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STATE HEALTH PLANNING AND
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March 6, 2019

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WITH COPIES TO: Bradford.williams@shpda.alabama.gov; Karen.mcguire@shpda.alabama.gov

Emily T. Marsal, Executive Director
Alabama State Health Planning & Development Agency
RSA Union Building
100 North Union Street, Suite 870
Montgomery, Alabama 36104

**Re: State Health Plan Adjustment Application
(10 Geri-Psych Beds at Monroe County Hospital)**
Filing Entity: **Monroe County Health Care Authority**
Description of Filing: **State Health Plan Adjustment**
Date of Electronic Filing: **3/6/2019**
Our File No.: **3551.0006**

Dear Ms. Marsal:

Please find attached an Application for a State Health Plan Adjustment for our client, Monroe County Health Care Authority, d/b/a Monroe County Hospital, in connection with its application for ten (10) geriatric psychiatric beds in Monroe County, Alabama. There are also six exhibits related to this application, which are too voluminous to be transmitted herein. A flash-drive containing electronic versions of the exhibits is being hand-delivered this afternoon to SHPDA, along with a check for the filing fee in the amount of \$3,500.00.

Should you have any questions or need additional information, please let me know.

Sincerely,

GILPIN GIVHAN, PC

Gregg Brantley Everett

GBE/sd

cc: Wes Nall, CEO, Monroe County Hospital

State Health Plan Adjustment Application
By
The Monroe County Health Care Authority,
d/b/a Monroe County Hospital

To Add Adjustment Language to the
State Health Plan
To Allow
Ten (10) Additional Geri-Psychiatric Beds in
Monroe County, Alabama

March 6, 2019

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1. Identification of Applicant:

Monroe County Health Care Authority, d/b/a Monroe County Hospital

Address: **2016 South Alabama Avenue
Monroeville, AL 36460**

Telephone number: **(251) 575-3111**

Contact Person: **Wes Nall, CEO
Monroe County Hospital
2016 South Alabama Avenue
Monroeville, AL 36460
(Email Address: wnall@mchcare.com)**

The Monroe County Hospital is a small rural hospital, which opened in 1962 in Monroeville, Alabama, with 35 employees. The hospital has steadily grown in size and in the medical services provided over the past 50 plus years. There are now 244 employees (the hospital is the second largest employer in Monroe County) and the hospital's medical services range from 24-hour Emergency Room care to outpatient and inpatient hospice services. The Mission of the hospital is to "Care for Our Community" by actively improving the health and welfare of the people of Monroe County and the surrounding area. The hospital is always looking for ways to better serve its community. In an effort to improve and expand its services and enhance the financial viability of the hospital, the hospital's Board decided to file this application for a State Health Plan Adjustment to add ten (10) geriatric psychiatric ("geri-psychiatric") inpatient beds in Monroe County, through the conversion of ten (10) general acute beds. If approved, Hospital will apply for a Certificate of Need to convert ten (10) general acute care beds to ten (10) geri-psychiatric inpatient beds. The addition of the geri-psychiatric beds will provide a much needed service for the citizens of Monroe County and greatly improve the financial condition of the hospital. Many of Alabama's rural hospitals have closed, or are in

danger of closing, because the hospitals are operating at a deficit. *Modern Health Care Magazine* published an article on February 27, 2019, which stated “Rural stand-alone hospitals are most at risk, with 60.5% having lost money on an operating basis in each of the past five years....” That same article quoted another study which stated that Alabama has the highest rate (50%) of rural hospitals at risk of closing. (See **Exhibit 6, first item.**)

2. Project Description/ Narrative Statement on State Plan Adjustment Request:

A) Overview

The Monroe County Health Care Authority was originally incorporated as the Monroe County Hospital Board in 1962, and was reincorporated as the Monroe County Health Care Authority in 2013; i.e., it is a stand-alone, independent, public nonprofit corporation. The Monroe County Health Care Authority owns and operates the Monroe County Hospital (“Hospital”) in Monroeville, Alabama. Hospital has been providing services since 1962 as a general acute care hospital licensed for 94 beds in rural southwest Alabama. Rural hospitals in Alabama operate at severe disadvantages, which are in addition to the “normal” disadvantages encountered by other rural hospitals around the United States. Alabama rural hospitals have to contend with high poverty rates, low Medicare and Blue Cross payments, and an Alabama Medicaid program which is one of the stingiest in the country as far as services and populations covered. Many of Alabama’s rural hospitals are operating “in the red” and are in danger of closing. (See **Exhibit 6.**) Hospital is currently operating with a razor-thin margin of revenue versus expenses. A very small increase in expenses or decrease in revenue could cause a reduction in hospital services.

Hospital does not currently staff all 94 of its licensed beds, and can convert 10 general acute care beds to 10 geri-psychiatric beds without reducing its general hospital inpatient

services. Hospital provides labor and delivery (the next closest delivering hospital is 34 miles away from Monroeville), orthopedics, OB/GYN, endoscopy, surgical services, inpatient and outpatient hospice, home health, oncology/chemotherapy, and cardiovascular services; and has several outpatient clinics which provide services such as pain management and general medical care. Many of Hospital's services do not generate sufficient revenue to cover the expenses of providing the particular service. Hospital receives local tax support, which shows that local government agencies and the general population support Hospital. Local governments are willing to assist Hospital with its high charity and uncompensated care, which is a very heavy burden. In fiscal year 2016, Hospital provided \$7,147,000 in charity and uncompensated care, and in fiscal year 2017, \$8,200,200 in charity and uncompensated care. In fiscal year 2018, Hospital provided \$6,965,000 in charity and uncompensated care. We ask that the State Health Coordinating Council ("SHCC") assist this rural hospital by approving this application, which will help the citizens it serves.

It is very difficult to find a new rural hospital service that is both needed in a community and which pays for itself without supplementation and assistance from other sources. Inpatient geri-psychiatric services are needed and will financially support the new services and Hospital. Hospital is asking the SHCC to approve ten (10) geri-psychiatric beds for Monroe County. If the SHCC approves the new geri-psychiatric beds, Hospital will file a Certificate of Need (CON) application to convert ten (10) general acute care beds to ten (10) geri-psychiatric beds. If approved, these converted beds will provide a much needed Hospital service for the county and will improve the financial viability of Hospital.

B) Availability

Monroe County Hospital is the only hospital in Monroe County, Alabama. (See County map and map of Alabama attached as **Exhibit 1**.) Hospital provides emergency-room care for all of Monroe County and the surrounding areas. Hospital currently has no psychiatric beds; however, by default, Hospital, as a part of its provision of emergency-room care, provides emergency psychiatric care to the citizens of Monroe County and surrounding area. Although, there is a community mental health center in Monroe County that provides outpatient mental health services to the area, the mental health center does not provide inpatient psychiatric services to the citizens of Monroe County. The community mental health center has approached Hospital about the possibility of providing geri-psychiatric inpatient services, which would be for those individuals who are age 55 and older. Hospital and community mental health center have also agreed to jointly fund a new Hospital employee (who will only work in the Hospital ER) to deal with ER patients with psychiatric problems. Hospital had 15,203 patients come to its ER in 2016, according to the latest available SHPDA statistical report.

C) Accessibility

The closest inpatient geri-psychiatric inpatient care currently available is in Butler County. Clarke County also has a few geri-psychiatric beds. The next-closest facility is in Baldwin County. These facilities, however, often do not have beds available for older citizens from Monroe County experiencing emergency mental illness issues, which can occur at home, while traveling and while a patient is in a health care facility (hospitals, nursing homes and specialty care assisted living facilities). There are two nursing homes, one assisted living facility and one specialty care assisted living facility located in Monroe County. These health care facilities support this application.

Because of Alabama's decision several years ago to reduce the number of inpatient beds provided by the Alabama Department of Mental Health, the situation regarding psychiatric inpatient care has been in crisis in Alabama for years. An older patient in Monroe County experiencing an acute mental illness episode that requires inpatient care is often unable to obtain these services at any health care facility, at any cost. Rather, these unfortunate people may be placed in the county jail because of a lack of inpatient psychiatric services, allowed to wander the county as part of the homeless population, or remain in an inappropriate site for psychiatric care, such as a nursing home or assisted living facility. This is very unfortunate, as jailing an individual with mental illness often just exacerbates an emergency situation, and allowing a patient to remain in the community without care is cruel. Leaving a patient on their own recognizance places the patient, and other individuals, at further risk of harm.

Many of the inpatient psychiatric beds in Alabama are concentrated in the Jefferson County area. (See **Exhibit 2** – Latest available State Health Planning and Development Agency Psychiatric Bed Statistical Update [FY2016].) These beds are also often unavailable – and if they are available, the expense and long travel distance is such that the individual or family cannot afford to pay for the inpatient care.

D) Cost

Hospital has no general psychiatric or geri-psychiatric beds. Hospital has existing space to convert ten (10) general acute care beds to ten (10) geri-psychiatric beds without major construction. All that would be required is renovation of existing Hospital space. Hospital's current charge for inpatient care is \$792 per day. The charge for geri-psychiatric care will be the same amount per day.

E) Quality of Care

Hospital compares favorably with other hospitals on the quality of patient care, both statewide and nationally, according to Medicare's "Hospital Compare" public information (www.medicare.gov/hospitalcompare). The quality of care provided by Hospital will continue to compare favorably to other hospitals. Hospital asks the SHCC to approve a State Plan Adjustment to allow ten (10) additional geri-psychiatric beds in Monroe County, Alabama. These beds will be generally available to the citizens of Monroe County, local nursing homes, assisted living facilities and community mental health centers, when inpatient geri-psychiatric care is necessary. Hospital is a standalone, nonprofit, public institution (Healthcare Authority) which has been open to the citizens of Monroe County since 1962. Hospital provides care to Alabama residents who are eligible for Blue Cross, Medicare and Medicaid, as well as for residents who cannot afford to pay for their own care. Inpatient geri-psychiatric care will be available for individuals eligible for Medicare, Medicaid, private insurance, mental health center patients, and those individuals who are unable to afford inpatient care. The charges for geri-psychiatric services will be the same for Blue Cross, Medicaid, Medicare, community mental health, and for individuals who are unable to afford to pay for the inpatient care. Hospital has a history of providing care to those unable to pay for their care. This is reflected by the percentages of its services Hospital provides as charity and uncompensated care to the citizens of Monroe County, Alabama; i.e., 9% in FY 2016, 10% in FY 2017, and 8.4% in FY 2018, totaling \$7,147,000 in 2016, \$8,200,200 in 2017, and \$6,965,000 in 2018, respectively.

F) Proposed Language of Adjustment

“410-2-4-.10 Psychiatric Care

(1) Background

(a) In the early 1990s, the Alabama Department of Mental Health and Mental Retardation developed a psychiatric bed need methodology that provided for an inventory of 37.1 beds per 100,000 population. Originally, the methodology was calculated using regions; however, in 2003 it was changed to reflect a statewide need methodology. Although the statewide need methodology was helpful in the early years to ensure access to care, it resulted in an uneven distribution of psychiatric beds, with higher concentrations of beds in some regions and shortages of psychiatric beds in other regions of the state.

(b) Over time, the number of psychiatric beds, both private beds and state beds, has declined. States have transitioned funding for mental health services from institutional care to community-based services, as state budgets have been cut and as more is known about the benefits of providing care in a non-institutional, community setting. Alabama mirrors these national trends, as it has closed three state facilities and downsized from 4,000 beds in 2009 to approximately 1,600 beds in 2017. In some areas, community-based services include crisis stabilization and access to timely follow-up care. In other areas, community resources may be limited, and those with psychiatric emergencies often present to a general acute care hospital emergency room for care; some of the more severely mentally ill remain for extended periods of time in private psychiatric facilities, waiting on a state bed to become available.

(2) Methodology

(a) Discussion.

The Statewide Health Coordinating Council (SHCC) developed a proposal for a new methodology based on the increasing need for psych beds and a better distribution of those beds. Approved by the full SHCC, the purpose of this inpatient psychiatric services need methodology is to identify, by region and by bed type, the number of inpatient psychiatric beds needed to ensure the continued availability, accessibility, and affordability of quality inpatient psychiatric care for residents of Alabama. Only the SHCC, with the Governor's approval, can make changes to this methodology. The State Health Planning and Development Agency (SHPDA) staff shall annually update statistical information to reflect more current utilization through the Hospital Annual Survey. Such updated information is available for a fee upon request.

(b) Bed Need Determined by Region and by Category of Bed.

The new methodology is based upon the regional needs of the state as opposed to a statewide need methodology. It also addresses need based on the category of patients served in the beds being used; the bed categories include: 1. Child/Adolescent; 2. Adult; and 3. Geriatric.

Calculation of beds needed will be based on utilization of those beds by category and by region as reported annually in the Hospital Annual Report. The Hospital Annual Report must be amended to accomplish the purposes of this new methodology. This new methodology will become effective after the certification by the Healthcare Information and Data Advisory Council of the first new Hospital Annual Report following the passage of this amendment. All providers will report their licensed beds, operating beds and patient days by inpatient psychiatric category each year via the new Hospital Annual Report. Operating beds may be the same as or fewer than the total number of licensed psychiatric beds. Providers with unrestricted psychiatric beds obtained prior to the effective date of this new methodology shall be allowed to change the categories of their beds during the first two reporting periods. The bed allocation by category reported on the third Hospital Annual Report following the passage of this amendment shall be considered final for operating beds. Thereafter, any permanent change to a different inpatient psychiatric bed category for an existing operating bed or beds will require the approval of a new CON. This requirement will not apply to licensed beds not currently in use; however, once beds are put into use, the provider will have to declare the category(ies) of the beds.

After this methodology becomes effective, applicants for new inpatient psychiatric beds will be required to select a category (Child/Adolescent, Adult, Geriatric) for which they are seeking inpatient psychiatric beds. Applicants may apply for more than one inpatient psychiatric category if a need is shown. See Section (3) (c), below regarding new beds.

Note: This new methodology is intended for planning purposes. The declaration of psychiatric beds by category on the Hospital Annual Report is not intended to preclude providers from using their psychiatric beds as necessary to address seasonal needs and surge situations. If a hospital determines that it needs to permanently change its psychiatric bed allocation, a new CON will be required. This new methodology, however, does not apply to pediatric specialty hospital providers, and is not intended: to preclude pediatric specialty hospital providers from using their pediatric specialty beds to provide pediatric psychiatric services, as necessary; to require such providers to report or declare via the SHPDA Hospital Annual Report their pediatric specialty beds used for pediatric psychiatric services as psychiatric beds, with related patient days, by inpatient category; or require such providers to obtain a CON for any new or additional use of their pediatric specialty beds for the provision of any pediatric specialty services including pediatric psychiatric services.

(3) Planning Policies

(a) Planning on a Regional Basis

Planning will be on a regional basis. Please see attached listing for the counties in each region as designated by the SHCC.*

(b) Planning Policies for Applicants.

1. An applicant for an inpatient psychiatric bed must be either: 1) an established and licensed hospital provider that has been operational for at least twelve (12) months; or, 2) a new inpatient psychiatric hospital seeking a minimum of at least twenty (20)

inpatient psychiatric beds. (Specialty, Free-Standing Psychiatric Hospitals must have at least twenty (20) inpatient beds pursuant to Rule 420-5-7-.03 Classification of Hospitals; found in Chapter 420-5-7 of the Alabama Department of Public Health Administrative Code.)

2. An applicant for inpatient psychiatric beds in a particular category must demonstrate the ability to comply with state law.

3. In certificate of need decisions concerning psychiatric services, the extent to which an applicant proposes to serve all patients in an area should be considered. The problem of indigent care should be addressed by certificate of need applicants.

(c) Applying for Additional beds.

Applicants may apply for new psychiatric beds using one of the following occupancy need determinations:

1. Regional occupancy calculation.

Any region that shows an occupancy rate of 75 percent (75%) or greater in any one of the three (3) bed categories would be eligible for additional beds in that category. The number of additional beds needed would be calculated by dividing the average daily census for the region by the desired occupancy rate of 70 percent (70%) and then subtracting from this number the current beds in operation. Information for this calculation will be obtained from the most recent Hospital Annual Report as compiled by SHPDA. Beds granted under the regional methodology shall be deemed part of the official regional bed inventory at time of issuance. See formula below:

To calculate regional occupancy:

Total patient days/ (Beds operating x days in Reporting Period)

To calculate beds needed to get the region to 70 percent (70%) occupancy:

a. $(\text{Total patient days}/\text{days in Reporting Period})/.70 = \text{total beds needed for the region to have a 70 percent (70\%) occupancy rate.}$

b. To calculate additional beds needed for the region:

Total beds needed to reach 70 percent (70%) occupancy rate minus current beds in operation.

The total patient days and the beds in operation used for the calculations would come from the information reported to SHPDA through the most recent Hospital Annual Report.

The following is an example of how the regional methodology would be calculated if a single region had 25,000 adult patient days and 90 adult beds:

To calculate the regional occupancy:

$25,000 \text{ adult days} / (90 \text{ beds operating} \times \text{days in Reporting Period}) = 76$
percent regional occupancy

To calculate beds needed to have a 70-percent occupancy:

$(25,000 \text{ adult days} / \text{days in Reporting Period}) / .70 = 98$ total beds needed
for that occupancy level

Beds needed (98) minus current beds (90) = 8 additional adult beds needed
for the region.

2. Individual Provider Occupancy Calculation.

If the average occupancy rate for a single facility within a region is 80 percent (80%) or greater for a continuous period of twelve (12) months in any of the three (3) bed categories, as calculated by the SHPDA using data reported on the most recent Hospital Annual Report, that facility may apply for up to 10 percent (10%) additional beds or six (6) beds, whichever is greater. An individual facility may demonstrate a need based on occupancy irrespective of the total occupancy for the region in that bed category. Information for this calculation will be obtained from the most recent Hospital Annual Report as compiled by SHPDA.

Any beds obtained through the Individual Provider Occupancy Calculation will not be included in the regional bed calculation for a period of three years after the beds are brought into service. After this three-year period the beds would be included in the regional count. Any provider obtaining beds through this provision will not be eligible to use the 10 percent rule for 24 months from the date the CON is granted.

(4) Plan Adjustments

The psychiatric bed need for each region as determined by the methodology is subject to adjustments by the SHCC. The psychiatric bed need may be adjusted by the SHCC if an applicant can prove that the identified needs of a target population are not being met by the current bed need methodology.

(5) State Health Plan Adjustment for Monroe County, Alabama.

A need has been shown for ten (10) geri-psychiatric beds in Monroe County because of the growing population of elderly persons in Monroe County and in Alabama needing geriatric inpatient psychiatric care and because of decreased access to care for the general population with mental illness through the Alabama Department of Mental Health.

Author: Statewide Health Coordinating Council (SHCC)

Statutory Authority: Code of Alabama 1975, Section 22-21-260(13).

History: Effective: November 22, 2004. Amended; Filed 06/20/2018, effective 08/05/2018.

***REGIONS:**

North Central Region

Blount
Calhoun
Cherokee
Chilton
Clay
Cleburne
Coosa
DeKalb
Etowah
Jefferson
Randolph
Shelby
St. Clair
Talladega
Tallapoosa
Walker

Southeast Region

Autauga
Barbour
Bullock
Butler
Chambers
Coffee
Covington
Crenshaw
Dale
Dallas
Elmore
Geneva
Henry
Houston
Lee
Lowndes
Macon
Montgomery
Pike
Russell
Wilcox

North Region

Colbert
Cullman
Franklin
Jackson
Lauderdale
Lawrence
Limestone
Madison
Marshall
Morgan

Southwest Region

Baldwin
Clarke
Conecuh
Escambia
Mobile
Monroe
Washington

West Region

Bibb
Choctaw
Fayette
Greene
Hale
Lamar
Marengo
Marion
Perry
Pickens
Sumter
Tuscaloosa
Winston”

(END OF PROPOSED LANGUAGE OF ADJUSTMENT)

3. Geographical Service Area

Maps of the area are attached. (See **Exhibit 1**.) Although the State Plan Adjustment application only applies to Monroe County, Alabama, the services will be available to citizens outside of Monroe County, Alabama, as well. There are no other hospitals in Monroe County, Alabama. The closest inpatient geri-psychiatric provider is located in Grove Hill, in Clarke County, which is approximately 40 minutes (34 miles) driving time away from Monroeville -- and that hospital only has 9 geri-psychiatric beds. Because of the shortage of all types of psychiatric beds, generally, in the State of Alabama, these beds are often unavailable for inpatient geri-psychiatric care, which is desperately needed by the citizens of Monroe County, Alabama. The addition of these beds will assist an Alabama rural hospital to maintain its financial viability, and provide much needed service to the citizens of Monroe County. Rural hospitals throughout the USA are at grave risk of closure, and Alabama rural hospitals are at the highest risk of closing. (See **Exhibit 6**.)

4. Population Projections for Monroe County

Attached to this application is general information about the need for inpatient psychiatric care in the United States, along with population data (**Exhibit 3**). Also included are specific population statistics for Monroe County, Alabama. The sources of this information are public sources from the United States Census Bureau, the Alabama Department of Public Health (“ADPH”), the National Institute of Health, the National Institute of Mental Health, the Substance Abuse and Mental Health Services Administration, and the University of Alabama Center for Business and Economic Research (CBER). All of the sources provide the information through access to the World Wide Web (Internet). ADPH provides this information through its

Office of Vital Statistics (WWW.ADPH.Org/healthstats). The national information can be found at census.gov, the National Institute of Health (NIH.gov), and the United States Center for Disease Control and Prevention (CDC.gov).

The estimated population of Alabama in 2010 was 4,779,736 people and the estimated population of Monroe County in 2010 was 23,068 people. The estimated prevalence of mental illness in the United States for those 18 years and older is 20% (see “2012 Annual Survey Results; Reporting 2011 Data published in 2013”, published May, 2013, by the National Association of Psychiatric Health Systems. (See **Exhibit 3**). Based upon this projection, the estimated penetration rate of adult mental illness in Monroe County, Alabama, is 4,265 people. The national estimation of individuals with serious mental illness who will need inpatient care within a year is 5% of the total population. Based upon this projected rate, 1,066 adults in Monroe County will suffer a serious mental illness and need mental health treatment, and will probably need acute inpatient psychiatric care, in the next year. Many people fifty-five (55) years of age and older will require inpatient psychiatric care. The CBER gives the population for Monroe County in 2010 as 22,987, and in 2017 as 21,530 persons. The totals for persons fifty-five (55) years of age and older in Monroe County in 2010 was 6,703 persons, and in 2016 was 7,174 persons. The population of older persons continues to rise, even while the overall population of Monroe County is decreasing. Based upon the published studies referenced in this application, the projected number of persons 55 years of age and older living in Monroe County in 2010 needing inpatient psychiatric care was 335 persons, and in 2016 there were 359 persons who needed inpatient psychiatric care in Monroe County. The CBER only provides limited age data projections. According to the CBER, there were 3,363 people in Monroe County over the age of 65 in 2010, and 3,618 in 2017. The CBER projects that there will be 5,076 persons over

age 65 in 2040, even though the overall population of Monroe County is projected to decrease from 2010 to 2040. Couple this increase in older persons needing inpatient psychiatric care in Monroe County and statewide with the recent reduction of State inpatient psychiatric beds and a movement to provide mental health services only on an outpatient basis in the State of Alabama, and it is easy to see that there are inadequate inpatient geri-psychiatric care beds available in Monroe County, and it will only get worse. (See **Exhibit 2** for copies of statistical information pertaining to the State Plan Adjustment application.)

5. Need For The Adjustment

Although Monroe County is a rural county (21,530 population in 2017), there are important industries in the county, in addition to agricultural-related services and products. The largest employers in the county generally provide health insurance that covers mental health services. Hospital has provided services to the citizens of Monroe County since 1962, and intends to continue providing healthcare services in the future. Hospital is the second largest employer in Monroe County, with 244 employees, and is located in a rural area that is losing total population, while its older population is increasing. The CBER estimate of uninsured persons in Monroe County in 2009 was 17% of the population 65 and under. In 2010 the uninsured rate in Alabama was 16.9%, and in Monroe County the estimated uninsured rate was 18.4% for those age 65 and below. Most of the uninsured are unable to pay for their hospital care. The CBER estimates that the five-year average (2009-2013) high school graduation rate was 76.1%, and the percentage of the population with a bachelor's degree or higher was 10.6 % in Monroe County, as compared to Mobile County, with 83.9% for high school graduation and 20.7% with a college degree. The need for this adjustment is twofold: to better serve the citizens of Monroe County and to assure the financial viability of Hospital in the future. (See **Exhibit 4**.)

6. Current and Projected Utilization and Evidence of Current Lack of Availability of Beds or Services

This application for a State Plan Adjustment to add ten (10) geri-psychiatric beds for Monroe County is necessary for the unmet needs for geri-psychiatric inpatient care for the citizens of Monroe County, Alabama. Currently, there are no geri-psychiatric inpatient beds, or any psychiatric inpatient hospital beds, for that matter, in Monroe County. The closest inpatient geri-psychiatric beds are located in Clarke County, Alabama. Because of the shortage of psychiatric beds generally in Alabama (because of the closure of the Alabama Department of Mental Health inpatient psychiatric beds) and, more particularly, the shortage of geri-psychiatric inpatient beds in southwest Alabama, the citizens of Monroe County are often unable to obtain needed inpatient geri-psychiatric care. Rather, individuals needing this care may never receive necessary care, which only adds to the burdens of county and state governments to provide services to the citizens of Alabama. The two state hospitals in Tuscaloosa, Alabama (Bryce Hospital and Mary Starke Harper Geriatric Psychiatry Center), are really not available, as their beds are almost 100% continuously occupied, according to the Alabama Department of Mental Health. In 2018, 64 people were screened and could not be admitted to Hospital because they had a primary psychiatric diagnosis. Many more patients who were seen in the Hospital's ER had secondary psychiatric diagnoses. Specific identifying information cannot be provided because of the Federal Health Insurance Portability and Accountability Act (HIPAA). There have continued to be many patients treated in the Hospital ER who could not be admitted because these patients had a primary psychiatric diagnosis and Hospital has no beds designated and approved for psychiatric care.

7. Additional Staffing

Experienced psychiatric nurses and social workers will have to be hired to staff this unit. Because of the closure of state inpatient psychiatric beds, there should be adequate staffing available from the pool of employees no longer working at the state facilities. If additional staffing is necessary, recruitment efforts are already underway. The additional staffing will also provide needed jobs in an area of the state with high unemployment.

8. Effect of Plan Adjustment on Existing Facilities

The plan adjustment will not adversely impact any other hospital in Monroe County, as there is no other hospital in the county. The plan adjustment will not adversely affect the hospitals in Clarke, Wilcox, Butler, Conecuh, Escambia or Baldwin County (the counties which are contiguous to Monroe County). Bryce Hospital and Mary Starke Harper Geriatric Psychiatry Center are operating at maximum capacity, and the Mobile County Hospitals do not generally serve the Monroe County area.

9. Community Reaction and Evidence of Support of Local Community

Letters of support are attached as **Exhibit 5** to this application.

10. Other Information

In 2011, the Centers for Disease Control (CDC) released a national study on “Mental Surveillance among U.S. Adults” (See **Exhibit 3**). The study reports that in 2004 an estimated 25% of adult Americans reported having mental illness in the previous year. The study also found that depression estimates for adults are generally highest in the southeastern United States.

In 2012, an article was published in Emergency Medicine International on “The Impact of Psychiatric Patient Boarding in Emergency Departments” (See **Exhibit 3**). In the study of 68,000 ER visits, the authors point out how emergency psychiatric cases take a greater portion of

resources away from ER care. The CDC conducted a study released on June 14, 2013, (See **Exhibit 3**) of “Emergency Department Visits by Patients with Mental Health Disorders - North Carolina, 2008 – 2010.” In that study, nearly 10% of the patients who were treated in the ER had a diagnosis related to a mental illness.

The Substance Abuse and Mental Health Services Administration (SAMHSA) recently published a summary on “State Estimates of Adult Mental Illness.” The Report reviewed mental health service use among adults aged 18 or older by type of care. For 2002 through 2011, approximately 0.8% of all patients receiving mental health care were hospitalized (See **Exhibit 3**). SAMHSA also reported on 2010 United States Mental Health Statistics in “Mental Health, United States, 2010” (2012) (See **Exhibit 3**). In a 2017 Report to Congress (“Interdepartmental Serious Mental Illness Coordinating Committee: The Way Forward,” December 13, 2017), SAMHSA confirmed the psychiatric bed shortages continue throughout the United States.

The CDC published a study in 2015 that provided an estimate that 14% of Alabama adults reported greater than 14 days of poor mental health in the last 30 days. “Surveillance for Certain Health Behaviors and Conditions Among States and Selected Local Areas – Behavioral risk Factor System, United States, 2015.”

Exhibit 6 provides additional documentation to support Hospital’s State Health Plan Adjustment application:

- **“Fewer Independent Hospitals can Weather Operating Headwinds”** – Modern Healthcare, February 23, 2019
- **“Rural Report - Challenges Facing Rural Communities & the Roadmap to Ensure Local Access to High-quality, Affordable Care”** - American Hospital Association;
- **“Rural Inpatient Psychiatric Units Improve Access to Community-Based Mental Health Services, but Medicare Payment Policy a Barrier,”** Muskie School of Public Service, University of Southern Maine (August 2007);

“Economic Impact of Inpatient Psychiatric Facilities – A Nation and State-Level Analysis,” Dobson/DeVanza (February 19, 2010);

- **“Mental Health Problems of Prison and Jail Inmates,”** Bureau of Justice Statistics, Special Report, US Department of Justice (September 2006);
- **“NC State Study Shows Why It Costs Less to Treat Mentally Ill than Incarcerate Them,”** *North Carolina Health News* (July 2013);
- **“The Changing Role of the State Psychiatric Hospital,”** *Health Affairs* (May/June 2009);
- **“Starvation Diet: Coping With Shrinking Budgets In Publicly Funded Mental Health Services,”** *Health Affairs* (May/June 2009).
- **“Alabama to Lose Another Rural Hospital – Georgiana Medical Center the Latest to Announce it will Close”** (WSFA, February 11, 2019)
- **“Georgiana Hospital to Close Earlier than Expected”** (WSFA March 5, 2019)

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11. Certification

I, Wes Nall, CEO of the Monroe County Health Care Authority, do certify that the information contained in this application is true and correct, to the best of my knowledge and belief.

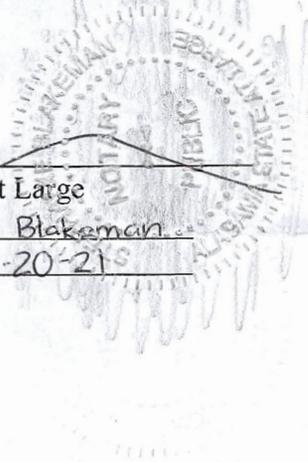
**MONROE COUNTY HEALTH CARE
AUTHORITY**

By: 
Wes Nall (Signature)
Its: CEO

NOTARY ACKNOWLEDGMENT

SWORN to and SUBSCRIBED before me, the undersigned, on this 4th day of March, 2019.


Notary Public, Alabama State at Large
Printed Name: Stephanie Blakeman
My Commission Expires: 3-20-21



12. EXHIBITS

Maps of the State of Alabama and the County of Monroe (Showing Location of Monroe County Hospital)	Exhibit 1
Latest Psychiatric Bed Statistical Update (FY 2016)	Exhibit 2
Mental Health Data, Survey Results, SAMHSA, etc.	Exhibit 3
Importance of Monroe County Hospital	Exhibit 4
Letters of Support	Exhibit 5
Additional Documentation to Support Application	Exhibit 6

- **“Fewer Independent Hospitals can Weather Operating Headwinds”** – Modern Healthcare, February 23, 2019
- **“Rural Report – Challenges Facing Rural Communities & the Roadmap to Ensure Local Access to High-quality, Affordable Care”**
– American Hospital Association.
- **“Rural Inpatient Psychiatric Units Improve Access to Community-Based Mental Health Services, but Medicare Payment Policy a Barrier,”** Muskie School of Public Service, University of Southern Maine (August 2007)
- **“Mental Health Problems of Prison and Jail Inmates,”**
Bureau of Justice Statistics, Special Report,
US Department of Justice (September 2006)
- **“NC State Study Shows Why It Costs Less to Treat Mentally Ill than Incarcerate Them,”**
North Carolina Health News (July 2013)
- **“The Changing Role of the State Psychiatric Hospital,”**
Health Affairs (May/June 2009)
- **“Starvation Diet: Coping With Shrinking Budgets In Publicly Funded Mental Health Services,”** *Health Affairs* (May/June 2009)
- **“Alabama to Lose Another Rural Hospital – Georgiana Medical Center the Latest to Announce it will Close”** (WSFA February 11, 2019)
- **“Georgiana Hospital to Close Earlier than Expected”** (WSFA March 5, 2019)

EXHIBITS

to

(State Health Plan Adjustment filed March 6, 2019)

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