

Constantino, Mike

From: James, Karen [karen.james@advocatehealth.com]
Sent: Wednesday, January 16, 2013 8:17 AM
To: Constantino, Mike
Cc: Avery, Courtney
Subject: Safety Net Impact Statement Response: Riverside Medical Center North Campus at Frankfort
- Project No.: 12-089
Attachments: Riverside FEC Safety Net Impact Statement Response.pdf

Dear Mr. Constantino:

Advocate South Suburban Hospital wishes to submit the attached Safety Net Impact Response Statement to the Riverside Medical Center North Campus at Frankfort - Project No.: 12-089. We believe that the information contained in this statement shows the significant impact the proposed project will have on existing hospitals and their ability to provide Safety Net Services.

Sincerely,

Karen James, FACHE

Advocate South Suburban Hospital

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 **Advocate Health Care**

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Advocate South Suburban Hospital

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January 16, 2013

Mike Constantino
Supervisor, Project Review Section
Illinois Health Facilities and Services Review Board
525 West Jefferson Street (2nd Floor)
Springfield, Illinois 62761

Re: Safety Net Impact Statement Response
Riverside Medical Center North Campus at Frankfort, Frankfort
Project No. 12-089

Dear Mr. Constantino:

Advocate South Suburban Hospital wishes to submit the enclosed Safety Net Impact Response Statement to the project referenced above. We believe that the information contained in this statement shows the significant impact the proposed project will have on existing hospitals and their ability to provide Safety Net Services.

Sincerely,

Karen James, FACHE
Director, Business Development
Advocate South Suburban Hospital

Cc: Courtney Avery

Safety Net Impact Statement Response

Riverside Medical Center North Campus at Frankfort

Project No.: 12-089

When the General Assembly rewrote the Planning Act several years ago one of the changes was to require applicants for permits to provide a Safety Net Impact Statement. That provision also specifically allows others to respond to the Applicants statement.

Riverside Medical Center's entire Safety Net Statement is a total of three sentences and simply states that the project will positively impact Safety Net services and will "therefore" have no adverse impact on safety net services of other providers. The Applicant provides no analysis of how an additional freestanding emergency center (FEC) in an affluent suburban area that takes volume from existing providers will not adversely impact other hospital's Safety Net services. Both proposed FEC projects essentially skim well-insured patients with the lowest acuity from existing hospital Emergency Departments.

The Riverside Medical Center FEC proposed facility service area (which includes the zip codes 60423, 60950, 60443, 60448, 50471, 60451, 60442, 60466, 60468, and 60471) is slated to be located in a well-served area with five major hospital-based providers providing service. These hospitals include: Franciscan St. James Health - Olympia Fields, Silver Cross (New Lenox), St. James Health - Chicago Heights, Ingalls Medical Center (Harvey), and Advocate South Suburban Hospital (Hazel Crest). This FEC project adversely affects safety net patients in two ways:

1. High Cost Environment. The proliferation of FECs in this area encourages patients to go to a high cost emergency department rather than seeking lower cost primary care or urgent care service. Patient costs, whether paid by the patient or by the state, increase dramatically.
2. Decreased Volume at Existing Hospital-based Emergency Departments. Hospital Emergency Departments are expensive to operate, particularly when

they must be prepared to handle the most life-threatening of emergencies. Fixed costs are high and can only be recouped through sufficient volume to cover these fixed costs. FEC's generally get paid the same amount as hospital based Emergency Department's even though the cost is lower and FEC's can only handle basic emergency services.

Riverside is projecting that the proposed FEC will experience 9,413 visits in 2014, the first year of operation and growing each year thereafter. In 2011, Advocate South Suburban Hospital provided care for 7.1% of this service area, or 4,405 visits.

Establishment of an FEC in this area would negatively impact these hospital-based emergency departments by drawing favorable patient volumes from our Emergency Department, thus reducing inpatient admissions to our hospital. A decrease in volume weakens our ability to provide vital community benefit services, including free and uncompensated charity care for underserved patients.

The decreased revenue from the diminished volumes would make it more difficult to maintain, much less expand, access to vital community benefit services in the community such as health and wellness screenings, health education, childhood asthma programs and school physicals.

In addition to reducing our hospital-based volume, the proposed FEC has the potential to reduce outpatient visit volume that helps sustain physician practices in the market. Physicians on our medical staff practicing in this area provided about 14,000 visits in their office practices. Patients may seek care at the FEC when it is really more appropriate for them to be seen in a primary care physician office setting.

The potential reduction of emergency department volumes and associated inpatient admissions, as well as the reduction in physician office visits, will have a negative impact on Advocate South Suburban Hospital's ability to provide vital safety net health and wellness services to the area's Safety Net population.