

Constantino, Mike

12-073

From: Clare.Ranalli@hklaw.com
Sent: Tuesday, August 21, 2012 3:46 PM
To: Constantino, Mike
Cc: Avery, Courtney
Attachments: LCM001.PDF

I know you were copied on this, but we are still sending you what we receive. Thanks.

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LITTLE COMPANY OF MARY
HOSPITAL AND HEALTH CARE CENTERS

The Technology to Heal, the Mission to Care

August 15, 2012

Enrique Beckman, M.D., Ph.D.
CEO
MetroSouth Medical Center
12935 S. Gregory St.
Blue Island, IL 60406-2428

Re: Project #12-073

Dear Dr. Beckman:

Little Company of Mary Hospital and Health Care Centers (LCM) is hereby responding to your July 19, 2012 letter regarding MetroSouth's intention to file a permit application to establish a 14 bed Acute Mental Illness (AMI) Category of Service serving geriatric patients. LCM has determined that such a unit would have a **substantial negative impact** on LCM and its long-standing AMI program. The approval of a CON permit to establish an AMI Category of Service at MetroSouth would constitute an unnecessary duplication of LCM's existing AMI Service and will lower the utilization of our hospital's AMI Service.

In addition to expressing our opposition to your proposed project because of its negative impact on utilization of our hospital's AMI Service, LCM opposes your proposed project because it would violate a number of Rules of the Illinois Health Facilities and Services Review Board relating to the establishment of an Acute Mental Illness Category of Service (77 Ill. Adm. Code 1110.730), as discussed below.

Please note that both LCM and Metro South are located in the same hospital planning area, i.e. A-04, and an Acute Mental Illness (AMI) Category of Service at MetroSouth would undoubtedly serve the same area residents as we serve at our hospital.

The MapQuest travel time between the hospitals is 14 minutes; 16.1 minutes utilizing the HFSRB's Normal Travel Time factor for Cook County (excluding Chicago) of 1.15, as specified in 77 Ill. Adm. Code 1100.510(d)(2).

The patient origin for patients in LCM's Acute Mental Illness (Psychiatric) Service between February 1, 2011 and January 31, 2012 year revealed that 77% resided in Planning Area A-04, with 96% residing in zip codes that are within 45 minutes travel time of MetroSouth (MapQuest drive time adjusted by 1.15) or with 98% residing in ZIP codes that are within 45 minutes (MapQuest unadjusted drive time).



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You have not identified the names or patient referral information of referring physicians, as a result of which we are unable to identify whether (1) these physicians are members of LCM's medical staff and (2) these physicians provided accurate information regarding the number of "patients by zip code of residence who have received care at [LCM] during the 12-month period prior to submission of the application," as specified in 77 Ill. Adm. Code 1110.730(b)(4)(B)(i) and (ii).

However, because of our hospitals' proximity, their location within the same State-designated planning area, the overlapping service areas, and the historic lack of AMI Services at MetroSouth and its predecessor facility, your proposed program would likely reduce LCM's average daily census in this Service by a significant number.

This impact would be particularly serious because LCM's Psychiatric Service has operated below the HFSRB's occupancy target of 85% (77 Ill. Adm. Code 1100.560(c)). In fact, since 17% of the patient discharges in our Psychiatric Unit between February 1, 2011 and January 31, 2012 were 65 years of age or older, the establishment of your proposed Acute Mental Illness Service could decrease the utilization of our Acute Mental Illness Service by as much as 21% or many as 3 patients a day (average daily census), thus further reducing our occupancy of this category of service in violation of 77 Ill. Adm. Code 1110.730(c)(3)(B).

Based upon the limited information regarding your proposed project that you provided in your letter, it is evident that your proposal to establish a 14 bed Acute Mental Illness Category of Service violates the following Review Criteria for the establishment of this category of service.

1. The proposal to establish an Acute Mental Illness Category of Service in Planning Area A-4 violates 77 Ill. Adm. Code 1110.730(b)(1) because there are currently 60 excess AMI beds in Planning Area A-4, an excess that has existed since the most recent Inventory became effective on July 28, 2011.

This excess is based on the fact that there are currently 186 AMI beds in Planning Area A-4, whereas the Planned Bed Need for this service in this planning area is 126 for 2018. This means that there are currently 48% more AMI beds in this planning area than are needed for 2018.

2. Since the CON Rules do not identify Geriatric Acute Mental Illness as a separate category of service and the CON Rules do not provide separate bed need figures for patients by age cohort for the AMI Service, there are no variances for a Geriatric AMI Service.
3. Since your letter did not indicate the patient origin for your proposed AMI patients, we are unable to ascertain whether your project will comply with 77 Ill. Adm. Code 1110.730(b)(2)(A) and (B), which require documentation that the primary purpose of the



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proposed project will be "to provide necessary health care to the residents of...the planning area" by documenting "that at least 50% of the projected patient volume will be from residents of the area."

4. We are unable to ascertain whether the physician referrals that you are required to provide to comply with 77 Ill. Adm. Code 1110.730(b)(3)(B) will provide evidence that these patients have historically received acute psychiatric care at LCM, in which case these referrals would document that the proposed project will have a negative impact on our hospital's AMI utilization.
5. This proposed establishment of an AMI Category of Service does not comply with 77 Ill. Adm. Code 1110.730(b)(5), as documented earlier in this letter.

In particular, the proposed establishment of a Geriatric AMI Service has no basis in the CON Rules and would duplicate existing services provided by LCM as well as undoubtedly by the other providers of this category of service that are located in Planning Area A-4 and within 45 minutes travel time of MetroSouth

6. This proposed establishment of an AMI Category of Service does not comply with 77 Ill. Adm. Code 1110.730(c) because it would constitute an unnecessary duplication and maldistribution of this category of service.

The duplication of the proposed service with LCM's AMI Category of Service has been documented earlier in this letter.

In addition, the 2010 and 2009 Summaries of Illinois Hospital Data for the Acute Mental Illness Category of Service in Planning Area A-04 (Sources: 2010 and 2009 Annual Hospital Questionnaire, Illinois Department of Public Health, Division of Health Systems Development) indicate that the establishment of an AMI Service at MetroSouth would constitute a maldistribution of services (as defined in 77 Ill. Adm. Code 1110.730(c)(2)(B)) because the 4 hospitals in Planning Area A-04 that provide this service (i.e., Advocate Christ Medical Center, Ingalls Memorial Hospital, LCM, and Palos Community Hospital) experienced annual occupancy that was significantly below the 85% occupancy target specified in the CON Rules for this category of service (77 Ill. Adm. Code 1100.560.c), with 43.4% occupancy in 2010 and 42.7% occupancy in 2009.

7. Because approval of the proposed project would result in an unnecessary duplication/maldistribution of AMI Services in Planning Area A-04, it is inconceivable that the applicant would be able to document that the proposed project would not lower the utilization of area providers as specified in 77 Ill. Adm. Code 1110.730(c)(3).
8. A CON application that would be consistent with MetroSouth's July 19, 2012, letter identifying the proposed AMI Service as having 14 beds would fail to comply with 77 Ill.



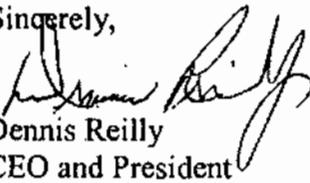
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Adm. Code 1110.730(f), which specifies that "The minimum unit size for a new AMI unit within an MSA is 20 beds."

Please note that, if you have identified patients who would benefit from a stay in an inpatient AMI (Acute Psychiatric) Unit who are not currently receiving such care, LCM would be willing to enter into a transfer agreement to accept the patients that you propose to accommodate in your facility. Please contact me at 708-229-5004 to arrange a meeting with our Medical Director.

Sincerely,



Dennis Reilly
CEO and President

cc: Courtney Avery
Michael Constantino