

10-090 + 10-089

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, IL 62761

November 11, 2011

Re: Certificate of Need Applications for Centegra-Huntley and Mercy-Crystal Lake;
Consideration of Population Growth Slowdown in McHenry County

Dear Ms. Avery:

As a health care researcher and former health planner, I have closely followed the current CON process in McHenry County. I am concerned that the need calculations are based on population forecasts that do not reflect the current population slowdown.

Demographic and economic indicators are showing a considerable slowdown in the population growth of McHenry County which, in turn, affects the need for hospital services.

For instance, the Centegra application (10-090) to the IHFSRB for a new hospital in Huntley includes the bed need determination for Area A-10 (McHenry County) revised as of April 2010. The population for McHenry County is estimated at 337,034 with a FY2018 projection of 392,623. Given more current data, these figures appear to greatly over-estimate the McHenry County population which stood at 308,760 at the time of the Decennial Census (April 1, 2010) Based on the recent Census count and current demographic patterns described below, the projected population cited for McHenry County appears far too high.

Below are available indicators, in addition to the Decennial Census, that point to a considerable population growth slowdown taking place in McHenry County.

McHenry County experienced out-migration from 2008 to 2009, the first time that the county has seen more persons leaving than entering in the current decade.

The Internal Revenue Service (IRS) tracks where taxpayers live each year, which then allows analysis of county to county flows. In the latest year for which the

information is available, more persons left McHenry County than entered, a major turnaround from recent years when the county evidenced significant inflows.

From 2008 to 2009, 10,999 persons reported on tax forms that they and their dependents moved to McHenry County, while 11,593 persons left for a net loss of 594. The figures reveal a dramatic turnaround from recent years. The recession and turmoil in the real estate market has greatly affected the ability of individuals and families to move. Most likely, the 2008-2009 pattern has extended until the present and will likely be seen into the near future.

McHENRY COUNTY NET-MIGRATION

<u>Years</u>	<u>Net-Migration</u>
2008-2009	-594
2007-2008	+810
2006-2007	+2,109
2005-2006	+3,628
2004-2005	+3,580

Source: Internal Revenue Service.

Population change results from net-migration and natural increase (births-deaths). In high growth counties, net-migration is often the primary factor.

Population Growth in McHenry County due to Natural Increase is declining as fewer births are taking place.

Despite a larger population, births to McHenry County residents are decreasing year to year, usually an indication of fewer young childbearing persons and families entering, typically accompanied by aging of the remaining population.

McHENRY COUNTY NATURAL INCREASE

<u>Year</u>	<u>Births</u>	<u>Deaths</u>	<u>Natural Increase</u>
2009	3,719	na	na
2008	3,816	1,863	1,953
2007	4,113	1,730	2,383
2006	4,224	1,711	2,513
2005	4,229	1,643	2,586
2004	4,364	1,621	2,743

Source: Illinois Department of Public Health

Since 2008, the McHenry County Labor Force has been declining, often a sign of population loss. From 2000 to 2008, the Labor Force had displayed significant growth.

Labor Force is the sum of those who are employed or unemployed and seeking work. In 2000, the McHenry County Labor Force was 151,359 which then reached 181,130 in 2008, an expansion of nearly 20% over the eight year period. However, the Labor Force then fell to 179,241 in September 2011, a decline of 1.0% from 2008.

Source: Illinois Department of Employment Security.

Other factors evident within McHenry County include growing numbers of vacant housing units, 5.9% in 2010, as well as slowing school enrollments in some Districts.

In assessing new hospitals for McHenry County, the IHFSRB may desire to consider these demographic changes. The Collar Counties, including McHenry County, have entered a new era of slowed population growth. Projections based on the pre-2008 period are likely not valid for the consideration of hospital bed need now or into the planning period future.

I hope that this information is of value in your deliberations.

Sincerely,



Joel B. Cowen
1003 Westchester Dr.
Rockford, IL 61107

Joel B. Cowen recently retired as Assistant Dean for Health Systems Research at the University of Illinois College of Medicine – Rockford where he conducted health and human services research across northern Illinois including for McHenry County organizations and institutions. He is widely considered an expert in

demographic, social and economic trends. Previously, Mr. Cowen was Executive Director of Comprehensive Health Planning of NW IL, the Health Systems Agency for the Rockford region. He has taught at Beloit College, Northern Illinois University and the University of Illinois at Chicago. Mr. Cowen has received Distinguished Service awards from the Rockford Park District and the U. of IL College of Medicine – Rockford.