



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

	BOARD MEETING: November 18, 2025	PROJECT NO: E-008-25	PROJECT COST:
FACILITY NAME: Alexian Brothers Medical Center		CITY: Elk Grove Village	Original: \$0
TYPE OF PROJECT: EXEMPTION - Discontinuation			HSA: VII

DESCRIPTION: The Applicants (Alexian Brothers Medical Center and Ascension Health) propose the discontinuation of the 28-bed obstetric category of service at Alexian Brothers Medical Center, 800 Biesterfield Road, Elk Grove Village, Illinois. There is no cost to the project, and the completion date is December 31, 2025.

Information regarding this exemption can be found at this link:
<https://hfsrb.illinois.gov/project.e-008-25.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Alexian Brothers Medical Center and Ascension Health) propose the discontinuation of the 28-bed obstetric category of service at Alexian Brothers Medical Center, 800 Biesterfield Road, Elk Grove Village, Illinois. There is no cost to the project, and the completion date is December 31, 2025.
- Ascension Health currently operates two hospitals in Chicago's northwest suburbs, located approximately 10 miles apart, with both hospitals providing inpatient obstetrics services. St. Alexius Medical Center in Hoffman Estates is approved to operate 38 obstetrics beds, and Alexian Brothers Medical Center in Elk Grove Village is authorized to operate 28 obstetric beds.
- Should the discontinuation of Obstetric Services be approved at Alexian Brothers Medical Center in Elk Grove Village, Ascension Health will consolidate its inpatient obstetrics care in the northwest suburbs at St. Alexius Medical Center in Hoffman Estates. St. Alexius Medical Center offers a 30-bed Neonatal Intensive Care Unit, a 24/7 OB emergency department, and specialized neonatal care not available at Alexian Brothers Medical Center.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project proposes to discontinue a category of service.

PUBLIC HEARING/COMMENT:

- Six letters of support have been received, and forty-eight opposition letters/emails and four letters of concern have been submitted to the State Board.
- A public hearing was conducted on September 16, 2025, by the Staff of the State Board. Thirty-six individuals registered their attendance. Five individuals supported the project, 29 individuals opposed it, and two individuals remained neutral. Ascension officials stated that the reasons for discontinuing obstetric services at Alexian Brothers Medical Center include the consolidation of care and financial viability. Ascension Health indicated its decision was made after lengthy analyses to avoid unnecessary duplication of services. This move allows Alexian Brothers Medical Center to focus on other prevalent health needs in the community, including cardiology, stroke care, and spine care. Ascension cited the need for long-term sustainability and a desire to navigate the evolving healthcare environment. Former hospital staff raised concerns about patient safety. Specific questions were raised about the fate of women who arrive at Alexian Brothers in advanced labor. In this scenario, transport to another facility would be impossible. The hospital confirmed that emergency deliveries would still occur at Alexian Brothers, in accordance with federal regulations, with the costs covered by the hospital system. Outpatient obstetric services and gynecology care will also continue at Alexian Brothers Medical Center.

EXECUTIVE SUMMARY							
TABLE ONE							
Obstetric Average Daily Census (ADC) and Utilization							
Alexian Brothers Medical Center							
St. Alexius Medical Center							
	Beds		2020	2021	2022	2023	2024
Alexian Brothers Medical Center	28	ADC	11.3	11.3	11.9	10.7	10.7
		%	40.36%	40.36%	42.50%	38.21%	38.21%
St. Alexius Medical Center	38	ADC	20.3	24.7	26.8	25.2	27.7
		%	53.42%	65.00%	70.53%	66.32%	72.89%
Number of Births at							
Alexian Brothers and St. Alexius Medical Center							
2020-2024							
	Year		2020	2021	2022	2023	2024
Alexian Brothers Medical Center	Elk Grove Village		1,724	1,623	1,682	1,676	1,501
St. Alexius Medical Center	Hoffman Estates		3,063	2,969	3,205	3,232	3,419

SUMMARY:

- *An exemption shall be approved when information required by the Board by rule is submitted (20 ILCS 3960/6 (b))*
- The Applicants provided all the information required by the State Board.



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Project #E-008-25
Alexian Brothers Medical Center
State Board Staff Report

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Alexian Brothers Medical Center and Ascension
Facility Name	Alexian Brothers Medical Center
Location	800 Biesterfield Road, Elk Grove Village, Illinois
Permit Holder	Alexian Brothers Medical Center and Ascension
Licensee/Operating Entity	Alexian Brothers Medical Center
Owner of Site	Alexian Brothers Medical Center
Application Received	July 9, 2025
Project Completion Date	December 31, 2025

I. The Proposed Project

The Applicants (Alexian Brothers Medical Center and Ascension Health) propose discontinuing the 28-bed obstetric service at Alexian Brothers Medical Center, 800 Biesterfield Road, Elk Grove Village, Illinois. There is no cost to the project, and the completion date is December 31, 2025.

II. General Information

The Applicants are Alexian Brothers Medical Center and Ascension Health. Ascension Health Alliance, d/b/a Ascension (Ascension), is a Missouri nonprofit corporation formed on September 13, 2011. Ascension is a Catholic national health system comprising primarily nonprofit corporations that own and operate local healthcare facilities, known as Ministry Markets, in 18 states and the District of Columbia. Ascension also serves as a direct or indirect member or shareholder of various subsidiaries. Ascension Health owns the following hospitals in Illinois:

- Ascension Alexian Brothers (Elk Grove Village)
- Ascension Alexian Brothers Behavioral Health Hospital (Hoffman Estates)
- Ascension St. Alexius (Hoffman Estates)
- Ascension Saint Joseph (Chicago)

III. Health Service Area

Alexian Brothers Medical Center is in Health Service Area VII and the Obstetric Hospital Planning Area 07. Hospital Planning Area 07 includes the Cook County Townships of Maine, Elk Grove, Schaumburg, Palatine, and Wheeling. Three additional hospitals are providing obstetric services in this planning area. There is currently a calculated excess of 96 obstetric beds in this Planning Area.

TABLE ONE Hospitals in Hospital Planning Area 07: Providing Obstetric Services and Average Daily Census and Occupancy					
				2024	
Hospital	City	Miles	Beds	ADC	OCC
Alexian Brothers Medical Center	Elk Grove Village	0	28	10.65	38.05%
Lutheran General Hospital -	Park Ridge	6.9	62	28.50	45.97%
Northwest Community Hospital	Arlington Heights	6.8	44	15.14	34.41%
St. Alexius Medical Center	Hoffman Estates	10.3	38	27.72	72.95%
Total			172		

IV. Hospitals

Alexian Brothers Medical Center is a 396-bed acute care hospital in Elk Grove Village, Illinois. Table Two below documents the average length of stay (ALOS), average daily census (ADC), and occupancy (OCC) for Alexian Brothers Medical Center for 2024.

St. Alexius Medical Center is a 332-bed acute care hospital in Hoffman Estates, Illinois. Table Three below documents the average length of stay (ALOS), average daily census (ADC), and occupancy (OCC) for St. Alexius Medical Center for 2024.

TABLE TWO Alexian Brothers Medical Center 2024 Utilization								
Service	Authorized Beds	Staff Beds	Adm.	Days	OB Days	ALOS	ADC	OCC.
Medical Surgical	260	260	9,719	52,133	4044	5.78	153.91	59.20%
ICU	36	36	2,035	8,232	31	4.06	22.64	62.88%
Obstetric	28	28	1,591	3,879	10	2.44	10.65	38.05%
Rehab	72	72	1,290	17,981	0	13.94	49.26	68.42%
Total	396	396	14,635	82,225	4,085	5.90	236.47	59.71%

TABLE THREE St. Alexius Medical Center 2024 Utilization								
Service	Authorized Beds	Staff Beds	Adm	Days	OB Days	ALOS	ADC	Occ
Medical Surgical	212	212	8308	38757	4085	5.16	117.38	55.37%
Pediatrics	17	17	717	2112	689	3.91	7.67	45.14%
ICU	35	35	1342	4799	63	3.62	13.32	38.06%
Obstetric	38	38	3776	9934	184	2.68	27.72	72.95%
Neonatal	30	30	387	8316	0	21.49	22.78	75.95%
Total	332	332	14530	63918	5021	4.74	188.87	56.89%

V. **Background of the Applicants**

77 Adm. Code 1110.110 – Background of Applicants

Applicants must demonstrate that they are fit, willing, and able, and have the qualifications, background, and character to provide a proper standard of health care service to *the community*. [20 ILCS 3960/6]

Medicare Care Compare has assigned Alexian Brothers Medical Center and St. Alexius Medical Center a four-star quality rating.¹ The Applicants have attested that no adverse action has been taken against any facility owned and operated by the Applicants during the three years preceding the filing of this Application for Permit. The Applicants have also authorized the State Board and the Illinois Department of Public Health to access any documents necessary to verify the information in the Application for Permit. The Applicants have demonstrated that they are fit, willing, and able and possess the proper qualifications, background, and character to provide an adequate standard of healthcare services to the community.

VI. **Discontinuation**

77 Adm. Code 1110.290 Discontinuation

1. Reasons for Discontinuation
2. Impact on Access

This Certificate of Exemption Application addresses the discontinuation of Alexian Brothers Medical Center's 28-bed inpatient obstetrics category of service, along with the hospital's inpatient obstetrics-related support services, including Labor and Delivery, C-Section, and a Level I nursery.

The hospital has not yet decided on the future use of the space currently occupied by inpatient obstetrics-related services. It is anticipated that a limited amount of obstetrics-related equipment and supplies used for inpatient care will be relocated to St. Alexius Medical Center, with the remainder sold or donated to other health care providers. Alexian Brothers Medical Center and St. Alexius Medical Center operate with a standard health record system. As a result, the records of past Alexian Brothers obstetrics patients will remain available in the same manner as they are currently available, and in accordance with all applicable licensure and accreditation requirements.

The decision to discontinue the Alexian Brothers Medical Center's inpatient obstetric category of service was made by hospital management and obstetricians practicing at the hospital. The decision was made primarily because the Applicants sought to provide the service as effectively and efficiently as possible without compromising accessibility, and due to the continued low utilization of the service. The service will be consolidated into the inpatient obstetrics service at St. Alexius Medical Center, located approximately 10 miles west of Alexian Brothers Medical Center. Many of the obstetricians practicing at Alexian Brothers Medical Center also practice at St. Alexius Medical Center. According to the Applicants, the proximity of the two hospitals to one another ensures reasonable

1. The overall rating indicates how well each hospital performed on a specified set of quality measures compared to other hospitals in the U.S. The more stars, the better a hospital performed on the available quality measures. Some new or smaller hospitals may not report data on all measures, making them ineligible for an overall rating. Hospitals report data to the Centers for Medicare & Medicaid Services (CMS) through various reporting programs.

accessibility to inpatient obstetrics services for service area residents, while eliminating "unnecessary duplication" and the costs associated with it. Lastly, St. Alexius Medical Center has sufficient obstetrics beds to accommodate the obstetrics patients currently being admitted to Alexian Brothers Medical Center.

The Applicants anticipate no significant impact on patient access due to the proposed discontinuation. Within the applicant hospital's HFSRB-defined geographic service area (GSA) are seven hospitals providing inpatient obstetrics services.

TABLE FOUR
Hospitals with obstetric service within the GSA

Hospital ⁽¹⁾	City	Miles	Beds	2024	
				ADC	OCC
Advocate Lutheran General Hospital	Park Ridge	6.9	62	28.50	45.97%
Alexian Brothers Medical Center	Elk Grove Village	0	28	10.65	38.05%
Endeavor Elmhurst Memorial Hospital	Elmhurst	14.2	23	22.06	95.91%
Endeavor Northwest Community Hosp.	Arlington Heights	6.8	44	15.14	34.41%
Northwestern Central DuPage Hospital	Winfield	15.5	36	24.30	67.50%
Resurrection Medical Center'	Chicago	14.6	17	5.72	33.65%
St. Alexius Medical Center	Hoffman Estates	10.3	38	27.72	72.95%
			248	134.09	54.07%

1. Requests for impact letters have been sent to each hospital within the GSA that provides inpatient obstetrics services. Copies of the letters sent have been included in the Application for Permit. No responses have been received.

The hospitals listed above are authorized to operate a total of 248 obstetrics beds. In 2024, they had a combined average daily inpatient obstetrics census (excluding clean gynecology) of 134.09 patients, resulting in an occupancy rate of 54.07%. Without the 28 authorized obstetrics beds located at Alexian Brothers Medical Center, but retaining the complete patient census of 134.09 patients, the occupancy rate would increase to 60.9%, which is below the HFSRB's target occupancy rate of 78%.

The Applicants state emergency deliveries will continue at Ascension Alexian Brothers, consistent with the Emergency Medical Treatment and Labor Act (EMTALA) state and federal requirements. The Applicants state they will also provide emergency transportation services for patients best served by the Level III NICU at Ascension Saint Alexius Women and Children's Hospital. Patients will not incur any costs associated with transfers to Ascension Saint Alexius Women and Children's Hospital for higher-level care. Ascension Illinois is working with its EMS providers and patient transport services to ensure a seamless process for such transfers.

The Applicants assert that they do not discriminate based on age, race, ethnicity, gender/gender identity, physical ability, sensory or speech limitations, or religious, spiritual, and cultural beliefs, nor on a patient's ability to pay or payer source. Ascension Illinois offers free language interpretation at all its hospitals and Ascension Illinois's sites of care. On the phone, in the hospital, or in the doctor's office, the Applicants offer medical

interpretation in a wide variety of languages, including Spanish. In addition, many of the providers, nurses, and support staff speak fluent Spanish and can communicate directly with patients in their preferred language.

Ascension Illinois has stated that it is preparing a detailed communications plan to share the news of this change widely with the communities it serves, should this transition be approved by the Illinois Health Facilities and Services Review Board. All communications will be prepared using the most spoken languages in the area, including Spanish and Polish. Tactics planned include a direct mail campaign to homes in the primary service area in multiple languages, communication directly with the OB physicians, posters and flyer handouts for the OB offices, partnership with community organizations and churches serving the local Hispanic community, participation in various upcoming community health events, and different forms of targeted notification through Spanish and Polish media. Ascension Illinois will also post a notice of the change on its website and disseminate information through its social media channels.

VII. Financial

Table Five presents the financial information for Ascension for 2024 and 2023.

TABLE FIVE Ascension Financial Information Audited (in thousands)		
	2024	2023
Cash	\$666,481	\$1,013,225
Current Assets	\$8,959,188	\$6,470,394
Total Assets	\$40,706,325	\$40,458,189
Current Liabilities	\$7,156,603	\$5,534,224
Total Liabilities	\$16,883,288	\$15,638,149
Net Patient Service Revenue	\$25,872,203	\$25,647,921
Total Revenue	\$28,551,649	\$28,347,768
Operating Expenses	\$30,069,239	\$29,946,404
Income Loss Operations	-\$1,809,118	-\$3,044,033

Several factors have contributed to Ascension's financial losses.

- **Cyberattack:** A significant ransomware attack in May 2024 severely impacted operations, leading to delays in revenue cycle processes, increased remediation costs, and reduced patient volumes. This attack significantly undermined the financial improvements Ascension had made earlier in the year.
- **High Operating Costs:** Like many healthcare providers, Ascension has faced rising expenses, exacerbated by inflationary pressures and a mismatch between reimbursement rates and operating cost inflation. In fiscal year 2023, for example, Ascension's total operating expenses increased by 4.1%, surpassing revenue growth.

- **Revenue Challenges:**
 - Cyberattack-related Disruptions: The cyberattack caused delays in claims submissions and payment processing, impacting cash flow and revenue recognition.
 - Divestitures: Ascension's divestitures of hospitals and other assets in recent years have reduced operating revenue.
 - Reimbursement Rates: Reimbursement rates from government and commercial payers have not kept pace with rising operating costs.
- **Impairment Losses:** Ascension recognized non-cash impairment losses in fiscal year 2023 due to the carrying value of certain assets within its markets not being fully recoverable.
- **Impact of the COVID-19 Pandemic:** The pandemic and its aftermath contributed to higher operating costs and revenue challenges for the health system. (Source: Becker)

TABLE SIX
Alexian Brothers Medical Center
Medicare Cost Reports

	2024	2023	2022	2021	2020
Total Patient Revenue	\$2,275,294,474	\$2,272,001,251	\$2,340,364,428	\$2,271,795,306	\$2,148,965,346
Contractual Allowance	\$1,805,106,831	\$1,797,497,807	\$1,852,510,746	\$1,781,576,965	\$1,707,452,835
Net Patient Revenue	\$470,187,643	\$474,503,449	\$487,853,682	\$490,218,341	\$441,512,511
Operating Expenses	\$510,180,546	\$496,702,951	\$502,258,367	\$481,832,731	\$452,232,624
Net Income from service to patients	-\$40,197,901	-\$22,199,502	-\$14,404,685	\$8,385,610	-\$10,720,113
Other Income	\$11,091,172	\$11,336,794	\$13,785,540	\$32,647,709	\$26,136,796
Other Expenses	\$10,987	\$0	\$0	\$5,614	\$7,109
Net Income	-\$29,090,749	-\$10,336,794	-\$619,145	\$41,027,705	\$15,409,574
Operating Margin	-8.55%	-4.68%	-2.95%	1.71%	-2.43%

TABLE SEVEN
Saint Alexius Medical Center
Medical Care Cost Reports

	2024	2023	2022	2021	2020
Total Patient Revenue	\$1,798,764,916	\$1,773,847,168	\$1,700,791,443	\$1,587,798,797	\$1,496,362,670
Contractual Allowance	\$1,430,137,250	\$1,398,777,245	\$1,354,490,331	\$1,236,231,174	\$1,181,356,721
Net Patient Revenue	\$368,627,666	\$375,069,923	\$346,301,112	\$351,567,623	\$315,005,949
Operating Expenses	\$418,329,969	\$387,037,492	\$357,005,196	\$338,950,837	\$316,067,360
Net Income from service to patients	-\$49,702,303	-\$11,967,569	-\$10,704,084	\$12,616,789	-\$10,612,411
Other Income	\$9,063,357	\$8,893,955	\$16,028,046	\$17,520,990	\$14,389,422
Other Expenses	\$0	\$0	\$0	\$4,432	\$0
Net Income	-\$40,638,945	-\$2,983,614	\$5,323,962	\$30,133,344	\$13,328,011
Operating Margin	-13.48%	-3.19%	-3.09%	3.59%	-3.37%

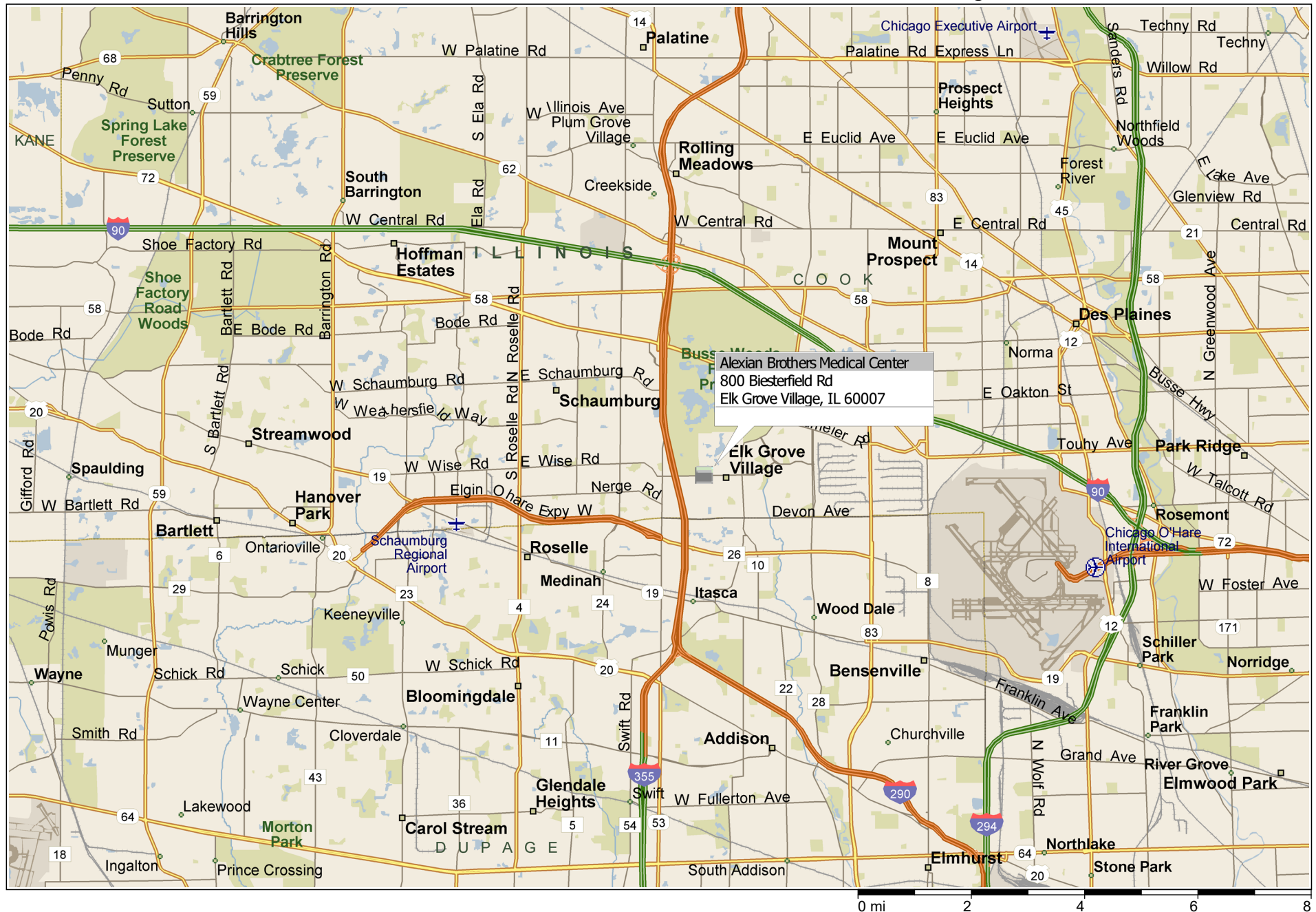
VIII. Safety Net Impact Statement

Alexian Brothers Medical Center ("ABMC") has a long history of providing a broad scope of acute and chronic healthcare services to medically underserved residents of its service area and beyond, who cannot afford care on their own. These services range from community education to routine screenings to inpatient and outpatient acute care. Among the beneficiaries of these services are a non-white patient population that accounted for 24.8% of the hospital's 2024 admissions, as well as a strong commitment to providing "charity care" services within the hospital itself.

The project addressed in this Certificate of Exemption application anticipates the transition of a significant percentage of the hospital's obstetrics care to Alexian Brothers Medical Center's sister hospital, St Alexius Medical Center, which, similar to Alexian Brothers Medical Center, has a strong commitment to the care of the medically underserved; operating with the highest ratio of charity care to net patient revenue of all of the hospitals in the northwestern suburbs.

TABLE EIGHT			
Charity Care and Medicaid Information			
Year	2022	2023	2024
Net Patient Revenue	\$487,853,684	\$474,503,448	\$470,187,643
CHARITY			
Number of Patients			
Inpatient	220	200	145
Outpatient	4,761	4,070	1,988
Total	4,981	4,270	2,133
Charity (cost in \$)			
Inpatient	\$5,084,981	\$2,715,705	\$4,097,092
Outpatient	\$4,939,669	\$3,980,506	\$3,770,053
Total	\$10,024,650	\$6,696,211	\$7,867,145
% of Charity Care Expense to Net Patient Revenue	2.05%	1.41%	1.67%
MEDICAID			
Number of Patients			
Inpatient	3,260	2,434	2,354
Outpatient	24,457	24,844	20,808
Total	27,717	27,278	23,162
Medicaid revenue			
Inpatient	\$32,216,250	\$35,070,990	\$35,209,143
Outpatient	\$25,548,002	\$24,565,835	\$20,257,514
Total	\$57,764,252	\$59,636,825	\$55,466,657
Medicaid to Net Patient Revenue	11.84%	12.57%	11.80%

E-008-25 Alexian Brothers Medical Center - Elk Grove Village



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