



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-01	BOARD MEETING: June 27, 2023	PROJECT NO: 23-006	PROJECT COST: Original: \$0.00
FACILITY NAME: HSHS St. Mary's Hospital		CITY: Decatur	
TYPE OF PROJECT: Substantive			HSA: IV

PROJECT DESCRIPTION: The Applicants (HSHS St. Mary's Hospital, Hospital Sisters Health System, St. Mary's Hospital, Decatur, of the Hospital Sisters of the Third Order of St. Francis) are proposing to discontinue clinical services and reduce beds at their acute care hospital in Decatur. There is no cost to this project.

Information regarding this Application for Permit can be found at this link:
<https://hfsrb.illinois.gov/projects/project.23-006.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (HSHS St. Mary’s Hospital, Hospital Sisters Health System, St. Mary’s Hospital, Decatur, of the Hospital Sisters of the Third Order of St. Francis) are proposing to discontinue four clinical service lines and reduce the Medical/Surgical bed count at the existing acute care hospital in Decatur. There is no cost to this project and the completion date is upon project approval.
- The Applicants received a Deferral at the May 9, 2023, State Board Meeting. No additional information has been provided.
- The Applicants have suspended the acute mental illness service, comprehensive physical rehabilitation service and obstetric service at the hospital and have not provided pediatric service since 2017.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Applicants propose to discontinue or reduce their bed and/or services in accordance with the data in Table One.

TABLE ONE			
Beds/Services to be Discontinued HSHS St. Mary’s Hospital			
Category of Service	Current # of Beds	Beds Reduced	Proposed # of Beds
Medical/Surgical	108	(20)	88
Obstetrics/Gynecology	18	(18)	0
Pediatrics	14	(14)	0
Intensive Care	14	0	14
Comprehensive Physical Rehab	20	(20)	0
Acute Mental Illness	56	(56)	0
TOTALS:	230	(128)	102

PUBLIC HEARING/COMMENT:

- No public hearing was requested, and letters of support/opposition were received from the following:
 - Tonya Andricks RN, BSN, MHA, CEO Crossing Healthcare Support
 - Mirinda Rothrock, President, Decatur Regional Chamber of Commerce Support
 - Mary Garrison, LCSW, ACSW, Heritage Behavioral Health Support
 - Edgar Curtis, President/CEO, Memorial Health System Support
 - Robert Sehring, CEO OSF Healthcare System Support
 - Dr. Rohidas Patil M.D. Diplomat, American Board of Psychology/Neurology Support
 - Stephen Rathnow Opposition

SUMMARY:

- The Applicants stated the reason the discontinuation stems from the steady population decline in utilization of services provided through HSHS St. Mary’s, resulting in excess bed capacity, and the resulting economic infeasibility of maintaining a facility of this size. Table Two illustrates the historical decline in revenue experienced by this facility

TABLE TWO Net Operating Income and % of Net Operating Income to Net Patient Revenue HSHS St. Mary's Hospital FY 2018-FY 2022					
	FY 18	FY 19	FY 20	FY 21	FY 22
Net Operating Income (millions)	(\$4.5)	(\$13.6)	(\$15.8)	(\$8.1)	(\$19.8)
% Net Operating Income to Net Patient Revenue	-3.2%	-9.1%	-9.9%	-4.7%	-11.2%

- The State Board Staff reviewed the Application for Permit and additional information provided by the Applicants and report no negative findings.



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STATE BOARD STAFF REPORT
#23-006
HSHS St. Mary's Hospital, Decatur

APPLICATION SUMMARY	
Applicants	Hospital Sisters Health System St. Mary's Hospital, Decatur, of the Hospital Sisters of the Third Order of St. Francis
Facility Name	HSHS St. Mary's Hospital
Location	1800 East Lake Shore Drive, Decatur, Illinois
Application Received	February 1, 2023
Application Deemed Complete	February 7, 2023
Review Period Ends	June 7, 2023
Permit Holder	Hospital Sisters Health System
Operating Entity	St. Mary's Hospital, Decatur, of the Third Order of St. Francis
Owner of the Site	St. Mary's Hospital, Decatur, of the Third Order of St. Francis
Project Financial Commitment Date	N/A
Project Completion Date	May 15, 2023
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

I. The Proposed Project

The Applicants (Hospital Sisters Health System, St. Mary's Hospital, Decatur, of the Hospital Sisters of the Third Order of St. Francis) are proposing to discontinue 4 clinical categories of service (OB/Gyn, Pediatrics, Acute Mental Illness, and Comprehensive Physical Rehabilitation), and reduce the Medical/Surgical bed complement from 108 to 88 beds (20-bed reduction). There is no cost to this project and the completion date is May 15, 2023.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is in conformance with the provisions of Part 1110.
- B. Part 1120 is not Applicable to this Project.

III. General Information

The Applicants are Hospital Sisters Health System and St. Mary's Hospital, Decatur, of the Hospital Sisters of the Third Order of St. Francis. Hospital Sisters Health System is an Illinois not for profit corporation incorporated in 1978. St Mary's Hospital, Decatur, of the Hospital Sisters of the Third Order of St. Francis, is an Illinois not for profit corporation founded in 1955. St. Mary's Hospital, Decatur is a general acute care hospital with a total bed complement of 230 beds. Hospital Sisters Health System (HSHS) is a non-profit entity with facilities/ownership interests in Wisconsin and Illinois. The following is a list of Illinois health care facilities under HSHS ownership:

- HSHS St. John's Hospital, Springfield 442 Beds
- HSHS St. John's Children's Hospital, Springfield*
- HSHS St. Mary's Hospital, Decatur 230 Beds

- HSHS St. Elizabeth’s Hospital, O’Fallon 144 Beds
 - HSHS St. Anthony’s Hospital, Effingham 133 Beds
 - HSHS St. Joseph’s Hospital, Breese 52 Beds
 - HSHS Holy Family Hospital, Greenville 28 Beds
 - HSHS St. Francis Hospital, Litchfield 25 Beds
 - HSHS St. Joseph’s Hospital, Highland 25 Beds
 - HSHS Good Shepherd Hospital, Shelbyville 25 Beds
- *Bed Count included in HSHS St. John’s bed complement

HSHS St. Mary’s Hospital is in the HSA IV and the D-04 Hospital Planning Area. The D-04 Hospital Planning Area includes DeWitt, Macon, Moultrie, and Shelby counties. This project is subject to a Part 1110 review and is not subject to a Part 1120 review because there are no project costs. Financial commitment will occur at the time of permit approval. The tables below outline the utilization at HSHS St. Mary’s Hospital for the last 5 calendar years for both authorized and staffed beds.

TABLE THREE								
HSHS St. Mary’s Hospital								
Authorized Beds								
Beds	Authorized Beds	2021	2020	2019	2018	2017	State Standard	Standard Met?
Medical/Surgical	108	41.10%	38.70%	42.40%	37.20%	39.10%	85%	No
Pediatrics	18	0.00%	0.00%	0.00%	0.00%	6.90%	65%	No
Intensive Care	14	69.40%	61.90%	61.60%	50.30%	43.80%	60%	No
Obstetric	14	20.40%	23.50%	28.80%	25.60%	23.20%	75%	No
Acute Mental Illness	56	52.10%	44.70%	46.60%	44.80%	51.50%	85%	No
Rehab	20	35.60%	32.70%	42.30%	44.50%	47.40%	85%	No
Total	230							
1. Shaded Area indicates compliance with State Standard								

TABLE FOUR								
HSHS St. Mary’s Hospital								
Staffed Beds								
	Staffed Beds*	2021	2020	2019	2018	2017	State Standard	Standard Met?
Medical/Surgical	91	48.80%	45.90%	50.30%	44.10%	46.40%	85%	No
Pediatrics	0	0.00%	0.00%	0.00%	0.00%	8.80%	65%	No
Intensive Care	13	74.80%	66.70%	66.50%	54.20%	43.80%	60%	No
Obstetric	16	22.90%	26.50%	30.10%	28.80%	26.10%	75%	No
Acute Mental Illness	56	52.10%	44.70%	46.60%	44.80%	51.50%	85%	No
Rehab	20	35.60%	32.70%	42.30%	44.50%	47.40%	85%	No
Total	196							
1. Shaded Area indicates compliance with State Standard								
2. Staffed beds 2021								

II. Background of the Applicants, Purpose of the Project, Alternatives

A) Criterion 1110.110 (a) - Background of the Applicants

The Applicants attest that in the last three years prior to filing of this Application for Permit, there has been no “adverse action” against any Illinois health care facility owned and operated by Hospital Sisters Health System and subject to State Board jurisdiction. HFSRB and IDPH are hereby authorized by HSHS to access any documents necessary to verify the information submitted with this application relating to HSHS St. Mary’s Hospital, including, but not limited to official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

B) Criterion 1110.110 (a) Purpose of the Project

The Applicants state the purpose of this project stems from insufficient patient volume and the projected economic infeasibility from continued operation. The population of Macon County has been in a steady decline in the last four decades (20% from 1980 to 2020), resulting in decreased utilization which can be verified by the data in Table Three. In addition, HSHS St. Mary’s Hospital has sustained financial operational losses totaling \$24 million dollars in the last 5 years. Table Two reports steady operational losses, with the greatest loss (\$19.8 Million dollars/11.2%) occurring in FY 2022. This project will ensure St. Mary’s continued commitment to serve the patient base in the region, while stabilizing the Applicants from further losses, and a return to economic feasibility. This discontinuation/downsizing is precursory with plans to modernize the hospital campus with a \$90 million dollar investment to remove antiquated portions of the facility, replacing it with modernized infrastructure and updates. Although this project will result in some discontinued services, the Applicants are committed to offer any impacted employees job opportunities within the health system, and modernization/preservation of all existing service lines. The remaining services lines will continue to be the high-quality, reliable services expected by residents of the service area. They are:

- Emergency (ED)
- ICU/Intermediate Care 14 beds
- Cardiovascular Services with Prairie Heart Institute
 - Cath/Vascular Lab
 - Cardiac Rehabilitation
 - Diagnostic Cardiology
 - Echo, Stress, Etc.
- Radiology
 - CT/MRI
 - Nuclear Medicine
 - General Radiology
 - Ultrasound
 - Women’s Center for Mammography
- Medical/Surgical Care 88 beds
- OR/Post Anesthesia Care Unit, Pre/Post-Op 8 Suites
- Nursing

- Gastroenterology
- Cancer Center
- Lab Services/Sleep Studies
- IV Infusion
- Respiratory Services/Studies
- Hospitalists Services
- Vascular Ultrasound
- Therapy Services (PT/OT/Speech)
- Pharmacy
- HSHS Medical Group and Independent Specialty Clinics

III. Discontinuation

The Applicants propose to reduce the bed complement at HSHS St. Mary’s Hospital, Decatur by discontinuing services and reducing bed counts, and reducing the overall bed complement at the facility from 230 to 102 beds (See Table One). The four services to be discontinued (Pediatrics, Obstetrics, Acute Mental Illness, and Comprehensive Physical Rehabilitation), currently report having excess beds in the planning area (See Table Five). This project will help alleviate excess services in the planning area. The reduced/discontinued services should not negatively impact access due to the excess beds and underperforming providers within the service areas. The following tables illustrate the excess beds and underperforming facilities in health service area (HSA) 04 and hospital planning area (HPA)D-04. (Source: 2021 Hospital Profile Data).

TABLE FIVE				
Bed Need in HSA-04/HPA D-04				
Service	Planning Area	Calculated Excess Beds	Discontinued Beds	Resulting Bed Excess
Obstetrics	D-04	25	18	7
AMI	HSA-04	67	56	11
Rehabilitation	HSA-04	28	20	8
Med/Surg/Pediatrics	D-04	210	34	176

TABLE SIX				
Obstetrics Services within HPA D-04				
Facility	OB beds	2021 Daily Census	2021 Utilization	State Standard
Decatur Memorial Hospital	26	4.0	15.2%	78%

TABLE SEVEN				
AMI Services in HSA-04				
Facility	AMI Beds	2021 Avg. Daily Census	2021 Utilization	State Standard
Carle BroMenn Medical Center, Normal	19	10.1	53.2%	85%
OSF Heart of Mary Med. Center, Urbana	30	10.3	34.2%	85%
Sarah Bush Lincoln Medical Center, Mattoon	18	12.1	67.3%	85%

TABLE SEVEN				
AMI Services in HSA-04				
Facility	AMI Beds	2021 Avg. Daily Census	2021 Utilization	State Standard
The Pavilion Foundation, Champaign	72	52.8	73.3%	85%
1. Decatur Memorial Hospital discontinued 20 Acute Mental Illness Category of Service October 2021.				

TABLE EIGHT				
Pediatric Services in HPA D-04				
Facility	Pediatric Beds	2021 Avg. Daily Census	2021 Utilization	State Standard
Decatur Memorial Hospital	18	2.2	12.0%	65%
Warner Hospital, Clinton	2	0.0	0.0%	85%

TABLE NINE				
Rehabilitation Services in HSA-04				
Facility	Rehabilitation Beds	2021 Avg. Daily Census	2021 Utilization	State Standard
Carle BroMenn Medical Center, Normal	15	10.2	53.2%	85%
Carle Foundation Hospital, Urbana	20	14.6	73.1%	85%
OSF Heart of Mary Med. Center, Urbana	25	11.6	46.6%	85%