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MARK J. TURNER, PRESIDENT

November 24, 2014



Via Federal Express

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

**RECEIVED**

NOV 25 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

RE: Project 14-043  
St. Elizabeth's Hospital, Discontinuation of  
Belleville Hospital and Establishment of O'Fallon Hospital

Dear Chairman Olson and Members of the Illinois Health Facilities and Services Review Board:

This letter is submitted in connection with St. Elizabeth's Hospital's Certificate of Need application which seeks regulatory permission to discontinue its Belleville hospital and establish a new hospital in O'Fallon. This letter identifies some of the material discrepancies and contradictory statements that the applicant has made as reflected in the record of this application, relevant testimony and other filings. It is Memorial's view that the applicant's project would critically harm access to care by financially disadvantaged residents of the Belleville community. The Belleville community has recorded overwhelming opposition to this application and expressed its view that St. Elizabeth's has failed to be transparent and forthcoming about the real purpose and impact of the proposed project. Memorial stands with the residents of Belleville and urges the Illinois Health Facilities and Services Review Board (IHFSRB) to turn down this application.

In June 2011, the IHFSRB unanimously approved Memorial Hospital's plans to move a portion of its bed complement in Belleville to Shiloh, establishing a new hospital named Memorial Hospital-East. In developing its plan, Memorial worked closely with the City of Belleville and its stakeholders to insure that this new hospital would not jeopardize or dilute the services being provided at its Belleville hospital. As a result of this collaborative partnership, the City of Belleville endorsed Memorial's application to build its Shiloh hospital. By contrast, St. Elizabeth's plan, as reflected in the application before you, shows the applicant's unwillingness to listen to and incorporate the needs of the Belleville community. St. Elizabeth's plan proposes the abandonment of the community that it has long served and, argues that this abandonment will not diminish access to care. Memorial believes that, as a not for profit with a legal responsibility to community service, St. Elizabeth's plan should have prioritized the needs of the community as it sought to rehabilitate its aging facilities. Like St. Elizabeth's, Memorial faced challenging

planning options as it looked to the future. In evaluating those options, we chose to work hand-in-hand with the City of Belleville, to honor our commitment to Belleville. Our plan for a Shiloh campus was built around our commitment to maintain a 216-bed hospital in Belleville.

St. Elizabeth's claim that it needs to close its Belleville hospital and relocate to O'Fallon to improve access for residents of "underserved communities" to the north of Belleville and to the west is without foundation. As St. Elizabeth's is well aware, Memorial-East (Shiloh) is already under construction and scheduled to open in April 2016. Memorial-East is less than two miles from St. Elizabeth's proposed O'Fallon site, and access to the Memorial-East site and the St. Elizabeth's O'Fallon site will be, in fact, provided by the very same I-64 exit ramp. The proposed O'Fallon hospital is not needed to provide access to care, and St. Elizabeth's failure to incorporate Memorial-East into its planning analysis is a significant void in the application and its justification under the IHFSRB rules.

At the heart of St. Elizabeth's application is the condition of its existing Belleville hospital. The application should have addressed the issue of its antiquated facilities. If the CON application proposed the rehabilitation of St. Elizabeth's Belleville hospital, or even the construction of a replacement hospital in downtown Belleville, Memorial would have been supportive. We know that hospital facilities need to be upgraded, and we are on record stating our support for St. Elizabeth's efforts to renovate or build a replacement hospital in downtown Belleville. St. Elizabeth's and the HSHS System have had the opportunity and the financial resources to invest in their Belleville Hospital over the years, but have chosen not to. Instead, St. Elizabeth's intention is to relocate its hospital to a community that is more advantageous to its business interests.

As noted, the record of this application includes contradictions that are, in our view, misrepresentations of the circumstances surrounding St. Elizabeth's analysis of need. We note the following:

- St. Elizabeth's assertion that its proposed move from Belleville to O'Fallon will not impact other area providers is false. St. Elizabeth's proposes to move seven miles to the north. EMS services are required to transport cardiac arrest and trauma patients to the closest hospital. This fact has been validated in conversations with the primary EMS providers that serve the Belleville area and furthermore, the EMS providers have indicated little interaction with St. Elizabeth's in the planning for the proposed relocation. Many such patients currently being transported to St. Elizabeth's Belleville site (the closest hospital) will be transported to Memorial Hospital (the closest hospital), straining Memorial Hospital's Emergency Department and ICU capacity.
- St. Elizabeth's made two substantial submissions to the IHFSRB on November 13, 2014, one of which addressed the impact of its project on safety net services. St. Elizabeth's failed to make one mention of Memorial-East in the entire ten-page filing on safety net services. As noted above, Memorial-East is located less than two miles from St. Elizabeth's proposed O'Fallon site, and the failure to incorporate Memorial-East in its analysis is misleading and inaccurate.

- St. Elizabeth's assertion that its current patients all will come to O'Fallon is unrealistic and wrong. It is based on the unsupportable position that distance to services and limitations in transportation options will not diminish access to care by Belleville residents. In fact, a survey conducted by the Franklin Neighborhood Community Association in Belleville revealed that the vast majority of the surveyed residents from the neighborhoods surrounding St. Elizabeth's Hospital indicated that they would use Memorial Hospital in Belleville rather than go to a proposed new St. Elizabeth's hospital in O'Fallon.
- St. Elizabeth's project will materially and negatively impact access to care by medically underserved residents of our community that have received care at St. Elizabeth's Belleville hospital for decades. The financially disadvantaged residents of Belleville bear the brunt of St. Elizabeth's plan. While St. Elizabeth's has repeatedly stated that its O'Fallon site will result in improved access to care for residents of disadvantaged communities such as East St. Louis, no evidence has been offered by St. Elizabeth's to corroborate this statement. For example, St. Elizabeth's stated in a November 13, 2014 letter to Ms. Avery, "For inpatient medical surgical admissions, 32.6% of our patients are from Belleville zip codes, meaning that 67% are not – which includes those from East St. Louis. If we consider **all** inpatient admissions (Med-Surg, ICU, OB, and rehab) 24% of our patients are from Belleville, again meaning 76% are from other zip codes, which is inclusive of East St. Louis." St. Elizabeth's chose not to identify either (1) the number of "new" patients it would attract from East St. Louis, or (2) the number of Belleville patients who reside in the financially disadvantaged neighborhoods surrounding St. Elizabeth's Belleville site that will experience barriers to access because of St. Elizabeth's abandonment of Belleville.
- The St. Clair County Health Department, in a letter received by the IHFSRB on October 30, 2014, questioned St. Elizabeth's premise that the proposed relocation to O'Fallon would bring the hospital's services closer to a greater number of vulnerable people. The Health Department performed an analysis of St. Elizabeth's CON application and concluded "...we are very concerned that the proposed replacement hospital location will adversely impact the safety net services currently provided by St. Elizabeth's hospital to residents of St. Clair County. A large concentration of medically underserved and vulnerable population lives in close proximity to the current location."
- St. Elizabeth's statements that it cannot renovate or construct a replacement hospital on its Belleville campus have not been substantiated. Every year, numerous Illinois hospitals undertake major renovation and construction projects on sites smaller than St. Elizabeth's site. There is nothing unique about St. Elizabeth's Belleville site that would differentiate it from other hospitals.
- St. Elizabeth's position that its Belleville site cannot continue to operate during major construction because of one-way streets and congestion is not compelling. Many hospitals, such as Ann and Robert H. Lurie Children's Hospital and Northwestern

Memorial Hospital have undertaken major construction projects in much more congested areas having one-way streets.

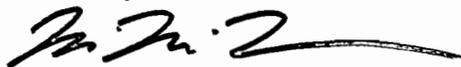
- St. Elizabeth's has 184 patient rooms at its Belleville hospital but is proposing a new downsized hospital with 128 patient rooms in O'Fallon. Given the reduction in size that is proposed, St. Elizabeth's existing hospital can certainly be reconfigured to accommodate the hospital's needs. .
- The City of Belleville provides multiple options for the establishment of a hospital to be located in Belleville, given St. Elizabeth's position that renovations could not be made on the existing hospital. To date, St. Elizabeth's has summarily rejected all Belleville options, preferring to relocate to a more affluent suburban community.
- St. Elizabeth's argues that its proposal will bring benefit to the community in the form of a "regional referral hospital" when, in fact, there is no support for the argument that its proposed new hospital would meet standards for a regional referral hospital. St. Elizabeth has used the statistic that 74% of its patients are from communities other than Belleville to support this argument. The reality is that all hospitals in an urban or suburban location, (Memorial included, with over 65% of Memorial's patients coming from communities outside of Belleville), serve a region that is broader than the city where they are located. There is nothing unique about St. Elizabeth's "regional" nature. St. Elizabeth's is not proposing any new clinical services, but rather proposes the downsizing of both its medical surgical and ICU bed complements. Moreover, St. Elizabeth's is proposing to discontinue its pediatric category of service and its AMI service. The area's regional referral hospitals are the academic medical centers located in St. Louis, and the suggestion that a down-sized St. Elizabeth's hospital will become a regional referral center is misleading.
- Based on the record before the IHFSRB, it appears that St. Elizabeth's has offered misleading statements relating to its plans to relocate to O'Fallon. At the September 24, 2013 meeting of the IHFSRB, a representative of St. Elizabeth's repeatedly refused to state whether or not St. Elizabeth's planned to relocate to O'Fallon, despite direct questioning from a Board member. In fact, prior to September 24, 2013, the City of O'Fallon had already created a TIFF district and had re-zoned St. Elizabeth's O'Fallon site to accommodate the proposed hospital construction.
- St. Elizabeth's has repeatedly asserted that relocation from Belleville to O'Fallon will not impact where patients elect to go or are taken for care. And yet, in a November 13, 2014 filing with the IHFSRB addressing safety net services, St. Elizabeth's volunteered that Memorial Hospital had "capacity to treat an additional 20,000 (Emergency Department) patients annually." Not only is that statement incorrect, but it also contradicts St. Elizabeth's previous assertion that patients would not change their treating hospital. In terms of impact and capacity to treat, the IDPH standard is 2,000 ED visits per station. Memorial Hospital's ED has 36 treatment stations. In 2013, Memorial Hospital's ED had 65,768 visits, within 17 patients a day of full capacity. Memorial does not have capacity

to absorb St. Elizabeth's Belleville residents who will be seeking ED care if St. Elizabeth's ED is closed.

- The Public Hearing and application record includes the personal testimony and individualized letters of Belleville residents and stakeholders from all segments of the Belleville community who have joined to oppose this proposal. By contrast, St. Elizabeth's support has been reflected largely in the testimony of its management team, its employees and in "form letters."
- St. Elizabeth's position that the limited outpatient services it proposes to continue in Belleville will insure continued access to care is false. The scope of services to be provided is minimal, and the IHFSRB does not have jurisdiction over any of the outpatient services that are proposed to be retained at St. Elizabeth's Belleville facility. Because jurisdiction does not attach, St. Elizabeth's can modify or discontinue those services without agency approval. We note that St. Elizabeth's opened, and then closed, an urgent care center in Waterloo, Illinois. This opening and closing occurred without any interface or review by the IHFSRB, and St. Elizabeth's would be free to do the same with the services that it is proposing to provide on its Belleville site. Over the past several years, St. Elizabeth not only closed its Waterloo Urgent Care Center, but closed the entire MOB that housed the Urgent Care Center, closed a child-care center in Belleville, closed a physical therapy location in Columbia, and closed their occupational health service. Additionally, they have sold their home care service, and dropped their Level II+ Nursery designation to Level II. All of these reductions in service were done without agency approval; and most, if not all, of these decisions were made for financial reasons.
- St. Elizabeth's has not engaged the City of Belleville in any discussions surrounding the future use of the hospital's large site in the center of Belleville, and St. Elizabeth has not offered any plan regarding the reuse of its Belleville site. Without any firm assurances from St. Elizabeth's, it is reasonable to conclude that the Belleville hospital closure will yield a "white elephant" in downtown Belleville, potentially triggering the closure of other business and consequent loss of jobs.

Thank you for the opportunity to address our concerns. We urge you to turn down St. Elizabeth's request to close its Belleville hospital and open a new hospital in O'Fallon.

Sincerely,



Michael McManus  
Chief Operating Officer

cc: Courtney Avery, IHFSRB  
Michael Constantino, IHFSRB