

Axel & Associates, Inc.

MANAGEMENT CONSULTANTS

January 27, 2014

Mr. Michael Constantino
c/o Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RECEIVED

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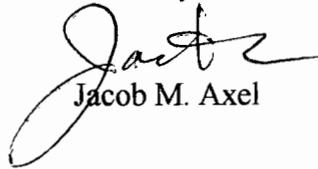
HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: Project 13-076
Holy Cross Hospital

Dear Mike,

Enclosed please find a revised copy of ATTACHMENT 13 for the above-referenced application.

Sincerely,



Jacob M. Axel

enclosure

ALTERNATIVES

The applicants for the proposed project are Sinai Health System (SHS) and one of its members, Holy Cross Hospital (HCH). The purpose of the project is to improve accessibility to acute mental illness (AMI) services for the largely-overlapping service areas of SHS's two acute care hospitals, HCH and Mount Sinai Hospital (MSH). The SHS hospitals' service area includes a disproportionately high number of Medicaid recipients.

The project addressed through this *Application for Permit* proposes the establishment of a 50-bed AMI category of service to be developed through the renovation of two medical/surgical units at HCH.

The first alternative to the proposed project considered by SHS involved the expanding of MSH's category of service to meet the demand documented in ATTACHMENT 15. That alternative was dismissed, due to a lack of the space needed to support fifty additional AMI beds at MSH.

The second alternative considered was the construction of a freestanding mental health facility, or a major addition to MSH or HCH to centralize all of SHS's mental health services in a single location within the hospitals' common service area. This alternative was dismissed due to the capital cost associated with the required construction, regardless of scope of the alternative.

The third alternative considered was the continued reliance on other providers to meet the needs of area residents. This alternative was dismissed because it would result in a status quo--- continued difficulties in transferring SHS patients from the Emergency Departments to AMI providers willing to accept the patients, an inability of SHS primary care physicians to follow their patients admitted to a remote AMI program, a lack of continuity between inpatient AMI care and subsequent outpatient care resulting from the difficulties associated with traveling

significant distances for outpatient services, and difficulties experienced by patients' families in participating in inpatient treatment programs.

Accessibility for area residents, quality of care, and operating costs would be very similar to that of the proposed project, if either of the first two alternatives discussed above were selected. Accessibility, as experienced in the past, would be compromised with the third alternative. If space were available at MSH for the implementation of the first alternative, the associated capital costs would be similar to those of the proposed project, approximately \$8.5M. As noted above, however, sufficient space for the adoption of this alternative is not available. The capital costs associated with the second alternative were initially estimated \$50-55M, assuming a building of approximately 112,000 square feet to house Sinai Health's outpatient mental health programs as well as its current and proposed inpatient programs. The third alternative would not have any capital or operating costs, but, and as noted above, would not address the need for the project.