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**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

January 8, 2014

Via Hand Delivery

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and Services  
Review Board  
525 W. Jefferson  
Springfield, IL 62761

Re: Silver Cross Emergicare Center  
Project No. 12-096 (the "Project")  
Opposing Public Comment Submission

Dear Ms. Avery:

We respectfully request that the Board consider our letter in opposition to the Silver Cross FEC Project.

**Project History and Intent To Deny**

At its February 5, 2013 meeting the Review Board voted overwhelmingly an Intent-to-Deny two applications to establish new Freestanding Emergency Centers in Frankfort, Illinois. Advocate South Suburban Hospital agrees with the Board's earlier vote and the original State Agency Report that this Project does not meet the Board's review criteria. Since that report, nothing substantive has changed to justify the Project. Riverside Healthcare has withdrawn its application. The small amount of new data presented by Silver Cross Hospital does not change the fact that the Project does not meet Board standards of Reasonableness of the Project Costs, Maldistribution/Unnecessary Duplication of Service and Planning Area Need.

Freestanding emergency centers ("FECs") originally emerged as a means to provide emergency care in primarily rural and medically underserved areas where there is limited access to emergency care. In practice, however, hospitals have used FECs to expand market share in

more affluent suburbs. There is no need for this proposed FEC in a prosperous suburban area with eight existing emergency departments (EDs) within 30 minutes travel time. It would be an expensive and duplicative luxury that would run counter to the health care quality and spending goals of our state and federal governments.

### **A New FEC is a High Cost Alternative**

Because this freestanding emergency center would likely draw patients who could otherwise be seen by primary care physicians, care at this FEC would come at a higher cost and less-coordinated care. Insurance plans and Medicare generally pay for care in stand-alone emergency departments at the same rates as they do for hospital-based EDs. Yet, care in an ED – whether free-standing or attached to a hospital — costs the patient and the insurance company substantially more than at doctor's offices or urgent care centers.

Treatment at a freestanding emergency facility is significantly more expensive than the care provided by a primary care physician. According to a study commissioned by The Agency for Healthcare Research and Quality, the average cost of an ED visit is \$580 more than the cost of an office-based health care visit. In the Frankfort area, already well-served by existing emergency care facilities, urgent care centers and primary care doctors, encouraging more non-urgent utilization of high cost emergency facility is counter to all health care reform initiatives.

In addition, statistics show people increasingly using hospital EDs for non-urgent care that could have more effectively been treated in a primary care setting. According to a recent report commissioned by the National Quality Forum, almost 50 percent of patients who visit an ED have health issues that are considered non-or semi-urgent. In these lower acuity cases, patients would be more appropriately cared for in a primary care or urgent care setting.

Nationally, 56 percent, or roughly 67 million visits, are potentially avoidable. According to a New England Health Care Institute report, unnecessary emergency department use accounts for about \$40 billion in wasteful U.S. health care spending each year.

The high costs associated with ED overuse impacts both patients and payers and creates a drain on resources, locally and nationally. With the average cost of an ED visit being nearly \$600 more than the cost of an office-based health care visit, reducing this overuse represents a significant opportunity to improve quality and lower the cost of health care.

When Illinois recently faced serious budget shortfalls, the Department of Healthcare and Family Services moved to reduce Medicaid costs by \$2.7 billion. These measures were aimed directly at rescuing the state's Medicaid system from the brink of collapse, threatening the financial health of our health care delivery system and state government.

Among the clearly stated objectives of the State's initiative was to significantly lower healthcare delivery costs by guiding patients toward lower-cost physician offices, or clinics rather than more expensive emergency departments, when appropriate. Similarly, by encouraging patients to find a medical "home", DHFS sought to improve continuity of care through its Illinois Health Connect (Primary Care Case Management) program.

Considering the current financial situation in Illinois, we believe that providers should continue to work with the State to lower cost and coordinate care, not promote a greater rate of transitory emergency department utilization.

#### **FEC'S Are Not The Best Care Alternatives in Suburban Area**

For non-emergency patients the ED simply cannot provide the continuity of care that the primary care system offers. The episodic nature of ED care lacks the benefits associated with a primary care provider, including enhanced clinical diagnostic accuracy and treatment, disease prevention and patient compliance to treatment regimens.

Advocate Health Care a leader in the Accountable Care Organization (ACO) movement, and our partnership with the Centers for Medicare & Medicaid Services and Blue Cross Blue Shield of Illinois has proven that delivering care in the appropriate setting is a better way to manage the health of our Southland's population.

As Advocate continues to work with the government and other partners to find effective solutions to our growing health care crisis, it has become clear that and coordinating care through primary care physicians part of our foundation.

The proposed FEC would also have an effect on nursing quality and care. The Advocate South Suburban Hospital's emergency department consistently has to manage a 15 percent nursing vacancy rate. An adequate supply of well-qualified, experienced emergency nurses is absolutely necessary to care for seriously sick and injured patients. Building an additional FEC in the Frankfort area could add to the existing nursing shortage, thereby potentially compromising care at all area emergency facilities.

**Existing Hospitals Have Excess Emergency Department Capacity**

Statistics clearly show there is no need for additional ED capacity in the planning area, as there is ample capacity in the area. Applying the state utilization standard of 2,000 visits per treatment station annually, hospitals in the area of the proposed FEC have considerable excess capacity in their collective emergency departments. Please see the chart below:

Area hospitals are currently treating approximately 1,500 patients per emergency department treatment station, annually. The proposed location of the Silver Cross FEC would lower this utilization rate even further below the State’s standard.

Only Palos Community Hospital and the existing Silver Cross FEC meet the state standard. While Silver Cross attempts to argue that it will capture only its own existing patients, which is very unlikely, it is important to note that Silver Cross’s own Hospital ED is itself significantly under the standard.

**Facilities within 30 minutes of proposed FEC**

<u>Facilities</u>	<u>City</u>	<u>Stations</u>	<u>Adjusted Time</u>	<u>2012 Utilization</u>	<u>Rooms Justified</u>	<u>Met Standard?</u>
Franciscan Alliance, Inc.	Olympia Fields	22	15	36,452	18.2	No
Silver Cross Hospital and Medical Center	New Lenox	36	18.4	59,139	29.6	No
Advocate South Suburban Hospital	Hazel Crest	25	20.7	43,957	22.0	No
Franciscan Alliance, Inc.	Chicago Heights	25	20.7	44,967	22.5	No
Silver Cross Emergicare Center	Homer Glen	6	24.2		6	Yes
Ingalls Memorial Hospital	Harvey	31	26.5	50,439	25.2	No
Palos Community Hospital	Palos Heights	20	27.6	47,415	23.7	Yes
Blue Island Hospital Company, LLC	Blue Island	27	29.9	46,652	23.3	No

Information taken from 2012 IDPH Profile  
 Time and Distance from MapQuest and adjusted per 1100.510 d

**No Additional Need in Planning Area**

Independent research supports the Board’s need calculation that there is no need for a FEC in the Frankfort area, now or in the immediate future. This area is well positioned to meet the primary care needs of the less sick and injured patients that, as research indicates, often seek treatment in emergency departments. Independent research conducted by Truven Health Analytics, shows that the current supply of primary care physicians in this area is sufficient for today as well as for the projected area population growth. And, in addition to the hospital-based emergency departments in the area, there are at least 30 community-based urgent care center locations.

### **Adverse Impact on Safety Net Services**

Finally, there is also the fact that a new FEC will adversely impact Safety Net services in the area. A new FEC in this area certainly will negatively impact volumes at local existing hospital-based emergency departments. Many of the existing hospitals, including our own, serve far more fragile health care communities than Frankfort. A decrease in volume could weaken hospitals' ability to maintain, much less expand, access to vital community benefit services such as free health and wellness screenings, health education, childhood asthma programs and school physicals. The effects of decreased ED volumes also would make it difficult for existing hospitals to maintain and expand access to important services in the community such as health education, wellness screening and events, disease prevention programs and support groups.

### **Public Record for Riverside FEC To Be Incorporated**

The Review Board conducted a public hearing on both the Silver Cross and Riverside FEC projects on the same day, January 10, 2013 and considered both at the same Board meeting in February. While the projects cannot have comparative review, the public hearing testimony for both projects are relevant and informative for the Board and we ask that the public hearing record and transcript for Project 12-089 be included in the project file for this Project as well.

### **Conclusion**

The Board has previously voted 1 - 6 and issued an Intent-to-Deny this Project. The Board made the appropriate decision at that time and nothing new has changed to justify a new FEC. Seven of the eight hospitals in the area, including Silver Cross itself, operate below the state target utilization and a new facility will only exacerbate the excess capacity. Further, construction of a new facility largely provides non-emergency care at a high cost is counter to where health care policy is heading and should go. We ask that you affirm your prior decision and vote to deny this Project.

Very truly yours,



