



ALEXIAN
BROTHERS
Hospital Network

RECEIVED

MAR 18 2011

HEALTH FACILITIES &
SERVICES REVIEW BOARD

March 14, 2011

Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
2nd Floor
Springfield, IL 62761

Re: Project 10-090

Dear Chairman Galassie:

I am writing to state my opposition to the proposed Centegra-Huntley project. St. Alexius Medical Center has a special interest in the care of children, one of the most vulnerable populations in our region. I oppose Centegra's hospital plans because if the project is approved, it would imperil the work we do at St. Alexius.

This spring, the Alexian Brothers Hospital Network is poised to break ground on a \$117 million project to add a children's hospital to our Hoffman Estates campus. This will be a regional center providing care from pediatric and obstetric specialists. As more children are being diagnosed with chronic illnesses, including asthma and diabetes, our network has responded by bringing coordinated care for these patients together under one roof. Likewise, the rate of premature births has increased and these children require highly specialized intensive care services known as Level III Neonatal Intensive Care or NICU. Level III is the highest level of care as designated by the State of Illinois. It is designed to care for the smallest, sickest babies and is staffed 24/7 with highly trained pediatric subspecialists known as neonatologists and specialty training nurses.

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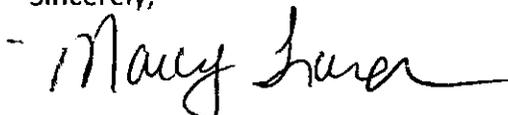
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Less than a year ago, the Health Facilities and Services Review Board approved this expansion based on extensive population and needs assessments. If the board approves a community hospital in southern McHenry County, that hospital would draw patients away from St. Alexius. It would make it much more difficult for us to serve this growing need for local specialists for children and their mothers.

The non-profit Alexian Brothers Hospital Network is committed to providing care to all residents, whether they have insurance coverage or not. We have seen a surge in children who are uninsured or are receiving care through Medicaid. Nearly 6 percent of pediatric patients seeking specialist care through Alexian Brothers Hospital Network are on Medicaid. The addition of a Centegra facility focusing on patients with private insurance would certainly undermine Alexian Brothers' mission to serve the most needy among us.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Marcy Traxler". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Marcy Traxler

Director, Pediatric Service Line

Alexian Brothers Hospital Network



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Re: Project 10-090

Dear Chairman Galassie:

I am writing to express my firm opposition to the Centegra-Huntley application to build a new hospital. I am the Chief Financial Officer of the Alexian Brothers Medical Group. Our medical group is affiliated with the St. Alexius Medical Center in Hoffman Estates. We know residents in the northern Fox Valley are served well by several hospitals in the area and we oppose Centegra's plan for a new hospital in Huntley because it would duplicate health care services.

Our physician group has more than 30 primary care physicians who treat patients at 11 offices. One of our locations is in Elgin, only a few miles from McHenry County. In addition, our physicians staff seven immediate care facilities and occupational health facilities and are involved in specialty services. The specialists affiliated with our practice address the neurosciences, breast health, cardiovascular and geriatric issues, to name a few.

St. Alexius is just one of several regional medical centers in the far northwest suburban area. For example, Advocate Good Shepherd, Sherman and Provena St. Joseph also offer comprehensive care. Hospitals that have had projects approved in the last several years –

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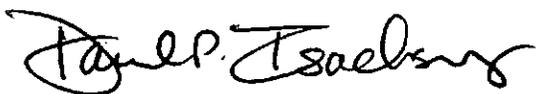
namely St. Alexius, Sherman and Provena St. Joseph – all promised the board that they would serve a regional population that includes southern McHenry County. In fact, all the hospitals depend on that population to support the kind of high-quality specialty care that residents have come to expect.

If the Centegra project is approved, however, the new hospital would weaken all of the current regional medical centers. In effect, the Centegra hospital – which would offer basic, limited care – would make it tougher for all the other facilities to provide specialized services such as open heart surgery and advanced pediatric care.

As we all know, the financial resources that can be devoted to health care, whether they come from government or private insurers and patients' pockets, are finite. Spending these scarce resources on a duplicative facility would only weaken the financial support for the established, excellent network of health resources available today. I am confident the board will take these points into serious consideration and reject Centegra's certificate of need.

Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel P. Isachsen". The signature is written in a cursive, flowing style.

Daniel Isachsen

Chief Financial Officer

Alexian Brothers Medical Group



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Dear Chairman Galassie:

I am writing to express my opposition to Centegra's proposed new hospital in Huntley.

There are currently six regional medical centers – including St. Alexius – within about a half-hour of the proposed Centegra site in southern McHenry County. Each of those hospitals has plenty of open beds to care for more patients. Given that existing hospital capacity can easily keep up with any potential growth in the area, it makes no sense to spend hundreds of millions of dollars on a brand new limited care facility. It will duplicate services and increase health care costs for everyone.

Many of our existing hospitals have already invested in improvements to increase and expand care. Sherman Hospital and Provena St. Joseph have new or newly upgraded facilities that are well-positioned to serve the Huntley area. And, as you may be aware, Alexian Brothers is ready to break ground on a new children's hospital on the campus of St. Alexius Medical Center in Hoffman Estates. Alexian Brothers will be able to offer coordinated care among pediatric subspecialists as well as care for the tiniest infants and their mothers. This facility, located near Interstate 90 and Barrington Road, was approved by the state because it will serve a large geographic region, including southeastern McHenry County.

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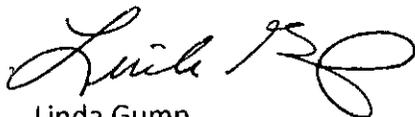
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The six-story patient tower is scheduled for completion in early 2013. At 209,000 square feet, the tower will feature 96 patient beds, a pharmacy, MRI facilities and expanded pediatric facilities. It will also include an extension of same-day surgery and emergency department observation areas. At a cost of \$117 million dollars, this expansion represents a significant investment that St. Alexius is making in our hospital and our community. A duplicative new hospital would undermine the long-term plans and investments of our regional medical facilities. It would, ultimately, adversely affect the level of health care available to the residents of our communities.

Thank you for your careful consideration of this important matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Gump".

Linda Gump

Vice President, Administration

St. Alexius Medical Center



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Dear Chairman Galassie:

I am writing to oppose the proposed hospital construction by Centegra-Huntley.

I am the Assistant Vice President of Administration for St. Alexius Medical Center. I have 26 years experience in hospital administration, and worked for five years with the Illinois Department of Mental Health.

I am against the construction of a new hospital in Huntley primarily for this reason: It would severely hurt the ability of our hospital and others in our area to provide patients with the quality medical care they deserve.

St. Alexius currently has no problem managing its patient load, and I believe other area hospitals would say the same. We know inpatient hospital bed demand has been steady or declining in the northern Fox Valley area. And population growth has been minimal in the last few years with little expectation for a home building boom.

Because there is not sufficient demand, a new hospital in the area would create an unnecessary duplication of services. In this case, more is not better. Duplication of services does not promote better health care in the region. Instead, it wastes resources and ultimately raises costs for everyone through higher public and private insurance costs. Right now, several

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hospitals, including St. Alexius, provide comprehensive medical care to southeastern McHenry County residents. At St. Alexius, our responsibility is to provide critical medical care to underserved and uninsured populations that depend on us as their safety net.

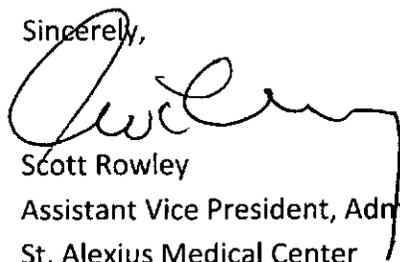
In contrast, Centegra's proposed hospital would only provide a limited spectrum of care, and only to a narrow, affluent area. The hospital seems designed to "cherry-pick" the area's most profitable patients while avoiding the cost of serving those without the ability to pay for care. By drawing patients and resources from St. Alexius and other medical centers, Centegra's hospital would undermine our region's ability to provide life-saving medical care to our disadvantaged residents.

Centegra's proposed hospital would only provide the most basic services, meaning that patients in need of advanced care such as a Level III Neonatal Intensive Care Unit or cancer treatment would need to transfer to a full-service medical center like St. Alexius regardless.

If you're sick and require a major medical procedure, the last thing you want to do is transfer to another hospital. Adding an extra step to the process only wastes time and resources and detracts from patient care.

For all these reasons, I ask the board to reject Centegra's plan to build a new and unneeded hospital in the area. It would hurt hospitals and ultimately, residents throughout the region. We cannot let this happen. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Rowley", with a long horizontal flourish extending to the right.

Scott Rowley

Assistant Vice President, Administration

St. Alexius Medical Center