



Advocate Condell Medical Center

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June 5, 2013

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Mike Constantino
Supervisor, Project Review Section
Illinois Health Facilities and Service Review Board
5252 West Jefferson Street 2nd Floor
Springfield, Illinois 62761

Re: Safety Net Impact Statement Response CHS Vista Medical Center Lindenhurst Project 12-081

Dear Mr. Constantino,

Advocate Condell Medical Center submits the enclosed Safety Net Impact Response Statement to the project referenced above. We believe that the information contained in this statement shows that significant impact the proposed project will have on existing hospitals and their ability to provide Safety Net Services.

Respectfully,

Dominica Tallarico

Dominica Tallarico
President

Encl.

Public Act 96-0031-Safety Net Requirements

The Amended Planning Act requires that an applicant for a permit submit a Safety Net Impact Statement detailing the impact its project will have on Safety Net Services.

In accordance with Section 5.4 9(f) of the Amended Planning Act, Advocate Condell Medical Center submits the following Safety Net Impact Statement Response to the CHS Vista Lindenhurst proposal to establish a 132-bed acute care hospital in Lindenhurst, Illinois.

Requirement of Safety Net Impact Statement

The General Assembly amended the Illinois Health Facilities Planning Act to stipulate that an applicant evaluate the impact its project would have on other providers' ability to cross subsidize safety net services in the community.

The only statement in this section of the CHS Vista Lindenhurst CON application is that "It is not anticipated that the proposed project will have any impact on another provider or health system's ability to cross-subsidize safety net services".

As outlined in the Kaufman Hall Market Assessment and Impact Study submitted to the Review Board on January 15, 2013, the CHS Vista Lindenhurst hospital **will negatively impact** other Lake County hospitals.

Kaufman Hall's study revealed the following impact on existing hospitals:

- Advocate Condell Medical Center will lose 40 percent of its volume from the service area, or a total of 3,327 discharges.
- During the July 2011 through June 2012 time period, Advocate Condell Medical Center had a total of 17,813 discharges. The lost volume that would result from the development of the proposed Vista-Lindenhurst hospital would equal 19 percent of Advocate Condell's total admissions.
- Other hospitals in Planning Area A-09 will lose 2,938 discharges, or approximately 13 percent of their collective market share in the proposed CHS Vista-Lindenhurst service area.
- Significantly, hospitals outside of Planning Area A-09 will lose 2,585 discharges, or over 11 percent of their collective market share. Centegra-McHenry will feel the greatest impact of any hospital outside of Planning Area A-09.



The proposed Lindenhurst hospital would adversely affect safety net services in several ways:

- Hospital emergency departments are expensive to operate and must be equipped to handle the most life threatening emergencies. Condell's establishment of Lake County's only Level 1 Trauma Center provides Lake County access to this higher level of specialty emergency care. There is a significant fixed operating cost associated with providing Trauma 1 care in terms of specialized staff and lifesaving capabilities. There is required specialty Trauma training for staff and physicians and the necessary equipment to be state certified in Trauma care as a Level 1. By siphoning off emergency room visits and admissions, it is more expensive to provide Trauma services without being able to offset the expense and cross-subsidize this level of Trauma service.
- In addition to the Level 1 Trauma services, Advocate Condell Medical Center has invested in expanding the scope of pediatric services in Lake County to include a 24/7 Pediatric Emergency Department (with dedicated staff) and adding Pediatric subspecialists to the Libertyville campus such as pediatric neurology, endocrinology, gastroenterology, and cardiology. Instead of decreasing existing pediatric beds or sending these pediatric patients to Chicago hospitals for care, Advocate Condell has improved access for pediatric services in Lake County.

The decreased volume will challenge the ability of hospitals to cross-subsidize safety net and other community benefit services. Providers receive little or no reimbursement for these vital safety net services. Funding for these programs comes from hospital contribution margins.

Establishing a new hospital in an area that is well served by existing providers will not improve access to safety net services; it would instead draw patient volumes away from existing providers weakening the safety net. With a decrease in inpatient volume of 19 percent, it would be difficult to maintain, much less expand safety net health services in the community. These losses will severely impact the hospitals abilities to provide vital community benefits.

Community Benefit Contribution

Advocate Condell Medical Center is part of the Advocate Health Care system, which provided more than \$571 million in community benefit contributions in 2011; Advocate's most recently published Community Benefit report.

Advocate Condell is actively involved in the community, and offers free or subsidized services for key vulnerable populations. Examples include: Free and/or reduced costs screenings such as glucose, cholesterol, vein; free and/or reduced costs services such as immunizations and participation in community health fairs and events. Other free community programs include



childhood obesity intervention and prevention, diabetes education and management, and a wide range of pre- and post-natal education. Advocate Condell is the only SANE (Sexual Assault Nurse Examiner) Center of Excellence in Lake County with 24/7 on call SANE nurses. Other programs include Adult Day Services, EMT/EMS training, in addition to donation of restocking medical supplies to transporting EMT/EMS Ambulances. These services continue to expand, along with our growing list of community partners.

Advocate Condell Medical Center plans to continue to provide these safety net services to the community and grow these relationships. As a not for profit hospital, it is our mission, not just a requirement, to invest back into the community and support these safety net programs. The programs are an investment in our partnership with the community and the plan is to expand not decrease this role.

Impact on Safety Net Providers

CHS Vista may provide some safety net services in Lake County, but they are not **the safety net provider**, as was indicated in CHS Vista’s recent report to the Planning Board. As outlined below, they are not the largest provider of charity care in Lake County and with the shifting of services away from Waukegan to Lindenhurst would be continuing to shift the burden of supporting services to other providers.

As stated previously, a new and unneeded hospital would cause undue damage to Lake County’s safety net.

- An additional hospital and its impact would force the local not-for –profit providers to cut back on the charity care they provide, hurting the area’s neediest residents the most.
- CHS Vista is a for-profit provider that is accountable to its shareholders, while the existing providers are not-for profit and accountable to their patients and communities
- Despite their location, the amount of charity care provided by CHS Vista does not compare to other providers.

	Vista East	Advocate Condell	Northwestern Lake Forest
Charity Care \$	\$3.5 million	\$9.5 million	\$10.2 million
Charity Care % Revenue	2.0%	3.0%	4.6%
No. of Charity Care Inpatients	261	560	284
No. of Charity Care Outpatients	997	5,334	2,596
Medicaid Patients	41,662	43,147	19,084
Charity Care Policy % Federal Poverty Level	200%	400%	600%
Licensed Beds	336	273	205



With 3,500 inpatients in 2012 living in the zip codes identified to fill the Lindenhurst facility this impact would not be minimal to existing providers. Many of these patients are equidistant to an existing hospital. A new hospital would not increase access but would add to health care costs and decrease safety net services.

The above facts prove that the current safety net services provided by Advocate Condell and other Lake County providers would be negatively impacted by the establishment of an additional hospital. Advocate Condell remains committed to delivering safety net services to those in need.