



TUALITY HEALTHCARE
An OHSU Partner

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Janet Fussell
Coordinator, Certificate of Need Program
Oregon Health Authority
Public Health Division
800 NE Oregon Street
Portland, OR 97232-2162

Dear Ms. Fussell:

I am sending this letter on behalf of Tuality Healthcare which operates Tuality Community Hospital, a 167 bed acute care facility located in Hillsboro, Oregon and Tuality Forest Grove Hospital, a 48 bed licensed facility located in Forest Grove, Oregon. Tuality Forest Grove Hospital operates a 22 bed Geriatric Psychiatry Unit. The Geriatric Psychiatric Unit has been in operation for over 15 years.

We have reviewed the Certificate of Need application of NEWCO Oregon, Inc. dba Willamette Valley Behavioral Health (NEWCO) proposing to establish a freestanding psychiatric hospital in Wilsonville that proposes to serve children, adolescent's adults, and seniors. After reviewing the proposal, we have significant concerns about this proposed facility's ability to truly meet the mental health needs of the Geriatric Oregonian population.

First, it is our understanding that as proposed, this facility will be a freestanding psychiatric hospital with 100 inpatient beds of which 20 will be for Geriatric Psychiatric patients. The Geriatric Psychiatric population is almost all individuals over 65 years old and their payment base is Medicare or Managed Care Medicare. It is our understanding that as a freestanding Psychiatric facility it is therefore dependent upon Managed Care insurers negotiating and allowing coverage as well as meeting the rules regarding Medicare reimbursement according to federal rules.

Not having an Emergency Department at the facility may not allow Medicare reimbursement and Managed care insurers may also be unwilling to provide payment. If this facility cannot be reimbursed for services to patients covered by Medicare, it is very unlikely these patients will be able to access services at this new facility. In Oregon, this means that the facility will not care for the majority of the Geriatric population needing and using inpatient geriatric psychiatric care.

Second, as you can imagine the geriatric population due to their age has many serious medical conditions particularly the geriatric psychiatric population. At Tuality Forest Grove we have been able to care for these difficult patients since there is an Emergency Room on site in the facility. Any emergency medical treatment can be quickly diagnosed and treated so the patient can remain at the facility when appropriate. The proposed NEWCO facility will not have these needed Emergency Services, which means they will only take the patients needing minimal medical care, the easiest and least expensive to provide care. Therefore leaving the more difficult and expensive patients for the Tuality Forest Grove facility, or NEWCO will be taking patients for which care cannot be safely provided.

Third, as I would expect you are aware, the State of Oregon does not have near the number of psychiatrists need to provide care for its mentally ill. This is especially acute for inpatient facilities and even more so for Geriatric Psychiatry. The Tuality Forest Grove facility has had to recruit nationwide when a vacancy has occurred, and taken months to fill these vacancies. Creating another Geriatric Psychiatry facility will further exacerbate this problem and dilute the few Geriatric Psychiatry providers that do exist in the community. It would be better to allow the very few Geriatric Psychiatric facilities in Oregon (3 total) to use the few existing Geriatric Psychiatrists in the most productive way.

Fourth, Tuality Forest Grove has added additional beds as the need has become necessary in a sequential order supplementing what is needed. Most recently about five years ago was the addition of 4 new beds. Additional space exists in Tuality Forest Grove that should the need continue to grow in Oregon as the "Baby Boomer" population ages, Tuality Forest Grove intends to add more beds in a sequential fashion to allow them to occur in the least costly and most productive manner.

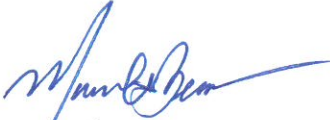
Finally, the state should strongly consider the disbursement of services statewide when evaluating the need for additional geriatric inpatient psychiatric services for Oregonians. While the workforce and population is centered in the Willamette valley, Oregonians around the rest of the

state do not have any Geriatric Psychiatric inpatient beds. The Three existing programs all are centered in the Portland metropolitan area. We believe that a hospital, either at the western side of the state or the southern area would better serve Oregon geographically or avoid concentrating all of this geriatric psychiatric care within 20 miles of the Portland metro area.

In summary, we encourage the state to evaluate this project based on the principle that all Oregonians deserve access to quality psychiatric services which should be provided in the most economical and safest way of those who are most vulnerable and most in need in our state.

Please feel free to contact me if you would like additional information or have questions.

Sincerely,



Manuel Berman
President/CEO
Tuality Healthcare