

**ATTACHMENT-43**  
**SAFETY NET IMPACT STATEMENT**

XI. Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community

Health Safety Net Services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Service, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No. 03-P011, August, 2003)

This project will provide Health Safety Net Services in the Medical-Surgical, Intensive Care, and Obstetric categories of service as well as in clinical service areas that are not categories of service by establishing a hospital with these services in a planning area (Planning Area A-10) that has bed need for these services. This hospital will also serve other parts of the target market area that are in other planning areas.

When established and operational, Centegra Hospital - Huntley will improve the provision of essential safety net services to the inpatients that it will serve, including the uninsured and underinsured residents of Planning Area A-10, the State-defined planning area in which the hospital is located.

Planning Area A-10 is comprised of McHenry County.

As discussed in Attachment 12, the market area for this project includes portions of McHenry County, which constitutes Planning Area A-10, plus portions of adjacent counties, particularly Kane and Lake Counties, from which significant number of residents currently utilize outpatient services in the Centegra Health Center - Huntley that is located on the same campus where Centegra Hospital - Huntley will be located. Since zip codes in McHenry County frequently include area in adjacent counties, it is necessary to include areas in adjacent counties in the definition of the market area for this project.

Inasmuch as this certificate of need (CON) application proposes to establish a new hospital, no historic patient origin data are available for Centegra Hospital - Huntley.

However, since the Centegra Health Center - Huntley, which includes an urgent care center and physicians' offices, is located adjacent to the proposed hospital, patient origin for these facilities was examined to identify potential patient origin for Centegra Hospital - Huntley. The patient origin data, which are presented on Attachment 12, Page 7, and Attachment 20, Page 8, indicate that 88% of the FY2010 visits to the urgent care center and 75% of the visits to physicians' offices were from residents of the primary market area, of which more than 82%

of the visits to the urgent care center and 69% of the visits to physicians' offices were from residents of zip codes in the primary market area that were primarily located in McHenry County. Additional, more than 4% of the visits to the urgent care center and nearly 12% of the visits to physicians' offices were from residents of the secondary market area, of which 4% of the visits to the urgent care center and more than 11% of the visits to physicians' offices were from residents of zip codes in the secondary market area that were primary located in McHenry County.

These patient origin data document that Centegra Hospital - Huntley can be expected to serve the population of McHenry County, the state-designated planning area in which it will be located and in which there is currently significant bed need in the categories of service proposed for this hospital: Medical-Surgical Category of Service; Intensive Care Category of Service; and Obstetric Category of Service.

In addition, patient origin data for the two existing general acute care hospitals in McHenry County as well as the Critical Access Hospital in the County demonstrate that these hospitals each serve a unique portion of Planning Area A-10. These patient origin data are found on Pages 12 through 14 of Attachment 12 and also in Attachment 20.

The establishment of Centegra Hospital - Huntley will result in the provision of much-needed services to the low income and uninsured that reside and work within the market area for this project.

There are residents of the target market area for this project who are low-income and otherwise vulnerable, as documented by their residing in Medically Underserved Areas and/or Health Professional Shortage Areas and by the payor mix expected to be experienced at Centegra Hospital - Huntley.

Medically Underserved Areas and Medically Underserved Populations are designated by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) based on the Index of Medical Underservice. Designated Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs) are eligible for certification and funding under federal programs such as Community Health Center (CHC) grant funds, Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (<http://bhpr.hrsa.gov/shortage/muaguide.htm>) (Health Resources and Services Administration, U.S. Department of Health and Human Services).

Health Professional Shortage Areas are designated by the federal government because they have a shortage of primary medical care, dental, or mental health providers (<http://bhpr.hrsa.gov/shortage/index.htm> Health Resources and Services Administration, U.S. Department of Health and Human Services).

- Within McHenry County, there are 3 census tracts that have been designated by the Governor as having a federally-designated Medically Underserved Population, a designation that is made to document unusual local conditions and barriers to accessing personal health services.
- Carpentersville, in Kane County, has a census tract that is a federally-designated Medically Underserved Area.
- There are 4 townships in the Hampshire Service Area in Kane County that have been identified as federally-designated Health Professional Shortage Areas for primary medical care.

This project will have a positive impact on essential safety net services in Planning Area A-10 and the market area for this project for those patients requiring inpatient care in the Medical-Surgical, Intensive Care, and Obstetric categories of service because this project will provide acute care services and physician services to patients residing in these areas.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services

There are 4 existing hospitals in Planning Area A-10, 3 of which are members of Centegra Health System. One of these hospitals, Centegra Specialty Hospital - Woodstock, South Street, provides only Acute Mental Illness and General Long Term Care Categories of Service. The fourth hospital, Mercy Harvard Memorial Hospital in Harvard, is a Critical Access Hospital that has a total of 20 authorized acute care beds (17 Medical-Surgical beds and 3 Intensive Care beds).

This project will not impact other hospitals because it is intended to meet existing bed need based upon the population growth forecast by the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health in the "Inventory of Health Care Facilities and Services and Need Determinations," and, to the extent that existing residents of the target market area currently receive inpatient care at existing hospitals, the availability of accessible inpatient services in the southwestern portion of Planning Area A-10 will result in increased availability for the growing population projected throughout the area.

As a result, this project should not have any impact on the ability of another provider or health care system to cross-subsidize safety services, but it is anticipated that it will enhance Centegra Health System's ability to cross-subsidize safety net services at all of its locations.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community

This item is not applicable because neither of the co-applicants (Centegra Hospital - Huntley and Centegra Health System) is proposing to discontinue any services or facilities.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.

As stated above, this project has two co-applicants: Centegra Hospital - Huntley and Centegra Health System.

This item does not apply to Centegra Hospital - Huntley, which is a newly created entity that is not yet operational.

A notarized certification describing the amount of charity care provided in 2007 through 2009 by each of the hospitals that are members of Centegra Health System is found on Page 8 of this Attachment.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Illinois Health Facilities and Services Review Board under Section 13 of the Illinois Health Facilities Act and published in the Annual Hospital Profile.

As stated above, this item does not apply to Centegra Hospital - Huntley, which is a newly created entity that is not yet operational.

A notarized certification describing the amount of care provided to Medicaid patients in 2007 through 2009 by each of the hospitals that are members of Centegra Health System is found on Page 9 of this Attachment.

3. Any other information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A Safety Net Information per PA 96-0031 table in the specified format must be provided as part of Attachment 43.

The Table is found on Pages 10 through 12 of this Attachment, with a separate table for each of the existing Centegra hospitals (i.e., Centegra Hospital - McHenry, Centegra Hospital - Woodstock, Centegra Specialty Hospital - Woodstock South Street).

- a. Centegra's FY2009 Community Benefits Activities are identified in this Report.
- b. A copy of Centegra Health System's 2010 Report to the Community, "It's All Right Here," is appended to this Attachment.
- c. During FY2009, Centegra Health System provided more than \$3,000,000 in community benefits, an increase from FY2008.
- d. Centegra Health system's Community Benefits Objective is to improve the health and wellness of its community by increasing access through coordinated unified programs and services.
- e. Centegra Health System is an active participant in the McHenry County Health Department's Healthy Community Study, which is a collaborative effort in which more than 20 organizations are participating.
- f. Centegra Health System has been an active participant in the McHenry County Health Department's MAPP (Mobilizing for Action through Planning and Partnerships), an ongoing effort which is currently in its action phase.
- g. The Centegra Wellness on the Move Mobile Health Unit, a 32 foot long van, travels to serve patients throughout McHenry County all year long. It provides screenings and health care services at no cost to residents of the county who may not have the time or means to reach a medical facility or wellness center.

The Mobile Health Unit has 2 examining rooms as well as x-ray, ultrasound and EKG machines, and the staff are able to conduct audiology screenings, blood draws, and provide patient education. Free health screenings such as diabetes and blood pressure are performed on a monthly basis.

Since it became operational in 2008, Centegra's Mobile Health Unit has provided vascular, skin, blood pressure, hearing and diabetes screenings, flu shots, and Health Risk Assessments. During its first year of operation, more than 1,552 McHenry County residents entered the Mobile Health Unit at more than 110 events.

- h. The Mobile Health Unit has worked with McHenry County's Public Action to Deliver Shelter (P.A.D.S.), a non-profit organization that provides shelter and other vital services to the homeless in Woodstock, and has partnered with Robert Dorn and The Pointe in Crystal Lake to deliver healthcare services where the need is greatest.
- i. Each year, Centegra Health System takes part in more than 100 community events throughout McHenry County for the advancement of health education and wellness.
- i. Centegra Health system is listed as one of 50 top-ranked health systems in Thomson Reuters' "100 Top Hospitals: Health Systems Quality/Efficiency Study."

This national benchmarking study evaluated 252 health systems with a total of 1,720 hospitals on measures of clinical measures of clinical quality and efficiency.

- k. In addition to both Centegra Hospital - McHenry and Centegra Hospital - Woodstock serving as Level II Trauma Centers for adults, they provide additional resources to the communities they serve for Emergency Medical Services (EMS).

Centegra Hospital - McHenry is the EMS Resource Hospital for the McHenry and Western Lake County EMS System's service area. Centegra Hospital - Woodstock is an Associate Hospital within this EMS service area. As such, these Centegra hospitals manage the operations related to meeting IDPH Rules for EMS service delivery to all EMS agencies participating in the McHenry - Western Lake County EMS System. The hospitals establish patient care protocols, operational policy, procedural policy, CQI/PI, and training (both initial and ongoing continuing education related to approval for relicensure) for fire/rescue squads and private ambulance services.

- i. For nearly 30 years, Centegra Hospital - McHenry and Centegra Hospital - Woodstock have coordinated the EMS training program at both certificate and the Associate Degree level at McHenry County College, training, First Responders, Emergency Medical Techs- Basic and Emergency Medical Techs - Paramedics. In addition, Centegra's EMS Department provides educational oversight for all EMS training provided within each agency, as well as the direct delivery of specific training and skill competency evaluation within the EMS System for all paramedics.

m. Centegra Health system provides a number of professional education training experiences.

- 1) Clinical Practicum Experience for Nursing and Certified Nursing Assistant students
- 2) Professional education for students in Medical Education, Pharmacy, Respiratory Care, and Surgical Technologist programs
- 3) Internship for Phlebotomy students and Health Care Administrators

September 29, 2009

Mr. Michael Constantino  
Illinois Department of Public Health  
Health Facilities and Services Review Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

Re: Centegra Health System Amended Charity Care for 2006 and 2007 IDPH Annual Hospital Questionnaires

Dear Mr. Constantino,

This letter is to inform you of a correction to the "Actual Cost of Services to Charity Care Inpatients and Outpatients" that was reported for Centegra Health System (Memorial Medical Center – Old, Memorial Medical Center – New and Northern Illinois Medical Center) for the 2006 and 2007 Illinois Department of Public Health Annual Hospital Questionnaires. Following are the amended figures:

**Memorial Medical Center – Old (Centegra Specialty Hospital – Woodstock South Street)**

|            | <u>FY07</u> | <u>FY06</u> |
|------------|-------------|-------------|
| Inpatient  | \$36,897    | \$47,328    |
| Outpatient | \$0         | \$32,961    |

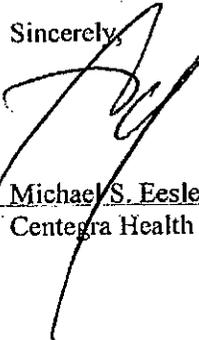
**Memorial Medical Center – New (Centegra Hospital – Woodstock)**

|            | <u>FY07</u> | <u>FY06</u> |
|------------|-------------|-------------|
| Inpatient  | \$408,804   | \$531,336   |
| Outpatient | \$451,835   | \$370,040   |

**Northern Illinois Medical Center (Centegra Hospital – McHenry)**

|            | <u>FY07</u> | <u>FY06</u> |
|------------|-------------|-------------|
| Inpatient  | \$934,098   | \$719,823   |
| Outpatient | \$460,078   | \$437,339   |

Sincerely,

  
Michael S. Eesley  
Centegra Health System, President and CEO

November 17, 2010

Mr. Dale W. Galassie  
 Acting Chairman  
 Illinois Health Facilities and Services Review Board  
 525 W. Jefferson  
 Springfield, Illinois 62761

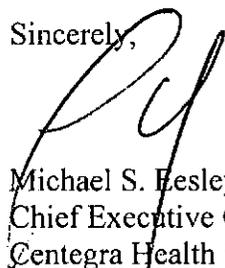
Dear Mr. Galassie:

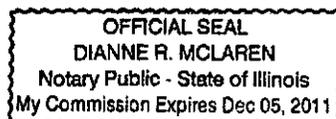
Centegra Health System hereby certifies that it provided the amount of Medicaid that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

|  | <u>MEDICAID NET REVENUE</u> |               |               |
|--|-----------------------------|---------------|---------------|
|  | <u>FY2007</u>               | <u>FY2008</u> | <u>FY2009</u> |
| <b><u>Centegra Hospital - McHenry</u></b>                          |                             |               |               |
| Inpatients   | \$ 6,044,969                | \$4,888,534   | \$9,974,978   |
| Outpatients  | \$12,472,814                | \$7,508,978   | \$4,882,998   |
| <b><u>Centegra Hospital - Woodstock</u></b>                        |                             |               |               |
| Inpatients   | \$ 2,470,901                | \$ 982,995    | \$6,182,041   |
| Outpatients  | \$ 9,590,574                | \$5,051,052   | \$2,232,819   |
| <b><u>Centegra Specialty Hospital - Woodstock South Street</u></b> |                             |               |               |
| Inpatients   | \$ 942,632                  | \$1,874,277   | \$1,880,183   |
| Outpatients  | \$ 412,186                  | \$ 449,486    | \$ 387,052    |

This information is provided in a manner consistent with information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source," as required by the Illinois Health Facilities and Services Review Board under Section 13 of the Illinois Health Facilities Planning Act and published in the Annual Hospital Profile.

Sincerely,

  
 Michael S. Hesley  
 Chief Executive Officer  
 Centegra Health System



SUBSCRIBED and SWORN to before me  
 this 17<sup>th</sup> day of November, 2010.

  
 Notary Public

November 17, 2010

Mr. Dale W. Galassie  
 Acting Chairman  
 Illinois Health Facilities and Services Review Board  
 525 W. Jefferson  
 Springfield, Illinois 62761

Dear Mr. Galassie:

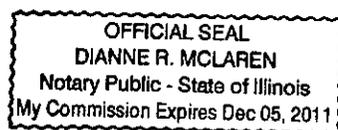
Centegra Health System hereby certifies that it provided the amount of charity care at cost that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

|  | <u>CHARITY CARE</u> |               |               |
|--|---------------------|---------------|---------------|
|  | <u>FY2007</u>       | <u>FY2008</u> | <u>FY2009</u> |
| <b><u>Centegra Hospital - McHenry</u></b>                          |                     |               |               |
| Inpatients   | \$1,741,834         | \$1,059,290   | \$1,399,187   |
| Outpatients  | \$ 533,946          | \$ 443,888    | \$ 801,145    |
| Total  | \$2,275,780         | \$1,503,178   | \$2,200,332   |
| <b><u>Centegra Hospital - Woodstock</u></b>                        |                     |               |               |
| Inpatients   | \$1,066,820         | \$ 962,747    | \$1,067,446   |
| Outpatients  | \$ 386,961          | \$ 450,771    | \$ 616,274    |
| Total  | \$1,453,781         | \$1,413,518   | \$1,683,720   |
| <b><u>Centegra Specialty Hospital - Woodstock South Street</u></b> |                     |               |               |
| Inpatients   | \$ 54,675           | \$ 18,946     | \$ 54,990     |
| Outpatients  | \$ 17,552           | \$ 8,871      | \$ 31,747     |
| Total  | \$ 72,227           | \$ 27,817     | \$ 86,737     |

These amounts were calculated in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.

Sincerely,

  
 Michael S. Eesley  
 Chief Executive Officer  
 Centegra Health System



SUBSCRIBED and SWORN to before me  
 this 17<sup>th</sup> day of November, 2010.

  
 Notary Public

**CENTEGRA HOSPITAL - McHENRY**  
**SAFETY NET INFORMATION PER P.A. 96-0031**

| <b>CHARITY CARE</b>              |                     |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|
|                                  | <b>FY2007</b>       | <b>FY2008</b>       | <b>FY2009</b>       |
| <b>Charity (# of patients)</b>   |                     |                     |                     |
| Inpatient                        | 189                 | 204                 | 219                 |
| Outpatient                       | 622                 | 770                 | 863                 |
| <b>Total Patients</b>            | <b>811</b>          | <b>974</b>          | <b>1,082</b>        |
| <b>Charity (cost in dollars)</b> |                     |                     |                     |
| Inpatient                        | \$1,741,834         | \$1,059,290         | \$1,399,187         |
| Outpatient                       | \$533,946           | \$443,888           | \$801,145           |
| <b>Total</b>                     | <b>\$2,275,780</b>  | <b>\$1,503,178</b>  | <b>\$2,200,332</b>  |
| <b>MEDICAID</b>                  |                     |                     |                     |
|                                  | <b>FY2007</b>       | <b>FY2008</b>       | <b>FY2009</b>       |
| <b>Medicaid (# of patients)</b>  |                     |                     |                     |
| Inpatient                        | 944                 | 1,047               | 1,109               |
| Outpatient                       | 11,709              | 13,430              | 16,435              |
| <b>Total Patients</b>            | <b>12,653</b>       | <b>14,477</b>       | <b>17,544</b>       |
| <b>Medicaid (revenue)</b>        |                     |                     |                     |
| Inpatient                        | \$6,044,969         | \$4,888,534         | \$9,974,978         |
| Outpatient                       | \$12,472,814        | \$7,508,978         | \$4,882,998         |
| <b>Total</b>                     | <b>\$18,417,783</b> | <b>\$12,397,512</b> | <b>\$14,857,976</b> |

**CENTEGRA HOSPITAL - WOODSTOCK**  
**SAFETY NET INFORMATION PER P.A. 96-0031**

| <b>CHARITY CARE</b>              |               |               |               |
|----------------------------------|---------------|---------------|---------------|
|                                  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> |
| <b>Charity (# of patients)</b>   |               |               |               |
| Inpatient                        | 166           | 150           | 160           |
| Outpatient                       | 592           | 677           | 938           |
| Total Patients                   | 758           | 827           | 1,098         |
| <b>Charity (cost in dollars)</b> |               |               |               |
| Inpatient                        | \$1,066,820   | \$962,747     | \$1,067,446   |
| Outpatient                       | \$386,961     | \$450,771     | \$616,274     |
| Total                            | \$1,453,781   | \$1,413,518   | \$1,683,720   |
| <b>MEDICAID</b>                  |               |               |               |
|                                  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> |
| <b>Medicaid (# of patients)</b>  |               |               |               |
| Inpatient                        | 1,178         | 1,051         | 1,136         |
| Outpatient                       | 12,143        | 12,707        | 14,995        |
| Total Patients                   | 13,321        | 13,758        | 16,131        |
| <b>Medicaid (revenue)</b>        |               |               |               |
| Inpatient                        | \$2,470,901   | \$982,995     | \$6,182,041   |
| Outpatient                       | \$9,590,574   | \$5,051,052   | \$2,232,819   |
| Total                            | \$12,061,475  | \$6,034,047   | \$8,414,860   |

**CENTEGRA SPECIALTY HOSPITAL -  
WOODSTOCK SOUTH STREET  
SAFETY NET INFORMATION PER P.A. 96-0031**

| <b>CHARITY CARE</b>              |               |               |               |
|----------------------------------|---------------|---------------|---------------|
|                                  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> |
| <b>Charity (# of patients)</b>   |               |               |               |
| Inpatient                        | 9             | 23            | 56            |
| Outpatient                       | 14            | 17            | 9             |
| Total Patients                   | 23            | 40            | 65            |
| <b>Charity (cost in dollars)</b> |               |               |               |
| Inpatient                        | \$54,675      | \$18,946      | \$54,990      |
| Outpatient                       | \$17,552      | \$8,871       | \$31,747      |
| Total                            | \$72,227      | \$27,817      | \$86,737      |
| <b>MEDICAID</b>                  |               |               |               |
|                                  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> |
| <b>Medicaid (# of patients)</b>  |               |               |               |
| Inpatient                        | 285           | 271           | 200           |
| Outpatient                       | 218           | 192           | 95            |
| Total Patients                   | 503           | 463           | 295           |
| <b>Medicaid (revenue)</b>        |               |               |               |
| Inpatient                        | \$942,632     | \$1,874,277   | \$1,880,183   |
| Outpatient                       | \$412,186     | \$449,486     | \$387,052     |
| Total                            | \$1,354,818   | \$2,323,763   | \$2,267,235   |