

EXHIBIT A

Certificate of Need Issued by the Oklahoma State Department of Health



Oklahoma State Department of Health
Creating a State of Health

June 29, 2017

VIA FACSMILE
918-251-0123
& EMAIL

diane.reagle@gmail.com

Diane Reagle, Contact Person
604 E Glendale Street
Broken Arrow, OK 74011

**RE: SoundMind Behavioral Health Hospital, LLC
CN Proposal #17-069**

Dear Ms. Reagle:

Please find attached Certificate of Need for the establishment of a new seventy-two (72) bed freestanding adult and geriatric psychiatric hospital located in Tulsa Oklahoma.

Please feel free to contact Grace Karuga at graceka@health.ok.gov or me at (405) 271-9444 ext. 57273 if you have any questions.

Sincerely,

Espanola Bowen, MCJA, M.Ed. Administrative Programs Manager
Managed Care Systems
Health Facility Systems/Jail Inspection Division
Health Resources Development Service

EB/gk

Enc. Certificate of Need for SoundMind Behavioral Health Hospital, LLC

BEFORE THE OKLAHOMA STATE DEPARTMENT OF HEALTH

In the pursuit of a certificate of need for)
SoundMind Behavioral Health Hospital, LLC d/b/a) CN #17-069
SoundMind Behavioral Health Hospital, LLC)

ORDER

An application for a certificate of need was filed by SoundMind Behavioral Health Hospital, LLC d/b/a SoundMind Behavioral Health Hospital, LLC (SoundMind) requesting approval to establish a seventy-two (72) bed freestanding adult and geriatric psychiatric hospital in Tulsa, Oklahoma by construction of a new facility. SoundMind will be the real estate owner and the licensed operator for the facility.

The application was announced in the Journal Record, Oklahoma City, and the Tulsa Daily Commerce & Legal News on Tuesday, April 25, 2017, as being complete and ready for review. The period for submission of comments ended May 15, 2017. The Department received no comments.

Taking into consideration the completed application and the results of the investigation by its staff the Department orders as follows:

FINDINGS OF FACT

1. SoundMind has made certificate of need application for permission to establish a seventy-two (72) bed freestanding adult and geriatric psychiatric hospital in Tulsa, Oklahoma by construction of a new facility. SoundMind, an investor owned company, will own the operations and real estate.
2. The Department considered the applicant's conformity to the Psychiatric and Chemical Dependency Facility Certificate of Need Act, Title 63 Oklahoma Statutes (O.S.) Section 1-880 *et seq.*; Certificate of Need Hearings, Oklahoma Administrative Code (OAC) 310:4-1-1 *et seq.*; and the Certificate of Need Standards for Psychiatric and Chemical Dependency Service Beds, OAC 310:635-1-1 *et seq.*
3. SoundMind demonstrated that alternative or substitute services are not and will not be available or are and will be inadequate to meet the needs of the population as required in OAC 310:635-1-6.
 - a. SoundMind did not request an alternative service area as allowed in OAC 310:635-1-4(1)(A), (B) and (C).
 - b. SoundMind demonstrated the existing configuration of psychiatric and chemical dependency services beds are not and will not be adequate to meet the needs in the service area as required in OAC 310:635-1-5 as evidenced by the following:
 - i. Letters, statements of support and the continuum of treatment providers, in the service area;

- ii. Evidence of the limited availability of adult beds configured for geriatric psychiatric services;
 - iii. An increase in the statewide bed to population ratio to fifty-four and four tenths (54.4) beds per one hundred thousand (100,000) persons, a ratio that remains below the optimal target ratio of one hundred seventeen (117) beds per one hundred thousand (100,000) persons; and
 - iv. An increase in the bed to population ratio in the service area for geriatric psychiatric beds that continues to be below the statewide ratio.
- c. SoundMind demonstrated that alternative or substitute services are not and will not be available or are and will be inadequate to meet the needs of the population as required in OAC 310:635-1-6 as evidenced by the following:
- i. The applicant considered and described less restrictive care settings in the service area. These settings are ancillary to the acute care health and psychiatric needs which the applicant seeks to meet;
 - ii. The occupancy rate for adult psychiatric beds in the service area is over the seventy-five percent (75%) occupancy rate;
 - iii. The nonexistence of applicable previously approved or exempted beds for consideration; and,
 - iv. Documentation of relationships with referral sources and other related service providers in the service area.
4. Pursuant to Title 63 O.S. Section 1-880.7(A)(1), the Department finds the action proposed in the application for certificate of need is necessary and desirable in order to provide the services required in the locality to be served. SoundMind demonstrated the existing configuration of psychiatric services beds are not and will not be adequate to meet the needs in the service area as required in OAC 310:635-1-5 as evidenced by the following:
- a. SoundMind service area has an occupancy rate of eighty-three and seventy-four hundredths percent (83.74%);
 - b. Limited availability of adult psychiatric beds in the service area;
 - c. An increase in the statewide bed to population ratio of fifty-four and four tenths (54.4) beds per one hundred thousand (100,000) persons, a ratio that remains below the optimal target ratio of one hundred seventeen (117) beds per one hundred thousand (100,000) persons; and
 - d. An increase in the bed to population ratio in the service area for adult psychiatric beds that continues to be below the statewide ratio.
5. Pursuant to Title 63 O.S. Section 1-880.7(A)(2), the Department finds the proposed action can be economically accomplished and maintained as evidenced by SoundMind's demonstration of

sufficient financial resources to establish a seventy-two (72) bed freestanding adult and geriatric psychiatric hospital and sustain operations as required in OAC 310:635-1-7 as demonstrated by:

- a. The availability of two million dollars (\$2,000,000) from the principles of SoundMind and a loan guarantee of up to fifteen million dollars (\$15,000,000) for the construction and operation of the new facility. The project estimated cost is eight million, five hundred fifty seven thousand dollars (\$8,557,000);
 - b. A viable three (3) year budget projecting excess revenues over expenses for two (2) of the three (3) years; and,
 - c. A daily bed rate consistent with prevailing rates of similar institutions providing similar services in the general area.
6. Pursuant to Title 63 O.S. Section 1-880.7(A)(3), the Department finds the proposed action will contribute to the orderly development of services in the locality as evidenced by the following:
- a. An increase in the statewide bed to population ratio of fifty-four and four tenths (54.4) beds per one hundred thousand (100,000) persons, a ratio that remains below the optimal target ratio of one hundred seventeen (117) beds per one hundred thousand (100,000) persons;
 - b. An increase in the bed to population ratio in the service area for adult beds that continues to be below the statewide ratio; and
 - c. SoundMind provided evidence that sufficient personnel shall be retained or employed to meet the needs of all residents and to comply with all requirements for state licensure and certification as required in OAC 310: 635-1-8 as evidenced by the following:
 - i. Appropriate proposed staffing; and,
 - ii. The submission of recruitment plans to fill needed positions upon approval of the certificate of need.
7. SoundMind met the requirements of a ten (10) bed psychiatric or chemical dependency unit minimum size as specified in OAC 310:635-1-9(a) as evidenced by the submission of an application to establish a seventy-two (72) bed freestanding adult and geriatric psychiatric hospital designated to persons fifty-five (55) years and older.
8. The Department's *Report of Investigation* is incorporated as a part of this order as if fully set forth.

CONCLUSIONS OF LAW

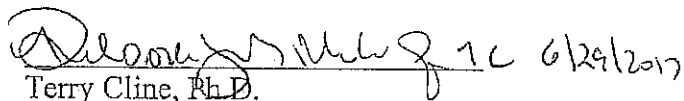
1. The Department has jurisdiction over this matter under the Psychiatric and Chemical Dependency Facility Certificate of Need Act, Title 63 O.S. Sections 1-880 *et seq.*; the Certificate of Need Hearing Rules, OAC 310:4-1-1 *et seq.*; and, the Certificate of Need Standards for Psychiatric and Chemical Dependency Service Beds, OAC 310:635-1-1 *et seq.*

2. Any finding of fact above, which is properly characterized as a conclusion of law is hereby incorporated.
3. Taking into consideration the above findings of fact, the Department approves issuance of a certificate of need for the subject application.

ORDER

The Department approves the issuance of certificate of need #17-069 to SoundMind to establish a seventy-two (72) bed freestanding adult and geriatric psychiatric hospital designated to serve those fifty-five (55) years of age and older.

Dated this 29 day of June, 2017.

 6/29/2017

Terry Cline, R.D.

Commissioner

Secretary of Health and Human Services

EXHIBIT B
Diagram of Facilities

SoundMind

West Northfolk Drive

145TH EAST AVENUE

BrokenArrow S Loop

NEW BUILDING

TOTAL: 118 SPACES
15 ADA

MOUNTABLE CURB

FENCED AREA

GRASS PAVERS

LOADING DOCK

STAIRS

DRIVE OFF RAMP

UE

ROW

CL

UE



HEALTH
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architecture

SOUNDMIND BHH
SITE PLAN UPDATE
12.18.2017

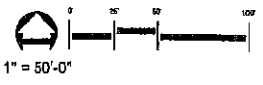


EXHIBIT C
Project Parameters



SoundMind Specialty Hospital



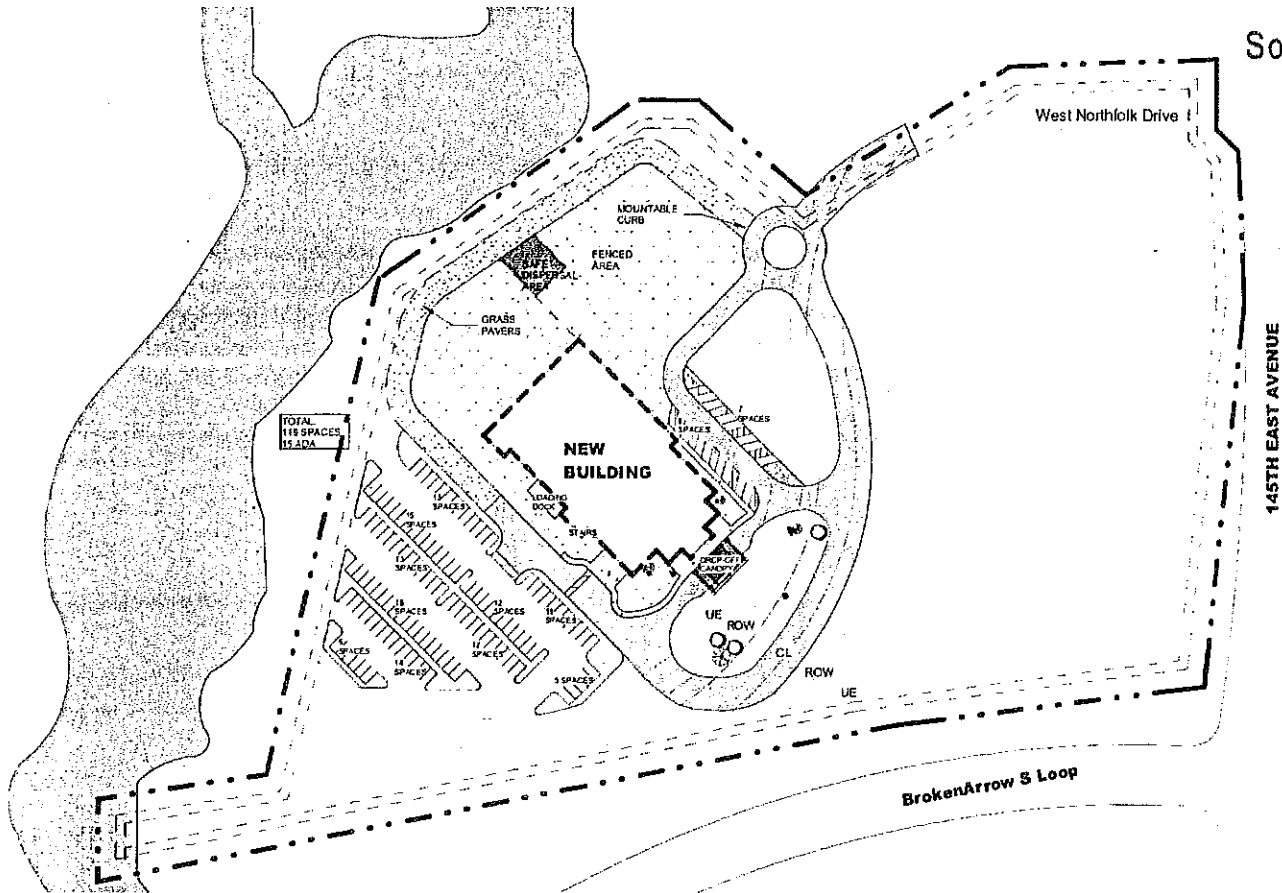
SoundMind Specialty Hospital

A premier hospital addressing the growing need for the 55+ and geriatric population.

Treating medically complex mental health disorders and behaviors a full spectrum of integrated, complementary services known to improve the health status of seniors.

Length of Stay 7-12 days

SoundMind



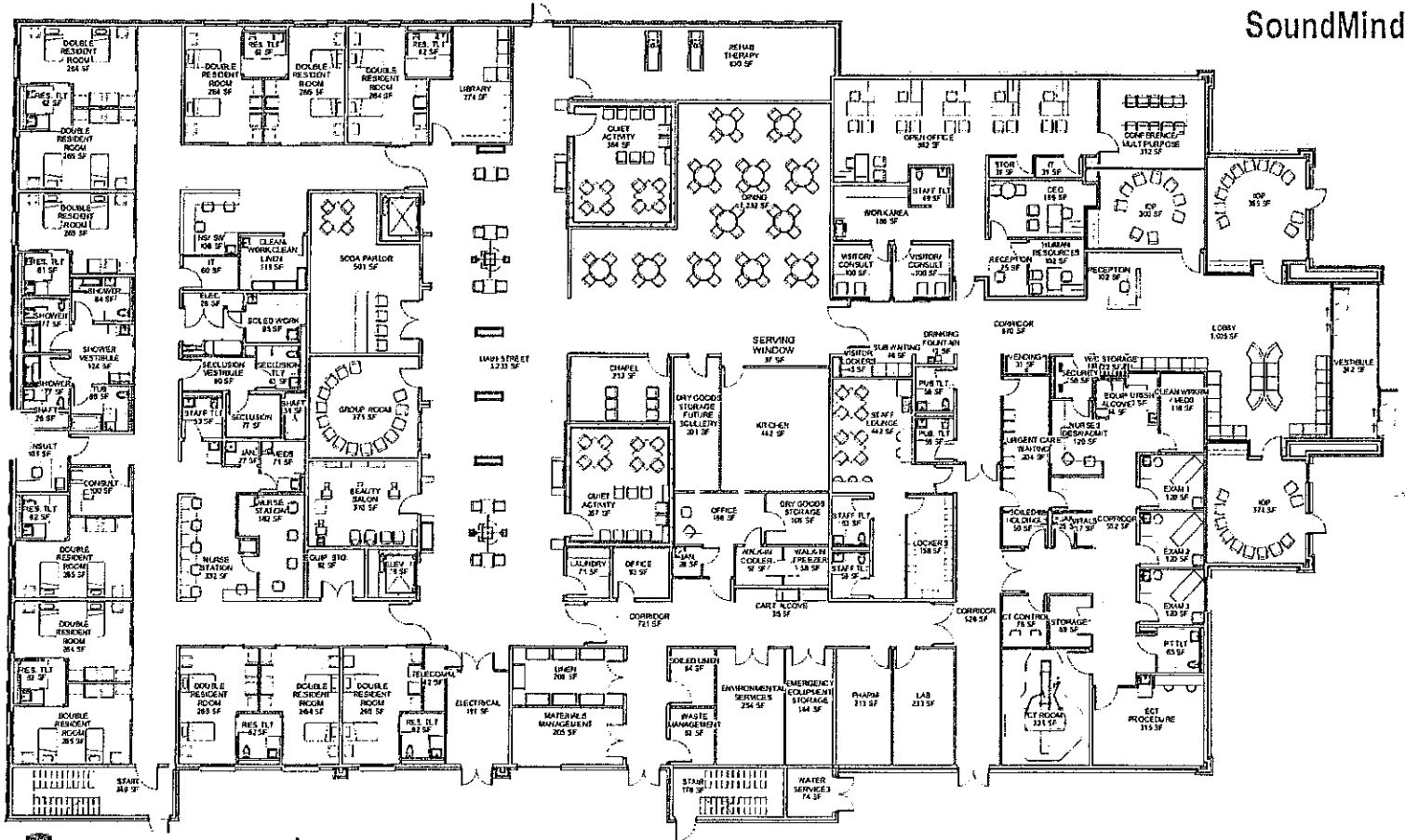
HFG

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SOUNDMIND BHH
SITE PLAN UPDATE
12.18.2017

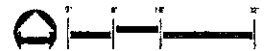


SoundMind



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Architecture

SOUNDMIND BHH
FLOOR PLAN UPDATE - FIRST FLOOR
12.19.2017


$$1/16'' = 1'-0''$$

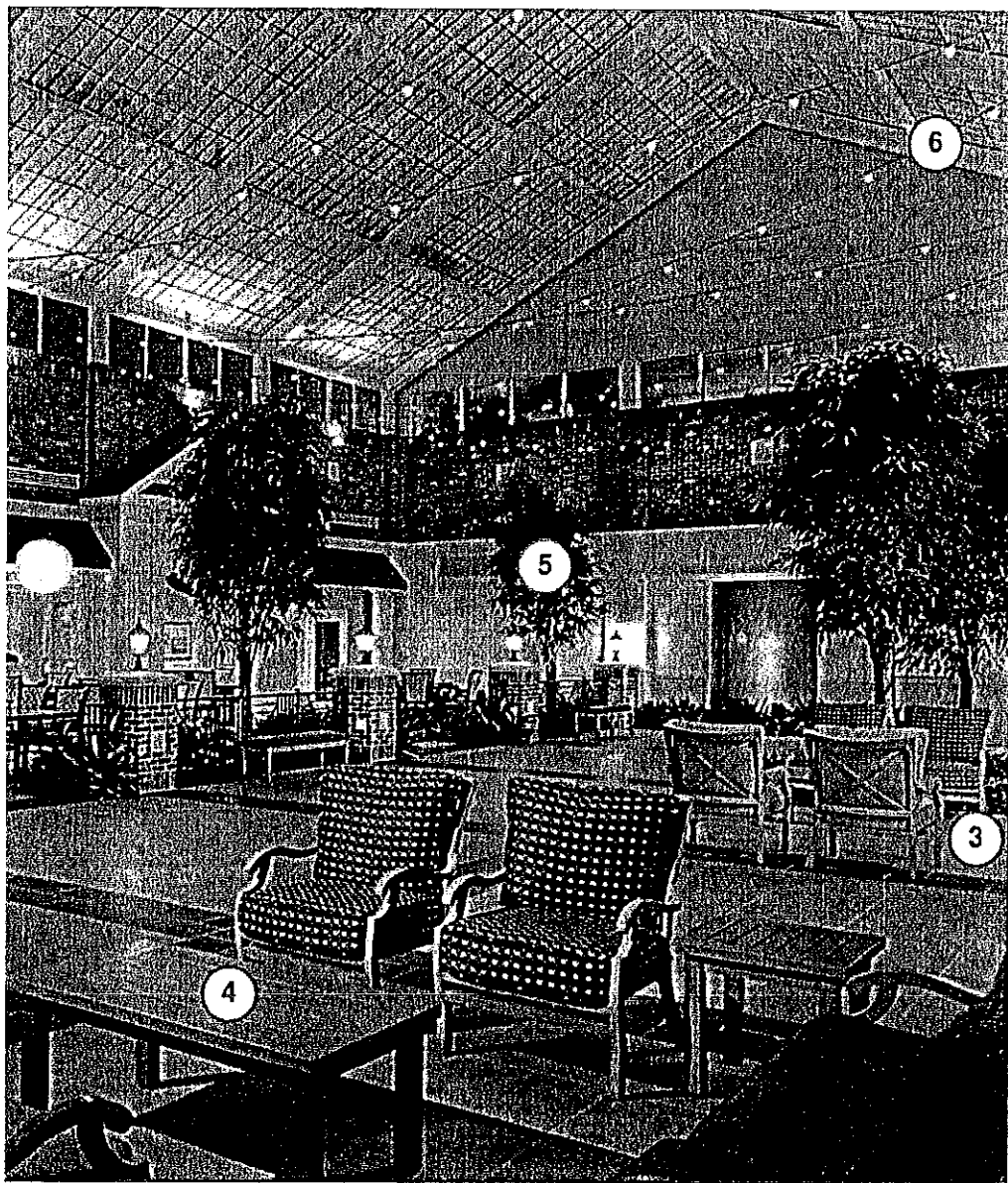
Architectural floor plan of the second floor of a nursing home. The plan shows a central corridor system with rooms on all four sides. Rooms include Double Resident Rooms (245 SF), Nurse Stations (115 SF), Social Workers' offices (115 SF), Vests (12 SF), and various restrooms and showers. A large central area is labeled 'OPEN TO BUILDING'. The plan also shows a staircase, elevator lobby, and a water service area. A note indicates '(ROOF BELOW)' with an arrow pointing to a hatched area on the right side of the plan.



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SOUNDMIND BHH
FLOOR PLAN UPDATE - SECOND FLOOR
12.18.2017


$$1/16'' = 1'-0''$$



1. Consistency through architectural features
2. Sense of community
3. Main Street gathering points
4. Promote interaction
5. Greenery
6. Lighting



1. Illusion of natural daylight
2. Warm wood finishes
3. Materials that tie in to the exterior
4. Warm and neutral wall finishes
5. Residential style furnishings with added durability

SoundMind Specialty Hospital

Ideal	Current
117 beds	53 beds
per	per
100,000	100,000

Psychiatric hospital bed need in the 18+ population

SoundMind Specialty Hospital

SoundMind will employ specialized assessment teams to work hand in hand with local hospitals, emergency departments, nursing homes and other mental health providers seeking assistance in providing for their older patients.

SoundMind Specialty Hospital

The SoundMind professional team will be made up of exceptionally trained mental health care specialists who are passionate about enriching the lives of our patients

SoundMind Specialty Hospital

VISION A state of the art campus providing integrated and comprehensive services for the care of seniors and the training and development of skilled clinicians. Increased quality of life for seniors, their caregivers and families.