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HEALTH FACILITIES &
SERVICES REVIEW BOARD

by **FedEX**

June 23, 2014

Ms. Kathryn Olson
Chair
Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Project 014-015
The Carle Foundation Hospital
LETTER OF OPPOSITION

Dear Ms. Olson:

This letter is being submitted to voice strong opposition to Project #14-015, which proposes the addition of 48 medical/surgical beds to The Carle Foundation Hospital in Urbana, Illinois.

Scope of Project

The scope of the project—the addition of 48 medical/surgical beds—is 1) inconsistent with historical utilization, and 2) not supported in the manner required of past projects proposing either the establishment of a category of service or the expansion of an existing category of service, nor is it consistent with the applicable documentation requirements.

The applicant provided 71,683 medical/surgical patient days of care (pg. 9 of application) and projects that it will provide 78,038 medical/surgical patient days of care (pg. 103) during 2014. Both volumes include observation days. Assuming that the 2014 projection is realized, that number of patient days supports only 238 beds, (an increase of 26) rather than 48 beds.

The hospital experienced an increase of 8.4% in medical/surgical patient days from 2012 to 2013, and is projecting an 8.9% increase this year. Utilization is projected by the applicant to increase by 26.6% between 2013 and 2016. The Carle Foundation Hospital does not appear to be developing any new programs that will attract incremental patients, and no appreciable population increases are projected in the Champaign/Urbana area. The question that must be asked is: “Where will the projected incremental 12,709 patient days (2014 to 2016) come from?”



Impact on Presence Covenant Medical Center

The impact that the addition of 48 medical/surgical beds at The Carle Foundation Hospital will have on Presence Covenant Medical Center will be devastating.

Simply stated, the 2,600-2,700 incremental medical/surgical admissions projected by Carle to be realized by 2016 in support of the proposed beds need to come from somewhere. Carle is projecting its average daily census (“ADC”) to increase by 34.8 patients by 2016. Presence Covenant Medical Center is the only other hospital in Champaign/Urbana, and located approximately 2 minutes to the west of Carle. Many local physicians maintain privileges at both Carle and Covenant. Covenant’s year-to-date medical/surgical ADC is 44 patients, and it is certainly reasonable to believe that the incremental patients projected to be admitted to Carle will come largely at the expense of Covenant. Carle draws a substantial portion of its patients from the following counties – Champaign, Vermilion, Coles, Ford and Iroquois. Therefore, many other hospitals would likely be affected, including Presence United Samaritans Medical Center, Gibson Area Hospital, Iroquois Memorial Hospital & Resident Home and Sarah Bush Lincoln Health Center.

Covenant is a 210-bed not-for-profit hospital that has been committed to the Champaign/Urbana community for nearly 100 years. The hospital provides a broad spectrum of inpatient and outpatient services, and in 2013 admitted approximately 4,700 medical/surgical patients. The hospital currently employs approximately 800 persons, and operates with a very liberal charity care/patient discount policy.

Alternative

One of the alternatives identified in the CON application, that being to divert patients to another hospital (pg. 94) is a far superior alternative to spending \$17.8M to add 48 beds to a planning area that is already over-bedded by 158 beds, and when in fact there is another hospital located two minutes away, that is willing to accept the patients,

The applicants dismissed this alternative for a number of reasons, none of which warrant either the expenditure or the unnecessary duplication of services and capacity. While Carle serves as the area’s Level I Trauma Center, with the exception of neurosciences, Covenant provides a complement of medical and surgical services similar to that of Carle. However, most of the new beds, as they are not ICU, will be for conditions and procedures that are not associated with Level I trauma and do not involve highly specialized medical/surgical services.

While Carle serves as the area’s Level III perinatal center, Covenant also has a Level II+ perinatal center which can handle 95% of what is done in a Level III center but that is not a patient population that is even relevant to the discussion surrounding medical/surgical beds.



Presence™

Covenant Medical Center

Covenant has reached out to Carle in the past to investigate the potential of greater cooperation, has done so as recently as Spring 2014 and continues to believe that two strong hospitals in Champaign/Urbana is best for the community. The development of a cooperative program between the two hospitals that takes advantage of existing hospital capacity in the area would eliminate the need for one hospital to spend \$18.7M to create even more excess capacity than already exists. This practical alternative will support patient choice with broad access to care and provide overall benefit to the community.

In the meantime, based on the Illinois Health Facilities and Services Review Board's own review criteria, **we urge you to deny this Certificate of Need application.**

Thank you for providing the opportunity to express Presence Covenant Medical Center's position on this project.

Sincerely,

Sandra Bruce, FACHE
President and Chief Executive Officer
Presence Health

Sincerely,

Jared Rogers, M.D.
Regional President and CEO
Presence Covenant Medical Center

cc C. Avery
G. Roate