

**MISSISSIPPI STATE DEPARTMENT OF HEALTH  
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT  
MARCH 23, 2020**

**CON REVIEW NUMBER: HP-COB-0220-003  
BRENTWOOD ACQUISITION, INC, D/B/A BRENTWOOD  
BEHAVIORAL HEALTHCARE  
CONVERSION OF ADULT PSYCHIATRIC BEDS TO ADULT  
CHEMICAL DEPENDENCY UNIT BEDS  
CAPITAL EXPENDITURE: \$6,000.00  
LOCATION: FLOWOOD, RANKIN COUNTY, MISSISSIPPI**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

Brentwood Acquisition, Inc. is a business corporation, owned by Universal Health Services, Inc. The entity is incorporated in Tennessee and authorized to do business in Mississippi. A Certificate dated January 16, 2020, indicates that Brentwood Acquisition, Inc. is in good standing with the Mississippi Secretary of State.

Brentwood Acquisition, Inc. d/b/a Brentwood Behavior Healthcare (“Brentwood”) is a 121 bed private, free-standing psychiatric hospital located in Flowood, Mississippi. Brentwood’s current complement of beds consist of thirty-one (31) adult psychiatric dual diagnosis beds, seventy-four (74) adolescent psychiatric beds, and sixteen (16) male adolescent psychiatric residential treatment facility beds. Two (2) adult psychiatric beds are held in abeyance. The healthcare facility is governed by six (6) officers.

**B. Project Description**

Brentwood requests Certificate of Need (CON) authority for the conversion of six (6) adult psychiatric beds to six (6) chemical dependency unit (CDU or CD) beds. The applicant submits that many adult psychiatric patients struggle with chemical dependency issues in addition to psychiatric issues, and Brentwood has experienced an increased demand for adult CDU services. The applicant asserts that while Brentwood can provide CD services to adult patients with a dual diagnosis of a psychiatric disorder with a secondary chemical dependency issue, if a patient seeking CD services with a primary diagnosis of chemical dependency needs treatment, Brentwood must divert the patient elsewhere. Brentwood further submits that over the past six (6) months, it has experienced a diversion rate of approximately five (5) patients per month. The applicant indicates that this project is submitted to address the increasing demand and need for adult CD services. The conversion of six (6) adult psychiatric beds to six (6) CDU beds will result in twenty-

five (25) adult psychiatric beds and six (6) adult CDU beds. The applicant states, because Brentwood is not adding beds as a result of the project but is instead designating an existing area as the CDU, only minor improvements are necessary to accommodate the project.

The applicant states if approved, Brentwood will serve the growing demand for adult CD services in an efficient and cost-effective manner. The applicant further states most necessary staff for the proposed project is readily available. The applicant affirms an increase in available CDU beds will improve access to inpatient CD services, which will hopefully translate into better outcomes and aid in treating those with chemical dependency issues in an appropriate setting.

Brentwood projects that the facility will require 5.2 additional Full-Time Equivalents (FTE) personnel at an estimated annual cost of \$259,908.48.

The MSDH Division of Health Facilities Fire Safety and Construction approved the site for CDU services on February 20, 2020.

The total proposed capital expenditure is \$6,000.00, which consists of minor cosmetic improvements.

The applicant expects to obligate the capital expenditure within six (6) months of final approval and anticipates that the project will be completed within one (1) year of CON approval

## **II. TYPE OF REVIEW REQUIRED**

The Mississippi State Department of Health will review applications for a Certificate of Need (CON) for the conversion of adult psychiatric beds to adult chemical dependency unit beds under the requirements of Sections 41-7-173, 41-7-191, and 41-7-193, Mississippi Code of 1972 Annotated, as amended. MSDH will also review applications for CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual, September 1, 2019, Revision*; all adopted rules, procedures, plans, criteria and standards of the MSDH; and the specific criteria and standards listed below.

In accordance with Section 41-7-197 (2) of the Mississippi code 1972 Annotated, as amended, any person may request a public hearing on this project within ten (10) days of publication of the staff analysis. The opportunity to request a hearing expires on April 2, 2020.

### III. CONFORMANCE WITH THE STATE HEALTH PLAN AND OTHER ADOPTED CRITERIA AND STANDARDS

#### A. State Health Plan (SHP)

The *FY 2018 Mississippi State Health Plan* contains policy statements, and both general (G) and service specific (SS) criteria and standards which the applicant is required to meet before receiving CON authority for the conversion of adult psychiatric beds to adult chemical dependency beds. This application is in substantial compliance with applicable policy, criteria and standards stated in the *Plan* as follows:

#### **Policy Statement Regarding Certificate of Need (CON) Applications for Acute Psychiatric, Chemical Dependency, and Psychiatric Residential Treatment Facility Beds/Services**

1. **Indigent/Charity Care:** The applicant submits Brentwood currently provides indigent/charity care and will continue to provide a reasonable amount of charity care.
2. **Mental Health Planning Areas:** Brentwood acknowledges that the state as a whole is used as a planning area for mental health services. The applicant states there is a need for fifty-seven (57) adult CDU beds per the statistical need calculation when the adult CDU beds licensed to the Department of Mental Health (DMH) are excluded. In addition, the applicant states Brentwood has consistently turned away more than five (5) patients per month seeking CD services at its facility.
3. **Public Sector Beds:** Brentwood acknowledges this statement and recognizes that the DMH beds are not counted in the state bed inventory for determining need.
4. **Comments from Department of Mental Health:** The Mississippi State Department of Health provided an opportunity for the Mississippi Department of Mental Health to comment regarding the CON application. The applicant states Brentwood has, and will maintain, a cooperative relationship with the Mississippi Department of Mental Health.

5. **Separation of Adults and Children/Adolescents:** The applicant states that Brentwood presently treats adolescent psychiatric patients. The applicant affirms Brentwood is, and will continue to be, compliant with this requirement; however, the proposed project will not impact adolescent psychiatric patients.
6. **Separation of Males and Females:** The applicant states Brentwood currently separates males and females and will continue to do so. The applicant further states the CDU rooms will be private and in direct sight of the nurse's station.
7. **Patients with Co-Occurring Disorders:** The applicant states Brentwood currently complies with this requirement and will continue to do so.
8. **Comprehensive Program of Treatment:** The applicant submits Brentwood currently provides their patients a comprehensive program of treatment and will continue to do so with the approval of the proposed project.
9. **Medicaid Participation:**
  - a. **Medicaid Certification:** The applicant submits that Brentwood is currently a Medicaid provider and receives Medicaid reimbursement and it will maintain such certification.
  - b. **Medicaid Service Information:** The applicant affirms that it will provide the Department with information regarding services to Medicaid patients when requested.
10. **Licensing and Certification:** The applicant submits that Brentwood is currently licensed by the Mississippi State Department of Health, and it meets and will continue to meet all the applicable licensing and certification regulations of the Division of Health Facilities Licensure and Certification.
11. **Psychiatric Residential Treatment Facility:** Brentwood certifies that Policy Statement 11 is not applicable to this project.
12. **Certified Education Programs:** The applicant states that Brentwood understands this requirement and provides such accommodations for school age patients; however, the proposed project does not pertain to the treatment of school age patients.
13. **Preference in CON Decisions:** The applicant certifies that this policy

statement is not applicable to hospital beds. However, the applicant does propose to convert adult psychiatric beds to adult CDU beds.

14. **Dedicated Beds for Children's Services:** The applicant acknowledges this policy statement; however, the project will not impact the treatment of children less than fourteen (14) years of age.
15. **CON Authority:** The applicant states Brentwood acknowledges this statutory requirement and as a result has filed this application for the proposed conversion of beds.
16. **Delicensed/Relicensed Beds:** The applicant affirms that this policy statement is not applicable to this project.
17. **Reopening a Facility:** The applicant acknowledges this statement; however, this statement is not applicable to the proposed project.

### **General Certificate of Need Criteria and Standards for Acute Psychiatric, Chemical Dependency, and/or Psychiatric Residential Treatment Facility Beds/Services**

#### **SHP Need Criterion 1 – Bed Need Requirements**

- a. **New/Existing Acute Psychiatric, Chemical Dependency, and/or Psychiatric Residential Treatment Facility Beds/Services:** Table 3-7 of the *FY 2018 State Health Plan* uses a formula of 0.14 beds per 1,000 population aged twenty (20) and above and documents that Mississippi has seventy-five (75) more CDU beds than needed. However, Table 3-7 inadvertently includes 132 CDU beds operated by DMH. Policy Statement 3 (and as referenced in the CON application) states: "Because DMH is a public entity and directly operates facilities providing acute psychiatric, chemical dependency, and psychiatric residential treatment facility beds, the number of licensed beds operated by DMH shall not be counted in the bed inventory used to determine statistical need for additional acute psychiatric, chemical dependency, and psychiatric residential treatment facility beds." When the 132 beds operated by DMH are excluded, the formula shows there are 263 licensed adult CDU beds resulting in a need for fifty-seven (57) beds (See Attachment 2 for listing of Adult CDU providers in the state).

**2025 Statewide Chemical Dependency Bed Need  
 Excluding Beds Licensed to DMH**

Bed Category and Ratio	2025 Projected Population	Projected Bed Need	Licensed Beds (Excluding DMH Beds)	Difference
Adult Chemical Dependency	2,282,191	320	263	57

Source: 2018 Mississippi State Health Plan

Using updated data from the Directory of Mississippi Health Facilities, published in July 2019, the applicant determined that there are 282 adult CDU beds licensed in the state, excluding the 132 adult CDU beds operated by DMH. The applicant asserts that updated information continues to demonstrate that there is a need for thirty-eight (38) additional CDU beds in the state.

**2025 Statewide Chemical Dependency Bed Need  
 (Based upon Current Information in the Directory of Mississippi  
 Health Facilities)  
 Excluding Beds Licensed to DMH**

Bed Category and Ratio	2025 Projected Population	Projected Bed Need	Licensed Beds (Excluding DMH Beds)	Difference
Adult Chemical Dependency	2,282,191	320	282	38

Source: Brentwood Behavioral Healthcare CON Application

- b. Projects that do not involve the Addition of Acute Psychiatric, Chemical Dependency, and/or Psychiatric Residential Treatment Facility Beds:** The applicant confirmed that this criterion is not applicable to this project.
- c. Projects that Involve the Addition of Beds:** The applicant submits that the Department, in Chapter 3 of the Plan, recognizes that “mental illness, alcoholism, drug abuse, and developmental disabilities result in social problems of such a magnitude that mental health ranks as one of the state’s priority health issues.”

The applicant affirms while Brentwood is able to treat individuals in need of CD services that have a dual diagnosis, it is unable to treat patients with a primary diagnosis of chemical dependency. The applicant further states this limitation in service capability results in Brentwood having to divert patients. The applicant states given the limited availability of adult CD services in the metro Jackson area and central Mississippi, when such a diversion occurs, the patient's access to care is negatively impacted and maintaining continuity of care for the patient is a concern. The applicant further states Brentwood's proposed conversion project will make six (6) adult psychiatric beds available, while not increasing the overall mental health bed complement of the hospital or state. The applicant states this project will enable Brentwood to better meet the demand for adult CD services.

- d. **Child Psychiatry Fellowship Program:** The applicant affirms this criterion is not applicable to this project.
- e. **Establishment or Addition of Programs for the Exclusive Treatment of Adults for Primary Psychiatric Diagnosis of Post Traumatic Stress Disorder (PTSD):** The applicant affirms this criterion is not applicable to this project.

#### **SHP Need Criterion 2 – Data Requirements**

Brentwood affirmed that it will record and maintain, at a minimum, the information regarding charity care and care to the medically indigent, including the information required by this criterion and make such information available to the Mississippi State Department of Health within fifteen (15) business days of request.

#### **SHP Need Criterion 3 – Referral/Admission of Charity/Indigent Patients**

Brentwood submitted a Memorandum of Understanding between Brentwood and Region 8 Community Mental Health Center regarding the referral and admission of charity and medically indigent patients.

#### **SHP Need Criterion 4 – Letters of Commitment**

The application contains approximately five (5) letters of comment/support from Community Mental Health Centers, physicians, community and political leaders, and other interested groups.

#### **SHP Need Criterion 5 – Non-Discrimination Provision**

The applicant asserts that neither Brentwood nor its staff have policies or procedures that would exclude patients because of race, color, age, sex, ethnicity,

or ability to pay. In addition, the applicant affirmed that it will provide a reasonable amount of charity/indigent care.

**SHP Need Criterion 6 – Charity/Indigent Care**

The applicant states Brentwood traditionally serves medically indigent patients and affirms that it will continue to do so.

**Service Specific (SS) Certificate of Need Criteria and Standards for Acute Psychiatric, Chemical Dependency, and/or Psychiatric Residential Treatment Facility Beds/Services**

**State Health Plan (SHP) SS Need Criteria - Chemical Dependency Beds for Adults**

**SHP SS Need Criterion 1 – Statistical Bed Need**

The *FY 2018 Mississippi State Health Plan* states that “MSDH shall base statistical need for adult chemical dependency beds on a ratio of 0.14 beds per 1,000 population aged eighteen (18) and older for 2023 in the state as a whole as projected by the Division of Health Planning and Resource Development. Table 3-7 presents the statistical need for adult chemical dependency beds.” Table 3-7, however, bases the need for adult chemical dependency beds on 0.14 beds per 1,000 population aged twenty (20) and older for 2023. In addition, the Plan inadvertently includes 132 CDU beds operated by DMH which results in showing the state as over-bedded by seventy-five (75) adult CDU beds. As a result, the applicant calculated need based on the data available in the Plan as well as the additional population data and updated licensure information available to the applicant.

**A. Need for additional adult CDU beds with exclusion of DMH Beds**

**2025 Statewide Chemical Dependency Bed Need  
 Excluding Beds Licensed to DMH**

<b>Bed Category and Ratio</b>	<b>2025 Projected Population</b>	<b>Projected Bed Need</b>	<b>Licensed Beds (Excluding DMH Beds)</b>	<b>Difference</b>
Adult Chemical Dependency: 0.14 beds per 1,000 population 20+	2,282,191	320	263	57

Source: *2018 Mississippi State Health Plan*

In addition, the Plan states MSDH shall base statistical need for adult



chemical dependency beds on a ratio of 0.14 beds per 1,000 population aged eighteen (18) and older for 2023. Therefore, the applicant states it reviewed population estimates for the state from census.gov to determine population statistics for that age cohort. The applicant states for 2019, Mississippi had an estimated total population of 2,976,149, and 76.4% of that population was estimated to be eighteen (18) years of age and older. According to the applicant, Mississippi currently has a population of approximately 2,273,777 aged eighteen (18) and older. Using this population base, the applicant projects a need for fifty-five (55) adult CDU beds as follows:

**2025 Statewide Chemical Dependency Bed Need  
 Excluding Beds Licensed to DMH**

<b>Bed Category and Ratio</b>	<b>2025 Projected Population</b>	<b>Projected Bed Need</b>	<b>Licensed Beds (Excluding DMH Beds)</b>	<b>Difference</b>
<b>2019 Census.gov Population Base</b> Adult Chemical Dependency: 0.14 beds per 1,000 Population aged 18+	2,273,777	318	263	55

Source: Brentwood Behavioral Healthcare CON Application

**B. Updated licensure information**

To ensure that Brentwood thoroughly considered the need for adult CDU beds in the state, the Applicant states in addition to evaluating the data outlined in the Plan, it also reviewed the 2019 Directory of Mississippi Health Facilities' adult CDU beds. According to the data contained in the Directory, there are currently 282 licensed adult CDU beds in the state. The applicant affirms the updated licensure information also reflects a need for additional adult CDU beds.

**2025 Statewide Chemical Dependency Bed Need  
 Based upon Current Information in the Directory of Mississippi  
 Health Facilities  
 Excluding Beds Licensed to DMH**

Bed Category and Ratio	2025 Projected Population	Projected Bed Need	Licensed Beds (Excluding DMH Beds)	Difference
<b>2025 Population Base utilized in Table 3-7 of the Plan</b> Adult CDU: 0.14 beds per 1,000 pop. Aged 20+	2,282,191	320	282	38
<b>2019 Census.gov Population Base</b> Adult CDU Beds: 0.14 beds per 1,000 pop. 18+	2,273,777	318	282	36

Source: Brentwood Behavioral Healthcare CON Application

**C. GHSA V need for additional adult CDU beds**

The applicant states while the state as a whole serves as the mental health planning district, it is important to note General Hospital Service Area (GHSA) V, wherein Brentwood is located, is underserved with regard to adult CDU beds. The applicant asserts when the beds licensed to DMH are excluded and the reportedly unused beds licensed to Baptist and St. Dominic are removed from the CDU bed need calculation, only forty (40) adult CDU beds licensed to River Region, located in Vicksburg, are available to serve GHSA V.

The applicant asserts forty (40) beds are inadequate to serve the GHSA given that is comprised of fifteen (15) counties and according to the Plan has a population of 812,422.

**SHP SS Need Criterion 2 – Proposed Size of Facility/Unit**

The applicant states Brentwood is aware of the unit restrictions and will comply with the same. The applicant proposes to convert six (6) adult psychiatric beds to six (6) CDU beds. Brentwood states its staff has training regarding alcohol and substance abuse treatment. Treatment protocols include a multi-discipline, psychosocial approach that involves the patient’s family and significant others.

### **SHP SS Need Criterion 3 – Aftercare/Follow-Up Services Provided**

The applicant certifies aftercare/follow-up services will be provided through referrals made to local mental health centers and partial-hospitalization programs offering adult CD services.

### **SHP SS Need Criterion 4 – Type of Clients to be Treated at Facility**

The applicant certifies Brentwood will treat adult patients with alcohol and substance dependency and addiction issues.

## **B. General Review (GR) Criteria**

Chapter 8 of the *Mississippi Certificate of Need Review Manual, Revised September 1, 2019*; addresses general criteria by which all CON applications are reviewed. This application is in substantial compliance with general review criteria contained in the manual.

### **GR Criterion 1- Consistency with the State Health Plan**

The project is in substantial compliance with all criteria, standards, and policies of the *FY 2018 Mississippi State Health Plan* applicable to psychiatric, chemical dependency, and psychiatric residential treatment facilities/services.

### **GR Criterion 2 – Long Range Plan**

The applicant submits Brentwood is a current provider of mental health services. The applicant asserts that its goal is to continue providing mental health services to the community; however, this goal will be negatively impacted if Brentwood is unable to undertake the proposed project. According to the applicant, because Brentwood specializes in mental health services, patients anticipate that adult CD services are available. The applicant states that over the past six (6) months, Brentwood has diverted, on average, five (5) patients per month. The applicant asserts that given that access to adult CD beds in the Jackson-metro area and central Mississippi is limited, Brentwood anticipates this demand to continue. The applicant further states, the availability of these services will hopefully result in fewer diversions and translate into improved outcomes.

### **GR Criterion 3 – Availability of Alternatives**

- a. **Advantages and Disadvantages of Alternatives:** The applicant states that Brentwood considered continuing to provide services with its current bed complement; however, because of the limitation on swing bed services and the number of patients seeking CD services at Brentwood, it was determined that maintaining the status quo would not help the applicant reach its long-term goals.

- b. New Construction Projects:** The applicant states this criterion is not applicable for this project.
- c. Beneficial Effects to the Health Care System:** The applicant states the option selected meets the goal of increasing accessibility to, and availability of, adult CD services in the most cost-effective manner.
- d. Effective and Less Costly Alternatives:** The applicant submits there is no less costly alternative. The applicant further states that by converting beds and placing the unit in existing space, there is no capital cost to implement the project.

  - i. Unnecessary Duplication of Services:** The applicant's proposed project will result in adult CD beds being available; however, this availability will be accomplished by converting six (6) existing adult psychiatric beds to adult CDU beds. Therefore, the applicant's overall bed count will not increase as a result of the project.
  - ii. Efficient Solution:** The applicant submits the demand for adult CD services at Brentwood supports the need for additional capacity for such services; therefore, the alternative - to do nothing and maintain the status quo - would not meet the need for increased access to these mental health services.
- e. Improvements and Innovations:** The applicant states increasing accessibility to adult CD services at Brentwood through the proposed conversion will promote Brentwood's goal of continuing to provide quality mental health services and further promote the Plan's goal of cost containment. Brentwood further asserts because it is an existing facility and will place the CDU beds in existing space, the cost related to improving the availability of CD services is minimal.
- f. Relevancy:** The applicant submits that according to the Department's January 22, 2019 Epidemiological Report entitled *Drug Overdose Deaths in Mississippi, 2011-2017*, on average in 2017 346 people died from an overdose, meaning almost one person "died nearly every day in Mississippi from a drug overdose." The applicant asserts this is an increase of approximately twenty-four percent (24%) from 2011, when the total number of overdoses reported was 279. In addition, the applicant submits the report shows during 2017, there were 180 opioid-related deaths in Mississippi and the age-adjusted death rate in 2017 was 6.3 deaths per 100,000 standard population, an increase of 125.0% from the 2011 rate of 2.8%.

Further, the applicant submits that The Mississippi Opioid and Heroin Data Collaborative noted that the Substance Abuse and Mental Health Services Administration (SAMHSA) estimates that 121,000 Mississippians are in need of substance use disorder treatment services. The applicant asserts that currently, Mississippi does not have the capacity to provide treatment for all patients in need. Furthermore, the applicant states this same report cited that one of the goals Mississippi must meet in combating the current opioid epidemic and preventing future drug-related crises is to expand treatment capacity. The applicant states the proposed project will assist with expanding CD treatment services in Mississippi.

#### **GR Criterion 4 - Economic Viability**

- a. **Proposed Charges:** The applicant states the expected charges and profitability for the proposed beds are consistent with current beds operated by the applicant.
- b. **Projected Levels of Utilization:** The applicant states Brentwood based its proposed utilization on its average rate of diversion, five (5) patients per month for the past six (6) months, for adult CD services.
- c. **Financial Feasibility Study:** This criterion is not applicable as the applicant does not propose a capital expenditure over \$2,000,000.00.
- d. **Financial Forecasts:** The applicant affirms that this criterion is not applicable.
- e. **Covered Expenses:** The applicant states Universal Health Services, the applicant's parent company, will support Brentwood if the allocated projections are not met.
- f. **Impact of Proposed Project on Health Care Cost:** The applicant submits the project should not negatively impact the cost of health care. The applicant states while Brentwood does not provide primary adult CD services currently, it does provide these services to individuals with a dual diagnosis of chemical dependency and another psychiatric disorder. Therefore, the applicant states Brentwood is familiar with the reasonable expenses and revenues that will be associated with providing adult CD services and its projections are based upon that knowledge.

#### **GR Criterion 5 - Need for the Project**

- a. **Access by Population Served:** According to the applicant, the proposed project meets the Need Criterion in Section 306.03.03 of the *FY 2018 State Health Plan*. Further the applicant states the need for increased access to

CD services is evidenced by the actual diversion rates experienced at Brentwood. In addition, the applicant states the underserved groups mentioned in this criterion have traditionally been served at Brentwood and the proposed project will increase the access to adult CD services for these groups.

- b. **Relocation of Services:** The project does not propose the relocation of services. Therefore, the applicant states this criterion is not applicable.
- c. **Current and Projected Utilization of Comparable Facilities.** The applicant asserts that although the state as a whole serves as the planning area for adult CD services, per the most recent Plan data, providers in the Jackson-metro area are not reporting utilization. The applicant further asserts that the closest available provider of adult CD services reporting utilization is in Vicksburg, Warren County, approximately fifty (50) miles from Brentwood. Furthermore, the applicant believes that due to the underutilization of beds in Jackson and Brentwood's own patients seeking CD services at Brentwood, there should be minimal impact on utilization at current providers.
- d. **Probable Effect on Existing Facilities in the Area:** The applicant states because the authorized adult CDU beds located in the Jackson-metro area are either not in service or underutilized, the proposed project should not have a negative impact on other facilities.
- e. **Community Reaction to Service:** The application contains five (5) letters of support from city officials, businesses, health care professionals and citizens.

#### **GR Criterion 6 - Access to the Facility or Service**

- a. **Access to Services:** Brentwood submits the applicant currently provides services to traditionally underserved populations and will continue to do so.

The following table shows the historical and projected estimated gross patient revenues of health care to medically indigent and charity care patients for years one (1) and two (2) of the proposed project:

**Gross Patient Revenue**

	<b>Medically Indigent (%)</b>	<b>Medically Indigent (\$)</b>	<b>Charity Care (%)</b>	<b>Charity Care (\$)</b>
Historical Year 2018	N/A	N/A	1.73%	\$ 705,600.00
Historical Year 2019	N/A	N/A	4.00%	\$1,674,000.00
Projected Year 1	N/A	N/A	3.00%	\$1,236,600.00
Projected Year 2	N/A	N/A	3.00%	\$1,285,110.00

- b. **Existing Obligations:** The applicant indicates that it has no existing or remaining obligations under federal regulation requiring provision of uncompensated care, community service, or access by minority or handicapped persons.
- c. **Unmet Needs of Medicare, Medicaid, and Medically Indigent Patients:** The applicant states the availability of adult CDU beds at Brentwood will help ensure that Medicare, Medicaid, and medically indigent patients have access to the adult CD services offered by the applicant.
- d. **Access to Proposed Facility:** The applicant states Brentwood is open twenty-four (24) hours a day, 365 days a year.
- e. **Access Issues:**
  - i. **Transportation and Travel:** Brentwood states it is conveniently located off Lakeland Drive in Flowood, MS
  - ii. **Restrictive Admission Policy:** Brentwood attached its Admission Policy which states “Brentwood Behavioral Healthcare of Mississippi does not exclude, deny benefits to, or otherwise discriminate against any person on the grounds of race, color, or national origin, or on the basis of disability, gender, or age in regards to admission to, participation in, or receipt of the services and benefits of any of its programs and activities or in employment therein, whether carried out by Brentwood directly or through a contractor or any other entity with whom Brentwood arranges to carry out its programs and activities.”
  - iii. **Access to Care by Medically Indigent Patients:** The applicant states Brentwood currently treats medically indigent patients and will continue to do so.

- iv. **Operational Hours of Service:** The applicant indicates the facility will be manned and operating twenty (24) hours a day, 365 days per year. The applicant affirms emergency only operation is not applicable to the proposed project.

#### **GR Criterion 7 - Information Requirement**

The applicant affirmed that Brentwood will record and maintain the information required by this criterion and make it available to the Mississippi State Department of Health within fifteen (15) business days of request.

#### **GR Criterion 8 - Relationship to Existing Health Care System**

- a. **Comparable Services:** The applicant submits that the state as a whole serves as the planning district for mental health services, and according to the Plan there are eleven (11) providers of adult CD services in the state. Three (3) providers are primarily located in the Jackson-metro area; however, the applicant states the adult CDU beds in Jackson are either not in service or underutilized. The applicant states the closest provider reporting utilization of a CD service is located in Vicksburg, MS.
- b. **Effects on Existing Health Services:**
  - i. **Complement Existing Services.** The applicant states that Brentwood is a freestanding psychiatric hospital offering a full complement of psychiatric services, specializing in mental health care.
  - ii. **Provide Alternative or Unique Services:** The applicant states that Brentwood currently provides CD services to those patients having a dual diagnosis of chemical dependency and an adult psychiatric disorder.
  - iii. **Provide Services for a Specific Target Population:** The applicant states the approval of the proposed project will increase access for patients seeking care at Brentwood.
  - iv. **Provide Services for Which There is an Unmet Need:** The applicant states Brentwood has maintained an average diversion rate of five (5) patients per month for the past six (6) months with regard to adult CD services. The applicant further states the conversion of adult psychiatric beds to adult CDU beds will provide capacity to ensure Brentwood is able to accept patients in need of adult CD services without increasing its overall bed count.
- c. **Adverse Impact:** The applicant states Brentwood will be required to



continue to divert and transfer patients in need of adult CD services and/or will be unable to take transfers from other healthcare facilities.

- d. **Transfer/Referral/Affiliation Agreements:** The applicant indicates a list of transfer/referral/affiliation agreements are not applicable for this project.

#### **GR Criterion 9 - Availability of Resources**

- a. **New Personnel:** The applicant states Brentwood currently has the personnel and physicians necessary to provide services. The application shows 5.2 full time equivalent (FTE) personnel are expected to be hired as a result of the project. Brentwood affirms it does not anticipate problems with hiring additional personnel and will recruit additional staff members through traditional advertising methods such as word of mouth.
- b. **Contractual Services:** The applicant states this criterion is not applicable.
- c. **Existing Facilities or Services:** The applicant states Brentwood currently has the personnel and physicians necessary to provide services to its 121 beds.
- d. **Alternative Uses of Resources:** The applicant states this criterion is not applicable for this project.

#### **GR Criterion 10 – Relationship to Ancillary or Support Services**

- a. **Support and Ancillary Services:** The applicant states that Brentwood currently provides CD services to patients that have a dual diagnosis of chemical dependency and a psychiatric disorder and has all necessary support and ancillary services for that service and will continue to do so.
- b. **Changes in Costs or Charges:** The applicant indicates there are no changes in costs or charges.
- c. **Accommodation of Changes in Costs or Charges:** The applicant indicates there are no changes in costs or charges.

#### **CR Criterion 11 – Health Professional Training Programs**

The applicant states Brentwood works with health professional training programs to meet their needs and will continue to do so.

#### **CR Criterion 12 – Access by Health Professional Schools**

The applicant states Brentwood works with health professional training programs to meet their needs and will continue to do so.

**CR Criterion 13 – Access by Individuals Outside Service Area**

The applicant states this criterion is not applicable for this project.

**CR Criterion 14 – Construction Projects**

The applicant states this criterion is not applicable for this project.

**GR Criterion 15 - Competing Projects**

The applicant states it is not aware of any competing application. Furthermore, the Department has not received any competing applications for this service.

**GR Criterion 16 - Quality of Care**

- a. **Past Quality of Care:** The applicant submits that Brentwood’s diversion rate for adult CD services and current utilization rates for other mental health services demonstrate that patients seek services at Brentwood, evidencing its quality of care.
- b. **Improvements of Quality of Care:** The applicant states the availability of CD services will help ensure Brentwood can continue to provide quality care to patients in need of adult CD services.
- c. **Accreditation and/or Certificates:** The applicant states Brentwood is licensed by the Department of Mental Health for home wrap-around service (MYPAC) and is also a licensed Alternative School for Children and Adolescents.

In addition, the applicant states Brentwood works closely with the Department of Veterans Affairs and is currently designated as a UHS Patriot Support Service Center.

**IV. FINANCIAL FEASIBILITY**

**A. Capital Expenditure Summary**

The total estimated capital expenditure is allocated as follows:

	Item	Cost (\$)	Percent (%) of Total
a.	Construction Cost -- New	\$0.00	0%
b.	Construction Cost -- Renovation	0.00	0%
c.	Capital Improvements	0.00	0%
d.	Total Fixed Equipment Cost	0.00	0%
e.	Total Non-Fixed Equipment Cost	0.00	0%
f.	Land Cost	0.00	0%
g.	Site Preparation Cost	0.00	0%
h.	Fees (Architectural, Consultant, etc.)	0.00	0%
i.	Contingency Reserve	0.00	0%
j.	Capitalized Interest	0.00	0%
j.	Legal and accounting fees	0.00	0%
k.	Other (minor cosmetic improvements)	6,000.00	100%
	<b>Total Proposed Capital Expenditure</b>	<b>\$6,000.00</b>	<b>100.00</b>

The above capital expenditure is proposed for minor improvements to approximately 1,277 square feet of space for the provision of chemical dependency services.

**B. Method of Financing**

The applicant proposes to finance the proposed capital expenditure with cash reserves.

**C. Effect on Operating Cost**

The applicant's three-year projected operating statement is presented at Attachment 1.

**D. Cost to Medicaid/Medicare**

The applicant projects the cost to third party payors as follows:

Payor Mix	Gross Patient Revenue	
	Utilization Percentage	First Year Revenue
Medicare	22.00%	\$428,400.00
Medicaid	30.00%	\$592,200.00
Commercial	42.00%	829,800.00
Self Pay	4.00%	81,000.00
Charity Care	2.00%	39,600.00
Other	0.00%	0.00
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,971,000.00</b>

**V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES**

The Division of Medicaid was provided a copy of this project for review and comment. As of the date of this staff analysis, the Division has not provided any comments on the proposed project.

The Mississippi Department of Mental Health was also provided an opportunity to comment on this project. No comments were received from the Department of Mental Health.

**VI. CONCLUSION AND RECOMMENDATION**

This project is in substantial compliance with the policy statements, general and service specific criteria and standards for psychiatric, chemical dependency and psychiatric residential treatment facilities stated in the *FY 2018 Mississippi State Health Plan*; the *Mississippi Certificate of Need Review Manual, September 1, 2019 Revision*; and duly adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Brentwood Acquisition, Inc. d/b/a Brentwood Behavior Healthcare for the conversion of six (6) adult psychiatric beds to six (6) adult chemical dependency unit beds.

**Attachment 1**

Brentwood Behavioral Healthcare Three-Year Operating Statement (Project Only)			
	Year 1	Year 2	Year 3
<b>Revenue</b>			
Patient Revenue:			
Inpatient	\$1,971,000.00	\$ 2,628,000.00	\$ 3,285,000.00
Outpatient	-	-	-
<b>Gross Patient Revenue</b>	<b>\$ 1,971,000.00</b>	<b>\$ 2,628,000.00</b>	<b>\$ 3,285,000.00</b>
Charity Care	39,600.00	52,200.00	64,800.00
Deductions from Revenue	<u>1,088,227.00</u>	<u>1,449,824.00</u>	<u>1,423,427.00</u>
<b>Net Patient Revenue</b>	<b>\$ 843,173.00</b>	<b>\$ 1,125,976.00</b>	<b>\$ 1,796,773.00</b>
Other Operating Revenue	0.00	0.00	0.00
<b>Total Operating Revenue</b>	<b>\$ 843,173.00</b>	<b>\$ 1,125,976.00</b>	<b>\$ 1,796,773.00</b>
<b>Expenses</b>			
Operating Expenses:			
Salaries	\$ 259,908.00	\$ 267,706.00	\$ 275,737.00
Benefits	52,476.00	54,050.00	55,671.00
Supplies	34,372.00	46,288.00	58,490.00
Services	3,600.00	3,900.00	4,200.00
Lease	-	-	-
Depreciation	-	-	-
Interest	-	-	-
Other	<u>25,200.00</u>	<u>25,200.00</u>	<u>25,200.00</u>
<b>Total Expenses</b>	<b>\$ 375,556.00</b>	<b>\$ 397,143.00</b>	<b>\$ 419,298.00</b>
<b>Net Income (Loss)</b>	<b>\$ 467,617.00</b>	<b>\$ 728,833.00</b>	<b>\$ 1,377,475.00</b>
<b>Assumptions</b>			
Inpatient days*	1,095	1,460	1,825
Outpatient days*	-	-	-
Procedures	-	-	-
Charge/outpatient day	-	-	-
Charge per inpatient day	\$ 1,800.00	\$ 1,800.00	\$1,800.00
Charge per procedure	-	-	-
Cost per inpatient day	\$ 343.00	\$ 272.00	\$ 230.00
Cost per outpatient day	-	-	-
Cost per procedure	-	-	-

**Attachment 2**

**CON Review HP-COB-0220-003  
 Brentwood Acquisition, Inc. d/b/a Brentwood Behavioral Healthcare  
 Conversion of Adult Psychiatric Beds to Adult Chemical Dependency Unit Beds**

**Table 1  
 Adult Chemical Dependency Beds**

Facility	County	Licensed Beds	Occupancy Rate (%)
Baptist Memorial Hospital Golden Triangle	Lowndes	8	0.00%
Delta Regional Medical Center (West Campus)	Washington	7	0.00%
Forrest General Hospital	Forrest	8	15.92%
Gulfport Behavioral Health System	Harrison	20	N/A
Merit Health River Region	Warren	40	18.22%
MS Baptist Medical Center	Hinds	97	0.00%
North Mississippi Medical Center	Lee	33	9.12%
Panola Medical Center	Panola	10	26.19%
Parkwood Behavioral Health Sys.	DeSoto	14	22.02%
South Central Regional Med. Ctr	Jones	10	40.58%
St. Dominic-Jackson Memorial	Hinds	35	0.00%
<b>Total Adult CDU Beds</b>		<b>282</b>	

Source: MSDH Health Facilities Licensure and Certification, [Directory of Mississippi Health Facilities](#), Hospital Facilities, July 2019 and updated reporting from Hospitals.