



STATE OF ILLINOIS  
**HEALTH FACILITIES AND SERVICES REVIEW BOARD**

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

<b>DOCKET NO:</b> C-01	<b>BOARD MEETING:</b> March 18, 2025	<b>PROJECT NO:</b> E-001-25	<b>PROJECT COST:</b> None
<b>FACILITY NAME:</b> Northwest Community Hospital		<b>CITY:</b> Arlington Heights	
TYPE OF PROJECT: Exemption – Discontinuation of Acute Mental Illness Category of Service			HSA: VII

**PROJECT DESCRIPTION:** The Applicants (Northwest Community Hospital and Endeavor Health) are asking the Illinois Health Facilities and Services Review Board to approve discontinuing a 52-bed acute mental illness service category. This project has no cost, and the expected completion date is April 11, 2025.

Information on this Exemption Application can be found at this link:

<https://hfsrb.illinois.gov/project.e-001-25-northwest-community-hospital.html>

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION:**

- The Applicants (Northwest Community Hospital and Endeavor Health) are asking the Illinois Health Facilities and Services Review Board to approve discontinuing a 52-bed acute mental illness service category. This project has no cost, and the expected completion date is April 11, 2025.

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The Applicants are before the State Board because the Application proposes a discontinuation of a category of service.

### **PUBLIC COMMENT:**

- No public hearing was requested, and the State Board has received no letters of support and one letter of opposition.

### **SUMMARY:**

- The Applicants have provided all the information required by the State Board.

## STATE BOARD STAFF REPORT

#E-001-25

Northwest Community Hospital

### I. Project Description

The Applicants (Northwest Community Hospital and Endeavor Health) are asking the Illinois Health Facilities and Services Review Board to approve discontinuing a 52-bed acute mental illness service category. This project has no cost, and the expected completion date is April 11, 2025.

### II. Applicants

On January 1, 2022, NS-EE Holdings (NS-EE) became the sole corporate member of NorthShore University Health System (NorthShore) and Edward-Elmhurst Healthcare (EEH), both Illinois not-for-profit corporations. On December 5, 2023, NS-EE's name was changed to Endeavor Health. Endeavor Health operates eight acute care facilities, including Edward Hospital, Elmhurst Hospital, Evanston Hospital, Glenbrook Hospital, Highland Park Hospital, Northwest Community Hospital, Skokie Hospital, Swedish Hospital, and Linden Oaks Hospital, a behavioral health hospital.

Northwest Community Hospital is a fully licensed, Medicare-certified, Joint Commission accredited, Illinois not-for-profit general hospital. The Medicare Care Compare website has assigned Northwest Community Hospital an overall four-star rating.<sup>1</sup>

The Applicants provided licensure and accreditation information as required. They attested that they comply with and are in good standing with all federal and State regulations, including the Illinois State Agency Historic Resources Preservation Act and Executive Order #2006-5. In addition, the Applicants attested that they have not had any adverse actions as defined by the State Board in the past three years of filing this Application for Permit.

### III. Health Service Area

Northwest Community Hospital is in Health Service Area VII and AMI Hospital Planning Area A-07. HSA VII includes Suburban Cook and DuPage County. AMI Hospital Planning Area A-07 consists of the Cook County Townships of Maine, Elk Grove, Schaumburg, Palatine, and Wheeling. There is currently a **calculated excess of 71 Acute Mental Illness Beds** in the A-07

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<sup>1</sup> The overall rating, between 1 and 5 stars, summarizes a variety of measures across five areas of quality into a single-star rating for each hospital. The five measure groups include: 1. Mortality - examine death rates in the 30 days following a hospitalization. 2. Safety of care - examine potentially preventable injury and complications due to care provided during hospitalization. 3. Readmission - examine returns to the hospital following a hospitalization. 4. Patient experience- results from a national standardized patient survey (HCAHPS). 5. Timely and effective care - examine how often or how quickly hospitals provide care that get the best results for patients. The overall rating shows how well each hospital performed on an identified set of quality measures compared to other hospitals in the U.S. The more stars a hospital has, the better it performs on the available quality measures. Some new or smaller hospitals may not report data on all measures, so they are not eligible for an overall rating. Hospitals report data to the Centers for Medicare & Medicaid Services (CMS) through various reporting programs.

AMI Hospital Planning Area. The hospitals listed in Table One below were sent letters informing them that Northwest Community Hospital's Acute Mental Illness service was to be discontinued.

Hospital	City	Miles	Beds	Utilization 2023
Alexian Brothers Behavioral Health Hospital	Hoffman Estates	10.2	141	72.10%
Chicago Behavioral Health Hospital	Des Plaines	6.9	147	96.00%
Advocate Lutheran General Hospital	Park Ridge	13.9	55	39.90%
Northwest Community Hospital	Arlington Heights	0	52	60.20%
Streamwood Hospital	Streamwood	15.7	178	70.00%

Over six years (2018-2023), the Northwest Community Hospital patients by payor source were 36.6% Medicare, 7.2% Medicaid, 54% commercial insurance, 1.20% other, and 1% charity care. Table Two reflects Northwest Community Hospital's 2023 Utilization.

Service	Licensed		Staff		Observation			Licensed		Staff
	Beds	Beds	Admissions	Days	Days	ALOS	ADC	Occ	Occ	
Medical Surgical	296	239	13,973	64,654	6,424	5.1	194.70	65.80%	81.50%	
Pediatric	10	10	32	45	0	1.4	0.10	0.80%	1.20%	
Intensive Care	60	36	3,229	11,965	4	3.7	32.80	54.70%	91.10%	
OB/GYN	44	47	2,504	6,024	152	2.5	16.90	38.50%	36.00%	
Neonatal	8	8	161	1,273	0	7.9	3.50	43.60%	43.60%	
AMI	52	52	1,581	11,422	0	7.2	31.30	60.20%	63.90%	
Rehabilitation	33	33	836	9,058	0	10.8	24.80	75.20%	75.20%	
Total	503	425	22,316	104,441	6,580	5.6	304.20	59.80%	71.58%	

#### **IV. Discontinuation**

Northwest Community Hospital proposes discontinuing the 52-bed acute mental illness (AMI) care service category. Endeavor Health's electronic medical records system will maintain all medical records related to this service category for at least 10 years after discharge or 12 years if there is litigation.

The Applicants state that the decision to discontinue the Acute Mental Illness inpatient beds at the Hospital is driven by a combination of market trends, operational challenges, and a commitment to providing the highest standard of patient care. The Applicants state the decline in demand for inpatient AMI services is a primary factor in this proposal. According to the Applicants, experts for organizations focused on the care of individuals suffering from mental illness, including the American Psychiatric Association and National Association of Psychiatric

Health Systems, as well as the Advisory Board, predict a further decline in demand for inpatient behavioral health services over the next decade.

Northwest Community Hospital's decrease in patient volumes has seen a 15.2% drop in Acute Mental Illness admissions from 2018 to 2023 and a 19% reduction in patient days.

**TABLE THREE**  
Northwest Community Hospital  
Acute Mental Illness Historical Utilization

	2018	2019	2020	2021	2022	2023
<b>Acute Mental Illness Beds</b>	52	52	52	52	52	52
Admissions	1,806	1,978	1,826	1,782	1,478	1,531
Days	14,106	14,510	13,168	12,087	9,571	11,422
ALOS	7.9	7.3	7.2	6.8	6.5	7.2
ADC	38.9	39.8	36	33.1	26.2	31.3
Occupancy	74.80%	76.40%	69.20%	63.70%	50.40%	60.20%

According to the Applicants, this decline has created significant staffing challenges. Lower patient volumes make it more difficult to retain experienced staff, leading to higher turnover and increased operational costs. The healthcare labor market further complicates efforts to recruit qualified personnel. With a growing reliance on less experienced staff, concerns have risen about the ability to maintain the high level of care required for AMI patients.

The Applicant's state government policies have increasingly emphasized outpatient and community-based care over inpatient treatment. Further, the rise in telehealth, particularly telepsychiatry and the option for virtual psychotherapy sessions, has provided some alternatives to inpatient care. Also specific to Illinois, including the area served by the Hospital, the Illinois Department of Health and Family Services has implemented several initiatives to improve **access to outpatient behavioral health services**, mainly through the Certified Community Behavioral Health Clinic (CCBHC) program and other community-based strategies<sup>2</sup>. Further, in collaboration with other state agencies and Google Public Sector, the Illinois Department of Healthcare and Family Services launched the Behavioral Health Care and Ongoing Navigation (BEACON) portal in 2024.<sup>3</sup>

The Applicants do not believe there will be an impact on access to inpatient mental health services as there is a calculated excess of 71 acute mental illness beds in the A-07 AMI Hospital Planning Area. Additionally, the Applicants state Northwest Community Hospital is part of Endeavor Health, which includes Linden Oaks Hospital (a psychiatric hospital) and three acute care hospitals with inpatient psychiatric units, all operating below the State Board target occupancy of 85%. The Applicants believe Endeavor Health's bed capacity allows for smooth patient transitions between facilities, ensuring continued access to medical and mental health services. In the emergency department of Northwest Community Hospital and other Endeavor

<sup>2</sup> <https://hfs.illinois.gov/medicalproviders/certifiedcommunitybasedhealthcenterinitiative.html>

<sup>3</sup> <https://beacon.illinois.gov/>

Health hospitals, patients are always medically cleared and receive initial treatment before transfer when admission is indicated.

**TABLE FOUR**  
 Endeavor Health Hospitals with AMI Beds  
 2023 Utilization

Hospital	City	Miles	AMI Beds	Utilization
Linden Oaks Hospital	Naperville	32.7	108	69.60%
Evanston Hospital	Evanston	16.6	21	59.50%
Swedish Hospital	Chicago	20.5	34	46.20%
Highland Park Hospital	Downers Grove	24.8	41	59.10%
Total			204	

**V. Safety Net Impact**

The Applicants believe the proposed discontinuation will not negatively impact essential behavioral health care in the community. They state that behavioral health care is increasingly shifting to the outpatient setting, and Northwestern Community Hospital remains committed to supporting this transition by maintaining and expanding its outpatient services. Northwestern Community Hospital will continue outpatient services such as day programs, counseling, provider clinics, and emergency department crisis stabilization.

Northwestern Community Hospital will continue to provide services through the Assessment and Referral Center, which offers easy access to behavioral health services for patients. Comprehensive assessments are conducted by master's level clinicians and are offered at no cost to patients. A licensed clinician performs the evaluation, and the recommended level of care is reviewed with a psychiatrist. Northwestern Community Hospital has partnered with **Haymarket Center** (an addiction recovery center) to offer peer support and recovery coaching services. The Endeavor Health system also partners with the **National Alliance on Mental Illness (NAMI)** to enhance mental health care through a variety of initiatives, including providing education and training for staff, supporting family members of patients with NAMI's Family Support Groups, and offering peer support services. Endeavor Health also collaborates with NAMI to reduce stigma around mental illness, promote public awareness campaigns, and ensure a compassionate, integrated approach to mental health care for individuals still requiring inpatient care.

**VI. Charity Care and Medicaid Information**

Table Five below outlines the Charity Care and Medicaid Information for Northwest Community Hospital.

<b>TABLE FIVE</b>				
<b>Charity Care and Medicaid Information</b>				
<b>Northwest Community Hospital</b>				
		<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Net Patient Revenue		\$509,958,860	\$546,980,596	\$603,228,885
Charity Care (# of patients)				
	Inpatient	734	401	390
	Outpatient	5,536	5,735	6,097
	Total	6,270	6,136	6,487
Charity Care (cost in dollars)				
	Inpatient	\$2,883,677	\$1,552,576	\$2,768,901
	Outpatient	\$2,830,995	\$2,556,316	\$3,889,082
	Total	\$5,714,672	\$4,108,892	\$6,657,983
% of Charity Expense to Net Patient Revenue		1.12%	0.75%	1.10%
Medicaid (# of patients)				
	Inpatient	2600	2780	2,987
	Outpatient	40,265	47,980	53,570
		42,865	50,760	56,557
Medicaid (revenue)				
	Inpatient	\$21,173,278	\$22,435,530	\$26,277,753
	Outpatient	\$27,454,525	\$29,749,666	\$39,343,152
	Total	\$48,627,803	\$52,185,196	\$65,620,905
% of Medicaid Revenue to Net Patient Revenue		9.54%	9.54%	10.88%

**TABLE SIX**  
Northwest Community Hospital  
Income  
Medicare Cost Report

	2018	2019	2020	2021	2022	2023
Patient Revenue	\$1,802,983,401	\$1,853,323,221		\$1,814,080,233	\$2,432,466,235	\$2,138,505,146
Contractual All	\$1,323,086,838	\$1,345,829,507		\$1,304,121,373	\$1,744,574,049	\$1,531,190,877
Net Patient Revenue	\$479,896,565	\$507,493,714		\$509,958,860	\$687,892,186	\$607,314,269
Total Operating Expenses	\$467,701,198	\$489,773,784		\$513,272,642	\$698,494,430	\$575,867,355
Net Income from Services	\$12,195,367	\$17,719,930	No Data	-\$3,313,782	-\$10,602,244	\$31,446,914
Other Income	\$8,853,915	\$11,017,985		\$20,585,787	\$44,896,433	\$43,839,598
Other Expense	\$4	\$1		\$1	\$1	\$89
Net Income	\$8,853,919	\$28,737,913		\$17,272,006	\$34,294,190	\$43,839,509
Operating Margin	2.54%	3.49%		-0.65%	-1.54%	5.18%

1. Operating Margin = Net Income from Services/Net Patient Revenue



## VII. Applicable Rules

### Section 1130.500 - General Requirements for Exemptions

Only those projects specified in Section 1130.410 are eligible for exemption from permit requirements. Persons who have initiated or completed such projects without obtaining an exemption violate the provisions of the Act and are subject to the penalties and sanctions of the Act and Section 1130.790.

a) Application for Exemption

Any persons proposing a project for an exemption to permit requirements shall submit to HFSRB an application for exemption containing the information required by this Subpart, apply fee (if needed), and receive approval from HFSRB.

b) General Information Requirements

The application for exemption shall include the following information and any additional information specified in this Subpart:

- 1) the name and address of the applicant or applicants (see Section 1130.220).
- 2) the name and address of the health care facility.
- 3) describe the project, e.g., change of ownership, discontinuation, or increase in dialysis stations.
- 4) documentation from the Illinois Secretary of State that the applicant is registered to conduct business in Illinois and is in good standing or if the applicant is not required to be registered to conduct business in Illinois, evidence of authorization to conduct business in other states.
- 5) Describe the applicant's organizational structure, including a listing of controlling or subsidiary persons.
- 6) the estimated project cost, including the fair market value of any component and the sources and uses of funds.
- 7) the anticipated project completion date.
- 8) verification that the applicant has fulfilled all compliance requirements with all existing permits that HFSRB has approved and
- 9) the application processing fee.

HFSRB NOTE: If a person or project cannot meet the requirements of an exemption, then a permit application may be filed.

### **Section 1110.290 Discontinuation – Review Criteria**

These criteria pertain to discontinuing categories of service and healthcare facilities.

a) **Information Requirements – Review Criterion**

The applicant shall provide at least the following information:

- 1) Identification of the categories of service and the number of beds, if any, that are to be discontinued.
- 2) Identification of all other clinical services that are to be discontinued.
- 3) The anticipated date of discontinuation for each identified service or the entire facility.
- 4) The anticipated use of the physical plant and equipment after discontinuation occurs.
- 5) The anticipated disposition and location of all medical records about the services being discontinued and the length of time the documents will be retained.
- 6) For applications involving discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or the Illinois Department of Public Health (IDPH) (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation and that the required information will be submitted no later than 60 days following the date of discontinuation.

b) **Reasons for Discontinuation – Review Criterion**

The applicant shall document that the discontinuation is justified by providing data that verifies that one or more of the following factors (and other factors, as applicable) exist concerning each service being discontinued:

- 1) Insufficient volume or demand for the service.
- 2) Lack of sufficient staff to adequately provide the service.
- 3) The facility or the service is not economically feasible, and continuation impairs the facility's financial viability.
- 4) The facility or the service does not comply with licensing or certification standards.

- c) **Impact on Access – Review Criterion**  
The applicant shall document whether discontinuing each service or the entire facility will hurt access to care for residents of the facility's market area. For purposes of this Section, the facility's market area is the established radii outlined in 77 Ill. Adm. Code 1100.510(d). Factors that indicate an adverse impact upon access to service for the population of the facility's market area include, but are not limited to, the following:
- 1) The service will no longer exist within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the applicant facility.
  - 2) Discontinuing the service will create or increase a shortage of beds or services, as calculated in the Inventory of Health Care Facilities, described in 77 Ill—Adm—code 1100.70, which can be found on HFSRB's website.
  - 3) Facilities or a shortage of other service categories determined by the provisions of 77 Ill. Adm. Code 1100 or other Sections of this Part.
- d) The applicant shall provide copies of notification letters sent to other resources or health care facilities that offer the same services as those proposed for discontinuation and located within the established radii outlined in 77 Ill—Adm. Code 1100.510(d). The notification letter must include at least the anticipated date of discontinuation of the service and the total number of patients that received care or the number of treatments provided (as applicable) during the latest 24-month period.

# E-001-25 Northwest Community Hospital - Arlington Heights

