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Hills, Bonnie

From: Kuehnert, Paul [KuehnertPaul@co.kane.il.us]
Sent: Friday, April 15, 2011 2:30 PM
To: Hills, Bonnie
Cc: McConnaughay, Karen (COB)
Subject: Comment on the Centegra and Mercy Hospital CON Applications
Attachments: Dale Galassie 15 Apr 11.doc

Importance: High

Dear Ms. Hills:

Attached please find a letter from Kane County Board Chairman Karen McConnaughay to Mr. Galassie and the IHFS Board regarding the Certificate of Need applications from Centegra and from Mercy Hospital (Janesville) for new hospitals in McHenry County.

Thank you for your assistance in getting the letter to Mr. Galassie and the Board.

Sincerely yours,

Paul Kuehnert, MS, RN
Executive Director
Kane County Health Department

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Dale Galassie, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson, 2nd Floor
Springfield, IL 62761

Dear Mr. Galassie,

As the countywide elected chairman of the Kane County Board, I am writing to share my perspective on the proposals the Illinois Health Facilities and Services Review Board will be considering soon from the Centegra Health System and Mercy Hospital (Janesville) to build new hospitals in neighboring McHenry County. These new hospitals would potentially serve some Kane residents, particularly from the northern portion of Kane County.

Northern Kane County residents are fortunate to have six hospitals that serve the area. These hospitals include: Sherman Hospital (Elgin), Provena St. Joseph Hospital (Elgin), Advocate Good Shepherd Hospital (Barrington), St. Alexius Hospital (Hoffman Estates), and Centegra's own Woodstock and McHenry hospitals. CEOs of both Sherman and Provena St. Joseph have shared their assessment with my County Health Director that they currently have plenty of open hospital beds to care for more patients and believe that they can keep up with potential growth in the area. Both Sherman and Proven recently completed major investments in their respective campuses, upgrading and building capacity to serve residents in the northern Fox Valley.

In addition to inpatient capacity issues, I know that the IHFSRB reviews applications in regard to their impact on the broader health care system in a community, especially on so called "safety net" services supported by charitable contributions and in-kind support made by non-profit hospitals. The current recession has hit Kane County residents hard, with unemployment currently above 10% and with 19% of Kane residents currently without health insurance. In 2008, Kane County hospitals provided over \$75million in uncompensated care and another \$137 million in subsidizing government-sponsored care for Medicare and Medicaid recipients. With increasing competition from new hospitals the northern Fox Valley, I am concerned about the ability of hospitals in northern Kane County to continue to provide the same level of community benefit and care to Kane residents who need their charitable support now more than ever.

These inpatient-capacity and charity care impacts tie directly into a third issue: the continuing, spiraling cost of health care. Building additional infrastructure in the healthcare system must be paid for and at this time, Medicare and Medicaid pay for more than half of the hospital care in the U.S. Hence, taxpayers will end up paying for most of any additional infrastructure that may be built. The remaining costs are borne by employers and individuals through private insurance and out-of-pocket expenditures.

Thank you for the opportunity to share my perspective with you. Your careful consideration of the issues that I have raised above regarding the potential impact of the new Centegra and Mercy hospitals is deeply appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Karen McConnaughay". The signature is written in black ink and is positioned above the printed name.

Karen McConnaughay
Kane County Board Chairman