



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM NUMBER: C-1	BOARD MEETING: October 25, 2016	PROJECT NUMBER: E-021-16
EXEMPTION APPLICANT(S) Mercy Health Corporation and Rockford Memorial Hospital		
FACILITY NAME and LOCATION: Rockford Memorial Hospital, Rockford, Illinois		

I. The Transaction and Background

The applicants are proposing a fifty-two (52) bed Neonatal Intensive Care Unit (NICU) at Rockford Memorial Hospital, 2400 N. Rockton Avenue, Rockford, Illinois. The applicants are Mercy Health Corporation and Rockford Memorial Hospital. The approximate cost of the project is \$500,000. The operating entity licensee is Rockford Memorial Hospital. The anticipated completion date is January 31, 2017.

On November 17, 2015, Rockford Memorial Hospital was approved by the State Board to discontinue its forty-six (46) bed NICU service at 2400 North Rockton Avenue, Rockford, Illinois. At that time the State Board agreed to allow Rockford Memorial Hospital to continue to operate its forty-six (46) bed NICU unit at the Rockton Avenue campus until such time as their new hospital was constructed and ready to be occupied at 1-90/39 & East Riverside Blvd, Rockford, Illinois.

Due to increased workload and the prior discontinuation of the NICU service, Rockford Memorial Hospital (Rockton Avenue Campus) has requested to re-establish the NICU service with a total of fifty two (52) beds an increase of six (6) beds.

II. Applicable Rules

The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. [20 ILCS 3960/6 (b)]

A proposed project limited to the establishment or expansion of a neonatal intensive care service or beds are not subject to the requirement to obtain a permit, provided that an application for exemption is submitted that meets the requirements of this Subpart and Subpart E and an exemption is issued by HFSRB. [77 IAC 1130.410 d)]

III. Public Hearing

A public hearing was held on September 16, 2016 at the Rockford Public Library, Rockford, Illinois from 10:30 am – 1:00 pm. There were fifty-four (54) individuals in attendance and both support and opposition testimony was provided. Senator Brad Burzynski was the State Board Member in attendance. Courtney Avery was the hearing officer.

IV. Project Costs and Sources of Funds

The cost of the exemption is \$500,000 and will be funded by cash.

TABLE ONE	
Project Costs and Sources of Funds	
Movable Equipment	\$500,000
Total Uses of Funds	\$500,000
Cash	\$500,000
Total Sources of Funds	\$500,000

V. Project Description

Rockford Memorial Hospital operates the only Neonatal Intensive Care Unit in HSA I. HSA I consists of the Illinois Counties of Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, and Winnebago.

Rockford Memorial Hospital is designated by the Illinois Department of Public Health as the area's regional perinatal center. Currently, Illinois has a perinatal regionalization systems' that includes ten (10) Administrative Perinatal Centers that supervise 122 obstetric hospitals in Illinois. This has helped to provide quality care to perinatal patients in Illinois since the perinatal regionalization system inception in 1976. The 10 Administrative Perinatal Centers include:

- The University of Chicago
- Stroger Hospital
- Northwestern Memorial Hospital
- University of Illinois Hospital
- Loyola University
- Rush University Medical Center
- Rockford Memorial Hospital
- St. Francis Medical Center
- St. John's Hospital
- Cardinal Glennon – St. Louis, Missouri

In Illinois, through the perinatal regionalization system; Level I, II, II+, and III hospitals are evaluated every 3 years by IDPH Office of Women's Health through perinatal site visits that are facilitated by the IDPH Office of Women's Health perinatal nurses and the perinatal network administrators. [see <http://dph.illinois.gov/>]

As part of the establishment of the new Rockford Memorial Hospital – Riverside campus, the inpatient women's and children's services currently provided at the Rockton Avenue hospital will be relocated to the Riverside hospital. Among the services to be relocated is the NICU service.

According to the applicants utilization of Rockford Memorial Hospital-Rockton Avenue's NICU has increased significantly over the past year and is anticipated to continue to

increase, necessitating the proposed re-establishment/expansion of the NICU category of service.

TABLE TWO						
Historical Utilization NICU Beds ⁽¹⁾						
	2011	2012	2013	2014	2015	Average
NICU Beds	46	46	46	46	46	46
Admissions	420	379	350	413	475	408
Patient Days	12,351	12,065	11,545	11,956	13,319	12,248
ALOS	29.4	31.8	33.0	28.9	28.0	30.2
ADC	33.8	33.1	31.6	32.8	36.5	33.6
Occupancy	73.5%	71.9%	68.8	71.2%	79.3%	73.1%

1. NICU State Board Target Occupancy is 75%

As evidence by the Table above the NICU unit operated at 71.2% occupancy in 2014, during 2015 the unit operated at 79.3% occupancy, and during the first six months of 2016 the unit operated at 82.4% occupancy, an average daily census of 37.9 babies. According to the applicants newborns in need of NICU services are now being transferred to other NICUs-typically in the Chicago area or Madison, Wisconsin, due a lack of beds at Rockford Memorial Hospital.

According to the applicants it is fully anticipated that the impact of demand exceeding bed availability will be further exacerbated by Crusader Clinic's recent decision to align its women's and children's services, including newborn care, with Rockford Memorial Hospital. Crusader Community Health is a Federally Qualified Health Center. The Applicants' anticipate that the Crusader Clinic alignment, which is scheduled to take place between August and December of 2016, will cause an increase in the NICU average daily census of 3.54 babies.

VI. Criterion 1110.930 a) – Staffing

To demonstrate compliance with this criterion the applicants must document that that the personnel possessing proper credentials are available to staff the NICU service:

The applicants have provided the names of the individuals currently holding the positions identified in 77 IAC 1110.930.a), and each of which has the experience, training and certifications noted in 77 IAC 1110.930 (a)

TABLE THREE

Names of Individuals currently holding positions identified at 77 IAC 1110.930 (a)

Full-time Neonatal Director	Gillian Headley, MD. Dr. Headley is a Board-Certified Neonatologist
Full-time Subspecialty Obstetrical Director	Dennie Rogers, MD is the Medical Director of Maternal Fetal Medicine. Dr. Rogers is Board-Certified in Maternal Fetal Medicine
Neonatologists and Obstetricians	The hospital's Medical Staff includes six neonatologists, in addition to Dr. Headley, and approximately ten obstetricians.
Full-time Nurse-Director of Obstetric-Newborn Nursing	Linnette Carter, RN-BC, MSN, APN/CNS holds the title of Women and Children's Services.
Other Nurses	The NICU is currently staffed by approximately 140 registered nurses.
Board-Certified Anesthesiologists	The hospital's Medical Staff include five Board-Certified anesthesiologists with training in maternal, fetal and neonatal anesthesia.
Licensed Social Workers	Two licensed social workers serve the NICU.
Respiratory Therapists	The primary respiratory therapists covering the NICU include two individuals having Neonatal Pediatric Specialty Certification.
Registered Dietician	Four Registered Dieticians are assigned to the perinatal services, including the NICU

VII. Other Information

The State Board Staff has received all of the information required by the State Board.