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August 29, 2018

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Centers for Medicare and Medicaid Services
7500 Security Boulevard
Mailstop C4-25-02
ATTN: Physician-Owned Hospital Exceptions
Baltimore, Maryland 21244-1850

VIA EMAIL:
POHEXceptions@cms.hhs.gov
VIA FEDERAL EXPRESS:
773091878351

**Re: St. James Behavioral Health Hospital Inc
Request for Exception to Facility Expansion Limitation**

To Whom It May Concern:

Enclosed please find a Request for Exception to Facility Expansion Limitation for St. James Behavioral Health Hospital Inc.

Should you have any questions, please do not hesitate to contact our office.

With kindest regards, I remain,

Very truly yours,
GACHASSIN LAW FIRM
(A Limited Liability Company)

A handwritten signature in black ink, appearing to read 'C. Johnston'.

Christopher C. Johnston

Enclosures

cc: Joi Akuche, CMS (via electronic mail only)
Martha Kuespert, CMS (via electronic mail only)

CJ/mg

**ST. JAMES BEHAVIORAL HEALTH HOSPITAL INC
AMENDED REQUEST FOR EXCEPTION
TO FACILITY EXPANSION LIMITATION**

Pursuant to Section 1877(i)(3)(C) of Social Security Act (“Act”), physician-owned hospitals may apply for an exception to the prohibition on expansion of facility capacity imposed by Section 6001(a)(3) of the Patient Protection and Affordable Care Act (“ACA”). The Secretary of the Center for Medicare and Medicaid Services (“CMS”) is authorized to permit a physician-owned hospital to increase the number of operating rooms, procedures rooms, and beds beyond that for which the hospital was licensed on March 23, 2010, should they meet specific criteria to warrant such an exception.¹ In accordance with Section 1877(i)(3)(C) of the Act, St. James Behavioral Health Hospital Inc (“Hospital”) hereby submits this amendment to its Request for an Exception dated November 1, 2017, to increase the Hospital’s number of licensed beds for the reasons more fully set forth below:

I. Hospital Information:

Name of Hospital: St. James Behavioral Health Hospital Inc

Address: 3136 S. Saint Landry Ave.
Gonzales, Louisiana 70737-5801

National Provider Identification number (NPI): 1083637201

Tax Identification Number (TIN): 87-0765044

CMS Certification Number (CCN): 194088

County/Parish in which Hospital is located: Ascension Parish

Contact Person(s):

Name: Wendell Smith

Title: Chief Executive Officer

Address: 3136 S. Saint Landry Ave.
Gonzales, Louisiana 70737-5801

Telephone number: 225-647-7524

and

¹ Section 1877(i)(3)(C) of the Social Security Act.

Name: Christopher Johnston, Gachassin Law Firm

Title: Attorney

Address: 200 Corporate Blvd., Suite 103
Lafayette, Louisiana 70508

Telephone number: 337-235-4576

II. Basis upon Which Hospital is seeking an Exception of Expansion

Hospital is requesting that the Secretary, pursuant to its authority in Section 6001(a)(3) of the ACA, grant Hospital's Request for Exception to the prohibition on expansion as it is a **"high Medicaid facility"** as follows:

1. Sole Hospital: St. James Behavioral Health Hospital Inc is not the sole hospital in Ascension Parish. However, it is the only adult behavioral health hospital providing much needed behavioral services to the residents of Ascension Parish. Please see below a listing of other hospitals in Ascension Parish:

- St. Elizabeth Hospital (Our Lady of the Lake Ascension)
1125 West Highway 20
Gonzales, Louisiana 70737
225-765-8872
- Prevost Memorial Hospital
301 Memorial Drive
Donaldsonville, Louisiana 70346
225-473-7931

In addition, in 2014, another hospital which has since closed, was also located in Ascension Parish and for which data has been obtained.

- Ascension Gonzalez Rehabilitation Hospital
333 East Worthy Road
Gonzalez, LA. 70737
225-450- 2775

2. Medicaid inpatient admissions:

2014:

As summarized below, Exhibits A attached hereto shows that, based on data from the cost reports submitted by the foregoing providers to the Louisiana Department of Health including St. James Behavioral Hospital Inc's cost report, St. James Behavioral Hospital

Inc's annual percentage of total inpatient admissions under Medicaid for 2014 is greater than the percentage for any other hospital located in Ascension Parish.

St. James Behavioral Health Hospital Inc.²:

0 Traditional Medicaid Discharges
339 Medicaid Managed Care Plan Discharges = 42.16%
804 Total Discharges

St. Elizabeth Hospital (Our Lady of the Lake Ascension)³:

282 Medicaid Managed Care Discharges
109 Traditional Medicaid Discharges = 17.05%
2293 Total Discharges

Prevost Memorial Hospital⁴:

2 Medicaid Managed Care Discharges
0 Traditional Medicaid Discharges = 3.33%
60 Total Discharges

Ascension Gonzalez Rehabilitation Hospital⁵:

1 Medicaid Managed Care Discharge
1 Traditional Medicaid Discharges = 5.12%
39 Total Discharges

2015:

As summarized below, Exhibits B attached hereto shows that, based on data from the cost reports, St. James Behavioral Hospital Inc's annual percentage of total inpatient admissions under Medicaid for 2015 is greater than the percentage for any other hospital located in Ascension Parish.

St. James Behavioral Health Hospital Inc⁶:

0 Medicaid Managed Care Discharges
93 Medicaid Traditional Discharges = 11.02%
844 Total Discharges

St. Elizabeth Hospital (Our Lady of the Lake Ascension)⁷:

0 Medicaid Managed Care Discharges
252 Medicaid Traditional Discharges = 10.41%
2419 Total Discharges

² See Exhibit A-1

³ See Exhibit A-2

⁴ See Exhibit A-3

⁵ See Exhibit A-4

⁶ See Exhibit B-1

⁷ See Exhibit B-2

Prevost Memorial Hospital⁸:

1 Traditional Medicaid Discharges		
<u>1 Medicaid Managed Care Discharges</u>	=	5%
40 Total Discharges		

2016:

As summarized below, Exhibits C attached hereto shows that, based on data from the cost reports, St. James Behavioral Hospital Inc's annual percentage of total inpatient admissions under Medicaid for 2016 is greater than the percentage for any other hospital located in Ascension Parish.

St. James Behavioral Health Hospital Inc.⁹:

0 Traditional Medicaid Discharges		
<u>196 Medicaid Managed Care Discharges</u>	=	20.74%
945 Total Discharges		

St. Elizabeth Hospital (Our Lady of the Lake Ascension)¹⁰:

0 Traditional Medicaid Discharges		
<u>230 Medicaid Managed Care Discharges</u>	=	9.33%
2465 Total Discharges		

Prevost Memorial Hospital¹¹:

0 Traditional Medicaid Discharges		
<u>2 Medicaid Managed Care Discharges</u>	=	7.14%
28 Total Discharges		

3. Nondiscrimination: As further certified in Section VI below, Hospital does not discriminate against beneficiaries of Federal healthcare programs and does not permit physicians practicing at the Hospital to discriminate against such beneficiaries.

III. Hospital's Baseline Numbers

As evidenced by Attachment I, the number of operating rooms, procedure rooms, and beds for which the Hospital was licensed as of March 23, 2010, is as follows:

⁸ See Exhibit B-3

⁹ See Exhibit C-1

¹⁰ See Exhibit C-2

¹¹ See Exhibit C-3

**St. James Behavioral Health Hospital Inc's Baseline Number of Operating Rooms,
Procedure Rooms and Beds as of March 23, 2010**

Operating Rooms	0
Procedure Rooms	0
Licensed Beds	28

IV. Number of Licensed Operating Rooms, Procedure Room and Beds as of the date of the Request for Exception

As evidenced in Attachment II, as of the date of this Request for Exception, the Hospital currently has the following number of operating rooms, procedure rooms, and beds.

**St. James Behavioral Health Hospital Inc's Number of Operating Rooms,
Procedure Rooms, and Beds as of November 1, 2017**

Operating Rooms	0
Procedure Rooms	0
Licensed Beds	28

V. Details Regarding Requested Expansion of Hospital

Hospital is requesting an increase in the total number of beds by two hundred percent (200%) of the baseline number or by twenty-eight (28) beds, from the current number of twenty-eight (28) beds to a total amount of fifty-six (56) beds.

VI. Attestation of Hospital's Non-Discrimination Policy

Hospital does not discriminate against beneficiaries of Federal healthcare programs and does not permit physicians practicing at the Hospital to discriminate against such beneficiaries.

CERTIFICATION

With knowledge of the penalties for false statements provided by 18 U.S.C. 1001, I, Wendell Smith, the Hospital's Chief Executive Officer, certify that all of the information provided in the

request and all of the documentation provided with the request is true and correct to the best of my knowledge and belief.

A handwritten signature in blue ink, appearing to read "Michael S. Smith", written over a horizontal line.

St. James Behavioral Hospital Inc
Chief Executive Officer