



**Oct. 22, 2009**

**General questions:** Grant Higginson, M.D., M.P.H., Office of Community Health and Health Planning, 971-673-1225, [grant.k.higginson@state.or.us](mailto:grant.k.higginson@state.or.us)

## **State denies approval for limited service hospital in St. Helens**

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A proposed order was issued by the Oregon Department of Human Services Public Health Division today to Columbia Health District denying a certificate of need for a 12-bed acute care hospital to be located at 35311 Millard Road, St. Helens, Oregon.

Oregon's Certificate of Need Law is a health planning tool to help ensure that new health care facilities and services improve access to care at a reasonable cost. Under this law, Columbia Health District was required to demonstrate that the project would meet specific criteria in the department's rules in order to receive approval.

"The public told us that primary care is the most important need of the community," said Grant Higginson, M.D., M.P.H., whose office is responsible for making Certificate of Need decisions. "While the health district was able to show the need for a limited number of new hospital beds, the increased cost to patients because of having to use an emergency department rather than an urgent care center might actually reduce access to care, particularly for low-income individuals," he said.

The state reviewed the application materials provided by Columbia Health District and also testimony gathered at two hearings from the public, including health care providers practicing in the area. Based on the evidence provided, the reviewers were not convinced that the new hospital would:

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- Be able to bring enough health care providers, particularly physicians, into the community to provide adequate staffing for the new hospital.
- Secure an adequate revenue stream to be viable. While the Health District has passed a local tax levy to support a hospital, the community no longer qualifies for the Critical Access Hospital designation it sought, making it more difficult to ensure an adequate revenue stream.
- Decrease the number of ambulance transports to Portland and Longview, Wash., hospitals as suggested by the applicant. The limited range of services and the lack of inpatient or outpatient surgery or maternity services in the proposed hospital make it unlikely that the need for ambulance transports out of the county would be substantially reduced.

The order issued today is a proposed order, and the applicant and any other affected party may ask the department to re-evaluate its decision by requesting an informal hearing with the Public Health Division. If no request for a hearing is received by November 2, 2009, the proposed order will automatically become final.

The estimated capital expenditure for the proposed facility is \$24,466,162 (\$48,525,206 when interest is included).

A copy of the proposed order is posted on the Certificate of Need program's Web site at

<http://www.oregon.gov/DHS/ph/hsp/certneed/index.shtml>.

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