

Constantino, Mike

From: Avery, Courtney
Sent: Wednesday, November 16, 2011 3:43 PM
To: Constantino, Mike
Subject: FW: Comments for Project #10-090
Attachments: Centegra Comments on 2011 Update to Inventory of Hospital Services.pdf

FYI

From: Streng, Hadley [mailto:HStreng@centegra.com]
Sent: Wednesday, November 16, 2011 3:41 PM
To: Avery, Courtney
Subject: Comments for Project #10-090

Good Afternoon Ms. Avery,

Attached are comments for Project #10-090.

Thank you,

Hadley Streng

Director of Planning and Business Development | Centegra Health System

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November 16, 2011

Michael S. Eesley
Chief Executive Officer**Via E-Mail**Ms. Courtney R. Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street
2nd Floor
Springfield, IL 62761**Centegra Hospital-Huntley Project No. 10-090
Co-Applicants' Comment on 2011 Update to Inventory of Hospital Services**

Dear Ms. Avery:

I am the CEO of Centegra Health System and Centegra Hospital – Huntley, the co-applicants in Project No. 10-090 to establish a 128-bed acute care hospital in Huntley, Illinois. Our CON application demonstrates the strong need for this project and its substantial compliance with the review criteria of the Illinois Health Facilities and Services Review Board (“Review Board”). Since we were last before the Review Board in June 2011, the Illinois Department of Public Health has released its updated Inventory of Hospital Services (“updated Inventory”), effective October 11, 2011. The data included in this updated Inventory show that the identified unmet need for additional hospital services in McHenry County is now even greater than ever before:

- **Calculated Bed Need:** Planning Area A-10 had the highest calculated need for medical/surgical beds of the 40 statewide planning areas. The updated Inventory shows that the need for medical/surgical beds in A-10 **increased** by 66% to 138 beds. *See Attachment 1.* Additional ICU and OB beds are also needed in A-10.
- **Rapid Population Growth:** Planning Area A-10 had the second highest population growth rate of the 40 statewide planning areas. The updated Inventory shows the population growth rate has **increased** in Planning Area A-10. *See Attachment 2.*
- **High Out-migration:** Planning Area A-10 had the highest level of patient out-migration of the 14 planning areas within Region A (consisting of Cook County and eight collar counties). The updated Inventory shows that net-outmigration has **increased** in Planning Area A-10. *See Attachments 3a and 3b.*
- **Low Bed to Population Ratio:** Planning Area A-10 had the lowest bed to population ratio among the 40 statewide planning areas. The updated Inventory shows that the bed-to-population ratio in A-10 is now even **lower**. *See Attachment 4.*
- **High Occupancy Rate:** Planning Area A-10 had the second highest medical/surgical occupancy rate among the 40 statewide planning areas, and now appears to have the highest occupancy rate in the entire state. *See Attachment 5.*

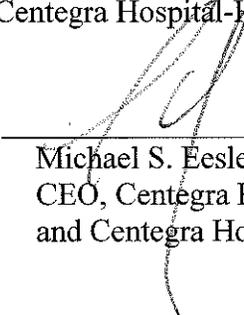
Ms. Courtney R. Avery
November 16, 2011
Page 2

To summarize, we have submitted a CON application that is in substantial compliance with the Review Board's criteria. The need for a new hospital in McHenry County is demonstrated by numerous quantifiable measures identified by the Review Board and IDPH including calculated bed need, rapid population growth, patient out-migration, bed-to-population ratio, and occupancy rates. The 2011 update to the Inventory shows that identified unmet need for new hospital services in McHenry County has dramatically increased. For these reasons, we respectfully request that the Review Board approve Project No. 10-090, Centegra Hospital-Huntley.

Respectfully submitted,

Centegra Health System
and Centegra Hospital-Huntley

By: _____


Michael S. Eesley
CEO, Centegra Health System
and Centegra Hospital-Huntley

IDPH BED NEED DETERMINATIONS
Medical/Surgical Bed Need: All Planning Areas

Planning Area	Bed Need	Bed Excess
A-013	152	0
A-010	138	0
A-011	83	0
F-006	12	0
B-004	0	4
D-005	0	6
E-002	0	6
A-005	0	25
F-002	0	29
C-004	0	34
B-003	0	37
E-003	0	37
E-005	0	38
E-004	0	42
F-004	0	44
F-005	0	44
D-003	0	47
B-002	0	50
F-003	0	51
D-002	0	66
A-008	0	67
C-003	0	85
C-002	0	88
A-014	0	92
A-009	0	93
F-007	0	99
C-005	0	135
A-012	0	141
D-001	0	146
D-004	0	148
E-001	0	175
A-007	0	237
B-001	0	237
C-001	0	239
A-003	0	245
A-004	0	258
A-006	0	456
F-001	0	561
A-002	0	572
A-001	0	846

Source: Update to Inventory of Hospital Services (October 20, 2011)

IDPH POPULATION PROJECTIONS
All Planning Areas

Planning Area	2008 Population (Estimated)	2018 Population (Projected)	Projected Growth Rate
A-013	732,000	913,520	25%
A-010	319,580	395,700	24%
A-011	389,420	472,220	21%
E-005	91,520	104,570	14%
A-009	715,870	810,100	13%
E-003	42,020	47,450	13%
C-002	155,190	174,480	12%
C-003	77,900	87,510	12%
F-006	136,010	150,390	11%
D-002	206,320	228,050	11%
D-005	98,520	108,770	10%
F-005	61,680	67,940	10%
A-007	621,350	683,950	10%
D-001	240,740	264,900	10%
E-004	57,330	63,060	10%
F-004	105,790	116,270	10%
F-007	159,070	174,600	10%
E-002	78,810	86,450	10%
F-002	83,970	91,900	9%
C-001	371,610	406,330	9%
B-002	84,510	92,320	9%
B-004	108,530	118,310	9%
A-006	489,750	533,120	9%
B-001	385,590	418,870	9%
E-001	308,540	333,810	8%
C-004	68,620	74,120	8%
D-004	161,540	174,090	8%
F-003	96,290	103,750	8%
A-001	1,046,900	1,126,360	8%
A-008	444,820	475,170	7%
A-004	1,145,140	1,222,340	7%
A-014	110,710	117,600	6%
A-005	933,760	989,700	6%
B-003	109,020	115,000	5%
A-012	333,950	350,320	5%
C-005	215,140	224,550	4%
A-003	834,410	863,180	3%
F-001	577,460	594,040	3%
A-002	594,890	607,220	2%
D-003	107,330	107,390	0%

Source: IDHFSRB/IDPH Inventory of Health Care Facilities and Services
and Need Determinations (October 14, 2011)

NET OUT-MIGRATION
Medical/Surgical/Pediatrics Categories of Service
Planning Areas A-01 through A-14

Planning Area	Total Med/Surg Patient Days 2008	Net Out-Migration Days*	Net Out-Migration as Percentage of Total Patient Days
A-010	58,380	49,006	84%
A-011	68,938	52,725	76%
A-013	161,729	121,389	75%
A-003	353,926	114,016	32%
A-008	173,260	32,012	18%
A-009	190,453	24,496	13%
A-004	566,322	61,881	11%
A-006	252,981	-17,266	-7%
A-005	281,406	-22,690	-8%
A-014	59,068	-5,746	-10%
A-012	88,440	-17,445	-20%
A-007	310,336	-78,649	-25%
A-001	500,461	-145,604	-29%
A-002	428,876	-215,489	-50%

*Net Migration times 4.608 Average Length of Stay as per IHFSRB/IDPH Inventory

Source: IHFSRB/IDPH Inventory of Health Care Facilities and Services and Need Determinations (October 14, 2011)

**NET OUT-MIGRATION
All Planning Areas**

Planning Area	Total Med/Surg/Peds Patient Days 2008	Net Out- Migration Days	Net Out- Migration as Percentage of Patient Days
E-002	11,585	21,713	187%
E-003	6,219	8,165	131%
A-010	58,380	49,006	84%
A-013	161,729	121,389	75%
C-004	17,429	11,423	66%
D-003	35,922	26,630	74%
A-011	68,938	52,725	76%
E-004	16,777	9,746	58%
B-003	29,269	9,976	34%
C-002	44,647	20,400	46%
F-006	44,628	15,990	36%
F-005	19,739	5,732	29%
D-005	21,601	8,290	38%
A-003	353,926	114,016	32%
F-003	37,907	5,322	14%
B-004	24,824	10,285	41%
B-002	22,157	4290	19%
D-004	65,639	10,211	16%
A-009	190,453	24,496	13%
A-008	173,260	32,012	18%
D-002	55,692	5,852	11%
A-004	566,322	61,881	11%
C-003	32,158	3719	12%
F-002	32,338	1,433	4%
C-005	82,063	4382	5%
E-005	43,741	184	0%
A-005	281,406	-22,690	-8%
A-014	59,068	-5,746	-10%
F-004	57,158	-3,405	-6%
F-001	188,274	-18,045	-10%
A-006	252,981	-17,266	-7%
F-007	49,845	-6,391	-13%
B-001	150,371	-5,327	-4%
A-012	88,440	-17,445	-20%
C-001	179,506	-36,076	-20%
A-001	500,461	-145,604	-29%
A-007	310,336	-78,649	-25%
E-001	169,767	-40,693	-24%
D-001	84,152	-26,413	-31%
A-002	428,876	-215,489	-50%

Source: IHFSRB/IDPH Inventory of Health Care Facilities and Services
and Need Determinations (October 14, 2011).

BEDS TO POPULATION RATIOS
All Planning Areas

Planning Area	2008 Population (Estimated)*	Med/Surg/Ped Beds (Projected)*	Beds per 1,000 population
A-010	319,580	206	0.64
A-011	389,420	296	0.76
A-013	732,000	700	0.96
B-004	108,530	113	1.04
D-005	98,520	109	1.11
A-005	933,760	1,044	1.12
E-002	78,810	89	1.13
A-012	333,950	415	1.24
A-009	715,870	900	1.26
F-006	136,010	185	1.36
D-002	206,320	289	1.40
B-003	109,020	159	1.46
D-001	240,740	381	1.58
A-008	444,820	734	1.65
C-004	68,620	117	1.71
B-002	84,510	149	1.76
F-007	159,070	287	1.80
F-003	96,290	175	1.82
C-002	155,190	286	1.84
F-002	83,970	157	1.87
C-005	215,140	403	1.87
E-003	42,020	80	1.90
B-001	385,590	745	1.93
A-003	834,410	1,672	2.00
F-001	577,460	1,169	2.02
A-007	621,350	1,258	2.02
D-003	107,330	223	2.08
E-005	91,520	193	2.11
E-004	57,330	122	2.13
C-001	371,610	800	2.15
F-005	61,680	134	2.17
A-001	1,046,900	2,303	2.20
A-004	1,145,140	2,399	2.09
E-001	308,540	705	2.28
A-006	489,750	1,178	2.41
D-004	161,540	398	2.46
F-004	105,790	274	2.59
C-003	77,900	211	2.71
A-014	110,710	305	2.75
A-002	594,890	1,755	2.95

*Source: IHFSRB/IDPH Inventory of Health Care Facilities and Services and Need Determinations (October 14, 2011)

CON OCCUPANCY RATES
Medical-Surgical Beds: All Planning Areas

PLANNING AREA	CON OCCUPANCY CY2010
A-010*	73.0%
A-005	70.6%
A-002	69.2%
A-007	68.4%
A-011	66.3%
E-001	64.6%
D-001	64.3%
A-013	64.2%
C-001	62.5%
A-009	61.3%
F-006	60.8%
A-008	60.6%
A-012	58.7%
B-004	58.3%
D-005	58.3%
A-001	57.9%
A-004	57.8%
A-006	57.8%
B-001	56.4%
A-003	56.2%
F-004	55.7%
D-002	55.2%
B-003	54.2%
F-002	53.4%
F-007	50.5%
A-014	49.4%
E-005	45.4%
F-001	44.1%
D-004	41.6%
C-005	41.5%
C-003	40.9%
F-005	39.8%
C-002	37.6%
D-003	36.7%
B-002	36.4%
E-004	34.1%
C-004	33.7%
E-002	29.5%
E-003	17.2%
F-003	**

Source: IDPH Hospital Data Summary by Hospital Planning Area, 2010

* The high CON Occupancy in Planning Area A-10 is due to Centegra Hospital-McHenry and Centegra Hospital-Woodstock as the other hospital in A-10 (Mercy Harvard) has a CON Occupancy of only 26.8%.

** The utilization in F-003 appears erroneously skewed in the 2010 Hospital Profiles by the report of one 25-bed hospital showing an average daily census over 193 and CON Occupancy of 773%. This is an obvious error. Based on the 2009 Hospital Profiles, the CON Occupancy for F-003 was 39.4% and the hospital in question (Wabash General) had a CON Occupancy of 39.1%.