability of inpatient psychiatric beds and determine if there is need for additional inpatient services. UHS has also experienced the high occupancy at its Cedar Hills Hospital. Finally, I understand UHS has reviewed inpatient psychiatric utilization statistics, prepared a detailed inpatient psychiatric bed need forecast model for children,

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**STATE SENATOR**  
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adolescent and adult inpatients and found significant current shortages of inpatient psychiatric beds, well in excess of its 100-bed request. Left unmitigated, these shortages will increase.

To the best of my knowledge, only UHS' proposed project, Willamette Valley Behavioral Health, requests approval to establish an inpatient psychiatric hospital. Following the successful model of Cedar Hills, UHS' proposed facility will be fully prepared to serve all patients five years of age and older. Approval of the UHS request will improve access for psychiatric patients in Clackamas-Multnomah-Washington and surrounding counties and will also act to relieve capacity constraints now being observed, given current and projected inpatient psychiatric bed shortages.

In closing, I fully support Universal Health Services' certificate of need request for a 100-bed psychiatric hospital in Clackamas County. I would be happy to answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim", with a horizontal line above it.

CC: Elizabeth Hutter, CEO Cedar Hills Hospital  
Ron Escarda, CEO Fairfax Behavioral Health