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March 17, 2022

Via Federal Express

Ms. Sandra Davis
Clerk of Council
Government Center Tower
100 10th Street, 6th Floor
Columbus, Georgia 31901

MAR 23 2022

CLEAR COPY SENT

RE: Transmittal of Copy of Certificate of Need (CON) Application

Dear Ms. Davis:

Enclosed please find a copy of the Certificate-of-Need application submitted to the Georgia Department of Community Health ("Department") by St. Francis Health, LLC d/b/a St. Francis Hospital for a cost overrun of its previously approved CON application to relocate its geriatric inpatient psychiatric service from The Bradley Center to the main hospital campus (GA 2020-018).

Revised Department regulations no longer require that you provide a receipt for this document. Please do not hesitate to contact me if you require further information.

Sincerely,

Daniel M. Beall
Partner

Enclosure

18. Provide a detailed description of the proposed project including a listing of the departments (e.g. ED, ICU), services, (e.g. Home Health, Cardiac Cath), and equipment (e.g. MRI, PET, Cath) involved.

NOTE: If your description exceeds this blocked space, attach additional 8-½ by 11-inch pages, number the first sheet Page 9.1, the second Page 9.2 and so on. Do not alter the main page numbers of this application. Once printed, insert your additional pages 9.1, etc. behind this Page 9.

St. Francis is a 376-bed community hospital located in Columbus (Muscogee County) Georgia. In 2020, the Department authorized St. Francis to relocate its 16 geriatric psychiatric beds from The Bradley Center to St. Francis's Main Campus (GA 2020-018). The 16 beds included 13 existing inpatient geriatric psychiatric beds from The Bradley Center and the conversion of three existing adult inpatient psychiatric beds from The Bradley Center to geriatric inpatient psychiatric beds.

In addition, St. Francis currently operates a 24-bed Crisis Stabilization Unit ("CSU"), funded by Georgia Department of Behavioral Health and Developmental Disabilities ("DBHDD"), which is not a CON reviewable project. As part of its approved project, St. Francis planned to pursue use of the vacated space from The Bradley Center to expand its CSU from 24-beds to 37-beds. The CSU offers short-term emergency psychiatric care, multidisciplinary assessment, and referral to follow-up care.

The approved project involved 10,100 square feet of renovations and had a total estimated cost of \$2,248,000.00. The approved project did not involve any increase or change in St. Francis's overall CON-authorized services or bed capacity. However, 45 CON-authorized general adult psychiatric beds and 23 CON-authorized pediatric psychiatric beds, totaling 68 beds would be located at The Bradley Center and 16 CON-authorized geriatric psychiatric beds would be located at the Main Campus, for a grand total of 84 CON-authorized psychiatric beds.

The final scope of work for the project has increased from the approved scope. Due to the clinical and operational challenges of the COVID pandemic that were beyond St. Francis's control, the Department extended the original mandatory implementation date of 6/16/2021 by six months. However, as the pandemic continued, St. Francis faced increasing demands for inpatient beds to meet patient isolation requirements, which required St. Francis to reopen the unoccupied medical/surgical unit on the fourth floor that it had designated for the geriatric inpatient psychiatric unit. With the fourth-floor unit now utilized for isolating COVID patients, St. Francis's plans are to move the geriatric inpatient psychiatric unit from the fourth floor to the ground (first) floor of the Main Campus hospital.

Moving the geriatric inpatient psychiatric unit to the ground floor on the Main Campus hospital required the hospital's architects to reprogram and redesign the new space. In addition, the pandemic-related delays in planning and project implementation have further increased the overall cost of construction due to inflationary increases in the prices of materials and labor, which were unanticipated.

The total square for the project has not changed and remains at 10,100 square feet. However, due to higher than anticipated construction costs, total project costs increased by \$980,451 to \$3,228,451, which is greater than 10 percent of the approved capital expenditure. As such, the cost overrun is reviewable and requires a CON.

Section 3: General Review Considerations

All Certificate of Need applications are evaluated to determine their compliance with the general review considerations contained in Rule 111-2-2-.09. Please document how the proposed project conforms with the following general review considerations.

Rule 111-2-2-.09(1)(a): Consistency with State Health Plan

The proposed new institutional health services are reasonably consistent with the relevant general goals and objectives of the State Health Plan.

19. Explain how the project is consistent with the State Health Plan or why it does not apply. Also explain how the application is consistent with the Applicant's own long range plans.

NOTE: *If your explanation exceeds this blocked space, attach additional 8-½ by 11-inch pages, number the first sheet Page 10.1, the second Page 10.2 and so on. Do not alter the main page numbers of this application. Once printed, insert your additional pages 10.1, etc. behind this Page 10.*

The State Health Plan does not have specific goals and objectives for cost overrun projects. However, St. Francis's previously approved project to relocate its geriatric inpatient psychiatric services, including the cost overrun that is needed to complete the project, is consistent with the state's overall goal to improve the availability of, and access to, high quality, cost-effective healthcare services and to provide these services to all patients regardless of ability to pay.

Access and Availability of Needed Facilities and Services

St. Francis's cost overrun CON to relocate its geriatric inpatient psychiatry unit is consistent with the State Health Plan's general goals and objectives. The relocation of the unit will provide needed space in The Bradley Center, which St. Francis will use to expand its CSU and, thus, meet the state's need for short-term emergency psychiatric care, multidisciplinary assessment, and referral to appropriate follow-up care. Please note that the expansion of the CSU is not a CON-reviewable event.

Also, by relocating its geriatric psychiatry beds to the Main Hospital, St. Francis's project ensures the continued availability of inpatient geriatric services. In addition, St. Francis is committed to meet the mental health needs of indigent/charity patients and has made a formal commitment to provide unreimbursed indigent/charity care in an amount equal to 3.0 percent of adjusted gross revenue for its adult psychiatry program.

Quality and Cost-Effective Care for All Patients

St. Francis has historically achieved a high standard of care. The Joint Commission has accredited the hospital, including The Bradley Center, and St. Francis has no licensure deficiencies or Medicare/Medicaid certification deficiencies. By relocating its geriatric psychiatry inpatients to the Main Hospital, the overall quality of care for these patients will improve as their medical-related issues, including co-morbid behavioral health and medical conditions, will be cared for more effectively within the hospital setting. Also, geriatric psychiatry patients that present in the emergency department and require hospitalization can be quickly transferred to an inpatient bed in the Main Hospital to receive needed care while freeing up emergency beds. Currently, St. Francis's emergency department includes 10 beds dedicated to patients with behavioral health problems. In addition, despite the cost overrun, St. Francis's plan to use underutilized space that will require only renovation of the facility is a cost-effect approach to attaining its overall goals of expanding its CSU and ensuring that geriatric inpatient psychiatry services are available and accessible to the community.

(Continued to page 10.1)


The approval of this cost overrun application will ensure that underserved populations have access to high quality healthcare facilities and services. St. Francis has a strong history of providing services to these underserved populations. Medicare and Medicaid patients accounted for 42 percent of St. Francis's total inpatient days in 2020 and almost 50 percent of its psychiatry days. In addition, St. Francis provided more than \$4 million in uncompensated indigent and charity care in 2020. Also, St. Francis contracts with the DBHDD to provide crisis stabilization services for uninsured patients, including indigent and charity patients, with behavioral health problems. Appropriations for expansion of these services was included in the Governor's 2023 fiscal year budget, which was passed by the Georgia House of Representatives on March 11, 2022.


Rule 111-2-2-09(1)(b): Need

The population residing in the area served, or to be served, by the new institutional health service has a need for such services.

20. Please explain the need for your particular project or service. For services for which a need methodology exists in the State Health Plan, please use the said methodology. In submitting information to explain the need for your project, please also use the following guidelines:

- For any population projections, the official projections of the Office of Planning and Budget should be utilized;
- Include maps that clearly define both the primary and secondary service areas and identify all other providers of the proposed service that lie within the primary and secondary service area on such maps;
- Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients, visitors, and employees; and
- For services that already have documented utilization rates, include such historical utilization data, and projections for future utilization.

 **NOTE:** If your explanation exceeds this blocked space, attach additional 8-½ by 11-inch pages, number the first sheet Page 11.1, the second Page 11.2 and so on. Do not alter the main page numbers of this application. Once printed, insert your additional pages 11.1, etc. behind this Page 11.

 Attach any documentation, such as magazine articles, research papers, or any other document that cannot be reproduced or created in MS Word format and that supports the need for your project into **APPENDIX E**. All documents such as tables, charts, and maps that support your need analysis and that are able to be inserted or created in MS Word format should be inserted following this page according to instructions in the note above.

Background

St. Francis is a 376-bed community hospital located in Columbus (Muscogee County), Georgia. The hospital offers a wide range of primary and specialty services, including inpatient adult psychiatric and substance abuse services. Over the course of a year (2016-2020), St. Francis will treat over 13,000 inpatients and over 180,000 emergency and non-emergency outpatients, making it one of the largest hospital providers in West Central Georgia. St. Francis provides a range of medical and surgical services including:

- General Medicine - Inpatient
- General Surgery - Inpatient
- Intensive Care – Inpatient
- Obstetrical – Inpatient
- Behavioral health – inpatient/outpatient
- 23-hour observation
- Emergency Services, including behavioral health services
- Ambulatory Surgery, including cystoscopy
- Dialysis
- Lithotripsy (contract service)
- Diagnostic imaging, including X-ray, Nuclear Medicine, CT and MRI
- PET (contract service)
- Chemotherapy
- Respiratory Therapy
- Occupational Therapy
- Physical Therapy
- Speech Pathology

Also, St. Francis is a joint venture partnership with Emory Healthcare and Georgia Healthcare Partner, LLC, a LifePoint affiliate, which was formed to enhance access to, and delivery of high-quality, cost-effective care; improve the health of residents in Columbus, Ga., and surrounding communities; and strengthen the regional benefits of Emory's health care expertise close to home.

(Continued on page 11.1)

In addition, St. Francis has developed specialized programs and services to meet the healthcare needs of the community including, but not limited to:

- The Bradley Center – a freestanding, 84-bed mental health facility that provides addiction treatment, inpatient and day treatment, support groups, respite day care and educational programs.
- The Cancer Program of St. Francis – strives to collaborate with our peers in providing the highest standard of care for oncology patients through education, community liaison activities, participation in the West Central Georgia Cancer Coalition, membership in the Association of Community Cancer Centers and participation in the American Cancer Society.
- St. Francis Heart Hospital – Since 1974, St. Francis Heart Hospital has provided comprehensive cardiothoracic and vascular care, with highly trained experienced staff using the most advanced procedures and state-of-the-art equipment. Now affiliated with Emory Cardiothoracic Surgery, St. Francis is the region's premier resource for the diagnosis and treatment of heart disease.
- Center for Breast Health - The Elena Diaz-Verson Amos Center for Breast Health at St. Francis is the premier facility in our region dedicated to improving women's health. Not only was St. Francis first in the region, but first in the state of Georgia to offer diagnostic Automated Whole-Breast Ultrasound (AWBUS) and Breast-Specific Gamma Imaging (BSGI). We were among the first to provide 3-D mammography (tomosynthesis) and a dedicated Breast MRI.
- St. Francis Women's Hospital - At the Women's Hospital, comprehensive services are available - from mammography and breast health to obstetrics and gynecologic oncology care.
- St. Francis Diabetes Management Program – Nationally recognized by the American Diabetes Association, the program provides diabetes education, pre-diabetes education, intensive insulin management classes, insulin pump training and gestational diabetes classes.

During 2021, St. Francis admitted 11,181 inpatients, accounting for an average daily census of 162.9 inpatients.

**Exhibit 20.1
St. Francis Utilization Trends, 2018 – 2021**

	2018	2019	2020	2021	% Change
Authorized Beds	376	376	376	376	0.0%
Admissions	13,708	12,442	11,611	11,181	-15.3%
Patient Days	66,139	59,311	56,655	59,459	-14.3%
ADC	181.2	162.5	155.2	162.9	-14.3%
Occupancy	48.2%	43.2%	41.3%	43.3%	-14.3%

Source: Annual Hospital Questionnaire, St. Francis records

During 2020, over 40 percent of St. Francis's inpatient utilization (patient days) was Medicare and Medicaid patients. Please see the following:

**Exhibit 20.2
St. Francis 2020 Payor Mix**

	Medicare	Medicaid	Private Pay	Self	Other
Admissions	29.7%	8.4%	54.0%	6.4%	1.5%
Patient Days	32.7%	9.3%	50.7%	6.0%	1.3%

Note: Inadvertently, St. Francis reversed the data for Medicare and Medicaid on the 2020 AHQ.
Source: Annual Hospital Questionnaire

Patient Origin and Proposed Service Area

Based on internal data, St. Francis's service area for inpatient adult psychiatric services includes 10 counties.

Muscogee, which accounted for 64.5 percent of its patients, is its primary service area. In addition, the following nine counties accounted for another 28.2 percent of the patients: Russell (AL), Lee (AL), Harris, Troup, Talbot, Sumter, Marion, Chattahoochee, and Meriwether. Please see the following:

**Exhibit 20.3
St. Francis Adult Inpatient Psychiatry Patient Origin**

County	Percent of Total
Primary Service Area	
Muscogee	64.5%
Secondary Service Area	
Russell, AL	12.5%
Lee, AL	4.7%
Harris	3.8%
Troup	1.7%
Sumter	1.5%
Meriwether	1.4%
Talbot	1.0%
Marion	0.8%
Chattahoochee	0.8%
Subtotal	28.2%
Other	7.3%
Total	100.0%

Source: Annual Hospital Questionnaire and St. Francis records

Service Area Demographics

St. Francis's service area has an estimated 2022 population of 593,147. Muscogee County, which is St. Francis's primary service area and the largest of the service area counties, has an estimated 2022 population of 189,307. The service area is projected to grow by 1.5 percent over the next five years, adding more than 9,100 residents while reaching 602,293 total residents. Please see the following analysis:

**Exhibit 20.4
Total Population Projections, 2022-2027**

	2022	2027	Growth	
			Absolute	Percent
Primary Service Area				
Muscogee	189,087	183,307	-5,780	-3.1%
Subtotal PSA	189,087	183,307	-5,780	-3.1%
Secondary Service Area				
Chattahoochee	10,850	10,892	42	0.4%
Harris	35,227	36,560	1,333	3.8%
Lee, AL	165,194	176,654	11,460	6.9%
Marion	8,190	8,059	-131	-1.6%
Meriwether	20,970	20,951	-19	-0.1%
Russell, AL	57,753	59,659	1,906	3.3%
Sumter	29,059	28,336	-723	-2.5%
Talbot	6,031	5,751	-280	-4.6%
Troup	70,786	72,124	1,338	1.9%
Subtotal SSA	404,060	418,986	14,926	3.7%
Total	593,147	602,293	9,146	1.5%

Note: Lee, AL and Russell, AL data was extrapolated from 2021 and 2026 data.
Source: Governor's Office of Planning and Budget, Esri

The senior population (65 years of age and older) in the service area is growing at an even faster rate than the total population. The growth in the senior population is significant given that the proposed project addresses the needs of seniors with behavioral health problems, including those with co-morbid behavioral health and medical problems. Projections indicate that between 2022 and 2027, the senior population will grow from 92,073 to 106,221 residents, an increase of 14,148 seniors, representing a 15.4 percent increase. Moreover, seniors will account for 17.6 percent of the service area's population by 2027, compared to 15.5 percent in 2022. Please see **Exhibit 20.5**.

**Exhibit 20.5
Senior Population Projections, 2022-2027**

Primary Service Area	2022	2027	Growth	
			Absolute	Percent
Muscogee	28,294	32,252	3,958	14.0%
Subtotal PSA	28,294	32,252	3,958	14.0%
Secondary Service Area				
Russell, AL	501	497	-4	-0.8%
Lee, AL	7,315	8,445	1,130	15.4%
Harris	21,315	25,901	4,586	21.5%
Troup	1,922	2,211	289	15.0%
Talbot	4,646	5,166	520	11.2%
Sumter	9,558	10,818	1,260	13.2%
Marion	5,268	5,760	492	9.3%
Chattahoochee	1,704	1,893	189	11.1%
Meriwether	11,550	13,278	1,728	15.0%
Subtotal SSA	63,779	73,969	10,190	16.0%
Total	92,073	106,221	14,148	15.4%

Note: Lee, AL and Russell, AL data was extrapolated from 2021 and 2026 data.
Source: Governor's Office of Planning and Budget, Esri

Approved Project (GA 2020-018)

On June 16, 2020, the Department approved St. Francis's CON application (GA 2020-018) to establish an acute care adult geriatric inpatient psychiatric program at the Main Campus by relocating 16 adult inpatient psychiatric beds from The Bradley Center to the Main Campus. These sixteen (16) beds include The Bradley Center's 13-bed geriatric inpatient psychiatric unit and three additional adult inpatient psychiatric beds at The Bradley Center that St. Francis will convert to geriatric inpatient psychiatric beds. The 16-bed geriatric inpatient psychiatric program would be located on the fourth floor at the Main Campus.

Also, St. Francis operates a 24-bed Crisis Stabilization Unit ("CSU") and 14 observation beds, funded by the Georgia Department of Behavioral Health and Developmental Disabilities ("DBHDD"). The CSU offers short-term emergency psychiatric care, multidisciplinary assessment, and referral to follow-up care. As part of the approved project, St. Francis will use the space in The Bradley Center, vacated by the geriatric inpatient psychiatric unit, to expand its CSU from 24-beds to 37-beds, which is not a CON reviewable project. To accomplish this expansion, St. Francis will relocate its geriatric inpatient psychiatric service from The Bradley Center's campus to the Main Hospital campus.

The approved project involves 10,100 square feet of renovations and has a total estimated cost of \$2,248,000. The project does not involve any increase or change in St. Francis's overall CON-authorized services or bed capacity. However, 45 CON-authorized general adult psychiatric beds and 23 CON-authorized pediatric psychiatric beds, totaling 68 beds will be located at The Bradley Center and 16 CON-authorized geriatric psychiatric beds will be located at the main campus, for a grand total of 84 CON-authorized psychiatric beds.