



January 4, 2017

Jana Fussell
Certificate of Need Coordinator
Oregon Health Authority
800 NE Oregon Street, Suite 305
Portland, OR 97232

RE: Updated Information, NEWCO, CON #675

Dear Ms. Fussell:

January 18th is quickly approaching. Large amounts of information have gone back and forth between UHS and OHA and in a recent review of the application, OHA questions, our answers, opposition comments/letters and our rebuttal to them, we have identified a short list of items that need to be addressed prior to a decision by OHA because of new information or to highlight important items.

- When this process started the CMS final rule changes on Medicaid had not yet passed. Opposition to the UHS application included many comments on NEWCO not being able to take Medicaid reimbursement and thus not truly participating in a whole way in the Oregon mental health system.

It is very important to emphasize and add to the record that on May 6, 2016 CMS issued a final rule (CMS-2390-F) including a provision that gives managed care organizations (MCO/CCOs) flexibility to address the IMD exclusion. Effective July 6, 2016 the final CMS rule allows Medicaid health plans (that are at-risk, capitated plans) to contract with IMDs, including psychiatric hospitals and crisis residential settings for up to 15 days per month with possible longer stays depending on admission date.

UHS has been working with OHA and the CCO's to accept Medicaid patients into Cedar Hills Hospital since the rule change and while all the details have yet to be worked out, we fully expect partnerships with CCO's to do the same at NEWCO.

This change along with our long held commitment to charity care will increase access to acute mental-health for low-income adults, many of whom get stranded for days in emergency departments or find themselves cycling through jails and homeless shelters. As you know this IMD exclusion, raised repeatedly at the public meeting and in letters, does not apply to adolescents and patients 65 years and older. This change in CMS rules will eliminate others' concerns, since UHS's hospitals in Oregon will be able to contract with Medicaid.

- Mental health is one of the top five reasons for hospital inpatient stays in Oregon. We



would like to emphasize that while the metro region has the majority of patients, the central, southern, coastal and mid-Willamette Valley also have their share of patients needing a stay in an acute psychiatric unit. The location of NEWCO in southern Washington county will provide increased access to these services for those patients, visitation from family members and closer geographic and cultural relationships for transition back to the community than the urban facilities.

- As you are aware, the latest revenue forecast for Oregon anticipates at least a \$1.7 billion budget “hole” in the 2017-2019 biennium. The Governor’s recommended budget submitted to the Legislature on December 1, 2016 proposes to close the Junction City state hospital. In the narrative detail for the OHA agency request budget and the Governor’s Recommended budget it is recognized that:

“Less capacity at Oregon State Hospital may result in more patients on the Civil Commitment wait list and for longer periods, which in turn, may result in longer stays in emergency departments for people waiting for an acute care bed.”

This closure, in addition to both gero-psychiatric units in OSH being closed since the 2013-2015 biennia, has put a huge strain on the mental health system. Boarding not only exists in hospital emergency rooms, but it is growing. It is important to remember that boarding in ER’s is directly related to boarding in the acute psych units statewide, while patients wait for a placement in a community setting or a bed in the Oregon State Hospital. Although there has been a \$210 million increase investment in community services in the past 4 to 6 years, the flow of people needing mental health services in hospitals has not slowed. NEWCO will provide much needed capacity in the system that will reduce the stress of boarding on patients, provide timely services and help maintain the dignity of the mentally ill in Oregon.

- There was mention of connections and partnerships in the application material, however in hindsight we feel like we may not have included enough information regarding our role in the mental health community. While we may be a stand-alone building, we are not a stand-alone mental health provider.

Collaborating at a local level is part of the culture at UHS. Cedar Hills Hospital is an example of how all UHS hospitals are encouraged to integrate with their communities and provide needed services to some of our most vulnerable residents.

Organizations that we partner closely with include county mental health agencies, such as the Crisis Response teams and ACT teams from the tri-counties (respectively); CCO case management programs, and outpatient clinics supported by public funds, including Cascadia, Old Town Clinic/Central City Concern, Sequoia Mental Health, and Lifeworks Mental Health. We maintain referral relationships with private counseling agencies, EAP program therapists, and psychiatry staff within the Legacy, Providence,



and OHSU health systems, as well as private psychiatric providers. We partner closely with the patient's primary care providers (PCP) whether they are part of a larger health system, or in private practice.

Our case management staff works closely with local homeless programs, including the Rescue Mission (Men's Connect and Women's Connect case management programs) and City Team, and reaches out to regional homeless support services, for patients in need, in their home counties.

Cedar Hills has strong ties to local support groups including NAMI, The Dougy Center, and Alcoholics/Narcotics Anonymous with whom we have partnered to host support groups on premises. Additionally, Cedar Hills Hospital is part of the Zero Suicide Initiative in collaboration with the National Action Alliance for Suicide Prevention and Washington County. This initiative is a multi-year project with many moving parts, but discharge planning and follow-up care for patients after discharge are two of the most important areas of focus for Cedar Hills Hospital.

This is by no means an exhaustive list of organizations we work with, but it is meant to show the deep commitment that Cedar Hills and UHS have to improving the lives of patients we serve and contributing to their long-term recovery and wellness.

- Recently, OHA included in the record a BuzzFeed article written by a BuzzFeed reporter, and apparently posted December 7, 2016. We were notified of this OHA action December 30, 2016. We were disappointed we were not offered an opportunity to rebut this article since it includes numerous allegations and innuendos not supported by facts or credible evidence. We are preparing a detailed, factual response to that article and will have that response to OHA by the first of this coming week. Further, we will expect OHA will include UHS' response to the BuzzFeed article in the record, prior to the OHA decision on our application.

We appreciate this opportunity to assure that OHA and interested parties have the most current information. This has been a long process and information has changed. Please accept this letter and add it to the public record. And as always, feel free to contact us if you have any questions or comments.

Yours truly,

A handwritten signature in black ink, appearing to read "Ron Escarda".

Ron Escarda

Group Director, Northwest Region-UHS and CEO, Fairfax Behavioral Health



cc: Senator Steiner-Hayward
Senator Devlin
Senator Monnes-Anderson
Senator Knopp
Senator Gelser
Rep Greenlick
Rep Keny-Guyer
Rep Evans
Rep Nosse
Jeremy Vandehey, Governor's Advisor
Lynn Saxton, Director, OHA
Lillian Shirley, Asst Director, Public Health, OHA
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