



June 15, 2013

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Via Overnight Carrier

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

Re: Response to State Agency Report
Vista Medical Center - Lindenhurst CON Application (the "Application")
Project No. 12-081 (the "Project")

Dear Chairman Galassie,

We have had an opportunity to review the State Agency Report for the CHS/Vista Lindenhurst project referenced above. We concur with the SAR's finding that there is no justification for a new hospital and that the project would not improve access to care.

The applicants' sole submission following the Intent-to-Deny was a brief letter from its attorney that provided little to address the concerns of the Board. Portions of that letter were reprinted in the SAR and it is that quoted material to which we respond. Because Advocate Condell was singled out by name, it would not want the Board to believe that allegations were true by not responding.

1. Impact on other Area Providers

The CHS/Vista response states that the opposition expressed concerns about the impact, but that "there was no detail whatsoever regarding the impact on any service – just generalizations." Our Response:

- Although the applicants now appear to challenge the negative impact a new hospital would have on existing providers, from the filing of its application it admits that it will duplicate services and negatively impact existing providers page 94 of its application clearly states this Project is non-compliant with the

Board rules, and cannot possibly be approved without negatively impacting existing providers:

“Review Criterion 1110.530.c3 directs the applicant to document that the proposed project will not lower the utilization rates of any existing provider below the target occupancy standard, nor will the project lower the utilization of any hospital not operating at the target standard. The review criterion, quite obviously cannot be met for a project proposing the establishment of a new hospital.”

- The negative impact affects all area providers, including Vista East. Northwestern Lake Forest Hospital and Centegra have also testified as to the negative impact.
- Vista physician referral letters show that it will be moving over 1,000 admissions from Waukegan to Lindenhurst, further impacting already low Waukegan utilization.
- Advocate Condell provided the Board with a detailed analysis, not mere generalizations, of the negative impact in a report provided by the independent financial advisory firm of Kaufman-Hall. This report analyzed the impact and finds that a new hospital would reduce our hospital volume by 19 percent. This impact is detailed, quantified and serious. The Kaufman-Hall report is included in the Board’s project file. We invite your reference to that report.
- Advocate Condell also prepared a Safety Net Impact Response Statement, detailing further the negative impact a new hospital will have on its facility and patients.

2. Closing of Phantom Beds

The applicants’ response states that they are closing 108 beds at Vista East and that the State could not have required that it close more than 30 beds. We respectfully disagree. We have previously submitted detailed legal analysis that Vista East has maintained phantom beds which is a violation of the Board’s rules. Just as we have argued that Vista East has phantom med/surg beds, we believe Vista maintains phantom Pediatric beds. As is stated in the March 1, 2013 submission to the Board, Vista had only 10 of 25 beds set up and in 2011, had only 727 inpatient pediatrics days - - less that 2 patients as an

average daily census. They cannot keep this many beds in the inventory without putting them in service. These beds should be closed because it is required by law.

3. Shifting 3,500 Patients from Advocate Condell is not Evidence of Need

A portion of the applicant's letter quoted in the SAR attempts to characterize Condell's President's statement that a new hospital could take away 3,500 patients as evidence of "need" for a new hospital. Instead, this proves our point that the project duplicates existing services. Many times patients will choose a hospital because of its proximity. The fact that they might move from a hospital where they already receive service is a matter of "convenience" not "need".

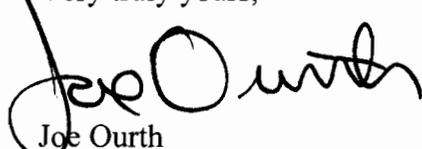
4. Patients Receiving Care in Wisconsin Have Access to Care in Illinois

Our final point is seemingly small, but one to which Advocate must respond because it questions its concern for patients. Page 3 of the SAR contains this quote from the CHS/Vista letter: "1,400 plus residents leave Illinois to go to Wisconsin to access hospital service (based on IHA Comp DATA). In fact, if Advocate is so concerned about patients why is it ignoring the access to care issue?"

Many people in Lake County, and Illinois generally, live near the Wisconsin border. Some of these patients choose the proximity to a hospital in Wisconsin to receive health care services or the specialty services of Academic Medical Centers in Milwaukee. Many of these Lake County residents would choose care in Wisconsin even if the Vista-Lindenhurst hospital were built. To suggest that this situation is an access to care issue makes no sense. To say that Advocate doesn't care about patients because some go to Wisconsin hospitals is untrue and unfair. Advocate believes the Board trusts Advocate's commitment to patients; nevertheless Advocate will not allow its concern for patients to be questioned.

Thanks you for the opportunity to respond. We believe the SAR proves that the Project does not meet the Boards rules for need, negatively impacts providers who are underutilized, and will not improve access to care. This Project does not meet the requirements of the Planning Act, its purpose or its spirit. We ask that the Board continue to follow its rules and deny this Project.

Very truly yours,



Joe Ourth