

February 20, 2012

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

RECEIVED

FEB 22 2012

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Permit Application and Request for Expedited Review
Long Term Care (LTC) Category of Service

Dear Ms. Avery,

Progressive Health Systems (“Applicant”) and Pekin Memorial Hospital (“Co-applicant”) doing business as Pekin Hospital (DBA) proposes to discontinue its CON approved 27-bed LTC category of service and requests an expedited review of the underlying Permit Application. Barring any unforeseen considerations in the review process, we respectfully request an expedited review of our application and Review Board consideration at the tentatively scheduled April 17th IHFSRB meeting.

Our request for an expedited review is predicated on a decrease in demand for hospital based LTC services and increasing losses from the unit which jeopardizes our financial position and ability to serve acute patients. Over the last 3 years, the LTC unit has incurred operating losses approximating \$5.0 million. The sooner we can discontinue this service while meeting all regulatory compliance requirements, the less money we will lose.

In preparing our Permit Application, we distributed over 50 impact letters and received 14 return responses. Four (4) respondents indicated the ability to accept 53 to 60 additional LTC patients “without conditions” per State Agency rules. Our 2011 LTC ADC approximated 8.8 patients. Hence, there are sufficient LTC beds available in-market and there will be no impact on access post-discontinuation. In addition, the other eleven (11) impact letter responses indicated an additional 133 to 136 LTC bed being available for our patients. Thus, there is a market-based capacity to accommodate our LTC patients post-discontinuation, assuming Review Board approval.

Pekin Memorial Hospital
Expedited Review Letter
February 16, 2012
Page 2 of 2

There is no cost to the discontinuation and no vacant space post discontinuation. We will reduce our current CON approved 125 bed complement to 98 beds. After the LTC discontinuation, we propose to reconfigure the current mix of private and semi-private rooms / beds in order to increase patient privacy, better manage infectious diseases, enhance patient safety, and improve patient care quality.

We believe we have met all applicable State Agency rules in preparing our Permit Application and look forward to working with your staff in the review process.

Enclosed is our check in the amount of \$2,500.00 for the application processing fee.

Please contact Jo Ellen Patterson, VP of Patient Care Services at 309-353-0728 or the main switchboard at 309-347-1151, if you have any questions and look forward to your approval of our expedited review request.

Sincerely,



Kevin R. Andrews, Chief Executive Officer
Pekin Hospital