

4500 MEMORIAL DRIVE  
BELLEVILLE, ILLINOIS 62226-5399  
(618) 233-7750  
FAX: (618) 257-5658  
WWW.MEMHOSP.COM

# M MEMORIAL

*Dedication. Compassion. Innovation.*

MARK J. TURNER, PRESIDENT

**Via UPS Express**

January 15, 2015

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



RECEIVED

JAN 15 2015

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**RE: Project 14-043, St. Elizabeth's Hospital  
Omissions in State Board Staff Report**

Dear Mr. Constantino:

On behalf of Memorial Hospital in Belleville, Illinois, and Memorial Hospital-East in Shiloh, Illinois, this letter respectfully advises the Illinois Health Facilities and Services Review Board ("IHFSRB") of two omissions in Project 14-043's State Board Staff Report ("SBSR") that we believe are material and critical to the IHFSRB's consideration. Project 14-043 proposes the discontinuation of St. Elizabeth's Hospital in Belleville, Illinois and the establishment of a hospital in O'Fallon, Illinois.

First, **the narrative portions of the SBSR should have acknowledged the IHFSRB's unanimous approval of the establishment of Memorial Hospital-East, which will open in 13 months and which is located only 2 miles from the proposed O'Fallon hospital.** Memorial-East will provide the access to health care that the applicant claims is currently lacking. Memorial-East would be devastated by the establishment of a second hospital in such close proximity: our health planning consultants estimate that Memorial-East's admissions would be reduced by nearly 30% and that approximately 200 staff positions would need to be eliminated, in the event that this project is approved.

Second, Section XI.A) on page 16 of the SBSR references the applicant's stated purpose: to address deficiencies in its existing hospital's physical plant and to provide greater access to care. These stated purposes directly contradict statements made by the applicant's representatives in at least two meetings with elected officials, both of which are documented in the attached letters. These letters are both part of the project record. In these meetings, **St. Elizabeth's representatives stated that the purpose of the proposed project is to improve payer mix.** These letters, which were signed and submitted by Dorothy Meyer, Assistant to St. Clair County Board Chairman Mark Kern, and Brian D. Flynn, Belleville Assistant City Attorney, are attached.

Thank you for your consideration of these issues.

Sincerely,

Michael McManus  
Chief Operating Officer

cc: Ms. Courtney Avery

Attachments

RECEIVED

NOV 24 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

November 21, 2014

Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Ms. Avery:

RE: OPPOSITION to Project #14-043

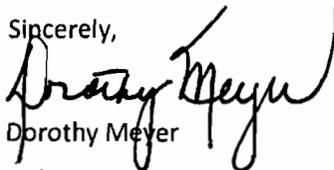
I am writing in regard to the pending application (Project #14-043) of St. Elizabeth's Hospital's proposed move to O'Fallon, Illinois.

When this move was first being contemplated, Jim Burke and Mark Riefsteck, representatives of St. Elizabeth's Hospital and HSHS, had a meeting in 2010 with St. Clair County Board Chairman, Mark Kern. In my capacity as assistant to Chairman Kern, I was in attendance at that meeting.

I feel compelled to share something that occurred at that meeting that distressed me at the time and still does. In the meeting, Mr. Burke stated that the reason that St. Elizabeth wanted to move was payer mix. They now seem to be denying that as the reason for the move and I think it is important to share this information with the Board.

I encourage you to deny their application. Thank you for your consideration.

Sincerely,

  
Dorothy Meyer

# CITY OF BELLEVILLE, ILLINOIS

BRIAN D. FLYNN, ASSISTANT CITY ATTORNEY  
300 WEST MAIN STREET, SUITE 4  
BELLEVILLE, ILLINOIS 62220  
(618)233-0480  
FAX: (618)233-0601  
[bflynn@belleville.net](mailto:bflynn@belleville.net)



November 25, 2014

RECEIVED

NOV 25 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Mr. Mike Constantino  
Supervisor, Project Review Section  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson St., 2nd Floor  
Springfield, IL 62761

Re: Opposition to Project #14-043 - St. Elizabeth's Hospital Moving to O'Fallon

Dear Sir,

The staff of the Health Facilities and Services Review Board ("HFSRB") did an exceptional job identifying fundamental flaws with the CON application submitted by St. Elizabeth's Hospital. They raised these concerns as a request for additional information. As part of the request – the HFSRB staff wanted to know how many public meetings took place, how many times they met with the City of Belleville leadership, and the incentives provided by the City of O'Fallon.

St. Elizabeth's is portraying a public effort to obtain input and insight as to what was in the best interest of the community. Nothing could be further from the truth.

First and foremost, what is missing from this account are *five years of ongoing and repeated efforts by Mayor Mark Eckert to explore a modern St. Elizabeth's in downtown Belleville.* From 2004 until 2009 Mayor Eckert attempted to, and was successful in engaging St. Elizabeth's in the idea of a new St. Elizabeth's hospital in downtown Belleville. Unilaterally and without any explanation (other than the need to pursue a better payer mix) St. Elizabeth's ceased these discussions. Mayor Eckert attempted to continue discussions about exploring a modern St. Elizabeth's hospital in downtown Belleville from 2010 until 2014 but St. Elizabeth's executives refused to engage Mayor Eckert in any such discussions.

Here is a more complete history:

On December 20<sup>th</sup>, 2004, Mark W. Eckert became Mayor of Belleville, IL. In early 2005, Tim Brady, then President and CEO of St. Elizabeth's Hospital reached out to the Mayor to explain his plan for a capital campaign to be used to grow the future St. Elizabeth's Hospital *in Belleville, Illinois.* There were multiple meetings and substantial communication – all centered around the notion of a future St. Elizabeth's in Belleville.

In late 2006, Mr. Brady invited Mayor Eckert to a meeting at St. Elizabeth's Hospital *to show drawings and plans to build a new St. Elizabeth's Hospital in downtown Belleville across the street from its current location at 301 West Lincoln*. Mr. Brady wanted to know if the City of Belleville would consider permanently closing off West Lincoln for this project so that St. Elizabeth's Hospital could build a new facility and blend it with parts of their campus that were newer. The St. Elizabeth's Southern Illinois Heart Institute Building was built in 1999 and the newest building at 180 South 3<sup>rd</sup> was built in 2001. This is a step that the City of Belleville would absolutely undertake. Soon thereafter, Mr. Brady left St. Elizabeth's Hospital and a new interim CEO, Kevin Shrake, was named.

Mr. Shrake continued working with the city on how to grow and improve our St. Elizabeth's Hospital *in Belleville*. Mr. Shrake invited Mayor Eckert to many meetings at St. Elizabeth's to improve community relations and to continue planning improvements at the St. Elizabeth's Belleville campus. However, in either late-2009 or early 2010 something changed. Suddenly, St. Elizabeth's was no longer interested or willing to discuss any project that included a modern or new hospital in downtown Belleville. The only explanation provided came in a face-to-face discussion in which Mayor Eckert was told that St. Elizabeth's needed to improve its payer mix and, therefore, would be leaving downtown Belleville. No mention of these discussions or the unconditional cooperation that was offered by Belleville is even recounted or acknowledged by St. Elizabeth's. Nevertheless, the City of Belleville remained committed to keeping St. Elizabeth's in its community.

It is beyond misleading and bordering on the dishonest for St. Elizabeth's Hospital to claim that "at no time has the City of Belleville offered the Hospital a site in the City limits." First off, *St. Elizabeth's Hospital already owned enough land downtown to build a brand new hospital!* Second, to claim that the SWIC location was outside the city limits ignores that it is directly adjacent to the city limits and could have easily been annexed and/or incorporated. Perhaps St. Elizabeth's forgot that they had O'Fallon annex the space for their currently proposed hospital and bring it into incorporated O'Fallon before they would commit to the project in O'Fallon. Of course, admitting that would be inconsistent with St. Elizabeth's executives having stood up before the HFSRB last fall and denied that any decision had been made to relocate the hospital from downtown Belleville. That too, goes beyond misleading and rises to the level of approaching dishonest.

Left with no other options, Mayor Eckert began the process of evaluating the potential for a new hospital to be established at Southwestern Illinois College ("SWIC"). Multiple meetings took place between the City of Belleville and Southwestern Illinois College seeking to explore a new campus partnership near the MetroLink station and bus station.

On January 2011, the City of Belleville and Southwestern Illinois College, including the Mayor and college president, Dr. Costello, all went to Springfield and presented their proposal to HSHS. The decision to pursue the O'Fallon site over the SWIC was decided before the spring of 2011 (and well before the fall meeting before the HFSRB when St. Elizabeth's executives denied that discontinuing their AMI services was a first step to relocating the hospital outside of Belleville). Once that decision was made, St. Elizabeth's was no longer willing to engage in any discussions with Mayor Eckert about improvements to the facility at 211 South 3<sup>rd</sup> Street or establishing a new facility anywhere other than in O'Fallon.

St Elizabeth's makes reference to quarterly meetings – as if these were meetings designed to discuss the modernization of St. Elizabeth's or the possibility of a replacement hospital. This is pure fallacy. The Mayor served on the St. Elizabeth's Hospital Advisory Council from 2007 to 2013. There were quarterly meetings that for the first five years and the Mayor made almost every meeting or sent his administrative assistant. These meetings were with many different community leaders and only general information was discussed including health care laws, doctors with malpractice insurance, and in the last year a brief mention of their looking at future options for St. Elizabeth's Hospital. The subject of parking meters was often the subject of discussion – and certainly not the strategic plans of St. Elizabeth's to abandon downtown Belleville.

When the new CEO, Maryann Reese was appointed on January 17, 2011, Mayor Eckert called Ms. Reese on her first day. He then made several follow up calls. It took Ms. Reese over three months to call the Mayor back and schedule a first meeting and never was she willing to discuss or explore a new St. Elizabeth's in downtown Belleville. After Ms. Reese came on board, there was one meeting a year. On October 2012, the only question that St. Elizabeth's wanted answered was what services did the Mayor want left on the site of the old hospital once they had relocated out to O'Fallon (the Board should remember, of course, that St. Elizabeth's claims that no decision was made as late as fall of 2013). The February 2014 meeting included the Mayor and the city's attorney and, once again, St. Elizabeth's was unwilling to discuss a future for St. Elizabeth's in downtown Belleville. The final meeting in February 2014 included Mr. Silberman whom the City had retained to assist in exploring any remaining potential for the possibility of a future St. Elizabeth's in downtown Belleville. It was at that meeting that St. Elizabeth's announced that it concluded that pursuit of its mission in Belleville was "not survivable" and, once again, was unwilling to discuss a future in Belleville. Most curious about that meeting was when it was asked of St. Elizabeth's - - "would you be willing to have these discussions if the HFSRB does not provide the regulatory approval necessary to relocate to O'Fallon?" the St. Elizabeth's personnel refused to even answer that question.

Belleville has made similar offers to what St. Elizabeth's claims O'Fallon is doing. Admittedly, Belleville did not offer \$10 million for mine remediation because no such remediation would have been necessary to rebuild in downtown Belleville. Belleville could not have offered an incentive package related to land acquisition because St. Elizabeth's already owned more than enough land to build its brand new hospital in downtown Belleville. St. Elizabeth's is obviously hoping the Board will not notice that all of these incentives and concessions were made in 2010 – almost three years before testifying under oath before the Board that no decision had been made about establishing a new hospital outside of Belleville. No doubt there was some formal action that still required being taken and a response like that was carefully crafted by a lawyer – but it was still designed to deceive the HFSRB, just like their conduct has been to deceive the citizenry of Belleville.

What Belleville did offer included:

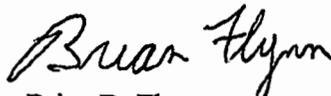
- Identifying land downtown that could support a replacement hospital;
- Exploring tax breaks and additional incentives that could be provided to St. Elizabeth's hospital;
- Exploring alternative uses for all or some of the existing hospital;

- Exploring the potential of partnering with St. Elizabeth's in the establishment of a smaller replacement hospital in the downtown area;
- Identifying outside potential partners who could enter into a joint venture with St. Elizabeth's to increase access to patient care, scope of care, and profitability; and
- Evaluating traffic patterns, potential road closures, or public works projects that would assist in addressing whatever concerns have yielded the desire to abandon the downtown area for O'Fallon.

There is no option that Belleville was not prepared to consider. However, just as St. Elizabeth's communicated to O'Fallon what would be needed before committing to O'Fallon, no such discussions took place with Belleville. No meaningful discussion was had with the City of Belleville to pursue these or other options. No meaningful discussion was had about a new St. Elizabeth's in downtown Belleville since 2009. St. Elizabeth's made its mind up long ago and now wants to somehow place the blame for that on the City of Belleville.

If the HFSRB needs verification, we would recommend asking St Elizabeth's to explain the timing of their discussions with O'Fallon and both the timing and the various steps taken by O'Fallon to obtain St. Elizabeth's commitment to pursue a new hospital in O'Fallon. Their credibility before this Board can be judged by that once compared to the sworn testimony that has already been presented to this Board. When only presenting a strategic portion of the story, it is difficult to call it the truth.

Sincerely,



Brian D. Flynn

CC: Courtney Avery