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May 15, 2012

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

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Re: Centegra Administrative Hearing  
Project No.: 10-090  
Docket No.: 11-11

Dear Chairman Galassie:

We understand that Administrative Law Judge Hart has issued a proposed decision (the "Proposed Decision") in the Centegra administrative matter referenced above and that the Review Board may consider this matter at its upcoming June Board meeting. We further understand that the Proposed Decision recommends that the Review Board reconsider this Project to correct the record on a misfiled document. Because the document in question was one we submitted, in part, we would like to address the remand issue.

#### **Status of Administrative Hearing**

According to the Proposed Decision, the issue on the record relates to an irregularity in filing of a single document. The document at issue is the "Market Assessment and Impact Study - Proposed Centegra – Huntley Hospital (Project No. 10-090)" (the "Centegra Impact Study"). This study was one that we had commissioned jointly with Advocate Good Shepherd Hospital and [Sherman Hospital or St. Alexius Medical Center]. Although we are not formally a party to the administrative hearing at this time, we remain concerned about the impact this hospital would have and steadfast in our opposition to a new hospital.

Because there had been two CON applications for new hospitals in McHenry County pending simultaneously we had commissioned the Centegra Impact Study and a very similar report relating to the proposed Mercy – Crystal Lake Hospital (Project No. 10-089) (the "Mercy Impact Study"). Both impact studies evaluated the lack of need for a new hospital in the area and the detrimental impact a new hospital would have on existing providers. Both of these reports were quite similar in explaining our opposition to the two hospital projects. As the Board knows, this document was only one of many opposition submittals and other opposition testimony.

**Support of Brief Filed by Advocate**

We understand that it has now been determined that the Mercy Impact Study was in the Centegra project file and vice versa. It is our understanding that the sole reason the project is being remanded to the Board is to correct the record relative to this document. In our response we first wish to confirm that we agree and support the Brief and Exceptions filed by Advocate. Like Advocate, we wish that this matter could proceed efficiently and expeditiously. Consequently we also believe that it is preferable for the ALJ to proceed with the administrative hearing and note the irregularity in the record.

**Remand Must be limited to Correcting the Record**

If the Review Board decides to reconsider the Project to correct the record, however, we believe it appropriate that the Board address only the issue relating to the record – that is, whether the correct filing of the report would have caused the Board to change its decision. While we do not believe it necessary in this case, we can accept the fact that the Review Board wishes to correct the record procedurally. This filing irregularity, however, cannot justify a change in the outcome already decided by the Board for the reasons noted below.

1. The inclusion of this additional opposition document only further supports the Board decision to deny the Project. This is not a situation where the report was a Centegra document that, if considered, would have supported the Project and which could have been relevant in changing the outcome. We can think of no way that consideration of the Centegra Impact Study could justify the Board now changing its position to instead approve the Project.
2. The material presented in the Impact Studies is information that the Review Board has already received. There is no disagreement that Review Board members received all of the relevant information at issue. Board members received the two Impact Studies on the same day and for the same meeting. The reports are clearly labeled and it is easy for the Board members to recognize which report is associated with each Project. The fact that this cross filing in the Board's package was never raised suggests that Board members were capable of correcting on their own what was simply a clerical error.
3. While a reconsideration to correct the record procedurally could be in order, the Review Board rules make no provisions for a "do-over". This Project received in-depth consideration by the Review Board prior to it voting an intent-to-deny. The Review Board then again gave lengthy consideration of the Project before then voting a final

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denial. The Boards rules make no provision for a completely new third hearing on the Project.

**Conclusion**

In conclusion, we believe that the Review Board gave this project careful consideration before deciding to deny the application. If the Review Board is to reconsider this project for purposes of correcting the record, the scope of reconsideration should be whether the correct filing of the Centegra Impact Study would change the Board's decision to deny. The cross-filing of a single document in an extensive record should not warrant creating a procedure for a new reconsideration of the entire Project.

Sincerely,  
Sherman Hospital



Rick Floyd  
President/CEO