

**MISSISSIPPI STATE DEPARTMENT OF HEALTH  
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT  
JULY 31, 2023**

**CON REVIEW NUMBER: FSF-ES-0623-007  
BRENTWOOD ACQUISITION, INC. D/B/A BRENTWOOD BEHAVIORAL  
HEALTHCARE OF MISSISSIPPI D/B/A CROSSROADS  
EXPANSION OF TWELVE (12) PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY  
(PRTF) BEDS  
CAPITAL EXPENDITURE: \$15,000.00  
LOCATION: FLOWOOD, RANKIN COUNTY, MISSISSIPPI**

**STAFF ANALYSIS**

**I. PROJECT SUMMARY**

**A. Applicant Information**

Brentwood Acquisition, Inc. d/b/a Brentwood Behavioral Healthcare of Mississippi d/b/a Crossroads (“Brentwood” or the “Applicant”), is a private, freestanding Business Corporation located at 3531 Lakeland Drive, Flowood, Mississippi. Brentwood is currently licensed for 121 beds: twenty-five (25) adult psychiatric beds, seventy-four (74) adolescent psychiatric beds, and six (6) chemical dependency beds. The Applicant affirms Brentwood provides care on a twenty-four (24) hour basis, seven (7) days a week.

Additionally, Brentwood operates a sixteen (16) bed psychiatric residential treatment facility (“PRTF”). The PRTF facility focuses on treating adolescents twelve (12) and seventeen (17) years of age and serves as an adjunct or alternative setting to the acute inpatient psychiatric care provided by Brentwood. The PRTF provides necessary care for symptoms and/or behavioral manifestations and mental or emotional illness that significantly interfere with age-appropriate social, educational, or family functioning.

The application contains a Certificate of Good Standing from the Office of the Secretary of State. As of May 31, 2023, Brentwood Acquisition, Inc. is in good standing with the state of Mississippi.

**B. Project Description**

The Applicant requests Certificate of Need (“CON”) authority to expand Brentwood’s PRTF beds by twelve (12), resulting in a twenty-eight (28) bed PRTF program. The Applicant states the proposed expansion will not require construction or significant renovation. The Applicant states Brentwood will change the usage of existing wings to accommodate the PRTF expansion. The Applicant affirms that by using existing space, only minimal painting, repairs, and refurbishment are anticipated to cosmetically touch up the rooms. The Applicant states that the

location of the beds in a distinct wing of Brentwood's facility allows for the physical design necessary for the separation of the adolescents receiving PRTF treatment from the adults and female patients.

Brentwood states the additional proposed PRTF beds will focus on the treatment of adolescents and will serve as an adjunct or alternative setting to acute inpatient psychiatric care and provide residential treatment to area patients and their families. The Applicant asserts Brentwood will continue to offer a broad range of treatment programs for adolescents through a multi-discipline staff of professionals that includes psychiatrists, psychologists, pediatricians, social workers, registered and licensed practical nurses, recreational therapists, and teachers.

The Applicant asserts the proposal seeks to make additional PRTF services available to meet the needs of patients, their families, and friends by increasing the availability of beds. The Applicant states for FY 2021 and FY 2022, Brentwood's average daily census for its sixteen (16) PRTF beds was fifteen (15) and 15.1. Therefore, Brentwood allocates a utilization rate of ninety-four percent (94%) for FY 2021 and ninety-four and three-tenths percent (94.3%) for FY 2022. The Applicant further submits the twelve (12) month utilization rate at Brentwood is ninety-nine percent (99%).

Brentwood states patients are being turned away due to current patient demand and bed availability. The Applicant states the additional PRTF beds at the facility will allow those patients in need of PRTF services to receive such services while also allowing Brentwood the capacity to continue accepting referrals for PRTF services from the remainder of the State. Brentwood further states the proposed expansion can be accomplished by repurposing existing units without significant renovation or expenditure.

The Applicant states Brentwood does not anticipate a capital expenditure for this proposed expansion as only minimal cosmetic painting and refurbishment will be done by existing facility maintenance personnel. The Applicant submits the proposed project is anticipated to be complete within ninety (90) days of receiving CON approval.

Brentwood asserts the final objective of the proposed project is to enhance the availability of PRTF services in the area and accommodate patient demand at Brentwood.

The Applicant affirms no new construction or renovation is required for this project. The Applicant asserts the existing sixteen (16) PRTF beds and twelve (12) proposed PRTF beds will be placed in an existing wing of Brentwood's primary facility, approximately 13,900 square feet.

The Applicant affirms Brentwood is an existing healthcare facility that complies and will continue to comply with state and local building codes, zoning regulations, and/or appropriate regulatory authority. In addition, for the protection of the environment, the Applicant affirms it will comply with all applicable State statutes and regulations: 1) approved water supplies; 2) sewage and water disposal; 3) hazardous waste disposal; 4) water pollution control; 5) air pollution control; and 6) radiation control.

The application contains a letter dated June 27, 2023, documenting the Mississippi State Department of Health (MSDH), Division of Health Facilities Licensure and Certification's approval of the Project.

The Applicant states Brentwood does not anticipate a capital expenditure for the proposed project. However, the Applicant has allotted a \$15,000.00 capital expenditure for the proposed project.

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

This project is reviewed in accordance with Sections 41-7-173, 41-7-191(1)(c), and 41-7-193 of the Mississippi Code of 1972 Annotated, as amended, and the duly adopted rules, procedures, plans, criteria, and standards of the Mississippi State Department of Health. 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 MSDH; and the specific criteria and standards listed below. The Department reviews projects for the offering of psychiatric residential treatment facility ("PRTF") services when such services have not been offered at the facility within the past twelve (12) months and for the addition of PRTF beds, regardless of the capital expenditure.

In accordance with Section 41-7-197(2) of the Mississippi Code of 1972 Annotated, as amended, any affected 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 August 10, 2023.

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

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

The *FY 2022 Mississippi State Health Plan, Third Edition ("MSHP")* contains policy statements, criteria, and standards that the Applicant is required to meet before receiving CON authority for the addition of PRTF beds and the offering of PRTF services. This application substantially complies with the applicable policy, criteria,

and standards stated in the *Plan*.

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

1. **Indigent/charity care:** The Applicant states two percent (2%) of the care currently provided by the facility is charity care; however, the majority of PRTF patients that would be indigent/charity care patients qualify for Medicaid. The Applicant affirms approval of the proposed project will not diminish the percentage of charity care provided through its existing services, including PRTF services. The Applicant states it will provide a reasonable amount of indigent/charity care as described in Chapter 1 of the FY Mississippi State Health Plan ("MSHP or Plan") for those that qualify for Medicaid or otherwise.
2. **Mental Health Planning Areas:** The Applicant acknowledges that the entire State (*as a whole*) is used as a designated planning area for psychiatric services.
3. **Public Sector Beds:** The Applicant acknowledges and recognizes that the Department of Mental Health ("DMH") beds are not counted in the State's bed inventory for determining need.
4. **Comments from DMH:** The Applicant states Brentwood has and will maintain a cooperative relationship with the Department of Mental Health. A letter in the application, dated June 12, 2023, from Region IV, Mental Health Service, expresses their support of Brentwood's application and the extreme need for more PRTF beds at the facility.
5. **Separation of Adult and Children/Adolescents:** The Applicant affirms the PRTF will be located in a distinct wing of Brentwood's facility and will be kept programmatically and physically distinct from other areas of Brentwood's hospital in which adults are treated. Brentwood affirms that staffing ratios will also be kept sufficient to provide separation from the rest of the facility.
6. **Separation of Males and Females:** The Applicant affirms that Brentwood will separate males and females aged thirteen (13) and over.
7. **Patients with Co-Occurring Disorders:** The Applicant states that this policy statement is not applicable to the proposed project. However, if, in the future, Brentwood needs to provide "swing" bed type services, it will ensure that the deviation does not exceed twenty-five percent (25%) and

will work with Licensure and Certification to ensure the program meets all applicable licensure and certification regulations.

8. **Comprehensive Program of Treatment:** The Applicant states the proposed project does not propose any new mental health services. The Applicant further states Brentwood currently provides a comprehensive program of treatment for its PRTF patients, including an educational component, and will continue to do so with the approval of the proposed project.
9. **Medicaid Participation:**
  - a. **Medicaid Certification:** The Applicant states Brentwood is currently certified to accept Medicaid patients and receive Medicaid reimbursements and will maintain such certification.
  - b. **Medicaid Service Information:** The Applicant certifies Brentwood serves and will continue to serve a reasonable number of Medicaid patients. The Applicant affirms per its financial projections, Brentwood projects its Medicaid utilization for the proposed additional services will be 29-36% during the first three (3) years, respectively. The Applicant further affirms Brentwood will provide MSDH with information regarding services to Medicaid patients when requested.
10. **Licensing and Certification:** The Applicant certifies Brentwood is currently licensed by MSDH, and it will continue to meet all applicable licensing and certification regulations of the Division of Health Facilities Licensure and Certification for its services.
11. **Psychiatric Residential Treatment Facility:** The Applicant acknowledges and agrees with the definition outlined in this policy statement and affirms Brentwood's current PRTF unit is operated in a manner consistent with this policy statement and definition, and the additional beds will be operated in the same manner.
12. **Certified Education Programs:** The Applicant certifies Brentwood presently operates a day-treatment program certified by the Department of Education. The Applicant further certifies Brentwood's PRTF unit includes an educational program accredited by the Department of Education. The Applicant submits its PRTF residents have access to the existing gymnasium and spacious play areas located on the twelve (12) acre campus. The Applicant states that the Brentwood unit also provides a variety of services to meet the physical, social, cultural, and recreational

health maintenance and rehabilitation needs of each patient. The Applicant further states the services are designed to assist in the formation and development of new behavior patterns, problem-solving abilities, and the internalization of healthy adaptive responses to internal and environmental stressors.

13. **Preference in CON Decisions:** The Applicant states this policy is not applicable to their proposed project.
14. **Dedicated Beds for Children's Services:** The Applicant states this policy is not applicable to their proposed project.
15. **CON Statutory Requirement:** The Applicant acknowledges this statutory requirement of Section 414-7-191(1)(c). However, the Applicant states this policy is not applicable to the proposed project.
16. **Voluntarily Delicensed Beds:** The Applicant acknowledges this statement and affirms it is not applicable to the proposed project.
17. **CON Requirement for Reopening:** The Applicant acknowledges this statement and affirms it 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 Beds/Services:** The Applicant submits with the rate increase over the most recent twelve (12) months, Brentwood's PRTF utilization has continued to be above the threshold with an average daily census of fifteen and nine tenths' percent (15.9%) and a utilization rate of ninety-nine percent (99%).
- b. **Projects that do not involve additional beds:** The Applicant submits this criterion is not applicable to the proposed project as Brentwood proposes the addition of twelve (12) PRTF beds.
- c. **Projects which involve the addition of beds:** The Applicant states Brentwood's PRTF unit has maintained an average daily census of fifteen (15) patients with sixteen (16) PRTF beds in FY 2021 with a ninety-four percent (94%) utilization rate, and an average daily census of fifteen and one-tenth (15.1) patients per its sixteen (16) beds in FY 2022, with a ninety-

four and three tenths' percent (94.3%) utilization rate. The Applicant states that based on the utilization, Brentwood meets the occupancy rate required by Need Criterion 1(c) of Section 306.02 of the Plan to seek additional beds. In addition, Brentwood states the need to request twelve (12) additional beds is justified and demonstrated by its historical utilization.

- d. **Child Psychiatry Fellowship Program:** The Applicant acknowledges this statement and submits the statement is not applicable to the proposed project.
- e. **Exclusive Treatment of Adults:** The Applicant acknowledges this statement and submits the statement is not applicable to the proposed project.

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

The Applicant affirms Brentwood will record and maintain, at a minimum, information regarding charity care and care to the medically indigent required by this criterion and make it available to MSDH within fifteen (15) business days of the request.

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

The Applicant states Brentwood admits referrals from all thirteen (13) of the mental health regions in the State. The Applicant affirms Brentwood also has an existing transfer agreement with Region 8 Mental Health Services. The Applicant has included copies of Brentwood's admissions by the thirteen (13) mental health regions and a transfer agreement with Region 8.

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

The application contains four (4) support letters dated June 12, 2023, from Region IV Mental Health Services, Alliance Health Center, dated June 14, 2023, Pine Belt Mental Healthcare Resources, dated June 14, 2023, and M. Wayne Thompson, County Court/Youth Court Judge (State of Mississippi), dated June 15, 2023.

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

The Applicant states neither Brentwood nor its staff have policies or procedures that would exclude patients because of race, color, age, sex, ethnicity, or ability to pay. The Applicant reiterates Brentwood does and will continue to provide a reasonable amount of charity/indigent care to those unable to pay.

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

The Applicant affirms two percent (2%) of the care currently provided by Brentwood is charity care; however, the majority of PRTF patients that would be indigent/charity care patients qualify for Medicaid. The Applicant confirms Brentwood will continue to provide a reasonable amount of charity/indigent care through its existing services, including PRTF services. The Applicant further states, in the event, a patient does not have a payment source, the Applicant will treat the patient under its indigent/charity policy.

**Service Specific (“SS”) Certificate of Need Criteria and Standards for Psychiatric Residential Treatment Facility Beds/Services**

**SS Need Criterion 1 – Statistical Need for PRTF Beds**

The Applicant states Brentwood acknowledges this statement; however, the statement is not applicable to the proposed project base on the Applicant’s utilization as reported in the response for Need Criterion 1(c) of Section 306.02 of the Plan.

**SS Need Criterion 2 – Age Group to be Served**

The Applicant proposes to house the age groups as follows:

| <u>Age Group</u> | <u>Number of Beds</u> |
|------------------|-----------------------|
| 5 to 13          | 4 beds                |
| 14 to 17         | 23 beds               |
| 18 to 21         | 1 bed                 |

**SS Need Criterion 3 – Structural Design of Facility**

The Applicant states Brentwood’s primary focus is on those patients with ages between twelve (12) and seventeen (17). The Applicant asserts that the repurposed unit contains four (4) rooms which can be physically separated by a lock for the younger patients. The Applicant states that Brentwood can provide programmatically distinct services for these younger patients as well, and through the unit’s placement and staffing ratios, the Applicant is able to separate these

patients.

#### **SS Need Criterion 4 – Bed Count as Authorized by the Legislature**

The Applicant requests a CON to add twelve (12) additional PRTF beds to its program. The Applicant submits upon the approval of the proposed project the twelve (12) additional PRTF beds will not result in more beds statewide than specifically authorized by legislation.

#### **SS Need Criterion 5 – Proposed Size of Facility/Unit**

The Applicant affirms the location of Brentwood's PRTF unit will be attached to Brentwood's primary facility and covers 13,900 square feet, and it will consist of twenty-eight (28) beds.

#### **SS Need Criteria 6 - Staffing**

The Applicant states the staff is composed of a multi-discipline staff of professionals with specialized training for the age of the patients treated. The Applicant submits the staff members include psychiatrists, psychologists, pediatricians, social workers, registered nurses, recreational therapists, and teachers. Brentwood confirms to recognize family participation in the treatment of adolescents as an important component of care and increases the likelihood of a successful outcome. The Applicant further states aftercare/follow-up services are currently provided by Brentwood for its PRTF patients and will continue to be provided should the proposed project be approved.

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

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

#### **GR Criterion 1- State Health that Plan**

The Applicant asserts the proposed project substantially complies with the *FY 2022 MSHP* and MSDH's rules and regulations. The Applicant asserts the project meets the applicable priority health needs identified by MSDH in the *FY 2022 MSHP*.

The Applicant states the Project also substantially complies with the Plan's General CON Policies. Staff agrees the project substantially complies with the policy statements and the general and service-specific criteria and standards

stated in the *FY 2022 MSHP*, as discussed above.

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

The Applicant submits Brentwood seeks to provide a full range of psychiatric services to its current patients as well as those who may currently be turned away due to capacity concerns and the high utilization rate at Brentwood's PRTF unit. The Applicant states the addition of twelve (12) PRTF beds at Brentwood will improve the availability of PRTF services.

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

- a. Advantages and Disadvantages:** The Applicant states Brentwood contemplated not expanding PRTF services, but this would leave Brentwood unable to provide sufficient PRTF services given its approximately ninety-nine percent (99%) current utilization rate. The Applicant submits the facility had to turn away at least 132 patients in FY 2022 (an average of 11 patients a month). Brentwood asserts by not expanding beds, patients seeking services at Brentwood would continue to be turned away. The Applicant further states by undertaking the proposed project, Brentwood can improve the availability of services without incurring a capital cost to do so.
- b. New Construction Projects:** The Applicant states this statement is not applicable to the proposed project.
- c. Beneficial Effects to the Health Care System:** The Applicant states the proposed project helps improve the availability of PRTF services in the State as well as those patients currently seeking services at Brentwood.
- d. Effective and Less Costly Alternatives:** The Applicant states that it is not applicable to the proposed project. The Applicant further states Brentwood has existing physical space for the additional twelve (12) beds, which will not necessitate construction or any significant renovation.
  - i. Unnecessary Duplication of Services:** The Applicant states the utilization rates of Brentwood PRTF beds are approximately ninety-nine percent (99%); therefore, by improving the capacity of Brentwood with twelve (12) additional PRTF beds, the expansion will improve access to the population in need of those services, as it is demonstrated by the number of patients Brentwood has been unable to serve in the past year.
  - ii. Efficient Solution:** The Applicant asserts the proposed project will

enable Brentwood, an existing and experienced provider of PRTF services, to increase the availability of services to those in need of such services without significant costs.

- e. **Improvements and Innovations:** The Applicant asserts health care quality and cost-effectiveness are improved by ensuring that an adequate number of program-specific beds are available in the region, thereby reducing delays in the commencement of treatment. The Applicant further states timely treatment of emotional, behavioral, and other mental health conditions may ensure more favorable outcomes.
- f. **Relevancy.** The Applicant states the accessibility and availability of both acute psychiatric care and residential care at Brentwood is important to ensure that meaningful and appropriate inpatient treatment is provided in a timely fashion.

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

- a. **Proposed Charge:** The Applicant states that Brentwood determined its charges for the services based on its current operations.
- b. **Projected Levels of Utilization:** The Applicant states the projected levels of utilization following the addition of twelve (12) PRTF beds are consistent with those set forth for other PRTF facilities in the State as set forth in Table 3-3 of the State Health Plan. The Applicant asserts these utilization rates range from eighty-six percent (86%) to ninety-nine and fifty hundredths' percent (99.50%). The Applicant further states Brentwood anticipates that its utilization rates for its PRTF facility will remain stable given the growing need for PRTF services experienced by its existing utilization rate and deflections experienced by Brentwood.
- c. **Financial Feasibility Study:** The Applicant affirms the project's capital expenditure is not applicable to the proposed project.
- d. **Financial Forecasts:** The Applicant states the project's capital expenditure is less than \$2,000,000.00; therefore, this statement is not applicable to the proposed project.
- e. **Means of Covering Expenses in the Event of Failure to Meet Projections:** Brentwood submits the projected expenses for the proposed project amounts to \$15,000.00 for minor renovations and refurbishing. The Applicant states no construction or significant renovation to Brentwood's existing facility is necessary for the addition of the twelve (12) beds, and no additional equipment is needed to provide PRTF services.

- f. **Impact of Proposed Project on Health Care Cost:** The Applicant states Brentwood does not believe there will be a substantial impact on gross revenues or expenses. The Applicant further states there could be an impact on Medicaid reimbursement as more patients are able to access needed services.

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

- a. **Access by Population Served:** The Applicant asserts the statewide utilization rate for PRTF services is ninety-three and fifty-nine hundredths' percent (99.59%) per Table 3-3 of the *MS State Health Plan*, and Brentwood's current twelve (12) month utilization is ninety-nine percent (99%). In addition, the Applicant states over the past year, Brentwood has been unable to admit 132 patients that were seeking services at Brentwood and were appropriate for admission if there had been a bed available. The Applicant further states Brentwood affirms that all Mississippi residents, low-income persons, racial and ethnic minorities, women, disabled persons, other underserved groups, and the elderly will have access to the beds at issue.
- b. **Relocation of Services:** The Applicant states this criterion is not applicable to the proposed project.
- i. **Proposed Disposition:** The Applicant states this criterion is not applicable to the proposed project.
- ii. **Existing Space:** The Applicant states this criterion is not applicable to the proposed project.
- c. **Current and Projected Utilization of Comparable Facilities:** The Applicant asserts per the *MS State Health Plan*, the statewide utilization rate for PRTF services is ninety-three and fifty-nine hundredths' percent (93.59%). The applicant states Brentwood has maintained an annual daily census average of ninety-four percent (94%) and ninety-four and three-tenths percent (94.3%) for its PRTF services for the years 2021 and 2022, respectively, and continues to experience an increased demand by patients for PRTF services as demonstrated by its twelve (12) month utilization rate of ninety-nine percent (99%) and by the deflections recorded by the Applicant during 2022.
- d. **Probable Effect on Existing Facilities in the Area:** The Applicant states there should be no negative effect on existing facilities providing similar services. The Applicant submits the utilization rates of both Brentwood and

Canopy Children's Solutions are over ninety percent (90%), and both facilities are likely operating at or near capacity. The Applicant further states the addition of twelve (12) beds to Brentwood's existing PRTF beds is, therefore, unlikely to have any negative effect on existing facilities and will instead provide improved access to PRTF services.

- e. **Community Reaction:** The application contains two (2) support letters dated June 12, 2023, from Region IV Mental Health Services and Alliance Health Center, dated June 14, 2023, Pine Belt Mental Healthcare Resources, dated June 14, 2023, and M. Wayne Thompson, County Court/Youth Court Judge, dated June 15, 2023.

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

- a. **Access to Services.** The Applicant states currently, approximately twenty-three percent (23%) of Brentwood's patients are Medicaid beneficiaries. The Applicant submits this is a trend that Brentwood anticipates will continue. The Applicant asserts approximately two (2%) percent of the care currently provided by Brentwood is charity care and affirms that approval of the proposed project will not diminish the percentage of charity care it provides.
  1. The Applicant affirms all residents of the health planning service area, hospital service area, or patient service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, disabled persons, and the elderly, have access to the services of the existing facility.
  2. The Applicant certifies all residents of the health planning service area, hospital service area, or patient service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, disabled persons, and the elderly will have access to the proposed services and/or facility.
  3. The Applicant states most PRTF patients that would otherwise be classified as indigent, or charity care are Medicaid eligible. The Applicant further states Brentwood treats those patients pursuant to its charity policy if a patient does not have a payment source.

**Gross Patient Revenue**

|                      | Medically Indigent (%) | Charity Care (%) | Medically Indigent (\$) | Charity Care (\$) |
|----------------------|------------------------|------------------|-------------------------|-------------------|
| Historical Year 2021 | 0%                     | 1.4%             | 0%                      | \$533,000         |
| Historical Year 2022 | 0%                     | 1.9%             | 0%                      | \$729,000         |
| Projected Year 1     | 0%                     | 1.9%             | 0%                      | \$744,000         |
| Projected Year 2     | 0%                     | 1.9%             | 0%                      | \$759,000         |

- b. **Existing Obligations:** The Applicant states Brentwood has no existing obligations under any federal regulation requiring the provision of uncompensated care, community service, or access by minority/disabled persons.
  - i. **Remaining Obligations:** The Applicant states this criterion is not applicable to the proposed project.
- c. **Unmet Needs of Medicare/Medicaid and Medically Indigent Patients:** The Applicant states Brentwood treats all patients regardless of payor source.
- d. **Access to Proposed Facility:** The Applicant asserts as an existing provider of mental health services, Brentwood currently has relationships with other mental health service providers throughout the State. The Applicant submits that the increase availability of services at Brentwood will improve those providers' access to care or their patient populations as well as improve access to those mental health patients seeking services at Brentwood.
- e. **Access Issues:**
  - i. **Transportation and Travel:** The Applicant states the proposed beds will be located at the Applicant's existing facility, conveniently located with easy access to Lakeland Drive, Interstate I-55, and Interstate I-20.
  - ii. **Restrictive Admissions Policy:** The application contains a copy of the Admissions Policy which does not restrict admissions.

- iii. **Access to Care by Medically Indigent Patients:** The Applicant states Brentwood has and will continue to provide a significant amount of unreimbursed care for medically indigent patients.
- iv. **Operational Hours of Service:** Brentwood states the regular hours of operation of the facility are twenty-four (24) hours per day, seven (7) days a week.

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

Brentwood states it will record and maintain the information required under General Review Criterion 7 regarding charity care, care to the medically indigent and Medicaid populations, and will make it available to MSDH within fifteen (15) business days of request.

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

- a. **Comparable Services.** The Applicant states the service area for PRTF beds is the State as a whole. The Applicant submits that the MSDH has projected a need in the population served of 0.5 beds per 1,000 population aged five (5) to nineteen (19) per the State Health Plan, amounting to a projected bed need of 317 beds for the State. The Applicant state the population of the State currently accesses PRTF services through seven (7) facilities, which average an occupancy/utilization rate of ninety-three and fifty-nine hundredths' (93.59%) percent; however, the Applicant asserts Brentwood's specific utilization over the past two (2) years is ninety-four and fifteen hundredths' (94.15%) percent and currently is at ninety-nine (99%) percent. The Applicant further states Brentwood frequently has to turn patients in need of services away due to its bed capacity, at a rate of approximately eleven (11) patients a month.
- b. **Effect on Existing Health Services.** The Applicant states the proposed addition of twelve (12) PRTF beds should have no effect on other existing health services in the State, as both Brentwood and other PRTF facilities appear to be operating at or near capacity. The Applicant states Brentwood believes most of its admissions for the additional twelve (12) beds will originate from existing referral sources. The Applicant further states the referral sources are from across the State.
  - i. **Complement Existing Services:** The Applicant states the proposed addition of twelve (12) PRTF beds will complement the existing services provided at Brentwood and increase the accessibility and availability of PRTF services in the area and for

the State. Brentwood states that psychiatric residential treatment is an important component of providing comprehensive care, and because family participation in the treatment of adolescents is recognized as an important component of care, it increases the likelihood of a successful outcome.

- ii. **Provide Alternative or Unique Service:** The Applicant submits treatment of emotionally disturbed adolescents in a residential setting requires highly specialized capacity and staffing.
  - iii. **Provide a service for a specified target population:** The Applicant states the addition of twelve (12) PRTF beds will help improve continued access to these services in the central/metro area and the entire State.
  - iv. **Provide services for which there is an unmet need:** The Applicant states the utilization rates at Brentwood and the number of patients it has been unable to serve over the past year demonstrate an unmet need.
- c. **Adverse Impact.** The Applicant states the adverse impact would be the continuous inability of patients and their families to access needed PRTF services. The Applicant further states failure to grant the proposed project could result in an inadequate number of PRTF beds to meet the current and future needs of those with mental health issues in the area, forcing families to travel to other regions or out-of-state to receive necessary care, thus increasing health care costs for Mississippi.
- d. **Transfer/Referral/Affiliation Agreements.** The application contains a transfer agreement with River Oaks Hospital, LLC d/b/a Merit Health River Oaks and a copy of Brentwood's Referral Sources for FY 2021 and FY 2022, directly related to the proposed project.

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

- a. **New Personnel.** The Applicant affirms Brentwood's behavioral health staff is currently sufficiently staffed and qualified to provide services to the additional proposed PRTF beds. The Applicant has included Brentwood's financial projections worksheet demonstrating an additional 4.2 FTE Licensed Practical Nurses (LPNs), 4.2 FTE orderlies, and 1 FTE Social Service Worker that will be hired to support Brentwood's current staff.
- b. **Contractual Services.** The Applicant submits Brentwood provides its own clinically related services as part of its services. The Applicant states to

supplement its services, Brentwood has relationships with the following for specific services:

- US Therapy Services (animal therapy)
- Soul Synergy (yoga)
- Sheldon Willis, DDS (dental)
- Live Oak (additional psychology services)
- Christopher White, OD (optometry)
- Trident Care (portable radiology)

**c. Existing Facilities or Services.** The Applicant states Brentwood satisfactorily staffs its existing PRTF facilities and other inpatient psychiatric units. The Applicant further states while additional staff will be hired to assist staff currently treating PRTF patients, Brentwood will advertise as it currently does for other positions.

**d. Alternative Uses of Resources.** The Applicant states Brentwood rejected the alternative to utilize contract staff for positions involving PRTF patients and, therefore, intends to hire an additional four and two-tenths (4.2) FTE LPNs, four and two-tenths (4.2) FTE orderlies, and one (1) FTE for a social service worker.

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

**a. Support and Ancillary Services.** The Applicant asserts all necessary support and ancillary services are available.

**b. Changes in Costs or Charges.** The Applicant states Brentwood does not anticipate any significant changes in costs or charges with this proposed project aside from those for minor renovation and refurbishing.

**c. Accommodation of Changes in Cost or Charges.** The Applicant states this criterion is not applicable to the proposed project.

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

The Applicant affirms Brentwood currently partners with Mississippi State University and Jackson State University.

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

The Applicant states Brentwood will continue to participate to the extent the opportunity is available in providing clinical training for health professionals. The Applicant further states, currently, Brentwood has arrangements with Mississippi

State University and Jackson State University to provide training opportunities in nursing, counseling, social work, and activity therapy.

### **GR Criterion 13 – Access by Individuals Outside Service Area**

The Applicant states that Brentwood recognizes the entire state as the planning area for PRTF services. Additionally, the Applicant submits Brentwood treats patients from the entire state. Therefore, due to its location, many of Brentwood's patients are from the central area of the State. Brentwood specifies patients are admitted from all areas, such as the Coast to Tupelo and the Delta to Meridian. The Applicant further states that with the approval of the proposed project, the project will aid in improving access for those in the central part of the State and the State as a whole.

### **GR Criterion 14 - Construction Projects**

The Applicant states this criterion is not applicable to the proposed project. The Applicant further states Brentwood prepared the cost estimate for the proposed project based on its current operations.

### **GR Criterion 15 – Competing Applications**

No competing applications are on file with the Mississippi State Department of Health for the Addition of PRTF Beds.

### **GR Criterion 16 - Quality of Care**

- a. Past Quality of Care.** The Applicant affirms Brentwood currently provides behavioral health services in its PRTF facility and is accredited by the Joint Commission. The Applicant submits Brentwood's staff provides individualized treatment using an interdisciplinary approach involving a skilled and caring team of professionals. The Applicant further states this treatment is combined with a nurturing, safe environment that promotes self-responsibility and healthy development.
- b. Improvement of Quality of Care.** The Applicant asserts the proposed addition of twelve (12) PRTF beds will improve patient care in the Jackson metro area and State.
- c. Accreditations and/or Certifications.** The Applicant submits Brentwood is accredited by the Joint Commission.

**IV. FINANCIAL FEASIBILITY**

**A. Capital Expenditure Summary**

| Cost Item                                    | Projected Cost      | Percentage of Cost (%) |
|--|---------------------|------------------------|
| Construction – New                           | \$0.00              | 0.00%                  |
| Construction (Renovation)                    | 0.00                | 0.00%                  |
| Capital Improvement                          | 0.00                | 0.00%                  |
| Fees (architectural, consultant, etc.)       | 0.00                | 0.00%                  |
| Contingency Reserve                          | 0.00                | 0.00%                  |
| Capitalized Interest                         | 0.00                | 0.00%                  |
| Other (painting, patching, cosmetic expense) | 15,000.00           | 100.00%                |
| Fixed Equipment                              | 0.00                | 00.0%                  |
| Non-Fixed Equipment                          | 0.00                | 0.00%                  |
| Legal and Accounting Fees                    | 0.00                | 0.00%                  |
| Other Building Costs                         | 0.00                | 0.00%                  |
| <b>Total Capital Expenditure</b>             | <b>\$ 15,000.00</b> | <b>100.00%</b>         |

**B. Method of Financing**

The Applicant proposes to finance the project with cash reserves.

**C. Effect on Operating Cost**

The Hospital's three-year projected operating statement is presented in Attachment 1.

**D. Cost to Medicaid/Medicare**

The Applicant projects gross patient revenue cost to third-party payors as follows (Project Only).

| <b>Payor Mix</b>    | <b>Utilization Percentage (%)</b> | <b>First-Year Revenue (\$)</b> |
|---------------------|-----------------------------------|--------------------------------|
| <b>Medicare</b>     | 0.00%                             | \$ 0.00                        |
| <b>Medicaid</b>     | 29.00%                            | 547,500.00                     |
| <b>Commercial</b>   | 71.00%                            | 1,368,750.00                   |
| <b>Self-Pay</b>     | 0.00%                             | 0.00                           |
| <b>Charity Care</b> | 0.00%                             | 0.00                           |
| <b>Other</b>        | 0.00%                             | 0.00                           |
| <b>Total</b>        | 100.00%                           | \$1,916,250.00                 |

**V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES**

The Mississippi Division of Medicaid (DOM) was provided a copy of this application for review and comment. As of July 31, 2023, DOM has not commented on this project.

**VI. CONCLUSION AND RECOMMENDATION**

This project is in substantial compliance with the policy statements, criteria, and standards for psychiatric residential treatment facility beds/services as contained in the *FY 2022 Mississippi State Health Plan, Third Edition*, the *Mississippi Certificate of Need Review Manual, September 1, 2019, Revision*, and the 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 Behavioral Healthcare of Mississippi d/b/a Crossroads for the Expansion of Psychiatric Residential Treatment Facility Beds.

**Attachment 1**

| <b>Brentwood Acquisition, Inc. d/b/a Brentwood Behavioral Healthcare<br/>of Mississippi d/b/a Crossroads<br/>Expansion of Twelve (12) PRTF Beds<br/>Three-Year Operating Statement (Project Only)</b> |                        |                       |                        |
|---|------------------------|-----------------------|------------------------|
|   | Year 1                 | Year 2                | Year 3                 |
| <b>Revenue</b>  |                        |                       |                        |
| Patient Revenue:  |                        |                       |                        |
| Inpatient   | \$ 1,916,250.00        | \$2,463,750.00        | \$3,011,250.00         |
| Outpatient  | 0.00                   | 0.00                  | 0.00                   |
| <b>Gross Patient Revenue</b>  | <b>\$ 1,916,250.00</b> | <b>\$2,463,750.00</b> | <b>\$3,011,250.00</b>  |
| Charity Care  | 0.00                   | 0.00                  | 0.00                   |
| Deductions from Revenue   | 615,755.00             | 791,685.00            | 967,615.00             |
| <b>Net Patient Care Revenue</b>   | <b>\$ 1,300,495.00</b> | <b>\$1,672,065.00</b> | <b>\$2,043,635.00</b>  |
| Other Operating Revenue   | 0.00                   | 0.00                  | 0.00                   |
| <b>Total Operating Revenue</b>  | <b>\$ 1,300,495.00</b> | <b>\$1,672,065.00</b> | <b>\$2,043,635.00</b>  |
| <b>Expenses</b>   |                        |                       |                        |
| Operating Expenses:   |                        |                       |                        |
| Salaries  | \$547,456.00           | \$ 563,880.00         | \$ 580,796.00          |
| Benefits  | 114,966.00             | 118,415.00            | 121,967.00             |
| Supplies  | 53,272.00              | 68,492.00             | 83,713.00              |
| Services  | 0.00                   | 0.00                  | 0.00                   |
| Lease   | 0.00                   | 0.00                  | 0.00                   |
| Depreciation  | 0.00                   | 0.00                  | 0.00                   |
| Interest  | 0.00                   | 0.00                  | 0.00                   |
| Other   | 44,074.00              | 56,666.00             | 69,259.00              |
| <b>Total Operating Expense</b>  | <b>\$ 759,767.00</b>   | <b>\$807,453.00</b>   | <b>\$ 855,735.00</b>   |
| <b>Net Income (Loss)</b>  | <b>\$ 540,728.00</b>   | <b>\$ 864,612.00</b>  | <b>\$ 1,187,900.00</b> |
| <b>Assumptions</b>  |                        |                       |                        |
| Inpatient days  | 2,555                  | 3,285                 | 4,015                  |
| Outpatient days   | 0                      | 0                     | 0                      |
| Procedures  | 0                      | 0                     | 0                      |
| Charge/inpatient day  | \$ 750.00              | \$ 750.00             | \$ 750.00              |
| Charge per outpatient   | \$ 0.00                | \$ 0.00               | \$ 0.00                |
| Charge per procedure  | \$ 0.00                | \$ 0.00               | \$ 0.00                |
| Cost per inpatient day  | \$ 297.00              | \$ 246.00             | \$ 213.00              |
| Cost per outpatient day   | \$ 0.00                | \$ 0.00               | \$ 0.00                |
| Cost per procedure  | N/A                    | N/A                   | N/A                    |