

April 15, 2009

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To Whom it may concern;

APR 20 2009

I, Shirley Welsch, Pinckneyville, IL. do hereby state that I attend the public meetings of the Pinckneyville Comm. Hospital Board in Pinckneyville and I take notes on said meetings. Since I do not take short-hand sometimes sentence are not complete and sometimes the board members go from one thing to another and it is hard to understand.

Pinckneyville Comm. Hospital Board Special meeting...March 30, 2009.

Pinckneyville Comm. Hospital called a special meeting at 7:00 PM. Shotton called meeting to order. All board members present. Also Howard Smith, Shirley Welsch, Leo from DuQuoin Evening Call, Phyliss, Kara Jo, (hosp employees) 8 extra people there.

Tom in charge of update on Hospital. Team to meet Tues. to get time frame of each Dept. Where we know we are at in April.

Glenn & Scott.. forwarded application to Washington (HUD) should know in next 2 weeks who team is. Scott.. passed out papers, construction cost..person to keep working to get cost down to meet original cost. Shotton asked question? Dave Pierson questioned persons.

Something about A.C. units. 4½ design conductors built in now. Leonard Heisner concerned about cost of utilities. Must be up to code. 3 Hot water boilers now in design. may remove one. Nelson Rule, when is next meeting? in May sometime. FINAL FIGURES must be in before HUD Trip. Bill Roe..when are bids let? 4 months before HUD trip/ Arlen C. wanting price comparable to concrete.. Black top to be checked out later. Scott said his figures should be right. Shotton on him bad about this. Brent.. to start drawing again around middle of May. may take 4 months to finish. done by end of Aug-Oct. IPH comments ..then can be amended. Still having canopy on front of building. Filing end of June (CON) if 5% over-run they may void out whole deal.(CON). Can go lower under estimate..no problem.

Gene.. maybe some promising programs, H.U.D. our best bet to get money. (rates moving) no free money out there now. (rates may go up. Feds may raise rate as economy improves. go to market Dec. or Jan. to ..for Bonds. Must be done with CON & HUD before Bonds sold. on Nov. 2009 or Jan 2010 before board in Springfield. 30 - 60 days before HUD gives O.K. then final stamp. Interest rates go up without HUD. they can sell bonds (anyway). He thinks HUD likes our type of Hosp (Critical access)

Ed Parkhurst .. status of CON is mess..new 11 rules now..early in Feb.09..revisited 3 times no good sense of what needs to be sent in.Old & new rules..300 + pages to go over if new state board members. CON Task force ..new laws. One Bill sunset June-30-09. One bill he thinks by end of May. New 9 persons board will not be in place by 3-2010. Possible existing Board could go out of existence if new board is not put in place. (now) is a voluntary board, \$65,000.00 paid new board (wants) ..old board wants money.. no clue at this time as what is going on. Board is in a mess. all we can do is look at rules today in place. Move forward.. could mess up when project can start. Working on CON application with board. All work done by early part of June. A lot of work to be done if we miss June filing.Then Aug. filing... then goes to 2010. Extend CON process for 10 years.

" THRESHOLD.....\$8,000,000 to \$11,500,000 WE DON'T NEED A CON."
WE WOULD NEED A CLOSER LOOK ON OLD HOSPITAL, THEN WE WOULD BUILD
NEW ON THIS SITE."

We will not know how Springfield mess goes until end of May. He hopes to get Old State Board on deck. 1.8 Miles to New Site. BILL ROE.. fixing up old Hospital but on a new site.. next to Old One.

4 members still on board. Mark (Secretary) has quit board: 3 ..yes votes needed.

(Choice) 1. Current board..Sunset 6-30-09 Stops

2. Close down completely.

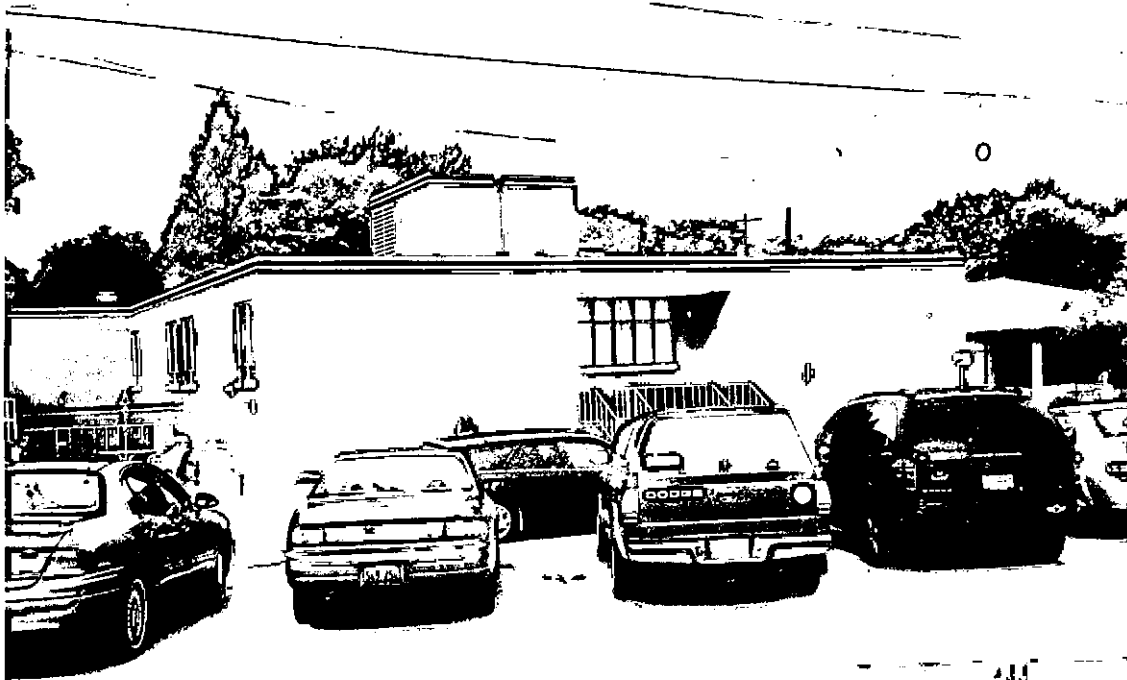
3. Transactional plan 50-50 % of this happening. Secretary of State ..man in charge..if he quits or no longer there..Staff will over see paper works. He (Parkhurst) thinks....3-2010 IS NOT POSSIBLE.. May go to 5-2010. must go on with plans,Who are our State (Elected) people? Put the press on them.

Tom (Hudgins) thinks new constructions workers are a plus needed in state.

Nelson(Rule).. How does Ed (parkhurst) get information? Works with Staff. Maybe calls person who took _____ place on State Board. Ed has someone at every meeting. Information can be had by public asking for it. Lots of rules to be learned by new board (State Members)

No More questions..meeting over by 8:10 PM.





To: Susana G. Lopatka, Vice Chairperson
Courtney R. Avery, Voting Member
Dr. James J. Burden, Voting Member
Jeffrey S. Mark, Executive Secretary
David Carvalho, Deputy Director, Ex-Officio, Non-voting Member
Jerome Butler, Ex-Officio, Non-voting Member
Alan Biggerstaff – Ex-Officio, Non-voting Member
George Roete – Chief, Program Review Section
HUD 242 Program
Senator John Cullerton

From: George W. Ranta

Date: April 16, 2009

Subject: Supplemental Information - Pinckneyville Community Hospital
Certificate of Need – Hospital Complex

1. High Unemployment: As can be seen in the accompanying newspaper article there was a period of high double digit unemployment in the eight year period from 1990 to 1997 in Perry County. It averaged 13.02%, a recession high compared to prosperity levels of less than 4.9% in the United States. This high unemployment rate was due to the end of coal mining in Perry County.
2. The eight year recovery period from 1998 to 2007 was still a high 7.137% for this period. This recovery period had many positive factors which provided employment opportunities during this period which do not exist at the current time. The Technicolor Universal Media Services (TUMS) plant was in full operation with 800 employees; the Bridal Originals factory in DuQuoin was in operation; the Maytag plant with 1,000 employees in Herrin provided employment opportunities; The Circuit City distribution center in Marion with 200 employees was within driving range; Southern Illinois University had a growing enrollment which required more employees; there was a new automobile equipment supplier in nearby Nashville, Illinois as well as a General Tire plant in Mount Vernon. Many of the miners who lost their jobs became long distance truck drivers. Factory and other employment opportunities abounded within commuting distance of Pinckneyville and Perry County, still the unemployment remained at 7.1375%.
3. Based on the history during the loss of the coal mining history it can be projected that unemployment levels and poverty levels will be at least 13.02% for the next eight years. Actually it will be higher than that for the following reasons:
 - a. The coal mining industry provided high paying salaries averaging \$25 per hour with excellent fringe benefits and severance and retirement plans which allowed many employees to purchase valuable farm land and accumulate additional wealth which provided them a financial safety cushion. The employees laid off were able to become long distance truck

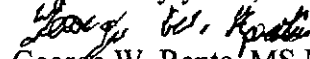
drivers because of their experience with heavy equipment. Such was not the case with the 800 TUMS workers whose experience was in light manufacturing and packaging and distribution of records. While they had modest benefits and longer term unemployment benefits they were not comparable to the miner's benefits. Their average hourly was \$14.00 or less than one half the miner's wages.

- b. The loss of the Maytag factory with its 1,000 employees had a ripple affect on competition for jobs to Perry County workers. That affect will continue for the next eight years. The same level of competition for manufacturing jobs will continue for distribution jobs such of the loss which occurred on the closure of the Circuit City distribution center. These were offset by gains in a communications center in Carbondale. General Tire in Mount Vernon is in a very competitive market and is only looking at turnover replacement employees. Southern Illinois University is looking at a declining enrolment and reduced expenditures with the exception of a Transportation Program which could provide some vitality to its course offerings. The loss of steel manufacturing production in the Granite City area also affects Perry County employees. The parts manufacturer in Nashville, Illinois is facing reduced hours of production. The loss of 60 jobs at the Pinckneyville Community hospital and the reduction of hours and benefits also harms the community. The State's huge \$12 billion dollar budgets deficits will be a drag on the Southern Illinois economy for many years even if taxes were raised. Payments to the City of Pinckneyville would be made slightly faster. The Pinckneyville Correctional Center has reached its peak employment level and is not likely to need more employees except replacements of employees retiring. The State/Federal Medicaid program will probably be significantly modified as it is a tremendous burden on the states which will mean less reimbursement to the health care industry. A new health care program for all citizens will mean, over time, major reductions of health services to the elderly in order to remain competitive with other industrialized nations who have had many years to fine tune their national health care plans.
4. Economic Development. Studies have been done of Economic Development programs in Southern Illinois and not one has met the targeted numbers of employees which were expected.
5. **CONCLUSION. The majority of citizens are increasingly concerned about the potential loss of the present, structurally sound, conveniently located hospital services in Pinckneyville such as the loss of their beloved Skilled Care which occurred last year if a new \$35 million dollar building complex was constructed and it went bankrupt. The citizens noted what recently happened in Du Quoin where the City budgeted a 12% increase in health care costs for its employees only to discover that costs increased by 18% or over \$100,000 for the year due primarily the \$7.6 million modernization. Pinckneyville Community hospital's proposed new complex costs over almost five times as much. It would affect all local taxing bodies in Perry County whose employees use the hospital's services. It would affect all business**

employees as well as the Illinois Medicaid program with major health care increases.

6. The enclosed map shows the conveniently located hospital and the surrounding community support services which have been in place for over fifty years as an area health services provider.

Respectfully yours,


George W. Ranta, MS MPA

12.4% Perry County Jobless Rate Within Striking Distance of 15.9% All-Time High

BY JOHN H. CROESSMAN
MANAGING EDITOR

DU QUON

Perry County's 12.4 percent jobless rate in January was the highest among the 21 counties in southern Illinois and is within striking distance of the 15.9 percent annualized jobless rate of 1992 at the onset of widespread mining and manufacturing closures in the county.

At the beginning of 2009, unemployment was at high levels throughout Southern Illinois. Nearly half (nine) of the 21 counties had a jobless rate equal to or greater than 10 percent in January 2009. Sixteen of the counties had an unemployment rate equal to or greater than 9.0 percent.

According to analysts Greg Rivara and Dennis Hoffman, ongoing permanent and temporary layoffs in manufacturing contributed to the unemployment rates. Seasonal payroll losses were reported in retail trade, construction and leisure-hospitality.

Employment declines occurred in professional-business services, wholesale trade and transportation-warehousing. Employment decreases also were reported in information and financial activities. In 2008, only the health care services sector added

1990	12.4%
1991	15.0%
1992	15.9%
1993	15.3%
1994	12.6%
1995	10.9%
1996	11.7%
1997	10.4%
1998	9.4%
2000	7.1%
2001	6.6%
2002	7.5%
2003	7.9%
2004	4.7%
2005	6.9%
2006	7.0%
2007	8.5%
2008	10.2%

workers throughout Southern Illinois.

Joblessness increased from December 2008 to January 2009 in all counties in Southern Illinois. As labor market conditions deteriorated, employment levels dropped, especially in manufacturing.

Southern Illinois Jobless Rates

	Jan. 2009	Jan. 2008
Jackson County	7.2%	6.5%
Perry County	12.4%	10.3%
Randolph County	9.2%	6.9%
Union County	11.7%	10.8%
Williamson County	8.8%	7.7%
Saline County	9.3%	8.7%

09-068

501 Coffman Street
Pinckneyville, IL 62274-1509
January 2010

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
535 West Jefferson Street
Springfield, Illinois 62761

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FEB 01 2010

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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- Dr. James J. Burden, Voting Member
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Illinois Department of Public Health
- Mr. Jerome Butler, Non Voting Member
Illinois Department of Human Services
- Mr. Michael C. Jones, Non-Voting Member
Illinois Department of Healthcare and Family Services

Project: Pinckneyville Community
Hospital, Overview

Dear Members:

As the retired administrator of the Pinckneyville Community hospital, I would like to provide a brief overview of the hospital's history so that the members can understand why I am opposed to a Certificate of Need for the construction of a new \$46,624,405 hospital complex in a city with a population of 3300 residents and 2200 inmates at a correctional facility.

During my administration, the goal was to meet the health care needs of the community served by the hospital district. Beginning in 1968, when the hospital was experiencing a large increase in the patient population it became necessary to expand the hospital. This resulted in the construction of a large addition completed in 1976 which included a 44 bed Skilled Care Unit which met both hospital and long term construction standards. The building included new kitchen and dining facilities, conference rooms and modernization of the adjoining 1965 building's laboratory and radiology departments and several other services.

The Skilled Care Unit flourished and quickly became full. It provided high quality service to the community. It was rated by the Veteran's Administration surveyors as the best provider in the four states which they surveyed. The State surveyors stated that "they wouldn't survey the facility if they were not required to do so annually". It was also rated the best in the State and accredited by the Joint Commission of Accreditation of Health Care Facilities.

Despite Federal encouragement to build hospital based Skilled Nursing Facilities (SNF), their accounting rules penalized such facilities by limiting reimbursement. As a result, the residents were moved from the newer 1976 addition to the 1965 building with smaller rooms, but still meeting hospital and long term building standards based on the State survey prior to the move.

During my twenty-one year administration, with strong support from the hospital board, many new services were either added or strengthened. These included: Physical Therapy Department, Social Service, Activity Department, Patient Education, Rend Lake College LPN program, Respiratory Therapy program, Stress Testing program, In-Service training program, the quality-assurance program, Black Lung Clinic and Pulmonary Clinic and Cardiac Clinic. Additionally there was affiliation with Southern Illinois University for cross-training of the technical staff and with Rend Lake College for a series of courses in health where there was participation by 90% of the hospital employees. The hospital had the first EMT classes in Southern Illinois for the city's ambulance service. We were the first to use staplers in surgery as well as using a treadmill for stress testing in Southern Illinois. According to our national auditing firm, our hospital was the most complex small hospital in four states with over 21 different services. Interestingly, the total number of employees remained the same despite added services. Two small and one large parking areas was acquired by the hospital.

The Federal government initiated a new program to control costs called Diagnosis Related Groups which in theory sounded good, but in practice was harmful to small hospitals. It had thousands of different diagnosis with specific payments based on the admitting diagnosis. The problem was that a patient might be admitted for pneumonia requiring a three day stay and to find out during the stay that he had a serious heart condition which required ten day stay. The hospital was only paid for the three day admitting diagnosis. With many elderly residents having multiple health problems, some area hospitals faced million dollar annual losses.

My successor, for about ten years, continued the expansion of services in cooperation with the hospital board. A new Family Physician Office Building was constructed and the former Franklin Store on the Square was acquired and converted into the Southern Illinois Fitness and Rehab, and services such as Home Health, Hospice, and the Durable Medical Equipment Department was added. Specialty clinics provided additional services.

Two succeeding administrations continued acquiring additional specialty clinics for the hospital which allowed the hospital to generate additional revenue and build a surplus with which they purchased state-of-art medical equipment.

There were a series of meetings beginning in 2006 between administration and boards of directors of Marshall Browning hospital in DuQuoin and Pinckneyville with the purpose of having one 25 bed Critical Access Hospital to serve Perry County. The meetings proceeded to the extent that studies were made to determine a suitable site. The immediate advantage of one hospital would be one million dollars annual cost saving in emergency room coverage costs. Not mentioned in the news releases were the millions of dollars to be gained by having only one hospital serving the county with a population of about 20,000 residents. The talks concluded when the Pinckneyville board announced that it would only accept a site located two miles east of Pinckneyville. This was not acceptable to Marshall Browning, a larger city with a population of 6,000 -4-

about 13 miles away. Then Pinckneyville announced that it "would it go alone" and build a new hospital". Marshall Browning proceeded to construct a \$7.6 million dollar addition and make it operational in a relatively short time. Pinckneyville hospital acquired land, hired architects, and then proceeded with drawings, layouts and discussions regarding financing. Their first priority was the closure of the 40 bed Skilled Care Unit which they succeeded in doing in September 2008. They claimed that they were loosing over one million dollars annually by keeping it open. I had offered various options such as down sizing, but still maintaining this essential service to no avail.

In an advisory, non-binding vote, 89% of the voters voted that Skilled Care should be part of the hospital which confirmed what my two surveys indicated. **Interestingly, one year later, after the closure, the financial loses were the same as before Skilled Care closed. These loses were caused by a low Medical/Surgical patient census which averaged 7.1 patients per day much lower than Skilled Cares average of 40 residents per day.**

In explaining Skilled Cares "loses", the hospital only included income from the room rate which was below area averages for a lower level of service and did not consider laboratory, radiology, respiratory services, specialty clinic services and other services required by these very fragile residents. After the closure, revenue from these services declined. Administration made no effort to increase prices to competitive levels, to reduce hours of work to competitive levels or to seek administrative or organizational changes to increase efficiency in Skilled Care.

When Skilled Care closed, Pinckneyville residents had to go the facilities outside of the hospital district for this level of care. Studies have shown that people in the final year of life are admitted to a hospital five times, so the hospital will lose numerous admissions annually for the foreseeable future.

In addition to the closure of the Skilled Care Unit which had been providing high quality care for thirty two years to the community, administration closed "under-performing" departments such as durable medical equipment, hospice, home health and the Gerri Luke home health service. As with Skilled Care, administration made no effort to increase revenue, reduce costs or review the organizational structure or merge departments.

These departments and services had been in existence for almost two decades and had provided valuable community health services and had many dedicated long term employees. All of these changes created much turmoil among employees, residents, patients, family members and the general public which will last for generations.

You, as a member of the Illinois Health Facilities and Services Review Board might ask what all these historical facts mean to the construction of a new \$46,624,405 dollar hospital? They show how fragile the financial resources of the hospital area; how the hospital administration has disregarded public sensitivity and opinion and pushed ahead without considering other alternatives such as modernizing the existing hospital.

In this era of open government, the Illinois Department of Transportation held a public meeting with large displays and explanations of a high speed highway involving Pinckneyville and invited public comments regarding three different alternate routes through or around Pinckneyville and took the suggestions under consideration. They next established a citizen advisory board to come up with the preferred route which was a by-pass to the west of the city. They made some minor changes to reduce the highways'

impact on the community. They are now in the detailed planning process. This was a costly choice.

The high school board, likewise, over a period of years, held monthly meetings where a new high school was discussed. The present high school was constructed in about 1933 and is about **77 years old** and has been ordered to correct certain life safety issues by the State of Illinois. It has considered different alternatives and is starting the financing phase. The specific problems and their cost to remedy have been made available to the public. There has been an election and all members who wanted a new high school were elected. They are going to build the new school in and around the present structure with the same number of square feet to meet life/safety code requirements. There were numerous executive committee meetings. The architect is from this area.

In contrast the Pinckneyville Community Hospital administration and its board of directors chose another approach to a very expensive hospital construction project. The initial construction cost was \$21 million; then \$22 million; then \$31 million; and now \$33,967,000 which also included new equipment except for a CT scanner, however, now, for the first time, after several years, newspaper articles mention other costs such as architectural costs, financing costs and moving costs bringing the total to \$46,624,405. This does not include funds already spent on preliminary work on the project and work to be done razing the present hospital and landscaping the present area.

This is similar to what a new car dealership might do, namely, advertise a new model automobile at a very low price and when the customer comes, the automobile either was just "sold" or is a high mileage "demonstrator" giving the salesman the opportunity to sell a higher and higher priced model until the maximum is reached.

The next step by the board and administration was to make commitments and purchases of property which was of interest to the board. A committee of three was appointed to make recommendations which they did on land east of the city. Instead of continuing paying for options to buy and await approval for their project by the Illinois Health Facilities and Services Review Board, they purchased a costly piece of land; laid out the parking area, expended funds with the Illinois Department of Transportation for a planned entrance, engaged an architect, a contractor, a company to place hospital equipment and otherwise committed the hospital. The purpose of these actions was to convince the Hospital District's citizens and taxpayers and State authorities that so much money has been expended already that the project should go forward.

Numerous statements were made by administration over the months and years such as "we're on track for approval" or setting the month when construction will start. All of this was designed, again, to convince the citizens that it is not possible to stop the project.

In none of the monthly news releases over the years, there never was a clear cut reason why a new hospital or a different location was needed. The nearest statement by administration in the application to close Skilled Care was the statement that the building had "iron pipes" and recently that the building was "box like" in architecture.

To the best of my knowledge, the board never made any site visits to facilities designed by this architectural firm or opened a design competition to other architectural firms for a project of this magnitude. They merely accepted the recommendations of the administrator who recommended a firm in Tennessee. The same applies to the out of state building contractor.

Because there was no public input to purchase a new location and construct a new hospital complex to replace the present conveniently located facility, I felt that it was my civic responsibility to prepare a survey. I prepared a survey with opportunity to make comments. It was mailed to one in ten voters in Pinckneyville, living in the major part of the Hospital District plus other copies distributed by volunteers. About a month later, I followed up with a second survey which was mailed to one in five residents. In this way almost every family had an opportunity to respond. (Copies of the responses are included in this report.) The conclusion was that over ninety percent of the respondents wanted to remain in the same convenient location where there has been a hospital for almost sixty years. Copies of the survey and results were submitted to the hospital board with no response.

For the past several years, no financial data or patient census data has been discussed in open Hospital District board meetings. Almost every meeting has ended with the hospital board going into executive session.

Advantages of the present site: The present site is one block from a very busy east/west state highway with a continuous flow of large trucks from several flour processing and packaging plants in Steelville and Chester; it is also one block from a north/south highway with fast flowing traffic headed for St. Louis, Missouri. The planned by-pass will have an exit five miles to the south and about two miles to the west; the city police department, rescue and fire stations are three blocks from the hospital; the Perry County Jail is located four blocks away; the ambulance service is five blocks away; the drug store is one block away. In a drill, the volunteer fire department was able to respond in four minutes to the hospital when all volunteers were available, however, when there was a real life fire at the Dairy Queen, the salaried fire chief had to sit and wait for his crew while the building burned down for a total loss. About ninety percent of the city's total population lives within a ten block area to the east, the south and to the west. Physician's office buildings are in the next block as well as dentists offices. The grade school is located two blocks away to the west; the high school is seven blocks and the junior high school eight blocks away to the west. All schools are on the busy east/west highway in the ten block area which includes three public housing units; twelve churches; one nursing home which is about three miles away as is the city fairgrounds. City Hall is two blocks away. There are two large grocery stores, two banks and other retail establishments within this area. Almost all the homes in this ten block area are over fifty years old and there is very little new construction of homes. New homes have been built in the outlying areas by the more affluent citizens.

With over seventy percent of the hospital's in-patients being over the age of sixty-two and about the same percentage out-patients and specialty service patients using a facility two miles away will present a hardship in view of the fast moving traffic in all directions to the elderly.

The present site presents parking flexibility. There are two small parking areas and one large area. There are about five house lots which includes a large home that has been available. Also there is space that could be used for a parking garage; additionally, with the loss of the Skilled Care Unit with its 45 care givers and visitors there are many available parking spaces.

The present hospital consists of two buildings, one built in 1965 according to State hospital building standards of that time and the 1976 addition which was designed to meet both hospital and long term facility building standards. The laboratory, radiology departments in the 1965 building were modernized in 1976. The 1976 addition now contains the medical/surgical floor, pharmacy, kitchen, dining room, conference room, classroom, specialty clinic/respiratory therapy room. The 1965 building has been upgraded to meet all recommendations of the State fire marshal and the State surveyors.

I have described in detail how this hospital compares with surrounding hospitals which also were constructed in the 1960s, often designed by the same architects with similar additions.

I have suggested a conservative modernization alternative to a \$46,624,405 new hospital complex which would cost less than 30.27% of a new hospital; this would be a 30' x 180' attached, matching brick addition to the south of the 1965 building which would more than double the useable support service area of the hospital and modernization which would more than double the emergency room service area. The addition could have three levels. Based on the present architects average cost estimates for all aspects of the project of \$446.07 per square foot, this addition would cost \$7,226,334. Modernizing the present Emergency Room area based on average cost estimates for new construction for all aspects is 466.29 per square foot, this modernization would cost \$1,713,136 and an addition to the Rural Health Clinic at \$466.32 for a cost of \$1,356,058. The cost of replacing out-patient rehabilitation would be \$3,818,813. The total is \$14,114,341 which is 30.27% of the cost of a new hospital. My calculations are on the high side because new equipment is not needed due to state requirements to have both facilities operational at all times which is \$2,697,000; moving expenses are not required, deducting \$2,697,000 from \$14,114,341 equals \$11,417,341 dollars or 24.49% of the cost of a new hospital.

In an interview with an area newspaper, the administrator stated that the cost of modernization would be from \$9 million to \$13 million according to the architects. The present hospital allows much flexibility because the third floor is vacant and can be used by different services with only minor upgrades which can be done by the hospital maintenance staff.

In conclusion, I feel that the community simply can not afford to build the third costliest hospital in Southern Illinois since the 1960s in a community of 3300 tax paying residents whose only growth in about 80 years has been through annexation; which has lost 800 well paying industrial jobs since 2002; which has replaced these jobs with 16 jobs, which is on the poverty warning list; which is committed to building a new high school; whose citizens want to remain in the same convenient, accessible location.

In a recent proposal by consultants with the possibility of a twenty year loan for \$40 million dollars with interest payments from Build America for a number of years was discussed. This would still be a monthly loan repayment of \$166,666.67 for twenty years. If the health proposals become law, we don't know what the impact on the hospital will be when patients who have many health issues and come for service. The first priority of the hospital will be to pay the mortgage (Bonds) but with limited funds it will be difficult to recruit and retain scarce health care workers who will require full time employment and higher wages.

If instead of a \$40 million dollar loan for a new hospital there was a \$10 million dollar loan for modernizing the present hospital, the monthly loan repayments would become \$41,666.67 instead of \$166,666.67.

No consultant can predict the outcome for the next twenty years.

In Summary:

- 1 Golden Opportunity: The Pinckneyville Community Hospital, its administration, board of directors and the people of Perry County lost a golden opportunity to reduce health care costs for the foreseeable future by not merging with Marshall Browning hospital. The annual savings would have been in the millions of dollars. The merger could have saved Skilled Care as this was as a possibility.
- 2 Deciding to Build a New Hospital. The decision to build a new hospital was made by a board where seven of the nine members had recently been appointed. I tried, with a letter, to educate them to the fact that a number of small rural hospitals had closed in recent years. These included hospitals in West Frankfort, Cairo, Christopher, Eldorado and the Franklin County hospital which later reopened. All of these closures were not due to management deficiencies but due to lack of sufficient physicians. In Pinckneyville, we have three physicians, one of whom started practicing in September and will be taking a three month pregnancy leave in March which leaves only two physicians. This makes it difficult during vacations and at other times and especially if there is a major automobile accident which requires immediate physician response. A few months ago, a twenty-year senior physician resigned and is seeing patients in Nashville, a neighboring city. The full impact of this resignation has not yet to seen in statistics. There has been almost a continuing round of replacement recruitment of physicians. Foreign born physicians like to live in communities with similar nationalities. Additionally, good community relationships produce bequests, hospital auxiliaries, establishment of foundations. This can be seen by the lack of any other funding from these sources in the application for a Certificate of Need.
- 3 Modernization of the Existing Building. Only one new Regional Hospital has been built in Southern Illinois was in Marion, a much larger growing city located at the intersection of a major established Interstate highway and a major state highway. It is in some financial difficulties as it has received one million dollars from a hospital support fund. A second Regional Hospital is under construction in Mt. Vernon, again, at the intersection of two Interstate highways. It is unknown what the impact of the by-pass around the city will mean to the community and the hospital. The completed highway to Carbondale will probably take a decade to complete.

As previously discussed, Pinckneyville's only growth in 80 years has been

through annexation. The long term tradition in Southern Illinois is to modernize existing rural hospitals.

4. Projections. It has been predicted by the hospital's consultants that there will be a decrease in in-patient admissions and an increase in out-patient services. This is highly unrealistic as when Medicare was implemented in the first ten years of its existence there was a ten year lengthening of life expectancy which means more hospitalizations of the fragile elderly. The full effect of the Medicare drug benefit is yet to be seen. Additionally, the Health Reform legislation has yet to be finalized. Although it is intended to be revenue neutral, hardly any legislation has met budgetary goals due to Congressional changes and changed circumstances.
5. Need and Affordability. The Pinckneyville Community Hospital does not need a \$46,624,405 hospital complex with \$1,248,893 Canopies to differentiate it from all other area hospitals because Perry County has one of the highest unemployment rates in Illinois at 12.7%; with many former employees stopping seeking employment; with the loss of 800 well paying manufacturing jobs since 2002 and the gain of only 16; with being placed on the State's Poverty Warning List; with the need for higher real estate taxes due to the construction of a new high school to replace a 77 year old school; with the increase in Perry County's budgeted health program from \$700,000 to \$1,000,000 in the past year; with the continuing depressed job market which could last for thirteen years as occurred when the coal mines closed; with the lack of sufficient sales tax revenue because there are no new automobile dealerships or major retailers such as Walmart compared with surrounding communities with Critical Access Hospitals; with the lack of population growth; with the difficulty of retaining physicians; with the low in-patient population and the necessity to maintain staffing for contingencies.

In conclusion, I would like to suggest that a Certificate of Need to construct a new \$46,624,405 hospital complex with \$1,248,893 canopies be denied and that the hospital be encouraged to modernize the existing, conveniently located hospital at 24.49% of the cost of a new hospital or \$11,417,341, and a much more manageable monthly debt payment in difficult economic times.

Sincerely yours, ,

George W. Ranta

George W. Ranta MS MPA

Constantino:

501 Coffman Street
Pinckneyville, IL 62274
January 31, 2010

Mr. Mike Constantino, Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street (2nd Floor)
Springfield, IL 62761

Dear Supervisor Constantino:

PROJECT; 09-068
Pinckneyville Community Hospital

As a concerned citizen, I have reviewed the voluminous application of the Pinckneyville Community Hospital for a Certificate of Need (CON) to construct a new \$46,624,405 dollar complex two miles east of the City of Pinckneyville. While I do not have the resources to employ consultants, engineers, attorneys and staff, I feel that I can contribute to your review of the project and to the Illinois Health Facilities & Services Review Board's understanding of this major project.

My understanding is that Pinckneyville Community Hospital should have a goal of sixty percent (60%) occupancy standard by 2014. (SECTION VII – CATEGORY OF SERVICE - REVIEW CRITERIA) (Page 134) I feel that goal will be difficult to achieve. The Medical/Surgical admissions from 1999 to 2008 showed little or no growth despite intensive television and print media advertising. This is shown on ATTACHMENT 14, page 129. The severity of the problem is illustrated in the years 2007 and 2008 by the Medical/Surgical admissions by Dr. Robert Davidson, a twenty year senior physician at the hospital. In 2007 there were 657 admissions with Dr. Davidson admitting 242 patients or 36.8% of all patients. In 2008 there were 544 admissions of which he admitted 141 or 25.92% or a decrease of 101 Medical/Surgical hospital patients. There was a decrease of admissions of 113 between the two years of which Dr. Davidson contributed 101 or almost all. Dr. Davidson resigned from the staff of the hospital in 2009. The full impact of his resignation will be felt for many years. He is now admitting his patients at the Washington County hospital in neighboring Nashville, Illinois. This data is shown on pages 144-164.

The statistics for Swing Beds admissions were similar to the Medical/Surgical unit. There were 216 admissions in 2007 of which Dr. Davidson admitted 84 or 38.89%; in 2008 there were 147 admissions of which Dr. Davidson admitted 70 or 47.62%. This was a decrease of 69 admissions between the two years. .

It is of interest that Dr. Ghani who replaced Dr. Pineda and was employed for two years only admitted one Swing Bed patient in 2007 out of 216 admissions for a .04% admission rate; in 2008, she admitted 11 Swing Bed patients out of 147 for a .0748% admission rate. Her low admission rate illustrates the difficulty for a new physician to establish a reputation among the citizens; they only go to the new doctor if the established physicians are not available. In the same period of time, at the end of her two year contract, she admitted 40 Medical/Surgical patients while Dr. Pineda admitted 87 Medical/Surgical patients before his resignation in the same period of time. Dr. Ghani's replacement, Dr. Salva Bilal, is 'disappointing' to some hospital board members because she isn't admitting many patients. Her appointments are at the 50% level despite heavy

print media promotion by administration. Some days, the two physicians' assistants have no scheduled appointments despite years of experience.

In reviewing thee Medical/Surgical patient days of care from 2001, the following trend is apparent: There were 3428 days for an average of 9.39 patients per day; in 2002 there were 5193 days for an average of 14.25 patients per day; in 2003, there were 4794 patient days for an average of 13.13 patients per day; in 2004, there 4593 patient days for an average of 12.58 patients per day; in 2005 there were 3806 patient days for an average of 10.43 patients per day in 2006 there were 3282 patient days for an average of 8.99 patient days; in 2007 there were 2430 patient days for an average of 6.66 patient days; and finally 2008 with 1775 patient days for an average of 4.86 patients per day

In a review of Medical/Surgical and Swing beds total patient days in comparison to the 60% guide lines or 15 patients, we find the following: In 2001 there were 5601 patient days or an average occupancy of 15.345 or 61.38%, meeting guide lines; in 2002, there were 7640 patient days or an average occupancy of 20.93 patients or 83.72% occupancy rate exceeding the 60% rate; in 2003, there were 7887 patient days or an average of 21.61 or 86.64^, again meeting the 60% rate; in 2004, there were 7572 patient days or an average of 20.745 patients or a 82.98%; in 2005, there were 6975 patient days or an average occupancy of 19.1096 or a 76.438%, exceeding the 60% rate; in 2006, there were 6173 patient days or an average occupancy of 16.91 patients or a 67.64%; in 2007, we see a drop to below the target 60% level when there were 4884 patient days or an average of 13.38 patients or a 53.52%; in 2008, there was a further decline to 3928 patient days or an average occupancy of 10.76 or a 43.04% below the 60% threshold.

The downward trend will be very difficult to reverse as it has been going on for a decade. The reason, I believe, in addition to the resignation of Dr. Davidson, is the availability and popularity of the Mason Woods sheltered care facility where the health of senior citizens is closely monitored on a daily basis; the Federal Drug benefit which provides lower cost medications which allows physicians to prescribe costly new medications and the increased awareness of physicians of the costs associated with hospitalization and make them seek alternative solutions. This is not likely to change.

The emergency room visits have remained essentially flat since 1999 despite some patients losing their health insurance.

The last four years has seen a significant increase in laboratory tests which shows increased home care of patients by physicians rather than hospitalization which is reflected in fewer Medical/Surgical admissions in the same period of time.

Surgery – in-patient cases has declined significantly primarily due to the surgeon desiring to retire and cut back his work and the cost of anesthesia coverage by administration with patients being referred to Memorial Hospital of Carbondale. The surgeon has recently retired and coverage for minor surgery is being provided by surgeons at Memorial Hospital of Carbondale.

Out-patient surgery is essentially flat and will remain that way in our small Hospital District.

I continue with the utilization statistics on page 129 for the years 2005 to 2008 for diagnostic exams for Computerized Tomography. We see a drop from 2006 examinations to 1680 examinations or a drop of 322 cases. In 2007, there were 1,948 examinations, in 2008 there were 1680 or a decrease of 268 cases or decrease of 13.75%.

Fluoroscopy/Radiography is flat recently but dropped from 6088 in 2005 to 5346 in 2008

or a drop of 742 examinations or a drop of 12.19%. Mammography is flat; MRI is flat; Nuclear Medicine is down 1080 examination to 756 or a decrease of 324 cases, a significant drop. In 2006, there were 1200 medical examinations, in 2008 there were 750 or a decrease of 450 examinations or a decrease of 37.31%. Ultrasound is flat.

My conclusion from this statistical utilization data is that the hospital can expect very difficult financial conditions in the immediate future because of the resignation of Dr. Robert Davidson who is seeing and referring his patients to the Washington County hospital in nearby Nashville, Illinois. It will be difficult to replace him and his admissions and much will depend on the acceptance of his replacement. It could take four or five years before it will reach 2005 levels. The 2008 statistics do not reflect the full impact of his decreased Medical/Surgical and Swing Bed admissions which occurred prior to his resignation in 2009. In addition, the rapid turnover of physicians and the delays in recruiting replacement physicians is harming the patient days of care and admissions which are lower than they have been since at least 2001. There will be financial consequence because of the lower number of tests performed and the need to provide required staffing in the nursing department on a twenty-four hour basis despite a low patient population.

I believe a sincere effort should be made by a neutral intermediary such as a nurse from the VNA/TIP to meet with Dr. Davidson and discuss his reasons for leaving Pinckneyville hospital and seeing his patients in Washington county hospital because his admissions diminished over a period of a number of years and it is time consuming to travel 40 miles per day. He might not return but it would be helpful to find out if there are correctable problems at Pinckneyville Community hospital which could be resolved. His decreased admissions/services occurred at the same time that the hospital board/administration was planning the closure of the Skilled Care unit.

Based on letters received from almost all of the surrounding hospitals, their administrators expect no impact from the construction of a new hospital complex. The only growth the hospital can expect is from attending physicians on the staff of the Pinckneyville Community Hospital. The only population growth that has occurred in the last eighty years has been through annexation. Administration has been told repeatedly by Medical Staff representatives that it is not the lack of physicians in the community, but the lack of patients and this can come only through population growth in our small city with a population of 3300 residents and 2200 inmates at the correctional facility which has their own health care system.

Note: The statistics do not show the expected impact of the closure of the Skilled Care Unit which occurred in September 2008. The 40 residents were in very fragile health and required transfers to the hospital; laboratory tests; radiological examinations, surgery, nuclear medicine examinations and other hospital services.

The second part of my response pertains to Permit Application Form, Section II, Criterion 110.130, discontinuance, pages 58 -103.

The DETAILED INFRASTRUCTURE ANALYSIS page 60-70 provides much information about the present facility. The firm Gresham, Smith and Partners is to be commended for their attention to details. .

MECHANICAL

COOLING

HOSPITAL

1. Relocation of the chiller to separate it from the other systems in the powerhouse is anticipated to be required if the facility undergoes major renovation. NO COST ESTIMATES WERE PROVIDED.
2. Relocation of the cooling tower away from the operable windows of the facility. NO COST ESTIMATES WERE PROVIDED.
3. Packaged room cooling units which have exceeded their useful 15 year life. NO COST ESTIMATES WERE PROVIDED. A 3-5 year replacement Master Plan could be developed. NO ANNUAL COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Installation of dedicated heating and cooling units in the basement of the Medical Annex building to eliminate hot and cold spots and to include the five split system residential units tied to the residential furnaces in the Master Plan for future replacement in 7 to 12 years. NO COST ESTIMATES WERE PROVIDED.

SIR FACILITY

1. The building has a five split system residential condensing units tied to the residential furnaces. Estimated life: 5 to 7 years. It should be included in Master Plan for replacement in 5 to 7 years.

HEATING

HOSPITAL

1. 1964 Unit with 70 boiler horsepower, with burner replaced in 1994. To be included in Master Plan for replacement in 3 to 5 years. NO COST ESTIMATES WERE PROVIDED.
2. 1976 Unit with 70 boiler horsepower/. Major replacement or overhaul recommended in two years. NO COST ESTIMATES WERE PROVIDED.
3. 1994 Unit with 30 boiler horsepower. Could provide 15 to 25 years of continued service. To be included in Master Plan.
4. Installation of dual fuel capacity. Recommended. NO COST ESTIMATES WERE PROVIDED.
5. Installation of high and low combustion air intakes as required by current codes. NO COST ESTIMATES WERE PROVIDED.
6. Relocation of elevator machinery and separation of electrical and mechanical equipment as recommended. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Five residential furnaces. Twelve to 15 year life expected.; It is to be included in the Master Plan.

SIR VACILITY

1. Four residential furnaces. Installed in 1994; expected life 18 years with an additional life 8 to 12 years. The furnaces are to be included in Master Plan.

AIR DISTRIBUTION

HOSPITAL

1. The 100% outdoor air unit with preheat coil, cooling coil and final filters. The obsolete unit should be replaced. NO COST ESTIMATES WERE PROVIDED.
2. Installation of high efficiency filtration as required. NO COST ESTIMATES WERE PROVIDED.
3. Replacement of supply ductwork to meet current standards. NO COST ESTIMATES WERE PROVIDED.
4. Relocate outdoor air intakes as required by current codes and the air returns to meet current code; life expectancy 3 to 5 years; and the replacement of the air system to current codes. NO COST ESTIMATES WERE NOT PROVIDED.
- 5.. Original Hospital. Replacement of the fan coil units with the recommended units to meet non-patient needs. NO COST ESTIMATES WERE PROVIDED. .
6. Relocation and replacement of dryer exhausts as required. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Air distribution is provided by residential type furnaces. with a useful life expectancy of 18 years. The equipment should be added to the Master Plan.

***** SIR FACILITY

1. Air distribution is provided by residential type furnaces which were installed in 1994 with a useful life of 18 years. The furnaces should be added to the Master Plan.

PLUMBING/FIRE PROTECTION

WASTE AND VENT

HOSPITAL

1. The waste and vent system in the 1965 hospital should be replaced. NO COST ESTIMATES WERE PROVIDED.
2. The Hg piping system should be replaced in the 1976 building addition. NO COST ESTIMATES WERE PREPARED.

MEDICAL ANNEX BUILDING

1. The PVC piping is in good condition.

SIR FACILITY

1. The piping is at maximum capacity.

DOMESTIC WATER

HOSPITAL

1. There are two separate services, one for the original building and for the newer building and backflow preventers might be required on each service. NO COST ESTIMATES WERE PREPARED.
2. The galvanized piping in the original building will require repair or replacement in the next one to five years. NO COST ESTIMATES WERE PROVIDED.
3. The hospital's domestic hot water system should be upgraded from 120 degrees if remodeling occurs to control water born microbes. NO ESTIMATES WERE PROVIDED.
Installation of anti-scald mixing valves are required if renovation occurs. in the future. NO ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Installation of a circulating system for temperature maintenance. NO COST ESTIMATES WERE PROVIDED.

SIR FACILITY

1. Installation of a circulating system for temperature maintenance. NO COST ESTIMATES WERE PROVIDED.

MEDICAL GASES

HOSPITAL

- Renovation would require the complete replacement of oxygen piping. NO COST ESTIMATES WERE PROVIDED.
2. Renovation or addition will require the installation of a medical air system complete with alarms to comply with current codes. NO COST ESTIMATES WERE PROVIDED.
 3. Installation of a master oxygen alarm system required by current codes and protection against weather. NO COST ESTIMATES WERE PROVIDED.
 4. Renovation or expansion will require the replacement of the vacuum pumps with new pumps capable of drawing a minimum of 19" vacuum, NO COST ESTIMATES WERE PROVIDED.
 5. The installation of additional outlets and the replacement of the medical gas piping to support the additional outlets will be required with renovation or addition. NO COST ESTIMATES WERE PROVIDED.

FIRE PROTECTION

HOSPITAL

1. Installation of a complete sprinkler system is recommended. NO COST ESTIMATES WERE PROVIDED.
2. Installation of roof outlets for standpipes in 1964 construction with roof outlets; elimination of cabinets. NO COST ESTIMATES WERE PROVIDED.
3. Installation of conforming hose connections in the stairs, roof outlets, and be of providing 100 PSI at the roof outlet iif the facility is renovated. Fire pumps to provide required pressure. NO COST ESTIMATES WERE PROVIDED.
4. Installation of quick sprinkler heads may be required in the 1976 addition. NO COST ESTIMATES WERE PROVIDED.

SIR FACILITY

1. Renovation may require the installation of a sprinkler system. NO COST ESTIMATES WERE PROVIDED.

ELECTRICAL

NORMAL POWER
HOSPITAL

1. Renovation will require revision of the electrical service to reduce the number of disconnects. NO COST ESTIMATES WERE PROVIDED.
2. If the hospital is renovated the replacement of the existing electrical services with a larger capacity service should be anticipated. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

SIR FACILITY

EMERGENCY POWER
HOSPITAL

1. The present emergency power is adequate for the present configuration, but not capable of serving additional electrical demands. NO COST ESTIMATES WERE PROVIDED.
1. Renovation of the facility will require the creation of the independent emergency power branches. NO COST ESTIMATES WERE PROVIDED. Most likely the replacement of the entire emergency power system will be required. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. The installation of a battery controller and power to open in the event of a utility power outage should be planned. NO COST ESTIMATES WERE PROVIDED.

TELECOMMUNICATIONS
HOSPITAL

1. The replacement of the system should be explored to ensure that continued service can be provided. NO COST ESTIMATES WERE PROVIDED.

NURSE CALL
HOSPITAL

1. The Nurse Call systems are outdated and will require replacement if the patient care areas are renovated to ensure reliable service. NO COST ESTIMATES WERE PROVIDED.

LIGHTNING PROTECTION
HOSPITAL

1. The installation of a Lightning Protection System is not required by code but is recommended due to the location, height and critical nature of the hospital. NO COST ESTIMATES WERE PROVIDED.

.....
COMMENTS ON THE DETAILED INFRASTRUCTURE ANALYSIS BY GEORGE
W. RANTA:

The report was prepared by GRESHAM, SMITH AND PARTNERS, Master Plan Section on April 1, 2003 is ATTACHMENT-9, pages 60-70 Submitted 11/19/2009. THE REPORT IS ALMOST SEVEN YEARS OLD.

This document represents one of the major reasons for the discontinuance of the present facility and the construction of a new \$46,624,405 dollar hospital complex 2 miles east of the City of Pinckneyville. Because of the age of the document it does not reflect its current status. There are many recommendations that replacement or repair take place in a defined period of years, such as, for example 5 to 8 years and there is no supplemental reports provided to show that this occurred. There is no way to know the current status of the buildings. The report should have been updated or a new report prepared before being presented to the Illinois Health Facilities and Services Review Board for its staff evaluation of the systems and equipment discussed. This is not the fault of GRESHAM, SNITH AND PARTNERS as they were probably not asked to provide such information.

I feel that the Pinckneyville Community Hospital Board of Directors needed cost information in order to properly evaluate the alternatives available in such a large project in a small city with a residential population of 3300 and 2200 inmates in a correctional facility with their own health services. An example of such information being provided is the local high school; where their architect provided such information about the different building needs with cost projections so that informed decisions can be made based on cost comparisons. This comparative evaluation was not done at Pinckneyville Community Hospital.

Each of the pieces of equipment and systems required at the present site will also be required at the proposed site, so it should not be difficult to determine systems and equipment costs. Additionally, the life expectancy of the systems and the equipment will be the same. At the present site the equipment replacement requirements of the Medical Annex Building and the SIR Facility are not significant so they can be placed on the Master Plan replacement schedule

There are several examples of cost effective renovations, one of which is Herrin Hospital which had a larger, older hospital requiring renovation. This was done in two steps, one being the emergency services and the second one being the remainder of the hospital. The cost for each was, if memory serves me correctly, \$9 million dollars or a total of \$18 million dollars for renovation, well below \$46,624,405 dollars.

The second major renovation was in Hamilton County, where a District Hospital like ours required renovation in every department at a cost of \$27,000,000.

A twenty year loan of \$40,000,000 requires repayment of \$2 million annually or \$166,666.66 monthly which will cause the hospital to have some of the highest charges in Southern Illinois for health care services.

I have proposed a 30' x 180' three level attached addition south of the existing original building which would meet all current building requirements and would provide fifty to one hundred percent more space to the departments located on the three floors plus the renovation of the emergency room,. The systems and equipment that has been recommended would be utilized.

THE HOSPITAL BOARD CHOSE TO IGNORE THE FOLLOWING
SINCE 2003:

* Rising COSTS from \$21 million dollars, then to \$22 million, then to \$31 million and now to the current construction costs are \$33,697,000 which includes much new equipment, however, for the first time, mention is made of other costs such as architectural costs, financing costs and moving costs bringing the total to \$46,624,405.

*Loss of 800 well paying JOBS since 2002 when the MUMS factory started losing employees and closed in 2007 which will be replaced by 16 employees in 2010.

*Having an UNEMPLOYMENT RATE OF 12.7% one of the highest rates in the State of Illinois.

*Seeing that Perry County's budgeted health care COSTS rose from \$700,000 to actual \$1,000,000.

*Seeing that Perry County had to increase its real estate TAX by 13% largely because of health care cost increases and recently to issue tax anticipation loans and to have a long published list of delinquent taxes.

*Noticing that many Southern Illinois hospitals had to request FUNDS from a relief fund to which hospitals contributed; this included a large Regional hospital located in Marion near two Interstate Highways which required \$1,000,000, the largest amount in Southern Illinois.

*Recognizing that competing area hospitals located in DuQuoin, Sparta, Nashville and Murphysboro were fiscally conservative by LIMITING their EXPENDITURES to renovation projects only such as the expenditure of \$1.5 million at Sparta Community Hospital for the renovation of their emergency room, and to Marshall-Browning in DuQuoin which renovated their emergency room and constructed hospital facilities for a total of \$7.6 million, while the other two hospitals didn't have any renovation projects.

*Was aware that the only REGIONAL HOSPITALS located near two Interstate highways had built or were building new hospital facilities. They were located in Mt. Vernon and Marion.

^They ignored the fact that the critical access hospitals, the District hospitals and the other small hospitals were only RENOVATING their hospitals in Southern Illinois and not building new facilities.

*Recognized the fact that WAGES in Southern Illinois were 65% of the wages in Illinois

*Knew that the RECESSION in Perry County might last as long as thirteen years based on past experience when the coal mines closed due to environmental concerns about the environment.

*Were aware that the MEDICARE program on which they were relying for 50% of their future building funding will be paying out more than it is taking in by 2014 only four years away and it will require major revisions due to cost of the program.

*Knew that the State MEDICAID program was in serious trouble and is in arrears and in heavy debt.

Recognizes the fact that the nation's CREDIT CARD business which financed over 50% of their debt due to health care is being restructured with higher fees and less availability.

*Knows that hospital's bad debts are increasing because of the recession.

*Is aware that nationally hospitals are seriously cutting back on all construction projects; financing purchases and having serious collection problems and closing some hospital facilities.

*Knows that the United States is in a deep recession with continuing job losses which could continue for many years.

*Is aware that a number of small hospitals in Southern Illinois have closed due to the lack of community support and sufficient physicians to serve the patients.

*Knew that the full impact of the closure of the Skilled Care Unit with its 40 residents has not been felt due to lower admissions and less use of laboratory and other services.

*Knew that the full impact of Dr. Davidson's resignation has not been felt in significantly lower admissions and lower use of hospital services.

*Didn't know how many years it would take for Dr. Salva Bilal would require before her medical practice levels reached 100% from the present 50%.

*Didn't know if the hospital could recruit another physician and how long it would take for the doctor to come and whether he/she would be accepted by the community.

*Didn't know what the community's reaction will be to higher charges and increased taxes to finance the hospital's \$46,624,405 dollar construction program.

*Did not know what Dr. Robert Davidson's reaction would be to the planned closure of the Skilled Care Unit would be where he had many patients who were under his care for over a decade. He might have been very upset.

*Didn't know what the reaction of Dr. Davidson would be when all the patients, their families, visitors and Skilled Care staff were sobbing for weeks/

*Didn't know what Dr. Davidson's reaction would be when his second floor patients were quickly moved to third floor when vacancies occurred so that administration could quickly create more "administrative" space so that the 1965 building would appear to be "inefficient" compared to the new design. Dr. Davidson was a caring physician.

ATTACHMENT-12 ALTERNATIVES

12/19/2009

My conclusion is that there were a number of inaccurate statements in this Alternatives Evaluation Matrix.

- 3) Modernize Existing
 - 4) Master Plan analysis concluded this was nearly impossible – if possible, access constrained during renovation.
 - 5) This was repeatedly contradicted in the Detailed Infrastructure Analysis by GRESHAM, SMITH AND PARTNERS ATTACHMENT-9 REASONS FOR DISCONTINUANCE, PAGES 60 – 70. There are repeated statements throughout the document as to what would be required “if the facility undergoes major renovation”. Nowhere in the document are there statements recommending a new facility.
 - 6) Access would not be constrained during renovation. The Emergency Room could be temporarily be relocated to the area used by the Specialty Clinic in the 1976 building with these services temporarily using the former patient rooms on the second floor of the 1965 building. The 1976 building has a sloping rear entrance which is handicap accessible and is near the present ambulance and patient entrance. Use of this entrance would be only a minor inconvenience.
 - 7) The second possibility, as I have previously discussed is the construction of a 30’ x 180’ three level addition south of the 1965 original hospital which would meet all hospital codes. This would allow ground floor services to be moved temporarily during renovations to the emergency room and other services.
 - 8) The Herrin Hospital, a much older hospital located in a congested area underwent a similar renovation in two stages costing less than one half the cost of the proposed new hospital complex and met all the construction codes.
 - 9) The Master Plan conclusion was probably a policy decision by administration and the hospital board.
-
- 4) Phased On-Site Replacement. Current site is land-locked; adjacent sites are not available...access is constrained today and over time.
 - 5) This is not an accurate description of the current and future situation. The previous boards of directors have purchased five homes when they became available to improve parking and one large estate which provided a large parking lot to meet hospital demands. The owner of one large and one small house has discussed its sale for \$100,000; that space together with hospital space in back of it is equal to the space currently occupied by the 1965 hospital. With the closing of the hospital’s Skilled Care Unit and its 40 beds and its former 40-50 employees, visitors there is more than sufficient parking spaces available. If the parking area was properly designed more spaces could become available, furthermore, there is

a large estate owned by a retired senior hospital physician which might become available plus there is the option of a parking garage for employees. (The available house is now priced at \$90,000.) It must be remembered that the current site has been used for a hospital since 1951 or almost 60 years, and in two large surveys, 90% of the districts families who responded to the survey wanted the present conveniently located hospital to be modernized and remain where it is located. The proposed new location was a decision by a three person committee and approved by the board of directors with no community input. The present site is convenient to senior citizens who represent over 70% of all admissions as well as being major users of laboratory and other out-patient services; they also live within a ten block area of the hospital.

- 6) Quality would suffer if the hospital were relocated to a site two miles from the center of the community.

- 5) Merger / JV

No local hospital provider is available...Pinckneyville is an essential community provider, the existing hospital provides access. This is an oversimplification of reality. There was at least a five year joint discussion with the Marshall Browning and Pinckneyville boards of directors and administration about a possible merger as it was mutually determined that only one 25 bed Critical Access Hospital was needed in a county with a population of 22,000. Site studies were discussed, The talks broke down when the Pinckneyville board insisted on a site located 2 miles from the center of Pinckneyville despite DuQuoin being a more populous city. It must be remembered that a city of 3300 plus 2200 correctional facility inmates with their own health care system is fortunate in having one hospital and not two. The decision by the Pinckneyville board meant continuing higher health care costs for residents of Perry County than would have been possible otherwise. (See letter from William J. Huff, Chief Executive Officer Marshall Browning Hospital regarding duplication on pages 96-97.

Quality: Unknown, there is no local merger / JV partner. Answer not applicable.

- 6) Replace on New Site

Access improved through adequate parking and single level facility with multiple entrances.

The present, conveniently located facility near the intersection of two state highways is multi-level with three entrances and four exits. There are three elevators with provision for a fourth elevator. In my 22 years as administrator, I never received a complaint about lack of access.

Quality. Quality improves with new facilities and a healing environment embracing privacy and contemporary health care surroundings. This is debatable as some of the best hospitals in the nation have older buildings. Compassionate care with knowledgeable nurses, technicians and physicians are equally important. The Skilled Care residents were in small rooms in the original 1965 building, yet it was consistently rated as the best in the state.

Preferred Alternative: Replacement hospital on new site improves access.

Many of the elderly require laboratory and other tests on a routine basis and it is easy for them to access the present hospital when it is less than ten blocks from their home. The present patient rooms are large with big windows, controllable air and heating units, large television screens and modern beds. Patients have always been pleased with their surroundings.

Quality improves with replacement facilities. This is not provable.

End of page 115.

- 3) Modernizing Existing Continued.
- 4) Financial Benefits/ROI None – Investment in existing plant only :repairs: current deficiencies. Response: By following recommendations of the Detailed Infrastructure Analysis prepared by Gresham, Smith and Partners on pages 60-70, the present hospital can provide the same level regarding systems and equipment as the proposed hospital.
- 5) Project Cost. Approximately \$51.0 project cost, assuming a 4-year phased project with a 20% premium over new construction due to complex construction if modernization could be achieved. Response: These estimates are hard to believe as similar sized or larger hospitals have renovated their buildings at a fraction of this cost. They include Marshall Browning hospital which renovated their 1970s hospital at a cost of \$7.6 million and Sparta Community Hospital which renovated their emergency room at a cost of \$1.5 million or Herrin Hospital which renovated their old, large hospital at a cost of about \$18 million, It was done in two phases.

Phased On-site Replacement Continued

No-On site replacement is not feasible. Response: It is possible but not suggested by building on the land of the owner willing to sell and hospital owned property.

- 5) Merger / JV Continued. Marshall Browning has completed their renovation and the time has passed to gain the benefits of a merger

- 6) **Replace on New Site**
Highest...New facilities provide for contemporary operations and market growth. Response: This might be true in a large city setting where there are no defined borders, but in small cities there is community pride and cohesion and a desire to use their local facilities. Every one of the responding administrators stated that that a new hospital would not have any impact on them.. Additionally, Pinckneyville Community hospital has seen decreased admissions in the last two years despite heavy print and television advertising.

\$46.6 million project cost based on current estimates, Response: This is the third highest cost for a hospital in Southern Illinois in a community with a population of 3300 plus 2200 inmates in a correctional facility. The other two are Regional Hospitals located on or near two Interstate highways.

Preferred Alternative

Financial benefits,;short and long term, highest with replacement facility. Response: The impact of increased health care costs and increased real estate taxes will create a hardship for a city struggling with high unemployment and little likelihood of attracting growth industries for years to come.

Project Cost: Replacement hospital on a new campus is considered the least costly and most effective alternative. Response: If charges are higher than competition this will be an important factor in the coming decades.

ATTACHMENT 22 SERVICE RESTRICTIONS EXHIBIT 4
Pages 181-199

This series of letters reflects the community leaders views and those who are members of the Chamber of Commerce, but they do not reflect the views of the typical citizen and former patients or the views of the hospital's Medical staff, Nursing, staff or support staff.. The typical citizen is concerned about the financing of a new \$46.6 million dollar facility and the fear of losing it in a city of 3300 plus a correctional facility with its own health care system. They showed this concern in two separate surveys where each family in the Hospital District was given an opportunity to express their views. The views of these citizens were not included although they were provided to administration.

The suggestions of the Pinckneyville Ambulance service were a part of the plan which I submitted to the hospital board. This included extending the surgery elevator to the roof of the present building as was recommended by the State; modernizing the present emergency room by enlarging it to allow more patients and provide privacy. This was the course of action that was taken at the Sparta Community hospital when they remodeled their hospital; the same first step also occurred at Marshall Browning Hospital in Du Quoin when they completely remodeled their facility at a cost of \$7.6 million. This did not require a CON – Certificate of Need.

CATEGORY OF SEVICE ATTACHMENT – 24, page 210

Annual Occupancy based on 25 Medical/Surgical Beds:

In the Utilization Year 2006 without Swing Beds it was 31.7%; with Swing Beds it was 67.6%, meeting 60% guide lines.

In the Utilization Year 2007 without Swing Beds it was 26.9% with Swing Beds it was 53.5%, not meeting 60% guide lines.

In the Utilization Year 2008 without Swing Beds it was 23.6%. With Swing Beds it was 43.1% , again not meeting the 60% guide lines.

This illustrates the fact that the prospect of having a new \$46.6 million dollar hospital didn't prevent a decline in utilization.

END OF BOOK #1

In pages 230-302 there were numerous references to ATTACHMENT-9 REASONS FOR DISCONTINUANCE. (Pages 60-70 entitled DETAILED INFRASTRUCTURE ANALYSIS prepared by GERSHAM, SMITH AND PARTNERS, DATED April 1, 2003. I previously stated that this report is almost seven years old without any updates regarding the replacement of any of the systems or equipment determined to have exceeded their expected life span. There are no comparative cost estimates to make an informed by the hospital board. In numerous parts of the report "renovation" is mentioned and nowhere in the report is there a recommendation to build a new facility. The hospital's very experienced Maintenance Supervisor who has served two hospitals can extend the life of numerous systems and equipment beyond thier normal life expectancy, additionally a revised Master Plan can provide for systemic replacement. The hospital can also construct only a new Emergency Room because of the difficult economy like Sparta Community did for a cost of \$1.5 Million and what Marshall Browning hospital in Du Quoin did initially and then later constructed a new addition at a total cost of \$7.6 million rather than spending \$46.6 million as Pinckneyville is proposing in the least populous hospital service area.

The future growth in volume is questionable because of the sharp decrease that occurred in the years 2007 and 2008, when a 20 year senior physician reduced and then resigned from serving his patients in Pinckneyville Community hospital and started to admit and use the services of Washington County hospital in nearby Nashville, Illinois. The impact of his thousands of patients and there families will not be known for many years.

The newly employed physicians at the rural health clinic require an extended period of time before they gain full acceptance some times as long as five or more years. The present newly employed physician who started her employment in September 2009, Dr. Salva Bilal, who took over the patients of the preceding physician who was under a two year contract. Dr; Bilal, will soon begin a three month pregnancy leave and has only achieved a fifty percent (50%) appointment level after five months of extended print media advertising. The two physician's assistants, one of whom has been employed for ten years, often have no appointments.

The hospital's long time surgeon has retired and his retirement is not reflected in the statistics. The service is covered by surgeons from Memorial Hospital of Carbondale about 30 miles away. It is not known if patients would prefer to be admitted or seen by physicians and surgeons in Carbondale who would provide the monitoring of their continuing care.

The senior remaining physician has stated that he will retire at the end of his next contract period. This retirement would continue to put the hospital at risk There would be no native American physicians on the hospital medical staff. .

From this discussion, it can be seen that physician recruitment, retention and acceptance is a lengthy and tedious process and can have major financial consequences or the closing of a small rural hospital as has happened in some Southern Illinois communities. Please review the statistics on page 233 particularly the years 2007 and

2008 and how they relate to a declining use of the hospital and its services while being mindful of Perry County's economy. This concludes my review of pages 230-302

In its lengthy review of ATTACHMENT -75 FINANCIAL as prepared by our hospital, McGladrey & Pullen pages 310-461 has frequently provided cautionary notes regarding Health Care Reform and changing Medicare and other requirements often in a contradictory manner, which can materially affect financial forecasts and finances.

According to ATTACHMENT-62, page 232 PROJECT SERVICES UTILIZATION, EXHIBIT 1 (Bed Projections), Population Estimates show an increase in the 65+ age group of in the population or an increase of 16.09% while the 15-44 group changes only 87 or 0.92%, and the 45-64 group declines by -58 or -0.91%. This means that a dwindling number of the working age population is supporting the 65 age group through increased real estate taxes as many of the elderly have senior citizen benefits provided by State legislation, therefore, the impact of Medicare and governmental changes and regulations ill be much greater.

Please refer to page 312, ending paragraph of McGladrey & Pullen, letter which is quoted below:

"Legislation and regulation at all levels of government have affected and may continue to affect the revenue and expenses of the Hospital. Health care reform is is a subject great national debate, This debate may lead This debate may lead to a variety of changes giving an affect on the short-term and long-term operations and financial results of health care organizations. The scope of the elements under debate is is far-reaching and comprehensive. While the President and congressional leaders are committed to enacting health care reform, this commitment will require a significant amount of consensus. Consequentially, the composition of what will ultimately be enacted is is unknown. The financial forecast has been made considering legislation currently in effect. If new legislation related to the Hospital's services is subsequently enacted, this legislation could have a material effect on future operations."

In addition to the cautionary advice from McGladrey & Pullen regarding Health Care Reform and the debate over continuing escalation of costs and their warning that there could be many changes in regulations that could materially affect the hospital's revenue, the Illinois Health Facilities & Services Review Board should consider the following: There are only three primary care physicians on the staff of the Hospital, one of who will be going on a three month maternity leave in March which will leave only two to handle disasters or multiple accident victims which happens in rural communities:

That the recruitment of replacement physicians is a time consuming process often lasting one year;

That the acceptance of a newly recruited physician is a slow process taking six or more months before the appointment level is 50% and even the, as shown by Dr. Ghani who resigned at the end of her two year appointment period, only reached marginal Medical/Surgical and Swing Bed levels;

That the full impact of Dr. Robert Davidson's resignation has not been felt. Dr. Davidson admitted 242 Medical/Surgical patients or 36.8% of all patients; he admitted 216 Swing Bed patients or 38.89%. In 2008, Dr. Davidson admitted 70 or 47.62%. His impact would be the same on other services such as laboratory which has been forced to make major staffing reductions;

That there is a strong possibility that the remaining senior physician will retire at the end of his second appointment;

That the continuing growth of the 65+ age group at the rate of 16.03% or 664 patients in Perry County will mean more regulations to reduce national costs. This will probably occur on a bi-partisan basis;

That the current health care costs increases are unsustainable in Perry County, where the budgeted costs increased from \$700,000 to \$1,000,000 actual; this resulted in a 13% increase in the real estate tax.

That this meant a long list of delinquent taxpayers who will be losing their property if taxes are not paid;

That the County had to borrow money in January, at the beginning of their fiscal year on a tax anticipation warrant. The first installment on taxes isn't due until July;

That governmental employees are the largest employer group so that the tax burden will fall on every governmental unit as well as every employee; the increased charges will fall on every business owner as well as the self employed;

That the unemployment rate in Perry County is 12.7%, one of the highest in the state;

That Perry County, as well as some surrounding counties are listed on the Poverty Warning list;

That wages in Southern Illinois are 65% of State-wide wages;

That Pinckneyville's high school built in 1933 is in the process of being rebuilt through a bond issue which requires repayment;

That Pinckneyville started losing a major industrial plant which employed 800 in 2002, finally closing in 2007 with a replacement manufacturer employing only 16;

That there is a major highway bi-pass in the advanced planning stages whose impact on the commerce in Pinckneyville is unknown;

That the sales tax revenue for Pinckneyville is 1/12 of that which surrounding cities of Sparta and Du Quoin receive because it doesn't have a new car dealership; because it doesn't have a Wal-Mart or a large shopping center;

That the only growth in population in Pinckneyville according to "old-timers" in the last eighty years has been through annexation;

That the Pinckneyville Community Hospitals service area is the smallest of any of the surrounding hospitals;

That despite heavy media advertising it has not had any affect on Medical/Surgical admissions; Swing Bed Admission; physician recruitment; specialty services;

That competing hospitals do not expect any impact by the construction of a new facility'

That there will be monthly payments on the 40 million dollar loan of \$166,666,667 of which Medicare will reimburse 50% if everything goes as planned; this will be passed on to the consumers of health care services.

I believe there are other options which will serve the needs of the Hospital District during these difficult recession times which I will describe below:

Relocate the Emergency Room to the space now occupied By the Specialty clinics and heart monitoring and patient rehabilitation/ This location will provide convenient temporary access through a ramp with a short distance from the existing emergency room

entrance; it has waiting rooms to meet with family members and to gather information; construction can begin immediately as it does not require a Certificate of Need; The Specialty clinics and other services can be relocated to the second floor of the 1965 building where there are now recently relocated administrative offices. Once this renovation has occurred, the emergency room can be returned to its former location.

The building of a new Emergency Room was the first priority of both Sparta Hospital and Marshall Browning Hospital which was accomplished by an expenditure of \$1.5 million dollars each.

The next priority could be, for example, minor renovations to the 1976 building such as converting many of the semi-private rooms to private rooms to ensure privacy, installing a two-way nurses call system and other suggested up-grades. This type of renovation was accomplished by the maintenance staff at Memorial Hospital of Carbondale, a larger Regional Hospital; it also included the reinforcement of walls;

The next phase would be a two level 30" x 180" matching brick addition to the South of the 1965 building which would be self contained during construction and would meet all codes. This addition would provide 50% to 100% more space to a number of departments and services so that they will meet recommendations.

Other priorities: Extending the surgical elevator to the roof of the 1965 building as recommended by the State; replacing iron pipes; installing recommended sprinklers and oxygen systems;

The Maintenance supervisor shall review the system improvements required by State agencies and have these be included in the construction contract. He shall prepare a multi-year replacement plan for other less urgent systems and equipment replacement; replacement of systems and equipment was neglected by current administrations/boards of directors and prior administrations/boards of directors for a number of years;

Based on construction renovations in Southern Illinois, these costs should be reasonable. For example, Herrin Hospital, located in a much larger community with a compact residential and business area completed their renovation in two stages with each stage costing \$9 million or a total of \$18 million. Marshall Browning completed their 1970s renovation and new construction project at a cost of \$7.6 million.

The only new construction of a hospital in Southern Illinois was in Marion and the current building in Mt. Vernon where both facilities are located near the intersection of two Interstate Highways. Both hospitals are large Regional Hospital serving growing populations. The Marion facility is experiencing financial problems requiring funding of \$1 million dollars from a mutual aid fund.

Rural small hospitals in Southern Illinois have always made conservative renovation decisions as seen in the numerous projects.

The auditor has stated in his review of the hospital's projections that no provision was made for possible legislative changes which reflect on health care. Health care represents 1/6 of the nations economy and the only sector that is growing. With Medicare and Medicaid in a fragile condition it is unrealistic not to expect major changes. Already there have been proposals for a bi-partisan commission to come up with a plan; it received 53 votes. With a growth of the baby-boomers, costs will have to rise, additionally, the health care outcome compare unfavorably with almost all major foreign countries;.

The hospital is currently experiencing financial stress, being unable to further reduce employment level according to discussion at board meetings and having to look at other sources for further reductions. This search will be limited as big ticket items such as heat, light and power are required; medical supplies are necessary, etc. Major staffing reductions have been made in laboratory staffing as well as in other areas. All of this is happening BEFORE construction begins with all its delays and changes.

In conclusion, I believe as do the vast majority of the ordinary citizens believe, that the present, conveniently located hospital meets the medical needs of the community at an affordable cost. We are a small city of 3300 with 2200 correctional facility employees with their own health system and are fortunate to have a hospital.

We would like to suggest that Illinois Health Facilities & Services Review Board deny a Certificate of Need (CON) for the Pinckneyville Community Hospital to build a \$46,624,405 hospital complex and seek a lower cost solution such as the renovation of the existing facility.

Respectfully yours,

George W. Ranta, MS MPA



Shirley Welch, Realtor

RECEIVED

FEB 08 2010

Mrs. H. H. Chapman
305 E. Randolph St.

Pinckneyville, Illinois 62274

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Feb 4, 2010

Ms Courtney Avery, Chairperson

As a retired citizen of Pinckneyville, Ill., I would like to voice a formal complaint against the building of a new hospital in our district.

We simply cannot afford such a costly project. The Administrator and Board have been a bit secretive with the figures. They had to sell off all of the profitable areas that were making money for the hospital and there has not been a profit since.

We resent the way this has all been presented. We had to give up our very much needed skilled care units in our depressed area.

Please listen to our thoughts and help this nightmare go away.
Lizak Chapman

09-068

DOUGLAS E. BISHOP, P.E., P.L.S.

PERRY COUNTY ENGINEER

7779 CITY LAKE ROAD

DU QUOIN, ILLINOIS 62832

FEBRUARY 6, 2010

MR. GEORGE ROATE

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

DIVISION OF HEALTH SYSTEMS DEVELOPMENT

525 WEST JEFFERSON STREET

SPRINGFIELD, ILLINOIS 62761

RECEIVED

FEB 09 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: HEARING COMMENTS FOR FEBRUARY 4, 2010 PINCKNEYVILLE HOSPITAL HEARING

DEAR MR. ROATE,

By way of this letter, I am forwarding my comments regarding the above referenced hearing. It was my intention to attend said hearing and present the attached comments in person, but I have been ill this week.

First, I will give you a little background on myself. I am a Registered Professional Engineer in the State of Illinois, and have been County Engineer for Perry County for 10 years. I have lived in Perry County my whole life. I have not been affected by any of the happenings surrounding the Pinckneyville Hospital nor can I be, as I do not live in the taxing district. However, I work in Pinckneyville 5-6 days a week and have contact with a lot of people from the District and have kept abreast of the situation – as it has been the cause for much discussion and community dissatisfaction for the last several months.

I am attempting by way of this letter to offer you a considered and unbiased opinion as to my take on the general public's feelings concerning a new hospital. The Department of Public Health needs to be aware that the vast majority of District citizens are not in favor of the new hospital. This is because of the closing of the Skilled Care Unit at the hospital. Whether or not the closing was the fiscally responsible thing to do – it was certainly not in keeping with the majority of the public's wishes. The manner in which this closing was handled has alienated many of the former clients of the hospital. Mr. Hudgens – the administrator – sold the closing to the Hospital Board as a measure that would put the hospital in the black. He has been proven wrong. The hospital lost approximately \$ 90,000.00 last Fiscal Year.

Concrete evidence of the general dismay of the public towards the hospital is seen in the overwhelming majority vote on a non-binding referendum in which about 85% voted in favor of keeping the skilled care unit, and the number of unhappy citizens who attended a December 2008 County Board meeting (I was present). A large majority of the public at said meeting wanted the County Board to remove the 3 Hospital Board members up for reappointment and replace them with new members who would listen to the desires of the public. The County Board reached a split decision 2-1 on this matter after about an hour's discussion and reappointed the same members to the great dismay of most of the public.

The Department of Public Health also needs to be aware that some of the impetus for the new hospital is the personal benefit that a few of the people supporting the new hospital stand to receive. It is my understanding that there are some people ready to purchase many of the tax free bonds to be put up for the construction of the new hospital. While there is nothing wrong with this scenario on the surface, it appears to me that some things may have been manipulated to insure that a new hospital is built. I think it is a real shame when public policy decisions are made in order that a few well connected people benefit - at the expense of the general public.

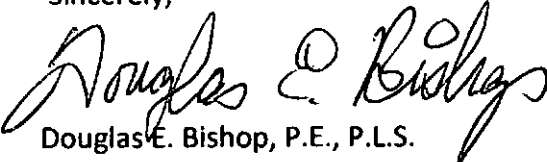
Another point the Department needs to be aware of is the financial status of most of the taxing district's citizens. Many people are unemployed in the district and a large percentage are retired people on fixed income. After discussion with a couple of the hospital boards members, I learned what the possible effects on the public could be from the new hospital. I learned that the Board has been told that if revenues did not cover the construction bond costs – that HUD would come in to the City and mandate the amount of tax increase that would be placed on the public. I was told that the District taxes could go up as much as 10 to 11 fold. Thus an average person paying a District tax of \$ 75.00 per year could see their taxes go up to \$ 750 - \$ 800

dollars per year. If this were to happen – many people would be put into dire financial straits by said increase.

I also believe the Department needs to consider the results recently seen in Galena, Illinois(see attached newspaper articles). Galena appears to me to be a mirror image of Pinckneyville demographically. As the articles state, the new hospital there has had to lay off several people and is currently for sale. Experience is the best teacher in my book, and the recent experience in Galena could easily be repeated in Pinckneyville. That would be a shame for the general public.

Considering the facts that the hospital is not currently profitable – the county economy is not good and appears to be getting worse instead of better – there are several other hospitals within 30 miles of the city (one practically new one in Du Quoin – just 12 miles away – and already mostly paid for) – the recent experience in Galena, Illinois – and the fact that most of the public is not in favor of a new hospital presently - it would appear to me that spending \$ 40 million dollars on a new hospital in Pinckneyville would be a very risky venture for the citizens of the taxing district. I feel that the Department needs to consider these matters very seriously before approving a certificate of need for said new hospital. I thank you for the opportunity to share my views with you on this matter.

Sincerely,



Douglas E. Bishop, P.E., P.L.S.



Tuesday, December 16, 2008

Hospital cuts

Conditions force Midwest Medical Center to lay off five percent of workforce

by Jay Dickerson

Tuesday, December 16, 2008



Midwest Medical Center CEO Jeff Hill addresses the CDFG Tuesday, Dec. 2.

economic storm. Cutbacks include

A year after its grand opening, Midwest Medical Center announced a reduction in its workforce.

"The economy has hurt us," explained CEO Jeff Hill during the CDFG meeting Tuesday, Dec. 2. As the economy has steadily declined in the past year, costs like food and rent increase, and people's health care needs take a back seat. Oftentimes, people will put off elective surgeries. Operational costs have increased for the hospital as well.

Those fiscal realities combine with another issue: Medicaid reimbursement. "Medicaid owes us \$1.4 million," Hill said during the CDFG meeting. And Medicaid, Hill said, is paying less than the cost of the service.

The number of positions reduced total about five percent of the organization's workforce.

Last week, Hill said, "Unfortunately, we, like many other hospitals around the country, have been adversely impacted by our troubled economy. The workforce reduction was necessary to assure adequate financial performance in the face of the rapidly changing healthcare climate. This decision was reached after exhaustive analysis of revenue challenges the organization has experienced. The positions eliminated will not impact patient care."

The cuts are part of a growing trend. According to a study conducted by the American Hospital Association and based on results from a survey of 736 hospitals in 30 states released on Nov. 19, the financial stress is forcing hospitals to make or consider making cutbacks to weather the economic storm. Cutbacks include reducing administrative costs (60 percent), reducing staff (53 percent) and reducing services (27 percent).

According to U.S. employment figures, it is reported that hospitals across the country have laid off close to 1,500 employees from late October to date, contributing to the country's highest unemployment rate since 1994.

Hill said that the national picture has hit close to home. "While we continue to stay focused on our long-term plan to expand and enhance services including the recruitment of additional physicians aligned with our organization. Our board of directors and leadership team continues to do what is necessary to ensure our short-term viability during a time when the economic challenges are greater than any other time in recent history," said Hill.

The 25-bed, Critical Access Care hospital Midwest Medical Center opened in December 2007. The previous facility houses the Senior Care Community, a 57-bed nursing home.

During the CDFG meeting, Hill said he had positive news to announce. The fitness center continues to grow. "Our clinic has grown phenomenally." In the past year, the clinic has seen 8,000 visits.

The emergency room continues to be staffed by board-certified emergency physicians. The hospital also continues to offer its diagnostic services, including full service labs and radiology.



Monday, October 26, 2009

Motions filed in former hospital CEO suit

Hospital makes offer to Hill, but hospital's bond holders do not approve

by Jay Dickerson

Monday, October 26, 2009

GALENA-The end might be in sight in former Midwest Medical Center CEO Jeff Hill's suit against the hospital, as motions continue to be filed on both sides.

When he filed in Jo Daviess Circuit Court in April, Hill originally asked for \$225,926.96, claiming the hospital breached its employment agreement when the hospital fired him in January. The hospital's attorney contends that Hill failed to accurately advise the board of critical financial information, and directed other employees to misrepresent the status of financial reports, "to conceal the dire financial picture that Midwest Medical Center was facing under (his) leadership."

Hill signed an employment agreement with the hospital board in May 2008. According to the contract, if Hill is fired, he will still receive "his then monthly salary for the month in which his duties were terminated and for twelve (12) consecutive months thereafter as an agreed upon severance payment."

Hill's lawyer, Troy Haggstad of WilliamsMcCarthy, LLP of Rockford, filed a motion to enforce settlement agreement. The motion states that on Sept. 3, the hospital's lawyer contacted, "and offered to settle the case for payment of \$224,000, subject to formal approval of said offer by Midwest's Board of Directors."

The motion further states that on Sept. 10, Hill's counsel accepted the offer, to be paid over 10 months, with the first payment of \$30,000 due Oct. 1. "Midwest's counsel indicated that the settlement offer had been approved by Midwest's Board, and that the Board had also approved a draft of the written settlement agreement."

According to the motion, on Sept. 25, the hospital's lawyer then contacted Haggstad. The hospital's bond holders did not approve the settlement offer.

"Given that Midwest's board authorized the settlement offer that Mr. Hill accepted, and further approved the written settlement agreement, the settlement should be enforced, and should not depend on the approval of a third party creditor of Midwest," Haggstad wrote.

During a progress call last week, Judge Kevin Ward ruled that the hospital has until Nov. 5 to respond to the motion, and Haggstad has until Nov. 12 to file a reply brief. Ward will hear oral arguments for both motions on Friday, Nov. 20 at 11 a.m.

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Thursday, December 10, 2009

Settlement reached

Hospital, former CEO come to agreement

by Jay Dickerson

Thursday, December 10, 2009

GALENA-Former Midwest Medical Center CEO Kurt Jeff Hill has settled his suit against the hospital outside of court, for an undisclosed amount.

According to documents filed in Jo Daviess Circuit Court on Wednesday, Nov. 18, both plaintiff Hill and defendant, Midwest Medical Center, "agree and stipulate to the dismissal of the above cause of action, with prejudice."

Hill originally asked for \$225,926.96, claiming the Midwest Medical Center breached its employment agreement when the hospital fired him in January.

The hospital's attorney contended that Hill failed to accurately advise the board of critical financial information, and directed other employees to misrepresent the status of financial reports, "to conceal the dire financial picture that Midwest Medical Center was facing under (his) leadership."

Hill signed an employment agreement with the hospital board in May 2008. According to the contract, if Hill is fired, he will still receive "his then monthly salary for the month in which his duties were terminated and for twelve (12) consecutive months thereafter as an agreed upon severance payment."

According to the employment agreement, Hill would not receive any severance reimbursement if he "has been convicted of any felony criminal offense or any misdemeanor criminal offense related to substance abuse or the operation of the hospital."

In court documents filed in April, Hill's lawyer countered that, "At no time has Hill ever been convicted of any felony criminal offense or any misdemeanor criminal offense related to substance abuse or to the operation of the hospital."

A lawyer for Midwest Medical Center offered in September to settle with Hill's attorney for \$224,000. However, by the end of the month, according to court documents, the hospital's bond holders did not approve the offer.

Hill's attorney, Troy Haggstad of WilliamsMcCarthy, LLP of Rockford, filed a motion to enforce settlement agreement, which was scheduled to go before Judge Kevin Ward Friday, Nov. 20. The out-of-court settlement was reached before then.

A hospital official explained they could not go into the details of the settlement.

A call to Hill last week was not returned to The Gazette.

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January 20, 2010

6/16/2009 1:55:00 PM

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New owners for Midwest Medical Center?

Officials sign letter of Intent with Regent
GALENA-Midwest Medical Center (MMC) has signed a letter of intent to explore the sale of the hospital and its assets to Regent Surgical Health (Regent) based in Westchester. Regent is a for-profit physician-owned surgery center and physician-owned hospital developer and manager.



In addition to acquiring underperforming ambulatory surgery centers and physician-owned hospitals, Regent turns single specialty ambulatory surgery centers into multi-specialty, larger entities. Regent also has a proven record with orthopedic centers and spine center development and enhancement.

In the letter of intent, Regent and MMC agree to evaluate the feasibility of the acquisition of all or substantially all of the assets of MMC including the hospital, health clinic and senior care operations. During this phase of the relationship, both parties are specifically determining whether the hospital and nursing home licenses can be transferred to a new owner, how the sale will, if at all, impact the hospital's Critical Access designation, and the necessary requirements for the state's certificate of need process.

MMC and Regent have agreed to remain in an exclusive and confidential discussion for 90 days, during which time no additional queries or offers will be considered from other interested parties. A sale price or specific details pertaining to the future operations and staff have not been determined.

"Through this process, our board members have been focused on securing interest from a buyer with a desire to maintain our community hospital, grow services and retain our team of dedicated providers and staff members," says CEO Mary Sheahan. "We feel very positive about developments with Regent."

Regent operates, and has ownership interest in, 15 surgery centers and hospitals around the country. "We are excited about the opportunity to partner with the Galena medical community in building a center of excellence of healthcare in Galena," says Tom Mallon, Regent CEO. "Our physician ownership model produces high quality care at low cost. We aim to be a significant community asset for many years."

Due to the nature of the agreement with Regent, MMC will disclose additional details when permissible.

Hospital officials strongly reiterate to the community that Midwest Medical Center, its emergency department, Midwest Health Clinic and all outpatient services including imaging, physical therapy, laboratory, the fitness center and all senior care programs are fully operational with no plans for interruption of any services.

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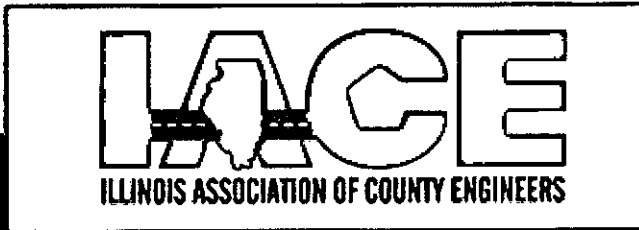


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COUNTIES

JoDaviess County

District: 2
 County Engineer: Stephen R. Keeffer
 Appointment Date: 3/15/1995
 Address: 791 U.S. Route 20 West
 Elizabeth, IL 61028
 Telephone: (815) 858-2437
 Fax: (815) 858-2439
 Email: skeeffer@jodaviess.org

Engineer Bio:

Steve received his B.S. in Civil Engineering from the University of Wisconsin-Platteville in 1989. He worked for J.F. Gastel and Associates in Freeport and then IIW Engineers and Surveyors in Dubuque, IA. He was employed by Jo Daviess County in 1992 as the Assistant County Engineer, until appointed as County Engineer in 1995.

County Background:

Established on February 17, 1827, JoDaviess County once encompassed the entire northwest part of the State of Illinois. The County is named after Joseph Hamilton Daviess, a prominent lawyer of Kentucky, United States District Attorney, and Major of militia; killed at the battle of Tippecanoe, 1811

County Population: 22188
 Land Area (Sq. Miles): 614
 Assessed Valuation: 452796490
 State Highway Mileage: 93
 County Highway Mileage: 186
 Township Highway Mileage: 717
 Municipal Highway Mileage: 94
 County Seat: Galena
 State House District(s): 74
 State Senate District(s): 37

Perry Co.

23,000

150,000,000

STATEMENT FOR PINCKNEYVILLE HOSPITAL HEARING FEBRUARY 4, 2010

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO OFFER MY THOUGHTS INTO THIS HEARING RECORD AS A CONCERNED CITIZEN OF PERRY COUNTY. I FEEL THAT I AM IN A SOMEWHAT UNIQUE POSITION, AS I WORK IN PINCKNEYVILLE EVERY DAY, HAVE DAILY CONTACT WITH PEOPLE FROM THE CITY, BUT I AM NOT NOR CAN I BE AFFECTED BY THE POSSIBLE FINANCIAL IMPLICATIONS OF THIS MATTER NOR HAVE I HAD ANYONE CLOSE TO ME AFFECTED BY THE HAPPENINGS OF THE PAST MONTHS. THUS I THINK I CAN OFFER AN UNBIASED OPINION AS TO WHAT I SEE HAPPENING REGARDING A NEW HOSPITAL.

FIRST OFF, I THINK THE PUBLIC NEEDS TO COMMEND THE HOSPITAL BOARD MEMBERS, AS THEY HAVE WORKED TIRELESSLY IN THEIR EFFORT TO IMPROVE THE HOSPITAL IN SPITE OF LONG ODDS AND IN THE FACE OF MUCH OPPOSITION. I DON'T THINK ANYONE CAN QUESTION THEIR LOYALTY TO THE HOSPITAL. I FEEL THAT DIFFERENCES OF OPINION SHOULD NEVER LEAD TO PERSONAL ATTACKS – AS I KNOW WHAT THOSE ARE LIKE – I DEAL WITH THEM IN MY JOB ON A WEEKLY BASIS. THUS I THINK EVERYONE SHOULD KEEP THIS IN MIND.

THAT HAVING BEEN SAID, SECONDLY I WOULD LIKE TO OFFER FOR CONSIDERATION SOME INFORMATION THAT I FEEL IS RELEVANT IN REGARDS TO A NEW HOSPITAL. I HAVE WITH ME ABOUT 30 COPIES OF NEWSPAPER ARTICLES CONCERNING A CITY IN NORTHWESTERN ILLINOIS WHICH APPEARS TO ME TO BE A MIRROR IMAGE OF WHAT IS HAPPENING HERE. THE ARTICLES DISCUSS THE TOWN OF GALENA IN JO DAVIESS COUNTY IN THE NORTHWEST CORNER OF ILLINOIS. IT IS A TOWN OF ABOUT 3500 PEOPLE IN A COUNTY OF 22, 000 PEOPLE. IT IS A SMALL MOSTLY RURAL COUNTY AND SITS ABOUT 20 MILES EAST OF DUBUQUE, IOWA AND ABOUT 45 MILES WEST OF FREEPORT, ILLINOIS AND ABOUT 80 MILES WEST OF ROCKFORD, ILLINOIS. THE COUNTY HAS AN EQUALIZED ASSESSED VALUATION OF 453 MILLION DOLLARS OR ABOUT 3 TIMES THAT OF PERRY COUNTY. FARMING IS THE LARGEST EMPLOYER IN THE COUNTY. THUS THE DEMOGRAPHICS OF GALENA AND PINCKNEYVILLE APPEAR TO BE VERY SIMILAR.

TO SUMMARIZE THE GUTS OF THE ARTICLES, GALENA BUILT A NEW 40 MILLION DOLLAR CRITICAL CARE ONLY HOSPITAL WHICH WAS COMPLETED IN 2007 WITH 25 BEDS (THIS INFO WAS ACQUIRED FROM ANOTHER SOURCE THAN THE NEWSPAPER). THE ARTICLES STATE THAT 1 YEAR AFTER THE GRAND OPENING THEY HAVE HAD TO REDUCE THEIR WORK FORCE TO KEEP OPERATING AND THAT THE HOSPITAL AS OF JUNE 2009 WAS FOR SALE. I WOULD STRONGLY SUGGEST THE HOSPITAL BOARD REVIEW THIS INFORMATION IN DETAIL FOR IN MY OPINION EXPERIENCE IS THE BEST TEACHER. THE FACT THAT A TOWN NEARLY IDENTICAL TO PINCKNEYVILLE JUST WENT THROUGH THE SAME PROCESS

WITH NOT GOOD RESULTS SHOULD GIVE THE HOSPITAL BOARD PAUSE BEFORE EMBARKING ON CONSTRUCTION.

THIRD, I WOULD LIKE TO STATE FOR THE RECORD THAT ONE THING THE HOSPITAL BOARD IS UNDERESTIMATING IS THE DEPTH OF THE RESENTMENT TOWARDS THE HOSPITAL OVER THE SKILLED CARE CLOSING. I AM NOT IN A POSITION TO SAY WHETHER OR NOT THE CLOSING WAS NEEDED OR JUSTIFIED – I HAVE NO BASIS FOR FORMING AN EDUCATED OPINION ON THAT MATTER. THAT MAY WELL HAVE BEEN THE ONLY CHOICE AVAILABLE. I AM HOWEVER ABLE TO STATE WITH SOME CERTAINTY THAT THE WAY IN WHICH THIS MATTER WAS HANDLED WAS NOT IN KEEPING WITH THE WISHES OF THE VAST MAJORITY OF THE LOCAL CITIZENS. WHETHER THE BOARD WANTS TO BELIEVE IT OR NOT, THERE IS A SIGNIFICANT PORTION OF THE HOSPITAL CLIENT BASE THAT IS SO UPSET WITH THE SKILLED CARE CLOSING AND THE CONSEQUENCES THEREOF THAT THEY AND THEIR FAMILIES WILL NEVER USE THE HOSPITAL FACILITIES AGAIN – EITHER IN THE CURRENT LOCATION OR THE NEW ONE PROPOSED EAST OF TOWN. THE FIELD OF DREAMS CONCEPT WILL NOT WORK FOR THEM – JUST BECAUSE YOU BUILD IT DOES NOT MEAN THAT THEY WILL COME BACK TO USE EITHER OF SAID FACILITIES. THIS VERY MUCH NEEDS TO BE FACTORED IN TO THE BOARD'S MARKETING STUDIES.

LASTLY, THE PUBLIC NEEDS TO BE MADE AWARE OF WHAT WOULD HAPPEN IF THE REVENUE FROM THE NEW HOSPITAL IS NOT ABLE TO COVER THE NEW CONSTRUCTION COST AND ITS DEBT SERVICE. IT IS MY UNDERSTANDING THAT LAST FISCAL YEAR THE HOSPITAL LOST MONEY. AT A MINIMUM, THE NEW HOSPITAL WILL REQUIRE AN ADDITIONAL \$ 1,500,000.00 PROFIT PER FISCAL YEAR IN NEW REVENUE TO COVER THE NEW COSTS. IN TODAY'S ECONOMIC CLIMATE IN PERRY COUNTY I CAN SEE NO WAY THAT A NEW HOSPITAL WILL GENERATE THIS MUCH ADDITIONAL REVENUE, WITH MORE PEOPLE UNEMPLOYED AND PEOPLE'S PERSONAL FINANCES GETTING WORSE INSTEAD OF BETTER. THE NEW PENNY SYNDROME WILL NOT WORK IN PERRY COUNTY – ESPECIALLY NOT WITH A BASICALLY NEW HOSPITAL ALREADY IN PLACE AND MOSTLY PAID FOR IN DU QUOIN. IF SUFFICIENT FUNDS DO NOT COME IN TO COVER THE BONDING COSTS - THE FEDERAL GOVERNMENT – HUD – WILL COME IN – TAKE OVER HOSPITAL OPERATIONS – AND THEY WILL MANDATE THE TAX INCREASES TO BE PUT ON EVERYONE IN THE HOSPITAL DISTRICT. NO ONE IN THE COUNTY WILL HAVE ANY SAY AS TO THIS TAX INCREASE – YOU WILL BE AT THE MERCY OF THE FEDERAL GOVERNMENT. GIVEN THE CURRENT HAPPENINGS IN WASHINGTON, D.C. – THAT IS A SCARY SCENARIO TO ME.

TAKING ALL OF THE ABOVE INTO CONSIDERATION, I BELIEVE IT WOULD BE PRUDENT FOR THE HOSPITAL BOARD TO TAKE A STEP BACK AND LOOK AT THESE POINTS THAT I HAVE HIGHLIGHTED BEFORE THEY GET TO THE POINT OF NO RETURN ON THIS PROJECT. JUST BECAUSE THERE IS A READY MARKET FOR THE BONDS ON THIS PROJECT DOES NOT MEAN THAT IT WILL BE SUCCESSFUL. I BELIEVE THAT A MAJORITY OF THE CITIZENS OF THE HOSPITAL DISTRICT ARE OPPOSED TO THE CONSTRUCTION IN ITS CURRENT PROPOSED FORM. NO PUBLIC VENTURE OF THIS TYPE CAN BE SUCCESSFUL IF A LARGE

MAJORITY IS NOT ACTIVELY WORKING FOR ITS GOING FORWARD. I ASK THAT YOU PLEASE CONSIDER THESE THOUGHTS BEFORE PROCEEDING. I THANK YOU FOR ALLOWING ME TO GIVE MY OPINION.

To whom it may concern:

I am against the new hospital in Pinckneyville IL. With all the larger hospitals within 30 miles, Carbondale, and Marion, it is stupid to think someone will come to Pinckneyville because we have a new hospital. The board is hell-bent on this new hospital and are not listening to the taxpayers. WE are the ones that eventually pay for this mistake. We have no doctors, no specialists, other than the ones that come in for the specialty clinics once weekly. IF we go there in an emergency, we get shipped to a bigger hospital. If you ask anyone in Pinckneyville, they call it a "bandaid station". I urge you, to think of the taxpayers, and turn the hospital board down on this new hospital. If we want to go to a better hospital, we will go to Carbondale, or Marion or St. Louis. Pinckneyville hospital is just a JOKE anymore. Mr Hudgens is a joke too! Shutting down our Skilled Care was a huge mistake also.

Sincerely,

*Diana Baudson,
Pinckneyville Taxpayer*

RECEIVED

FEB 10 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

RECEIVED

09-068

FEB 10 2010

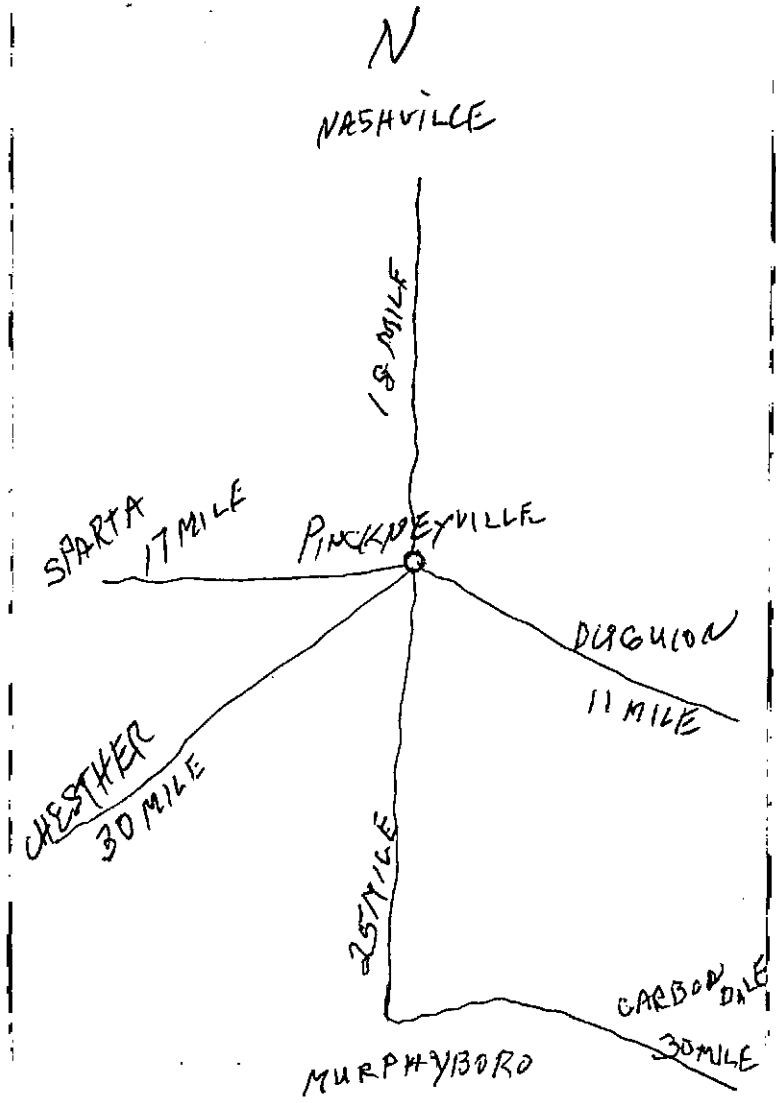
HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear Sir

I would like to comment on the new hospital that a few people think we need which I oppose for these reasons. our town is a nice small town but it has no business to get people to move here. 2 large coal mines have closed, many record have closed and people have moved to other towns. Du Quoin has just re built their hospital and we count ofered 2 in the same county. almost every patient that goes into our hospital will get sent to one of the other ones because we dont have the ~~do~~ doctors to treat them. Our hospital only has 5-10 patients at a time and there is no way to pay for a \$46,000,000 dollar new one. they said they would take out a loan of 40 million dollars at 5% interest. with that kind of dept they will need 2 or 3 good doctors & 50-60 patients. I farm for a living and you dont spend 400 thousand dollars for a combine if you only farm 50 acres. a car dealer doesnt have a big business unless he has some machines. about 6 years ago I broke a bone in my right leg and I went to the Pucheyville hospital and guess what they sent me out of town to have it fixed. we have a few people that want a new one but dont consider how to pay for it. Please consider these reasons with 6 hospitals less than 30 miles away

Thank You.

Delbert B. Bowers



Feb. 10, 2010

Ms. Courtney Avery, Chairperson
IL. Health Facilities and Services Review Board
525 West Jefferson St. (2nd Floor)
Springfield, IL. 62761

RECEIVED

FEB 11 2010

CERTIFICATE OF NEED..Project 09-068

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

I am writing concerning the February 4, 2010 Pinckneyville Hospital Hearing and the hearing comments. I am enclosing several newspaper articles about the meeting and trust that you will take time to read them.

My comments on the one titled..VISION OR MISTAKE?.....

- #1. All those speaking are area residents..Tax payers.
- #2. People listing in favor of new hospital....2 were hospital board members. One.. PCH Administrator, 5 were men who have done studies and work for the PCH and will continue to be paid by the hospital.1person invests in buying Bonds and etc.
- #3. Mr George Ranta was at the meeting but did not read his letter.
- #4. Mr. Webber has served on a previous Hospital Board for 3 years.
- \$5. I am Shirley Welsch owner of a business in town for 27 years and attend Hospital board meetings and take notes.
- #6. The construction people and jobs will not be local workers and when the building is finished.. they will be long gone and leaving the costs & loan repayments to the hospital and local citizens.
- #7. Why do we need a new faculties and bigger rooms and etc. when as stated the outpatients services (85%) will only see the doctor then leave or go for treatment somewhere else. No in bed services needed.
- # 8. Medicare reimbursement pays at least 6 months in the rear. Who and how payments are made in the meanwhile?
- #9. Mr. Engelhart...previous CEO with Peabody Coal Company. Likes to invest money in tax free bonds . Mostly resides in ST. Louis MO.
- #10. Many people at the hearing choose not to speak but will be mailing in comments to the board at a later date.

As to the newspaper article...Community Members Speak For and Against new Hospital, a person just needs to study the facts presented.

I am also enclosing some information taken from the internet about the Galena Hospital. Something has went wrong there and it makes one wonder if the same thing could happen to the Pinckneyville Hospital.

Thanking you in advance for your time,

Shirley Welsch



Both supporters and opponents of a new Pinckneyville Community Hospital, townspeople and those about to testify at Thursday's hearing on the need for a new hospital fill the seating at the Pinckneyville Jr. High Gymnasium.

KATHY KOPSHEVER PHOTO

Vision or Mistake?

Two Hours of Testimony on Pinckneyville Hospital Plan

BY KATHY KOPSHEVER
DUQUOIN@VERIZON.NET

While some bitterness remains over the closing of the Skilled Care Unit at Pinckneyville Community Hospital, the majority of those who spoke out against building a new hospital at the corner of White Walnut and Route 154, cited financial concerns about the project.

There were 15 speakers at the public hearing held Thursday in the Junior High gymnasium. Six opposed the project and nine spoke in favor of it.

1. Those opposed were: George Ranta, Ann Denman, Eric Lambert, Helen Schafer, Bill Webber and Shirley Welsch, all local residents.

2. Those in favor were Hospital Board President John Shotton, board member Dr. Bill Roe, PCH Administrator Tom Hudgins, Ed Parkhurst, Randy Reagan, Brent Hughes, Glen Meyers, Tim King and Irl Engelhardt.

Testimony alternated between pro-construction and anti-construction.

3. Hudgins read a statement from Shotton into the record. Shotton was unable to attend the meeting. Likewise, Flossine Schrader read a statement on behalf of former PCH Administrator George Ranta, who did not attend the meeting.

Ranta favors renovating the current hospital and expanding at the current site in the same manner as Sparta and Marshall Browning Hospitals have done recently.

Roe said the board has spent the last eight years debating whether or not to build a new hospital. After commissioning several studies by expert consultants, the board determined that new construction was the better option.

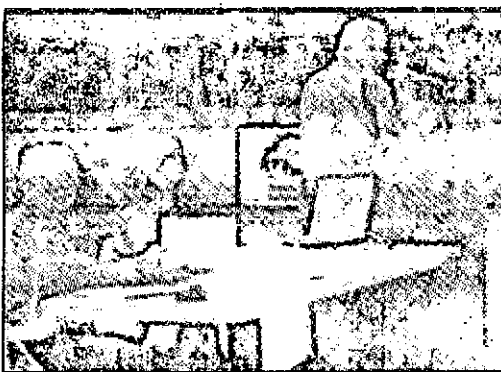
"We are committed to moving forward without a increasing local taxes," Roe said. "Local tax revenue accounts for about one percent the hospital's operating revenue."

The main objection is that the community cannot afford to repay a \$40 million loan. Many mentioned how few patients stay in the hospital on a regular basis.

4. Webber questioned the purchase of the land for the proposed new hospital before the Certificate of Need was approved.

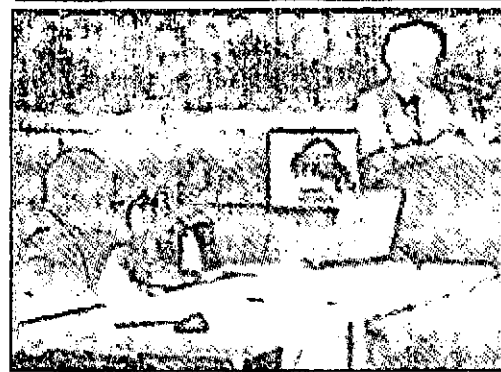
5. Welsch pointed out that while newer hospitals may attract additional patients, people don't select a hospital in the same way they choose a hotel.

PINCKNEYVILLE



KATHY KOPSHEVER PHOTO

Ed Parkhurst of Prism Consulting, the firm that completed the certificate of need for PCH, talked about health trends and the growing number of Medicare-eligible residents in Perry County.



KATHY KOPSHEVER PHOTO

Flossine Schrader reads a statement written by former PCH administrator George Ranta that opposes building a new hospital.

"When you're sick, you go where your doctor sends you," Welsch said. "There are four hospitals within 20 minutes of Pinckneyville."

She also mentioned the financial difficulties of the two-year-old Galena hospital.

6. Those in favor cited the need for newer facilities, jobs and the timing which is good for both construction costs and loan interest rates.

7. They also pointed out that better than 85 percent of the hospital's revenue is derived from outpatient services.

Reagan, who is a partner with McGladrey Pullen—the firm that conducted the examine forecast, said that the forecast used a very conservative approach and found no doubt that the hospital could afford to repay the loan with services remaining at the current level, provided one new physician was added by 2012.

8. The current calculation for Medicare reimbursement for critical access hospitals shows that Medicare would pay 53 percent of the cost of the new hospital.

PCH hopes to build a \$33.7 million facility. The total cost of the project—\$46,624,405 includes construction, finishing costs, the net value of equipment to be moved, contingency fees for cost overruns and preparation.

9. Testimony ended with local businessman and farmer Irl Engelhardt saluting the courage of board members in moving forward with the project. He encouraged the community to move forward with the project, providing jobs during the construction phase and ensuring future health care jobs in the area.

"Businesses that don't reinvest go out of business," Engelhardt said. "It has been a long time since Pinckneyville has invested in their hospital. There have been a lot of major changes in that time."

10. The public has until March 31 to submit written comments on the hospital's certificate of need application or Project 09-068. The Health Facilities Planning Board plans to consider the application at the April 20-21 meeting at Harold Washington College in Chicago.

Comments may be submitted via mail to the Illinois Department of Public Health, 525 West Jefferson Street (2nd Floor), Springfield, IL 62761-0001 or by fax to (217)785-4111.

The hospital is also working toward a federal loan guarantee through the Housing and Urban Development 242 program.



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BY JOHN H. C
MANAGING EDITO

An 186' decades hung of the old c. Division Stre new city hal bicentennial—in Wednesday

Public w Spencer said of two upri from which bell hangs bent when it struck by on two vehicles the accident.

"We'll tal torch and he then bend back," said I Spencer.

The acci tore out one of posts that hold the woc canopy and by one of the dows.

The bell manufactured foundry in 18 at the old city struction in 18

The bell and feel of th

The hall's galvanized in

Pinckneyville Press

Wednesday, February 10, 2010

75¢

Reviews Finances with Auditor

better off than last year, with the gas, water and sewer being \$125,000 worse. Having raised utility bills by 20 percent should have made some profit, but having underbilled the correctional center, showed the city breaking even, as the loss also resulted in 20 percent.

In other news, the council approved a request from the American Legion for permission to collect funds in or around the four way stop during

their annual poppy sale. The council also approved the resignation of Joseph Swallers, a city officer, who has since taken on a job with another Southern Illinois department. Allowing Jim Gielow to hold a city credit card was also approved, as was needed for official city business costs. It was also noted that the City of Pinckneyville is under a precautionary boil order due to minor mechanical malfunctions at the water

plant. The order should be lifted by today.

Commissioner Kellerman noted that littering has become a problem on Mildred Drive in town. "A lot of people think it is a place to throw their trash out," he added. He noted that it is "disgraceful." The council is taking steps into the placement of no littering signs with fines being charged to those committing violations. A resolution defining placement of signs

and fines will be discussed at the next meeting.

The clean-up project on Laurel St. is still incomplete at this time due to unfavorable weather conditions prohibiting final dirt work. The "Meeting Business Needs" workshop held last week was a huge success with over 50 attendees. A spokesperson from IDES noted that the Pinckneyville session was one of the largest crowds he had seen out of workshops held elsewhere.

Community Members Speak For and Against New Hospital

At a recent public hearing, members of both the hospital board of directors and the community voiced opinions concerning the upcoming proposed "replacement" building of the Pinckneyville Community Hospital. Project 09-068 has a projected cost of \$46,624,405. It is slated to be erected at the corners of White Walnut Road and State Route 154 East of town.

Hospital Administrator Tom Hudgins spoke on behalf of Board President John Shotton emphasizing that even with such a high construction cost "there will be no new local taxes or fees. If there were any doubt, the board would not have moved forward with the process." Other supporters including architects and accountants reemphasized certain points stressing that the time to build is now due to the low cost of building materials, and accentuating that renovation of the current



IDPH reviewer George Roate represented the program review section to hear public comments.

facility is indeed more costly than its rebuilding, and due to its "outdated and inadequate" features, a new



Irl Engelhardt speaks in favor of the new hospital construction project during the public hearing held last Thursday to George Roate of the IL Dept. of Public Health.

facility is the best option.

Other arguments for a new building included that a new facility will better attract doctors to our area, that the cost of the building will be reimbursed by factors such as Medicare, that 85 percent of the existing hospital's revenue comes from outpatient services, and that a bigger, better hospital means more jobs for the community. Hudgins emphasized that Pinckneyville Community Hospital is one of the area's largest employers, offering good jobs and good benefits. With opposition noting that the current facility was only serving a minute number of patients a week, members in favor said that a new facility would meet the demand for outpatients services, provide more privacy, and offer better family support.

Former Hospital

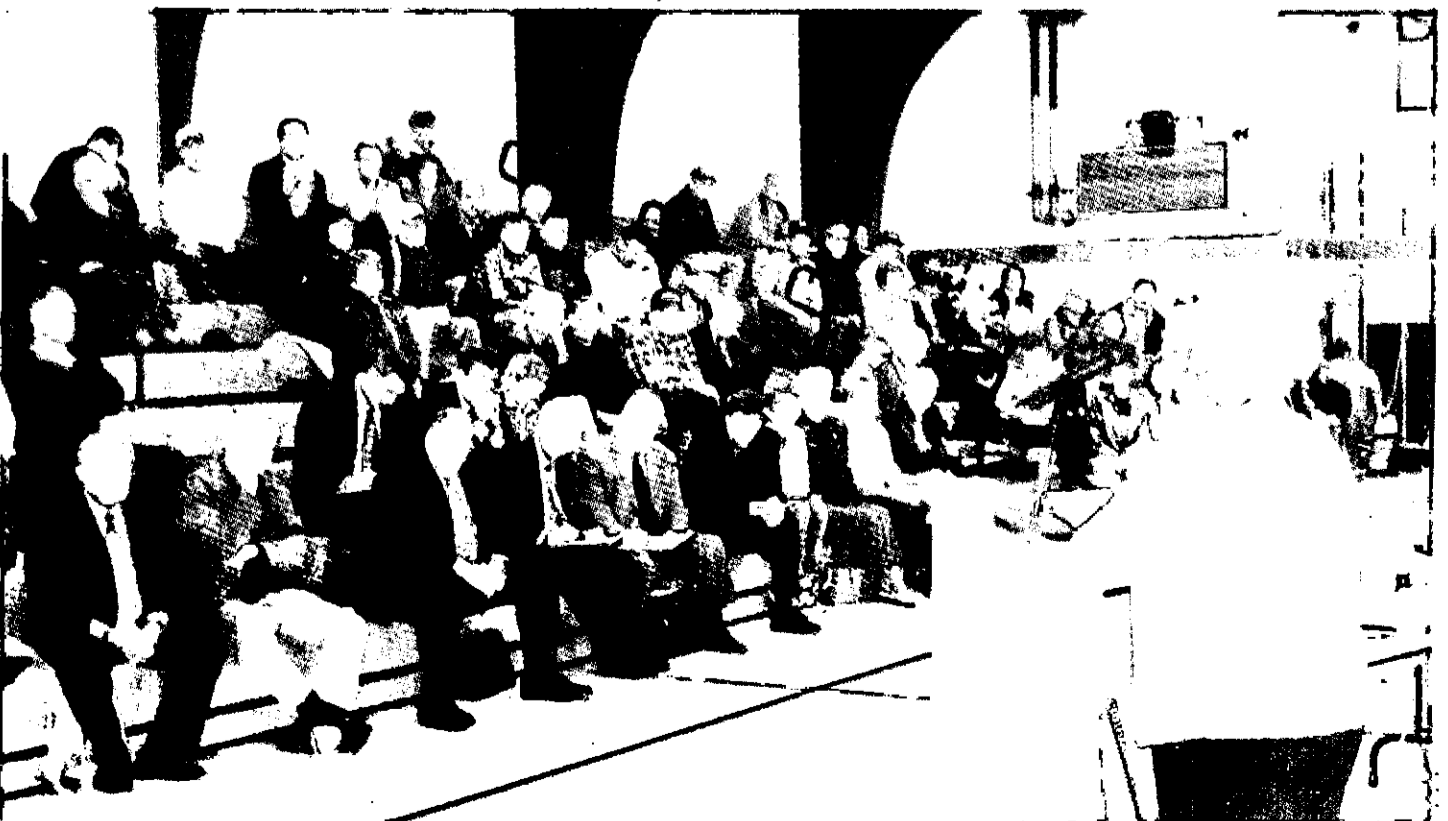
Administrator George Ranta offered his opposition to the project, stating that it was a project filled with "hoping." According to Ranta, renovating the current structure would require only minor changes, with the maintenance department being able to complete most assignments. With nothing being done to suggest replacing existing structures, he said, new construction will cost two million dollars over 20 years.

Helen Schafer noted that services received in the ER department at PCH are less than adequate. After her granddaughter spent two hours waiting, they chose to go elsewhere and received treatment within minutes. "Why is there not better service in Pinckneyville?" she asked. "It was a disgrace how she was taken care of!" Mr.

Bill Webber questioned as to whether the purchase of the construction site property should have been done before the Certificate of Need was received. "I think you are putting the cart before the horse," he said. Shirley Welsch reiterated that with four other area hospitals within 20 minutes of Pinckneyville, the patients of such hospitals would not be leaving those services to come here. "Five out of eight board members voted to close the Skilled Care Unit and this was costly mistake costing 40 patients their homes and 60 employees their jobs," she said.

Irl Engelhardt was last to speak noting that he is in favor of the project for various reasons. "I think the timing is perfect to be in the market. A

Continued on Page 3



Shirley Welsch speaks in opposition of the new hospital construction during Thursday's public hearing on the project's certificate of need at the Pinckneyville Junior High School gymnasium.

Hospital Continued from Page 1



Above: Flossine Schrader speaks on behalf of former administrator George Ranta.

hospital is important to this community." He stressed the need to have local doctors to deal with in times of need. "Do we want to be known as someone who goes elsewhere, or do we want to be known as Pinckneyville," he questioned. "I think a new hospital would be better to attract people to stay right here." "Companies who do not reinvest go out business." He thanked the board for their courageous efforts put forth for the project.

The issue will be discussed at the Illinois State Board of Public Health's meeting in April.



Board member Dr. C.W. Roe also speaks at the public hearing.

Police Blotter



Tuesday, December 16, 2008

Hospital cuts

Conditions force Midwest Medical Center to lay off five percent of workforce

by Jay Dickerson

Tuesday, December 16, 2008



A year after its grand opening, Midwest Medical Center announced a reduction in its workforce.

"The economy has hurt us," explained CEO Jeff Hill during the CDFG meeting Tuesday, Dec. 2. As the economy has steadily declined in the past year, costs like food and rent increase, and people's health care needs take a back seat. Oftentimes, people will put off elective surgeries. Operational costs have increased for the hospital as well.

Those fiscal realities combine with another issue: Medicaid reimbursement. "Medicaid owes us \$1.4 million," Hill said during the CDFG meeting. And Medicaid, Hill said, is paying less than the cost of the service.

The number of positions reduced total about five percent of the organization's workforce.

Last week, Hill said, "Unfortunately, we, like many other hospitals around the country, have been adversely impacted by our troubled economy. The workforce reduction was necessary to assure adequate financial performance in the face of the rapidly changing healthcare climate. This decision was reached after exhaustive analysis of revenue challenges the organization has experienced. The positions eliminated will not impact patient care."

Midwest Medical Center CEO Jeff Hill addresses the CDFG Tuesday, Dec. 2.

The cuts are part of a growing trend. According to a study conducted by the American Hospital Association and based on results from a survey of 736 hospitals in 30 states released on Nov. 19, the financial stress is forcing hospitals to make or consider making cutbacks to weather the economic storm. Cutbacks include reducing administrative costs (60 percent), reducing staff (53 percent) and reducing services (27 percent).

According to U.S. employment figures, it is reported that hospitals across the country have laid off close to 1,500 employees from late October to date, contributing to the country's highest unemployment rate since 1994.

Hill said that the national picture has hit close to home. "While we continue to stay focused on our long-term plan to expand and enhance services including the recruitment of additional physicians aligned with our organization. Our board of directors and leadership team continues to do what is necessary to ensure our short-term viability during a time when the economic challenges are greater than any other time in recent history," said Hill.

The 25-bed, Critical Access Care hospital Midwest Medical Center opened in December 2007. The previous facility houses the Senior Care Community, a 57-bed nursing home.

During the CDFG meeting, Hill said he had positive news to announce. The fitness center continues to grow. "Our clinic has grown phenomenally." In the past year, the clinic has seen 8,000 visits.

The emergency room continues to be staffed by board-certified emergency physicians. The hospital also continues to offer its diagnostic services, including full service labs and radiology.

PRINT



CLOSE



Monday, October 26, 2009

Motions filed in former hospital CEO suit

Hospital makes offer to Hill, but hospital's bond holders do not approve

by Jay Dickerson

Monday, October 26, 2009

GALENA-The end might be in sight in former Midwest Medical Center CEO Jeff Hill's suit against the hospital, as motions continue to be filed on both sides.

When he filed in Jo Daviess Circuit Court in April, Hill originally asked for \$225,926.96, claiming the hospital breached its employment agreement when the hospital fired him in January. The hospital's attorney contends that Hill failed to accurately advise the board of critical financial information, and directed other employees to misrepresent the status of financial reports, "to conceal the dire financial picture that Midwest Medical Center was facing under (his) leadership."

Hill signed an employment agreement with the hospital board in May 2008. According to the contract, if Hill is fired, he will still receive "his then monthly salary for the month in which his duties were terminated and for twelve (12) consecutive months thereafter as an agreed upon severance payment."

Hill's lawyer, Troy Haggstad of WilliamsMcCarthy, LLP of Rockford, filed a motion to enforce settlement agreement. The motion states that on Sept. 3, the hospital's lawyer contacted, "and offered to settle the case for payment of \$224,000, subject to formal approval of said offer by Midwest's Board of Directors."

The motion further states that on Sept. 10, Hill's counsel accepted the offer, to be paid over 10 months, with the first payment of \$30,000 due Oct. 1. "Midwest's counsel indicated that the settlement offer had been approved by Midwest's Board, and that the Board had also approved a draft of the written settlement agreement."

According to the motion, on Sept. 25, the hospital's lawyer then contacted Haggstad. The hospital's bond holders did not approve the settlement offer.

"Given that Midwest's board authorized the settlement offer that Mr. Hill accepted, and further approved the written settlement agreement, the settlement should be enforced, and should not depend on the approval of a third party creditor of Midwest," Haggstad wrote.

During a progress call last week, Judge Kevin Ward ruled that the hospital has until Nov. 5 to respond to the motion, and Haggstad has until Nov. 12 to file a reply brief. Ward will hear oral arguments for both motions on Friday, Nov. 20 at 11 a.m.

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Thursday, December 10, 2009

Settlement reached

Hospital, former CEO come to agreement

by Jay Dickerson

Thursday, December 10, 2009

GALENA-Former Midwest Medical Center CEO Kurt Jeff Hill has settled his suit against the hospital outside of court, for an undisclosed amount.

According to documents filed in Jo Daviess Circuit Court on Wednesday, Nov. 18, both plaintiff Hill and defendant, Midwest Medical Center, "agree and stipulate to the dismissal of the above cause of action, with prejudice."

Hill originally asked for \$225,926.96, claiming the Midwest Medical Center breached its employment agreement when the hospital fired him in January.

The hospital's attorney contended that Hill failed to accurately advise the board of critical financial information, and directed other employees to misrepresent the status of financial reports, "to conceal the dire financial picture that Midwest Medical Center was facing under (his) leadership."

Hill signed an employment agreement with the hospital board in May 2008. According to the contract, if Hill is fired, he will still receive "his then monthly salary for the month in which his duties were terminated and for twelve (12) consecutive months thereafter as an agreed upon severance payment."

According to the employment agreement, Hill would not receive any severance reimbursement if he "has been convicted of any felony criminal offense or any misdemeanor criminal offense related to substance abuse or the operation of the hospital."

In court documents filed in April, Hill's lawyer countered that, "At no time has Hill ever been convicted of any felony criminal offense or any misdemeanor criminal offense related to substance abuse or to the operation of the hospital."

A lawyer for Midwest Medical Center offered in September to settle with Hill's attorney for \$224,000. However, by the end of the month, according to court documents, the hospital's bond holders did not approve the offer.

Hill's attorney, Troy Haggstad of WilliamsMcCarthy, LLP of Rockford, filed a motion to enforce settlement agreement, which was scheduled to go before Judge Kevin Ward Friday, Nov. 20. The out-of-court settlement was reached before then.

A hospital official explained they could not go into the details of the settlement.

A call to Hill last week was not returned to The Gazette.

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January 20, 2010

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6/16/2009 1:55:00 PM

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New owners for Midwest Medical Center?



Officials sign letter of intent with Regent
GALENA-Midwest Medical Center (MMC) has signed a letter of intent to explore the sale of the hospital and its assets to Regent Surgical Health (Regent) based in Westchester. Regent is a for-profit physician-owned surgery center and physician-owned hospital developer and manager.

In addition to acquiring underperforming ambulatory surgery centers and physician-owned hospitals, Regent turns single specialty ambulatory surgery centers into multi-specialty, larger entities. Regent also has a proven record with orthopedic centers and spine center development and enhancement.

In the letter of intent, Regent and MMC agree to evaluate the feasibility of the acquisition of all or substantially all of the assets of MMC including the hospital, health clinic and senior care operations. During this phase of the relationship, both parties are specifically determining whether the hospital and nursing home licenses can be transferred to a new owner, how the sale will, if at all, impact the hospital's Critical Access designation, and the necessary requirements for the state's certificate of need process.

MMC and Regent have agreed to remain in an exclusive and confidential discussion for 90 days, during which time no additional queries or offers will be considered from other interested parties. A sale price or specific details pertaining to the future operations and staff have not been determined.

"Through this process, our board members have been focused on securing interest from a buyer with a desire to maintain our community hospital, grow services and retain our team of dedicated providers and staff members," says CEO Mary Sheahan. "We feel very positive about developments with Regent."

Regent operates, and has ownership interest in, 15 surgery centers and hospitals around the country. "We are excited about the opportunity to partner with the Galena medical community in building a center of excellence of healthcare in Galena," says Tom Mallon, Regent CEO. "Our physician ownership model produces high quality care at low cost. We aim to be a significant community asset for many years."

Due to the nature of the agreement with Regent, MMC will disclose additional details when permissible.

Hospital officials strongly reiterate to the community that Midwest Medical Center, its emergency department, Midwest Health Clinic and all outpatient services including imaging, physical therapy, laboratory, the fitness center and all senior care programs are fully operational with no plans for interruption of any services.

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Talking change

FEB 16 2010

09-068

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Attention: Courtney Albery!

1) This letter is in regard to the new hospital planned on the east side Pinckneyville, Ill.

1. Jobs are gone since the mines and factories have closed. Population is a lot smaller and won't grow.

2. There are a lot of small hospitals that are close, such as Sparta, Ste. Jo, Union, Nashville, Newburgh and Chester.

3. Doctor shortage isn't suitable for a new hospital, because of a lot of malpractice claims.

4. If anything serious happens you go to a large hospital - Carbondale, Cape or St. Louis.

5. The population is an older generation, therefore it would be wise to build assisted living, skilled care and nursing homes.

6. If patients don't make hospitals money - the outpatient clinics do - All we need is an outpatient clinic and an emergency room.

7. A large gas lines ^{network} along the

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FEB 1 1981

SERVICES REVIEW BOARD
& HEALTH FACILITIES

property east of town. (from Dyas)
Does this not make this property
dangerous? What about a leak or
an explosion.

8. Again the property owners will
carry the burden of helping pay for
this big deal. If he wants to buy a
house or land in Perry Co. If Ken Arch
Coal made a deal with the state - tax
base was decreased therefore hurting
our schools & the tax payers.

9. Again I ask you to reconsider
this hospital. The one we have is
almost empty. Put the money to
better use, More jobs and better
roads.

We have lived in Perry Co. almost
all our lives, present location 48 yrs.

Glen + Delores
Lawersachs

Campbell Hill
Ill.

Thank You Letter

501 Coffman Street
Pinckneyville, IL 62274-1509
February 8, 2010

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FEB 16 2010

Ms. Courtney R. Avery, Acting Chairperson
Illinois Health Facilities & Services Review Board
525 West Jefferson Street
Springfield, IL 62761

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Acting Chairperson Ms. Avery::

PROJECT: 09-068
Pinckneyville Community Hospital

On behalf of the many citizens of the Pinckneyville Community Hospital District, I would like to thank the Illinois Health Facilities and Services Review Board and its staff representative George Roate and the support staff Secretary for impartially conducting the Hearing on Pinckneyville Community Hospital's application for a Certificate of Need to construct a \$46,624,405 hospital complex.

While we heard from numerous experts, how, over a period of years we might pay for a new hospital complex, but we never heard the word "need" like in the Certificate of Need mentioned. It was all about financing the cost of the new building over the next twenty years. The nearest thing we heard was that a new 25 bed Critical Care Hospital building "...would produce more laboratory tests and other out-patient revenue". This was disputed by area hospital administrators who said the proposed new hospital would not have any effect on them.

The citizens who opposed the new hospital spoke from their heart when they expressed their concerns. The majority of the proponents were consultants, bankers, engineers and others who received \$2,000,000 over the years for their expertise.

If there is the will and the desire to be cost conscious, there are many ways, for example, the newer 1976 building, which is located on the north and is only 34 years old, could be renovated to include the Emergency Room, the X-Ray and Nuclear Medicine Rooms, the Laboratory Department, Central Service., possibly the Specialty Clinics and an admission area. The Kitchen/Dining Rooms could be returned to their former locations in the 1965 older building, where they took care of 55 in-patients, staff and visitors. The class room, conference room and other services could, likewise, use the older building. These two buildings, at one time, had 99 patients so there is much room. The large two-level 1976 building is spacious with five exits, an elevator and provision for a second elevator. There is an entrance ramp which can be made much wider. There is great design flexibility to meet Critical Access Hospital requirements. The building is approximately 198' x 76' or 15,048 gross square feet. Except for the kitchen and small area devoted to the Specialty Clinics and In-Patient Rehab the building has limited 24 hour usage. Your department should have the blue prints on file. The X-Ray department would require lead lining and electrical connections. The Administrative and Medical Records area would require redesign and one day surgery could use the former delivery

room. The elevator near the new Emergency room could be extended to allow helicopter landing on the buildings roof as recommended by the State. All of these changes would require only minimum engineering and construction costs, but there has to be the will and the desire to be cost conscious.

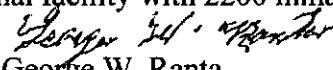
The Report entitled DETAILED INFRASTRUCTURE ANALYSIS by GRESHAM, SMITH AND PARTNERS, Master Plan Section, which was prepared on April 1, 2003 and is almost seven years old shows that there are a number of building systems and building equipment that are exceeding their life expectancy, yet there are no updated information to show that anything was done to replace the systems or equipment. Some of the equipment involved life/safety equipment. The Report is on pages 60-70 of the Application. There were no cost estimates for any of the required systems or equipment so a cost comparison could be made with the \$46,624,405 new hospital complex.

It is my belief that the proposed renovation and the relocation of major out-patient and in-patient departments to the 1976 newer building will meet Critical Access Hospital standards as to square feet and that the total project cost will allow the hospital to remain cost competitive with surrounding hospitals such as Marshall Browning in neighboring Du Quoin which renovated their facility at a cost of \$10,000,000 and Sparta Community Hospital which renovated their emergency room at a cost of \$1,500,000.

Why are the citizens concerned? The citizens are facing 12.8% unemployment with many having stopped looking; with having lost 800 well-paying manufacturing jobs since 2004 which are being replaced by 16 (maybe); being listed on the Poverty Warning List; seeing Perry County's real estate taxes increase 13% due largely to health care costs which increased from a budgeted \$700,000 compared to an actual \$1,000,000, seeing the county having to borrow money at the beginning of their year; seeing the long list of delinquent taxpayers who might lose their property and requiring to build a new high school; receiving only 1/12th of the sales tax revenue that Du Quoin and Sparta receives. These increases in health care costs will hit the younger working citizens the hardest

The Senior Citizens are concerned about the future of Medicare and what changes might occur in the near future. The hospital is relying on Medicare to pay 53% of the cost of a new hospital. Everyone is concerned about the rising cost of health care which now costs about 17 cents out of every dollar spent.

Again, thank you for hearing the voices if Pinckneyville citizens who are concerned about the \$46,624,405 dollar complex which will be the third largest health care expenditure in Southern Illinois in a city with a population of 3300 whose only growth has been through annexation and a correctional facility with 2200 inmates with their own health care system.


George W. Ranta
Retired Hospital Administrator
501 Coffman Street
Pinckneyville, IL 62274

09-068

February 19, 2010

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FEB 22 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery, Chairperson
Illinois Health Care Facilities & Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Dear Ms. Avery:

As a concerned citizen, living in the Pinckneyville Community Hospital taxing district, I wish to bring the following facts to your attention regarding the possible construction of a new hospital.

I presented my opposition to this plan at a recent hearing held in Pinckneyville on February 4, 2010. I did fail to point out another important fact that needs to be brought to your attention. One of our active local physicians has recently posted signs in his office that he is no longer referring his patients to the Pinckneyville hospital, but that he would be referring them to be admitted to a hospital located in Nashville, Illinois, which is located approximately twenty miles north of Pinckneyville.

I do not know the reasons for this action, but I think it should be of serious interest to the local hospital directors and present hospital administration.

At this time we are limited to only a few physicians treating local patients, but I believe that you would find this physician to probably have had the largest number of patients being admitted to our local hospital in the past.

A point I did mention at the February 4th hearing was that the average number of patients admitted to the Pinckneyville Hospital during the year 2008 was only seven per week.

It is my firm belief that if this proposal would appear on a ballot, that it would not have more than a ten percent approval vote.

I am not opposed to progress, but there has not been any logical explanation of how this debt could be retired.

Thank you for your time and consideration.

Respectfully Yours,

William H. Webber

William H. Webber

09-068

RECEIVED

MAR 05 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery, Chairperson
Illinois Health Facilities and Services Review Board
525 West Jefferson Street (2nd floor)
Springfield, Illinois 62761

Re: Pinckneyville Hospital Certificate of Need.

Dear Ms. Avery

I can not see any need for a new hospital in Pinckneyville. Especially during a recession when the country is broke, the state is broke, the county is broke, and the city is broke and the present hospital has a shortage of patients.

I know the state of Illinois has some pretty far out rules and I don't know a lot of them but it strikes me as right down stupid to buy property and do all the expensive surveys, make sure all the little frogs and snails and so on are not going to be harmed, then and only then try to get a certificate of need??? If you turn it down, they have spent all that money for nothing. If you don't turn it down, heaven help us.



Stella Runyon
Perry Co. IL.
Sarjas@toast.net

09-068

March 3, 2010

Illinois Health Facilities & Services Review Board
525 West Jefferson St. (2nd Floor)
Springfield, Ill. 62761

Dear Ms. Courtney Avery, Chairperson:

RE: Certificate of Need Application of Pinckneyville Hospital

We are writing from Perry Co. Illinois to address the subject of the building of a new hospital, 3 miles east of Pinckneyville. Government hearings have been held about it, and we personally testified in opposition to this grandiose plan by our present administrator and board of directors.

They have gradually been decreasing our hospital services by discontinuing the wonderful 2 floors of the skilled care unit which once existed. It was such a worthwhile part of our medical services. It brought patients in from the surrounding counties, and we personally used it for 2 years plus, for our immediate family. What a godsend for me as a caregiver to have this facility to rely on for my mother and husband several years ago!

Our county taxpayers, within the small hospital district, cannot afford to support this expensive outlay. We cannot attract any doctors to our rural environment and small town. At present only 2 or 3 patients at a time use our hospital beds. Most are sent off to treatments at larger cities such as Carbondale, Belleville or St. Louis hospitals. My husband and I are in our 80s and cannot drive 1½ hrs. to St. Louis anymore, hence our medical records have all been transferred to Carbondale, Il. which we can access within a 40 minute drive.

We have limited industry in our county. We have double digit UNemployment. Our economy is in reverse. Our rural farming industry cannot sustain such an outlay of the present estimate of \$46 million for a new hospital. This amount does not include a lot of expenses such as highway entrances and exits to the site chosen in an open farm field, already purchased. Alas, this field has an underground gas pipeline buried beneath it, which adds to the danger in case of an earthquake on the New Madrid Fault Line we live near. That would cause not only an explosion, but because a bridge crosses a large stream between the town and new building site, a break in the bridge would prevent traffic flow immediately! Three newly remodeled hospitals are within 20 minutes drive time of our town to use for large emergencies.

We are in a RECESSION, nationally and locally. None of this makes sense! In fact, we feel that a \$50 million figure will be a more accurate estimate for this project to be built. We need to maintain our present hospital facilities, as is, and not drown ourselves in debt..

Very Concerned Citizens,
Edwin + Flossine Schrader
Edwin & Flossine Schrader

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MAR 05 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

09-068

Lance Feik
5555 White Walnut Road
Pinckneyville, IL 62274
March 4, 2010

Ms. Courtney Avery, Chairperson
Illinois Health Facilities and Services Review Board
525 West Jefferson Street (2nd Floor)
Springfield, Illinois 62761

Dear Ms. Avery:

As a resident of the Pinckneyville Community Hospital District I oppose construction of a new building and the assumption of approximately forty-six million-dollars of debt.

There is not a need for space as existing patient rooms have been converted to office space and the skilled-care unit; a service enjoying public support has been eliminated. The present hospital is better located within the City of Pinckneyville while the proposed building is located east of town in a semi-rural area in a field that is still used for crops. Persons from three directions would now need to go through town first to reach the hospital. A citizen's council convened several years ago to consider the future re-location of state route 13/127 voted overwhelmingly in favor of western bypass of the Pinckneyville Square. Another problem with the proposed location is that a thirty-inch diameter high-pressure natural gas pipeline runs through the field.

There has been no promise that services such as maternity dropped by the present hospital will be picked up at the proposed new location. Neighboring towns Nashville, Du Quoin, Sparta, and Murphysboro have there their own similar hospitals so Pinckneyville will remain localized.

I reject the idea that a new hospital would necessarily attract physicians to locate in Pinckneyville. Money could be better spent supporting local young people to improve themselves academically and then help them financially to study to be physicians, nurses, and other medical professionals. Just building a new hospital, doesn't necessarily mean that the professionals will come.

Sincerely,

Lance Feik
Lance Feik

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MAR 08 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

09-068

RECEIVED

MAR 09 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

106E South St.
Pineknypville, Ill.
62274

March 4, 2011

Dear Ms Avery,

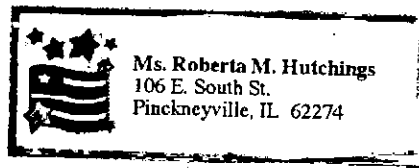
I am writing to you concerning the new hospital that the hospital board wants to cram down our throats (so to speak!)

I have talked to a lot of people and have not found one person in favor of it except the board & employees! How can Pineknypville (a very small, stagnant town) afford a new one at this time? If it was really needed it would be different. I have been up there several times and I have yet to see it full - maybe 6 or 7 patients. Does that merit a new one? I think not! DuQuoin and Sparta have remodeled their old hospitals. Are they thinking people will flock to us, I think not! So many of our citizens are elderly on fixed incomes, don't drive and it to be located out of town! Seems to me they "got the best ones

before the horse" (as the old saying goes).
Why did they buy the ground first? The
administer said it was operating in
the 'red' when skilled care was
there - they got rid of it so I guess
we are really going great now. We
do not need a new hospital! Please

Consider not granting a Certificate of
Need. We don't need it! Thank you.

Sincerely
Roberta Hutchings



P.S.
Forgive the writing - my computer is
on the - well it's not working just
right. Using it for so long's making
writing difficult!

RECEIVED 3-12-10

MAR 15 2010

09-068

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Review Board,

I am writing in regard to the certificate of need for the Pinckneyville Community Hospital, Pinckneyville, Ill.

Please do not let this pass. It will be a tax burden to all of us. We are already struggling to make ends meet. Each day is another day of an increase in our small town. The schools, churches, and businesses are barely afloat. Our state is broke. Many are unemployed here while others are living on fixed incomes. Many people go out of town hospitals. Many go to specialty doctors.

The hospital in Pinckneyville, Ill. has a small number of patients each day.

We do not need a large, expensive hospital. We can not afford it. Our children + grandchildren will be taxed for years, for a hospital we do not need and do not want.

CHIEF

Please consider We are consumed
with debt now, large number of
unemployed persons and old people
trying to get by.

Sincerely,

Kenneth + Bernita Wild

Kenneth & Bernita Wild
4515 South Lake Road
Pinckneyville, IL 62274

Justice Alan Greiman

501 Coffman Street\
Pinckneyville, IL 62274-1509
March 15, 2010

RECEIVED

Mr. Justice Alan Greiman, Voting Member
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

MAR 22 2010

PROJECT: 09-068
Pinckneyville Community
Hospital

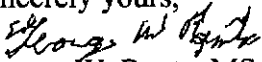
HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear Board Member Greiman:

I wish to submit information to you - the same information which I provided to the other Board Members in the past so that you can understand why I am opposed to a Certificate of Need for the construction of a new \$46,624,405 hospital complex in a city with a population of 3300 residents and 2200 inmates in a correctional facility with their own health care system. I am the retired hospital administrator of the Pinckneyville Community Hospital where I worked from 1967 to 1989. I strongly feel that there are less costly alternatives rather than a new hospital complex.

I hope you can consider my information which I submitted during the past seven or more years.

Sincerely yours,


George W. Ranta MS MPA

Enclosures

HEARING IN PINCKNEYVILLE, ILLINOIS

When a news article about a new Pinckneyville Community Hospital complex two miles east of the city was first published in a local newspaper, the cost was \$21 million dollars; then some time later, it was \$22 million dollars; then it was \$31 Million dollars and now the current construction cost is \$33,697,000 which includes much new equipment, however, now, for the first time, articles mention other costs such as architectural costs, financing costs and moving costs bringing the total to \$46,624,405. This does not include funds already spent on preliminary work on the project.

The monthly interest and principal costs are an estimated \$162,000 on a \$40 million dollar loan for the next 40 years plus the monthly estimated interest income of \$10,000 on \$6 million dollar down payment. This means that \$172,000 is leaving the hospital district every month for the next 40 years to pay for a new hospital when there are modernization alternatives of the present hospital that cost less than 20% of that amount.

The loan repayment will have to be a part of the patient charge structure which means higher health care charges to all patients. The major health care group in Perry County is governmental employees; that means that health care costs will increase markedly for Perry County government; for the local and surrounding area school districts; the hospital employees and other governmental employees until the loan is paid off in forty years. During the past fiscal year the county budgeted \$700,000 for health care, but the expense was \$1,000,000. In order to remain price competitive with area hospitals, hospital employee salaries and hours of employment must be kept low hurting retention of present employees and recruitment of qualified new employees,

While Medicare/Medicaid, programs in financial trouble, will pay about fifty percent of the monthly interest and principal cost, the remaining costs will affect everyone using the hospital and paying taxes in the hospital district. With the loss of 800 well paying manufacturing jobs since 2002, the employment picture is bleak with only 16 replacement employees. We simply can not afford a new \$46,624,405 hospital complex to be located 2 miles from the center of Pinckneyville and a new high school.

It is simply a myth that it is cheaper to build a new hospital than to modernize an older one. The present 1976 spacious addition was designed to meet both hospital standards and nursing home standards and no modifications were required when the medical/surgical nursing service moved to the first floor. In addition, the laboratory and radiology departments were modernized to meet standards at the same time.

Not a single Critical Access Hospital, community hospital or other small hospital in Southern Illinois has elected to build a new hospital, but rather they have modernized their existing hospital at a fraction of the cost. These hospitals with recent modernizations include Memorial Hospital of Carbondale, Herrin Hospital, Sparta Community Hospital, Marshall Browning Hospital, Massac Memorial Hospital, and Hamilton District Hospital. Only regional hospitals, located on or near busy Interstate highways, have built or are building new hospitals. Small hospital administrators and boards of directors in Southern Illinois are fiscally conservative in the expenditure of health care funds because wages are 65% of the state-wide wages; because many counties are on the State's Poverty -1-

Warning List including Perry County; and because many counties have high unemployment rates including Perry County whose rate is 12.7%, one of the highest in Illinois.

Despite planning a new hospital complex, modernizing parts of the present hospital, purchasing state-of-art medical equipment, recruiting new physicians, providing modern medical record keeping, advertising and eliminating community services such as Skilled Care*, hospice, durable medical equipment, home health, the patient population remains low causing financial losses during certain seasons of the year. The reason is that many patients prefer to go to larger regional hospitals when they have serious health issues which might require multiple specialists and complex services which are available in regional hospitals in Carbondale, Mt. Vernon and St. Louis. This will not change.

The current hospital architect is capable of designing a state-of-art plan for the present hospital which will allow it to meet 21st century needs as have architects at the other area hospitals. Hospital building codes change from time to time and the State Surveyors make recommendations which are enforced. Pinckneyville Community Hospital has always quickly complied with these recommendations. There will be new building codes in the future.

The present, conveniently located hospital and site near the intersection of two state highways and near the population center of the City of Pinckneyville with all its resources such as fire and police protection, ambulance and rescue services meets the health care needs of the community of 3300 residents and 2200 correctional facility inmates.

The proposed site of the new hospital complex is two mile east of the city while the planned Pinckneyville Interstate by-pass is west of the city necessitating ambulances, police and rescue vehicles to go past several churches, three schools, a busy intersection of two state highways to get to the hospital. The response travel time would become ten to fifteen critical minutes.

Sincerely yours,

George W. Ranta. MS MPA
Retired Administrator
501 Coffman Street
Pinckneyville, IL 62274

*In the months prior to and after the closure of the Skilled Care Unit almost all forty residents passed away as this was their "home" for months and for some years. This was predicted by social workers and known by the hospital board. The majority of the residents were 'private' pay. No effort was made by administration to make revenue and expenses competitive with area long term care facilities; the same applied to other community health services which were sold or discontinued

Thank You Letter

501 Coffman Street
Pinckneyville, IL 62274-1509
February 8, 2010

Mr. David Carvalho, Deputy Director, IDPH
Ex-Officio, Non-Voting Member
Illinois Health Facilities Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Dear Mr. Carvalho, Deputy Director :: : PROJECT: 09-068
Pinckneyville Community Hospital

On behalf of the many citizens of the Pinckneyville Community Hospital District, I would like to thank the Illinois Health Facilities and Services Review Board and its staff representative George Roate and the support staff Secretary for impartially conducting the Hearing on Pinckneyville Community Hospital's application for a Certificate of Need to construct a \$46,624,405 hospital complex.

While we heard from numerous experts, how, over a period of years we might pay for a new hospital complex, but we never heard the word "need" like in the Certificate of Need mentioned. It was all about financing the cost of the new building over the next twenty years. The nearest thing we heard was that a new 25 bed Critical Care Hospital building "...would produce more laboratory tests and other out-patient revenue". This was disputed by area hospital administrators who said the proposed new hospital would not have any effect on them.

The citizens who opposed the new hospital spoke from their heart when they expressed their concerns. The majority of the proponents were consultants, bankers, engineers and others who received \$2,000,000 over the years for their expertise.

If there is the will and the desire to be cost conscious, there are many ways, for example, the newer 1976 building, which is located on the north and is only 34 years old, could be renovated to include the Emergency Room, the X-Ray and Nuclear Medicine Rooms, the Laboratory Department, Central Service., possibly the Specialty Clinics and an admission area. The Kitchen/Dining Rooms could be returned to their former locations in the 1965 older building, where they took care of 55 in-patients, staff and visitors. The class room, conference room and other services could, likewise, use the older building. These two buildings, at one time, had 99 patients so there is much room. The large two-level 1976 building is spacious with five exits, an elevator and provision for a second elevator. There is an entrance ramp which can be made much wider. There is great design flexibility to meet Critical Access Hospital requirements. The building is approximately 198' x 76' or 15,048 gross square feet. Except for the kitchen and small area devoted to the Specialty Clinics and In-Patient Rehab the building has limited 24 hour usage. Your department should have the blue prints on file. The X-Ray department would require lead lining and electrical connections. The Administrative and Medical

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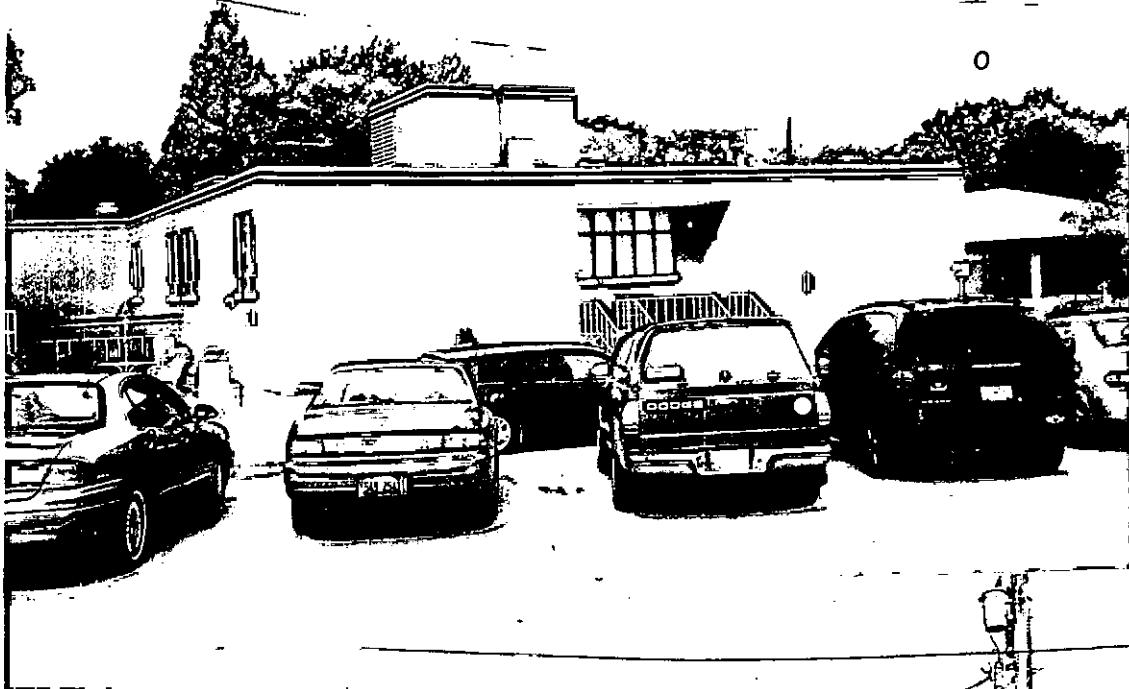
George W. Ranta
Retired Hospital Administrator
501 Coffman Street
Pinckneyville, IL 62274

Pinckneyville Community Hospital

Mr. Mark Jeffrey, Executive Director

**Paper
George W. Ranta, MS, MPA**

January 2, 2007



Introduction

This survey was mailed to 240 Pinckneyville voters with a return postage paid envelope return envelope. The 240 voters represented ten percent or one in every ten voters on the voting list provided by Perry County. Additionally, two volunteers distributed one hundred letters each to non-hospital voters and citizens with postage paid return envelopes. The total distributed was 440. There was no newspaper paid advertising, however, two area newspapers published the survey and there were returns using the newspaper published questionnaires. There was no follow-up material mailed or published. There were no other posters, etc.

There was a second survey mailed to 240 voters only - five on each page of the voter list, randomly selected. The voting results of both surveys were published by two area newspapers.

NEWS RELEASE

From: George W. Ranta
To: The Democrat of Pin
Subject: Hospital Survey – Pinckneyville Community Hospital
Date: August 13, 2006

HOSPITAL SURVEY PINCKNEYVILLE COMMUNITY HOSPITAL

A survey of Pinckneyville voters, and area residents was completed last week whose purpose was to provide the Pinckneyville Community Hospital Board of Directors insight to community reaction to their desire to build a new \$20-21 million dollar hospital east of Pinckneyville without a skilled care unit as their reaction to changes in Medicare regulations.

Question #1

I believe that the present hospital, at its present location near physician's offices, its dedicated and trained staff, its state of art medical equipment, its well maintained buildings, its accessible central location meets the medical needs of the residents of Pinckneyville and the area served by the hospital and its skilled care unit.....Yes 113 or 94.167% No.....7 or 5.833%.

Question #2

I believe that the present hospital can meet challenging emergencies and out-patient medical needs at a modest cost compared to a new hospital by building an attractive, matching-brick two or three level structure in the south parking area leaving parallel parking instead of diagonal parking which would double the emergency room area; the X-Ray department' increase the laboratory and stress testing area in the basement and a first floor which would provide additional space for administration, medical records, pharmacy and the operating room. These improvements would be similar to those made by Marshall Browning at a cost of \$2 million dollars and recently those at Sparta Hospital cost \$5.7. Both did an excellent job improving existing buildings. Marshall Browning recently announced improvements to their hospital costing \$7.7 million by adding 22,000 square feet to their hospital.....Yes 106 or 91.379% No 10 or 8.621%.

Question #3

I believe that a new \$20-21 million dollar hospital, without skilled care, which is one or more miles from Pinckneyville is needed, whose loan costs for interest and principal, would, over the life of the loan, might be about \$40 million, to be paid by Medicare from US payroll taxes – a program that is expected to spend more money than it receives in 2014; Medicaid, from Illinois taxes, which has budgeted unpaid bills to health care

providers in the billions of dollars; employer paid insurance; private insurance; real estate taxes; workers compensation and patients.....
Yes...6.or 6.25%...No...90..or 93.75%.

Question #4

I believe that skilled care services should continue to be part of the services provided by the hospital to citizens of the area even if necessary due to Medicare regulations on a reduced basis. Yes.92.or 96.842%.No3 or 3.158%.

Question #5

I believe that there are many low income people in Pinckneyville and the area served by the hospital who would be affected by having a \$20 - \$21 million dollar new hospital with higher charges.....Yes...85...or 94.444%
No...5...or 5.556%.

COMMENTS BY VOTERS AND RESIDENTS

In addition to checking written comments, numerous participants reinforced their belief with comments such as the following:

- Convenience of present site – 4;
- No need for a \$20 million dollar hospital....20;
- High cost to build a new hospital...3;
- A new hospital would be a major debt...1;
- Comparison of Hospital Board thinking with high school board thinking...1;
- Actual experience with a new hospital opening – much disruption...1;
- High present taxes...1;
- High future taxes...5

The new site proponents cited the following benefits:

- A site is needed for plenty of room for expansion...1;
- Conversion of the present buildings into a nursing home...2;
- Outgrown present site....4;
- Lack of privacy at the present site...1

They cited problem areas at the present site and offered solutions:

- Parking and congestion at the present site...10;
- Purchase of nearby homes that are available for parking...2
- Build a parking garage...4;
- Create one-way traffic pattern..1;
- More space needed for the Medical Records Department...1;
- Sprinklers are needed at present site...1

- Numerous building deficiencies cited at present site such as electrical; plumbing; heating; elevator; earthquake protection; new ambulance system; a heliport; parking - solution - a \$20-\$21 million dollar new hospital....2.

Modernization of the present building was an important issue to the 106 participants who supported conservative improvements and those who commented on them:

- Update the present facility...13;
- Build another floor to existing new addition...1.

Retaining and improving skilled care was very important to 92 participants.

- The Skilled Care Unit is the best in the State...2;
- Received good treatment...1;
- Skilled care needed...2;
- A new hospital with a Skilled Care Unit...1;
- More skilled care beds needed...1;
- Skilled Care is an asset to the community...7;
- Convert skilled care rooms to private rooms...2;
- Sprinklers needed on skilled care floors...1;

Poverty was an important issue in building a new hospital to 85 participants with the following additional comments:

- No growth in Pinckneyville for 80 years...1;
- Many low income citizens on SSI...2;
- Loss of many jobs in the area...1;

Comments on personnel, hospital staff, the hospital board and other issues were as follows:

- A complaint about one person...1;
- A complaint about emergency room care...1;
- A need to update senior staff...1;
- A need for good doctors and registered nurses...2;
- Lack of raises in the Ranta administration...1;
- A good job by the hospital staff is needed...5;
- The Board of Directors is doing a good job...1;
- The Board lacks concern for serious skilled care issues...2;
- Question Board's thinking regarding a new hospital...1;
- Lack of response to Mr. Ranta's article by Board questionable...1;
- Board wastes money considering a new hospital...1
- Like the SIR Fitness Center...2

- Appreciation of public education regarding issues at the hospital...1;
- Transfer of many patients to St. Louis, Carbondale where there is good care by 1000s of doctors...3
- Thanks to Mr. Ranta for his work...7
- Thanks to everyone who participated in the survey including volunteers.
- Thanks to the Pinckneyville Democrat article which provided eight additional participants to the survey.

Dear Mr. Ranta:

Thank you so much for putting the Letter to the Editor in the Democrat about building a new hospital. I went to a Board meeting and gave my opinions on why I was against building a new hospital. I have a personal interest in Skilled Care and do not want it closed.

Mainly, for the reasons:

Loss of jobs for a lot of people who depend on that income, and jobs around the Pinckneyville area are scarce;

And, since my mother has been in the Skilled Care Unit for quite a few years, where is my mother going to go? Where are other persons in a skilled care situation going to go? Skilled Care is a very important addition to the Pinckneyville Hospital, and will be greatly missed. Persons whom have been in the Pinckneyville Skilled Care facility for years call it home and are used to the surroundings; placing them in another skilled care facility under these circumstances are not fair to them.

My mother has received very good treatment at the hospital. The staff has always been kind and willing to help. She is on a feeding tube and there are not many places around the Pinckneyville area which can help my mother. So where I would I go? I would be very selective in finding a place for my mother, and would not want to put her just anywhere. Pinckneyville is where I live, and I can go in and out of the hospital as I need to and want to; putting her in another town will create a hardship on trying to get there as often as I would like.

I asked the Board members who were present at that particular meeting.... If Pinckneyville Skilled Care Unit closed, where would they put their family member if they were needing someplace? And how is the new hospital going to be paid for our children are moving out of Pinckneyville for jobs because there are no jobs around here to fulfill the majority of the graduates. Our generation has only 'so much income' to live on as retirees, and it will be a hardship to pay for a hospital in taxes. And common sense tells that the Skilled Care Unit helps to pay the hospital bills.

I agree that there is a problem with parking, but someone suggested to me 'why don't they build a parking garage 'up' like they do in the cities?'

At the Board meeting it was suggested to tear down the south part of the hospital because it is the old part, and put the skilled care unit in the north (new) part. It would be best, yes, since it is on a ground floor, but it was mentioned that 'probably the Skilled Care Unit can receive its own license', but no one knows for sure. And, like you mentioned, it would be very expensive to operate on its own. And would be so expensive that no one could afford to put a parent there on private pay. It was mentioned also at the Board

Meeting I attended that a new furnace is needed in the south part of the hospital.... I do not disagree with that statement, but a new furnace can be purchased a heck of a lot cheaper than building a new hospital.

I do believe one of the biggest mistakes would be to build a new hospital, and there are other possibilities, like you suggested. Someone said at the Board meeting... 'to build a new hospital for only 28 beds seems kind of expensive', and she was right.

The things I am concerned about, though, that if there is a fire, how are all of the people on the second and third floors going to make it out of the hospital... the elevator will not be working, and only the inside stairways would be the way. Can fire escapes be built outside of the building? And also, water sprinklers need to be installed in the ceilings in case of fire.

Thank you for your interest.

Mary Catherine Keene
7/28/2006

New Vs. Old

LETTERS TO THE EDITOR

W. Ranta
501 Coffman Street
Pinckneyville, Ill.

around the Pinckneyville square, prison and the factories which problems for city residents, the pollution at a new site.

g at a new site. of the \$18.5 million dollar hospital building equipment repairs which s maintenance. There would be or staff maintaining the Family

hospital to consider regarding the following: real estate tax funds to offset

levels. om 50 to 30 retaining 30 beds on advantage of having residents who

evenue in laboratory, radiology, tests. This floor has special ch provide security for residents on have dining and recreation for housekeeping and mainte

care unit and relocate some resu. This would require alarm syste and recreational facilities, the and/or their families would be as because of cost accounting

idents are disoriented and go sometimes taking objects and some- es. The residents are not a good re and other very sick hospital in

skilled care unit. This option lies because the room and board if they were hospital patients or other income to help the room nursing home to have sufficient any income. With a \$400,000 of revenue from laboratory and xpensive proposition and would

about the present hospital versus etc the questionnaire and return to

at its present location near physc staff, its state of art medical lings, its accessible central location ents of Pinckneyville and the area care unit. Yes No

can meet changing emergency

and out-patient medical needs at a modest cost compared to a new hospital by building an attached, attractive, matching-brick two level structure in the south parking area leaving parallel parking instead of diagonal parking which would double the emergency room area, the X-Ray department, increase the laboratory and stress testing area in the basement and a first floor which would provide additional space for administration, medical records, pharmacy and the operating room. These improvements would be similar to those made by Marshall Browning at a cost of two million dollars and recently those of Sparta Community Hospital. Yes No

3. I believe that a new \$18.5 million dollar hospital, without skilled care, which is one or more miles from Pinckneyville is needed, whose loan cost for interest and principal would, over the life of the loan, might be about \$37 million, to be paid by Medicare from US payroll taxes, a program that is expected to spend more money than it receives in 2014; Medicaid from Illinois taxes, which has budgeted unpaid bills to health care providers in the billions of dollars; employer paid insurance; private insurance; real estate taxes; workers compensation and patients. Yes No

4. I believe that skilled care services should continue to be part of the services provided by the hospital to citizens of the area. If it was discontinued there would be fewer hospital admissions, fewer X-Rays, laboratory tests, physical therapy treatments, respiratory therapy treatments, surgical procedures, and other tests and that these costs would increase because 24-hour a day staffing must be maintained at a lower volume level; additionally housekeeping, administrative, dietary, maintenance costs would increase because they are partially supported by skilled care revenue, skilled care nursing and related costs would decrease. Yes No

5. I believe that there are many low income people in Pinckneyville and the area served by the hospital who would be affected by having a \$18.5 million dollar new hospital with higher charges. They are those who took early retirement, those who were laid off without health benefits, the disabled, the young widows with no coverage from Medicare, the young people with minimum wage jobs and no benefits, the transients with only small resources to pay their bills, the small businessmen who try to maintain coverage for themselves and their employees, city and county governments who try to limit tax increases, the school districts with limited resources, the area churches, also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate. Yes No (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments:

W. Ranta
Signature (optional) _____ or Initials _____
Date 7-28-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, IL 62274 in a sealed envelope.

✓ No (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

What in the world are you people serving on our hospital board thinking? Our city is BROKE! Our County is BROKE! Where is the money going to come from for a new hospital? Certainly no help from our state - it is BROKE also! Our road is a D.I. and the state is asking a tax for taking care of our underprivileged. Our city has a vast growing number of Senior Citizens - have you thought about if you were to end up in a wheel chair one day - what type of services would you expect? Would you or your family be able to support that?

Signature (Optional) _____ or Initials _____ Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

Our hospital is a nice, small hospital that supports our city well. Our employees are some of the best around if treated w/respect, that is all they ask. But, I have been around the facility when Administration cannot even speak to passersby and that is a shame. The board members of PCH needs to adopt some Values and not worry about how much of the peoples' money they can spend. Build a parking garage, update what we have already and I don't think there will be any complaint. The taxpayers of this small, great city & county cannot stand anymore taxes. People are struggling for their jobs and I cannot see where the PCH board cannot see this.

I think the PCH board should adopt the following:

- Respect: Valuing the dignity and uniqueness of each person
- Integrity: Adhering to strong, moral and ethical principles in all you do.
- Compassion: Responding to the feeling and needs of each person with kindness, concern and respect.

1

1284

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I believe that a new out of town Hospital is the most stupid idea that anyone could come up with. We have the best set up where it is that ever could be hoped for and why anyone would want to change it I don't understand when every thing is in one block. My wife was in skilled care for 885 days and I could not ask for any better care. Any medical attention she needed that could take her in a wheel chair instead of an ambulance. I know parking is a little problem but there is a couple houses north of the medical center lot that could be had for a price that would solve that problem.

Signature (Optional) James Gregory or Initials JG Date 11/22/06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

Thank you Mr Ranta for your interest in this some one needs to step up, and no one knows better than you the things that can be done. Some time back when you wrote the letter to the Editor and told a lot of things that could be done seemed to fall on deaf ears ~~no one~~ ever answered a word.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

RECENTLY I LIVED IN MERCER COUNTY, IN THE 80's
MERCER COUNTY BUILT A NEW HOSPITAL - ~~BY~~ USING
THE OLD BUILDING TO HOUSE SENIORS WITH LIMITED
"ASSISTED LIVING" ARRANGEMENTS.

THE NEW HOSPITAL NO LONGER HAS MATERNITY FACILITIES.
SEVERAL DOCTORS HAVE LEFT. SERIOUS EMERGENCIES
ARE HELICOPTERED TO ROCK ISLAND, MOLINE, OR GALESBURG.
I DON'T PRETEND TO KNOW ALL THE ISSUES, BUT I TEND
TO MISTRUST WHOLESALE ABANDONMENT OF EXISTING
PROGRAMS AND FACILITIES TO CHASE A "PIE IN THE SKY".

I WAS BORN HERE; I HAVE VISITED FREQUENTLY OVER THE YEARS.
NOW I'M BACK HOME.

Signature (Optional) Max C. Hickey Initials 7-22-06 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

ADMITTEDLY, DR. HILLER'S OLD HOSPITAL COULD NOT
MEET THE NEEDS OF 21ST CENTURY PINCKNEYVILLE
BUT THE PRESENT PINCKNEYVILLE HOSPITAL
CAN AND DOES.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes
X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

We see no way for the people of Pinckneyville to be able to support the cost of a new 20 to 21 million dollar hospital. With the current physicians in Pinckneyville most patients are sent to larger cities where specialists are anyway

Signature (Optional)

Janet Brand

or Initials

Date

1/30/66

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

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No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

New HOSPITAL AT Present Time Will NOT
Benefit most People Keep Everything We've
got And move forward - NOT New Building
with Down-Sized Inconvenient Services.
I Am Tired of Paying more And Services getting LESS + Less

Signature (Optional) _____ or Initials Date
July 29th 2006

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

The building is not old enough to need replacing. It is almost never filled to capacity, except possibly the skill care area. If there was a gift of \$18,500,000 we still would be studying to build a new hospital east of town. Parking has always been a problem and probably always will be. Money would be better used to acquire more parking.

Signature (Optional) Don Walker or Initials 7-27-6 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Here we go again. A school board tried to burden the taxpayers with a huge debt by attempting to build a new high school. The taxpayers voted that down. Now a hospital administrator is trying to burden the people with a major debt by attempting to get a new hospital built. But who does he answer to? The board members are not elected. They are appointed by the county commissioners. The commissioners are not committed. This is where the taxpayers should start putting pressure on those commissioners. They should make a commitment that they will appoint only board members who are committed to protecting the peoples money by not wasting it on a new hospital when we have an adequate hospital already.

Signature (Optional) _____ or Initials _____ Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

We don't need a new Hospital. We have too many big hospital around now and we have what Pinckneyville needs. All our family's have use the hospital as it is. We like home town things like our hospital. We spend too much for things we don't need. That is what's wrong with thing now.

Signature (Optional) Virginia J. Higgenson U. J. H.
William R. Higgenson W. R. H. Date
8-2-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I don't believe a new hospital could meet its debt load 18.5 million without raising rates. It would be nice to have a new hospital, but I don't think the people at Pinckneyville can afford it.

Signature (Optional) _____ or Initials SF Date 7-21-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

My husband and I prefer Pinckneyville Hospital to stay in the present location and make necessary improvements here. We want skilled care to be a part of the hospital.

Signature (Optional) _____ or Initials PAS Date 7-24-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

Dr. Van

Mr. Ranta,

Thank you for informing us about the new hospital costs and comparing the two facilities.

Darlene Vanderjacket



to 74

increase because... lower volume level... maintenance basis would increase because the wire partially supported by skilled care revenue... decrease. Yes No

5. I believe that there are many low income people in Englewood and the area served by the hospital who would be affected by having a \$18.5 million dollar new hospital with higher charges. They are those who took early retirement, those who were laid off without health benefits, the disabled, the young widows with no coverage from Medicare, the young people with minimum wage jobs and no benefits, the transients with only small resources to pay their bills, the small business men, who try to maintain coverage for themselves and their employees, city and county governments who try to limit expenditures, the school districts with limited resources, the area churches, also new industries which seek to relocate to Englewood, which has had limited growth in the last 50 years, and has had losses of industry and a high unemployment rate. Yes No (Note that wages in the region are only 65% of the state wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years)

Comments: I believe that present hospital does a very good job of meeting the needs of the people and it is at a convenient location.

Signature (Optional) Darlene Vanderjacket
Date 11/26/2006
Please return this Hospital Survey to George V. Ranta, 501 Coffman Street, Pinckneyville, IL 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

*We don't need more expense!
Pine Bluff has not grown much in the last 80+
years, and is not likely to now.*

Signature (Optional) Cyrus S. Keller or Initials CS Date 7/20/06

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Pinckneyville, IL 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes _____ No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I agree with Mr. Ranta 100%
This town is getting smaller, and is
not going to grow until Southern Ill.
is under the control of Chicago.

Signature (Optional)

Robert McKey or Initials 8-01-06 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

Yes No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I think the present hospital is doing a good job for area residents and I think they have a very good skilled care unit except they should only have one person per room because they are too small for two people.

Signature (Optional) Sue Dalman or Initials 8-1-06 Date
Michael Dalman

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

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Comments

We don't need 20 or 21 million dollar hospital. We need to build on to the present hospital like Sparta & the Queen. Rates in Pinckneyville are already too high now.

Signature (Optional) _____

or Initials JAC

Date

8-3-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I BELIEVE THE HOSP.
SHOULD STAY RIGHT WHERE ITS AT
HELL A LOT OF PEOPLE CAN WALK
HERE IF THEY CAN.
AND WALKING IS GOOD
IF YOU CAN.

Signature (Optional) John Bellhimer or Initials J Date 7-27-08
404 E. CLINTON ST. P.VILLE

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

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Comments

We appreciate your help in this matter + feel the same way you do.

Thank you,

David + Mary Peradotto

Signature (Optional) _____ or Initials 8/7/06 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

building equipment repairs, which
s maintenance. There would be
or staff maintaining the Family

hospital to consider regarding the
following:
real estate tax funds to offset
levies;

from 50 to 30 retaining 30 beds on
advantage of having residents who
revenue in laboratory, radiology,
prices. This floor has special
ch provide security for residents
on; have dining and recreation
for housekeeping and mainte-
care unit and relocate some resi-

This would require alarm sys-
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and/or their families would be as-
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3. I believe that a new \$18.5 million dollar hospital, without skilled
care, which is one or more miles from Pinckneyville is needed, whose
loan cost for interest and principal would, over the life of the loan
might be about \$37 million, to be paid by Medicare from US payroll
taxes - a program that is expected to spend more money than it
receives in 2014; Medicaid; from Illinois taxes, which has budgeted
unpaid bills to health care providers in the billions of dollars, employer
paid insurance, private insurance, real estate taxes, workers compensa-
tion and patients. Yes No

4. I believe that skilled care services should continue to be part of the
services provided by the hospital to citizens of the area. If it was dis-
continued there would be fewer hospital admissions; fewer X-Rays,
laboratory tests, physical therapy treatments; respiratory therapy treat-
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increase because 24 hour, 7 day staffing must be maintained at a
lower volume level; additionally housekeeping, administrative, dietary
maintenance costs would increase because they are partially supported
by skilled care revenue; skilled care nursing and related costs would
decrease. Yes No

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and the area served by the hospital who would be affected by having a
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Medicare; the young people with minimum wage jobs and no bene-
fits; the transients with only small resources to pay their bills; the small
businessmen who try to maintain coverage for themselves and their
employees; city and county governments who try to limit tax increas-
es; the school districts with limited resources; the area churches; also
new industries which seek to relocate to Pinckneyville which has had
limited growth in the last 50 years and has had losses of industry and a
high unemployment rate. Yes No (Note that wages in
the region are only 65% of the state wide wages and that Southern
Illinois has lost 2,400 industrial jobs over a period of years)

Comments

Biggest reason to move
east of town is parking
is it worth the cost? No!
Hospital is adequate for a town of this
size.

Signature (optional) *Jim Decker*
Date *07/26/06* Or Initials *JD*

Please return this Hospital Survey to George W. Ranta, 501 Coffman
Street, Pinckneyville, IL 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I personally think the hospital should stay where it is as it is very close and convenient and just make some changes for the better.

Signature (Optional) _____ or Initials _____ Date 7/21/06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

X

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Having read about the Pinckney Hospital and
living here for over 35 years - I fill in survey.
My not being close associated with hospital functions
I have done as I see it best for community.

Signature (Optional) _____ or Initials CPGB Date July 22, 06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I for sure don't think we need a new hospital in Pinckneyville our town will never get any bigger than it is now.

Signature (Optional) N. L. N. or Initials 7-24-06 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments
NOTHING WRONG WITH CURRENT HOSPITAL
IT CAN BE ADDED TO AND
REMODELED TO MEET FUTURE NEEDS
PARKING IS THE ONLY REAL
PROBLEM

Signature (Optional) _____ or Initials _____ Date
7/21/06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I feel we are well served by the hospital we have. It can be expanded to meet the coming needs.

Signature (Optional)

John Tompkins

or Initials

Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

*We need a new High School more than
a new Hospital.*

Signature (Optional) _____ or Initials *8/15/06* Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

177A

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

DON'T NEED A NEW
HOSPITAL

Signature (Optional) George W. Ranta Date 7-22-86

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

We don't need a new hospital

Signature (Optional) *Noah Carter* or Initials _____ Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.



Carter
led
Pill

charges would have to be higher than if they were hospital patients because there is no laboratory x-ray or other income to help the room charges. The State requires a new nursing home to have sufficient funds to operate six months without any income. With a \$400,000 loss plus hundreds of thousands loss of revenue from laboratory and other services it would become an expensive proposition and would close quickly.

After reading this information about the present hospital versus the proposed hospital please complete the questionnaire and return to Hospital Survey
c/o George W. Ranta
501 E. Coffman Street
Pinckneyville, IL 62274

- Hospital Survey
- I believe that the present hospital at its present location near physician's offices, its dedicated and trained staff, its state of art medical equipment, its well maintained buildings, its accessible central location meets the medical needs of the residents of Pinckneyville and the area served by the hospital and its skilled care unit. Yes No
 - I believe that the present hospital cannot changing emergency

businessmen who try to maintain coverage for themselves and their employees, city and county governments who try to limit tax increases, the school districts with limited resources, the area churches, also new industries which seek to locate in Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and high unemployment rate. (Note that wages in the region are only 65% of the state wages and that Southern Illinois has lost 100 industrial jobs over a period of years.)

Comments:
Mr. Ranta - The citizens should pay attention to your statements as you yourself have been an administrator at our hospital.

Signature (optional) Harvey Carter Initials HC
Date 7/21/74

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, IL 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes _____ No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I don't see a need for
change.

Signature (Optional) _____

or Initials

1-30-00 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I believe the hospital should remain in Pinckneyville with the city

Signature (Optional) _____

or Initials

EMR

Date

8/6/58

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Du Quoin's hospital is a lot older than ours + they are adding on at a lot less than the cost of a new facility. So can we. The Spillville unit is one of the best in the state + would probably upkeep the hospital unit if funds were not juggled + mis-managed. We need an administrator who will make improvements at the least amount of cost + continue providing all of the services to this community now offered. Show some care + concern for the community it serves, instead of wasting money on surveyor how to build a new facility like he allegedly has done at his past jobs + just trying to take advantage of Medicare dollars.

Signature (Optional) _____

or Initials *J.D.* Date

08-01-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I feel moving the location of Pinckneyville Hospital would be a very costly mistake. - one which might very well cause a great burden to our community and possible closure of our Hospital system.

Measures to improve the present structure should be made in order to bring it up to meet the necessary standards.

Signature (Optional) _____ or Initials _____ Date - Aug. 5 - 2006

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I believe it would be a mistake to Build a New Hospital and disband ~~our~~ present systems.

I also strongly feel that Pinckneyville can not afford a New hospital.

Signature (Optional) _____ or Initials _____ Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

I feel that improvement to our present hospital would be in line.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I believe that a modeling is needed. Service the people better than moving the hospital. Many of us are within walking distance of the Doc's & Lab testing. Otherwise some of us older people would have to have someone come & take us.

Signature (Optional) Mrs. Lynn or Initials 7/1/06 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Why not add 1 or 2 floors to the present Hospital — they could be connected to the south building which would give more space for labs, x-ray — hospital beds, etc. Doors could be set up with alarms so that skilled care patients couldn't get into the hospital area.

Signature (Optional) _____ or Initials _____ Date _____

08-01-04

Mayone Beck

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

Thanks for your good work
George.

respiration and physical therapy services. This floor has special bathing facilities, alarm systems which provide security for residents who try to leave without authorization, heating and recreation rooms and is compact and low cost for housekeeping and maintenance services.

Close 2nd and 4th floor skilled care unit and relocate some residents to the 1st floor hospital section. This would require alarm systems, special parking facilities, dining and recreational facilities, the cost of the larger rooms for residents and/or their families would be as high as if they were hospital patients because of cost accounting methodology. Additionally, some residents are disoriented and go from room to room visiting and sometimes taking objects and sometimes yelling and causing disturbances. The residents are not a good mix with surgery, heart, intensive care and other very sick hospital patients. This has been tried before.

Using the present hospital as a skilled care unit. This option would be out of reach for most families because the room and board charges would have to be higher than if they were hospital patients because there is no laboratory, x-ray or other income to help the room charges. The State requires a new nursing home to have sufficient funds to operate six months without any income. With a \$400,000 loss plus hundreds of thousands loss of revenue from laboratory and other services it would become an expensive proposition and would close quickly.

After reading this information about the present hospital versus the proposed hospital, please complete the questionnaire and return to Hospital Survey

c/o George W. Ranta
501 Goffman Street
Pinckneyville, IL 62274

Hospital Survey

1. I believe that the present hospital, in its present location near physician's offices, its dedicated and trained staff, its state of art medical equipment, its well maintained buildings, its accessible central location meets the medical needs of the residents of Pinckneyville and the area served by the hospital and its skilled care unit. Yes No

Signature (optional) _____ or Initials *GR*
Date 7/26/86
Please return this Hospital Survey to George W. Ranta, 501 Goffman Street, Pinckneyville, IL 62274 in a sealed envelope.

I believe that skilled care services should continue to be part of the services provided by the hospital to citizens of the area. If it was discontinued there would be fewer hospital admissions, fewer X-rays, laboratory tests, physical therapy, dental services, respiratory therapy treatments, surgical procedures, and other tests and that these costs would increase because of the day-staffing must be maintained at a lower volume level. Additionally housekeeping, administrative, dietary maintenance costs would increase because they are partially supported by skilled care revenue, skilled care nursing and related costs would decrease. Yes No

5. I believe that there are many low income people in Pinckneyville and the area served by the hospital who would be affected by having a \$18.5 million dollar new hospital with higher charges. They are those who took early retirement, those who were laid off without health benefits, the disabled, the young widows with no coverage from Medicare, the young people with minimum wage jobs and no benefits, the parents with only small resources to pay their bills, the small businessmen who try to maintain coverage for themselves and their employees, city and county governments who try to limit tax increases, the school districts with limited resources, the area churches, also new industries which seek to operate in Pinckneyville which has had a limited growth in the past 50 years and has had losses of industry and a high unemployment rate. Yes No (Note that wages in the region are only 65% of the state wide average and that Southern Illinois has lost 2,400 industrial jobs over a period of 6 years.)

Comments:

Keep and improve the present hospital.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Number (2) sounds like an excellent solution.

Signature (Optional) *Jona Keller* or Initials *J/K* Date *7/20-06*

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes _____ No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

*We enjoy the SIB Interest Center &
Would like to see it enlarged & have more
chairs for Senior citizens
I believe the Medical Records office needs
more room on the first floor of Hospital. It
is crowded for space*

Signature (Optional) *Don & Kay Elliott* or Initials _____ Date *8/7/06*

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Surely there is a reasonable way to retain the present facility. The Skilled Care Unit is a great care center and needed. Why start over - lets use our \$ and efforts to make a fine long/skilled care even better at its present location

Signature (Optional) _____ or Initials BJA Date 7/25/06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes

 X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

The hospital is in very good condition and should receive state financing for prudent improvements which allow it to remain competitive with other area hospitals

Signature (Optional) George Ranta or Initials _____ Date 8/7/06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

*Duquoin Hospital is much older than
Pville and if they can't remodel, I
don't see why Pville can't.
I'm a conservative and not a spender.*

Signature (Optional) *Bebette Reese* or Initials _____ Date *8/4/06*

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, IL 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I was not aware of this issue until now. I feel spending the money to update is a much better way to use the tax monies.

Is the call for a new hospital superficial, for looks? Can we not use the same building and not move the skilled care patients? What really would 18 million create, what about employees?

This seems to be similar to the "lets build a new PCHS".

Signature (Optional) _____

or Initials _____

Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No X (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I am proud of our local hospital but it may have outgrown it's present location. Something definitely needs to be done about the parking and traffic congestion.

Signature (Optional)

July 25, 2006

or Initials

ET

Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No X (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I believe a new state of art hospital would be good for the area however I would not favor eliminating skilled care.

Signature (Optional)

or Initials

Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

The present hospital has too many areas of concern to be "patched up". The electrical plumbing, heating, elevator, earthquake & cooling problems are severe. With a newer hospital in an area with add-on acreage, we could have an ambulance system & heliport rather than having to shuttle patients to & from our local high school field. (Patients have to pay an extra fee for that.) I don't believe the closeness to the job department is any more important than it is to the prisoners. Of course, taxes would go up - no matter which way we go!

Signature (Optional) Don & Marilyn Dinkins or Initials _____ Date _____
7-25-6

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I really don't know the feasibility of building a new expensive hospital. However, I also believe that after a certain time, it becomes ridiculous to keep spending great sums to maintain and upgrade old buildings. The current parking situation is horrible and creates problems for the few businesses we still have downtown.

The present hospital is convenient, but there is very little room for expansion and none for parking. I am not in favor of spending a great deal on that building, use it all for a nursing facility

Signature (Optional) _____

or Initials _____

Date _____

Aug. 2, 2004

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

and build a new, modest hospital on a site with plenty of room.

←
Most residents would be able to get to a new facility within a mile or two from town. A new facility should not be overbuilt at first, but should be built with future expansion in mind. It should also be built remembering that it is a community hospital, not a large regional medical center. Many residents with insurance and the means to travel already choose to go to larger hospitals for treatments they could receive in Pinckneyville. My advice is:
1. Use the present building for a nursing facility.
2. Build a modest new hospital on a site with room for expansion.

W. Ranta

71 -

No X (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years)

Comments

If we want people to be admitted to our hospital instead of going to St. Louis, a Dale G. Thompson, then we want to provide them with a 168 class hospital where there is also male room (and parking). We should (I believe) use present location for skilled care & nursing home - and build a new state one out where there is lots of room to expand. There is no room @ present location. If we can't promote some new business, you can't stay here. Population is increasing - we are at a stand still inville!

Signature (Optional) _____

or Initials DMH

Date 8-7-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I think the unemployment is to 6 1/2%
ten percent of the income supporting
Perry County is from SST.
They don't seem to bring more jobs
to Perryville.

So in my opinion that we
can't afford a new hospital

Signature (Optional) John Burns or Initials _____ Date _____
07-28-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

Geek Hepp
202

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I think building that Hospital would hurt this area even more by increasing property taxes and taxes in general. With all the jobs closing out, this town is going to be hurting even more with that big of a loan. So I vote no on the new Hospital.

Signature (Optional) Geek Hepp or Initials GH Date 8-4-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I do not think we need a new hospital facility we need good doctors and nurses that know what they are doing for the people this facility will just raise tax and in this area we definitely ~~do~~ do not need this people cant make it and pay their bills the way it is

Signature (Optional) Debra Jupp Initials 8-6 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I just don't believe we the people
can afford paying more taxes.

Signature (Optional) Michelle Schneider or Initials _____ Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

X No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I appreciate these efforts to educate & inform the residents of the Pinckneyville area on this pressing issue. Thank you.

Signature (Optional) Michelle Headley or Initials _____ Date 7/24/06

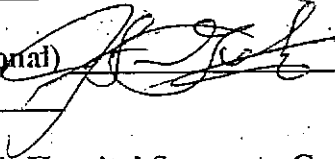
Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, IL 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

WHAT THE HOSPITAL NEEDS IS A AIR LIFT
PLATFORM SO CHOPPERS CAN LAND & TAKE OFF WITHOUT A
LARGE TIME LOSS ~ ~
A CHOPPER PAD NEXT TO - SUCH AS DU QUOIN HAS OR
ON THE ROOF ~ ~ ~

Signature (Optional)



or Initials _____

Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

SCHUMAIER'S AGRI-BUSINESS SERVICES

111 East Street
PINCNEYVILLE, IL 62274
618/357-9012



07/27/06

Geo Ranta
We appreciate your letter to
The Editor, it is about 99%
Correct. For 40 yrs more or less
our family + friends have been
using this hospital + hospitals
& doctors in St Louis.
There is no comparison!
If you really need health care
St Louis hospital and their
thousands of doctors can
analyze our problems and
provide for better health care
than we will ever be able
to here.

18.5 only Builds a Building
MILLION →
Sincerely
Emmitt E "Gene" Schumaier

PHOTO

reading this information about the present hospital versus
hospital, please complete the questionnaire and return to
Hospital Survey
501 Cottman Street
George W. Ranta
Pincneyville, IL 62274
I believe that the present hospital, at its present location near physi-
cian's offices, its dedicated and trained staff, its state of art medical
equipment, its well maintained buildings, its accessible central location
meets the medical needs of the residents of Pincneyville and the area
served by the hospital and its skilled care unit. Yes No
2. I believe that the present hospital can meet changing emergency
Please return this Hospital Survey to George W. Ranta, 501 Cottman
Street, Pincneyville, IL 62274 in a sealed envelope.
Date 07/27/06
Signature (optional) Emmit E. "Gene" Schumaier
Comments
We need to be a good job on the
things we can do here.
2/21/06
Emmit E. "Gene" Schumaier

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Signature (Optional) _____

or Initials _____

Date

Aug. 1, 2006

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

Most Staff is inadequate,
needs updated. Ones
that have lengthy employment
misuse systems, neglect
duties, push work on
lower totem pole employees
and buck authority!
ASK patients
u people

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Present complaints to board.

Signature (Optional) _____

or Initials _____

Date

8/3/06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

va's sister - Fulk - former Valentine - ^{same employees former} ^{former board} ^{nursing} ^{hand} ^{work} ^{(now) employed} ^{you}

Your costs could be cut by getting efficient help, people who want to work and appreciate a job and who are people oriented. I have had 4 Bad, repetitive emergency room experiences at our hospital. Unless changes are made - I will go to another facility!

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Dear Sir: On Jan. 12-2006 I met
my ninth (first) birthday.
I have only eight years of schooling
I do not have the knowledge that
would allow me to know and make the
correct decisions on any major change.
I will ask the Lord to guide you
~~and~~ only your decisions. Good Luck !!

Signature (Optional) Marie C. Wheeler Initials 7-17-2⁰6 Date

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Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I don't think that you are a good judge over whether or not a new hospital is needed. When you were administrator, hospital employees did not receive raises. We went for 4-5 yrs without any kind of raise and the hospital did not grow. Now we get a raise yearly and we have outgrown our facility as well as its being outdated. You do not have all the facts as to how it will be paid off. Also who wants their family in the skilled care to be on a roof? Surely I wouldn't stick to your retirement and let the hospital board
Signature (Optional) _____ or Initials _____ Date 7-28-06

Handle this proceeding. If you were still the head
Please return this Hospital Survey to George W. Ranta, 501 Coffman Street,
Pinckneyville, Il. 62274 in a sealed envelope.

of the hospital my wages would be nothing.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Do not need New hospital — present is adequate. Skilled care is asset not deficit. State (slow) pays low

Signature (Optional) _____

or Initials _____

Date 8/10/66

hinder reports

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The sister of the head nurse is not polite — efficient sharp — She is lazy — lousy and thinks Eva Can we keep her employed!

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I am a skilled care worker. If this new hospital is built, it will not only cause problems for the residents who live in the skilled care unit but also for us employees who will lose their jobs! I am not on public aid, I have two children and I work very hard to keep my family off of wellcare. If I was to lose my job, I might have to be put on wellcare. That is something I don't want to do. I think every body needs to look at the whole picture when they think about this "new hospital"

Signature (Optional) _____

or Initials

SB 8/8/06 Date

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with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes No (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I have worked at Pinckneyville Skilled Care for 15 years. I can not see how it has not made money for the hospital. A new hospital east of town would put the rest of the town out of business.

Signature (Optional) CH or Initials 8-1-06 Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

HOSPITAL SURVEY

2

1. I believe that the present hospital, at its present location near physician's offices, its dedicated and trained staff, its state of art medical equipment, its well maintained buildings, its accessible central location meets the medical needs of the residents of Pinckneyville and the area served by the hospital and its skilled care unit.....Yes No

2. I believe that the present hospital can meet changing emergency and out-patient medical needs at a modest cost compared to a new hospital by building an attached, attractive, matching-brick two level structure in the south parking area leaving parallel parking instead of diagonal parking which would double the emergency room area; the X-Ray department; increase the laboratory and stress testing area in the basement and a first floor which would provide additional space for administration, medical records, pharmacy and the operating room. These improvements would be similar to those made by Marshall Browning at a cost of two million dollars and recently those of Sparta Community HospitalYes No

need more diagonal parking

diff: cult for elderl

3. I believe that a new \$18.5 million dollar hospital, without skilled care, which is one or more miles from Pinckneyville is needed, whose loan cost for interest and principal would, over the life of the loan, might be about \$37 million, to be paid by Medicare from U.S. payroll taxes - a program that is expected to spend more money than it receives in 2014; Medicaid, from Illinois taxes, which has budgeted unpaid bills to health care providers in the billions of dollars; employer paid insurance; private insurance; real estate taxes; workers compensation and patients.Yes No

need more skilled care

4. I believe that skilled care services should *be enlarged - offer more rooms* continue to be part of the services provided by the hospital to citizens of the area. If it was discontinued there would be fewer hospital admissions; fewer X-Rays; laboratory tests; physical therapy treatments; respiratory therapy treatments; surgical procedures; and other tests and that these costs would increase because 24 hour, 7 day staffing must be maintained at a lower volume level; additionally housekeeping, administrative, dietary, maintenance costs would increase because they are partially supported by skilled care revenue; skilled care nursing and related costs would decrease Yes No

5. I believe that there are many low income people in Pinckneyville and the area served by the hospital who would be affected by having a \$18.5 million dollar new hospital with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

Don't need more TAXES

Signature (Optional) _____ or Initials *DK* Date *8.1.06*

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I feel the present Hospital has out grown its space. The parking is such a factor, people have to make it in the building which is quite a feat at times.

There is no privacy anywhere - everything is heard in ER, pt rooms @ nurse stations. Skilled Care is a service that this community needs. Pinckneyville Healthcare has 64 beds with only 30 some resident. Skilled Care has a waiting list + people love the service. People at the Healthcare want to live at SCU.

Signature (Optional) _____ or Initials _____ Date _____

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits; the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate Yes
 No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

I do not favor an entirely new hospital but I do not favor anything that would reduce the capacity of Skilled Care. I think the need for Skilled Care is as necessary as the hospital.

Signature (Optional) *Hugh D Malan* or Initials *8/2/70* Date

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

and out-patient medical needs at a modest cost compared to a new hospital by building an attached, attractive, matching-brick two level structure in the south parking area leaving parallel parking instead of diagonal parking which would double the emergency room area; the X-Ray department; increase the laboratory and stress testing area in the basement and a first floor which would provide additional space for administration, medical records, pharmacy and the operating room. These improvements would be similar to those made by Marshall-Browning at a cost of two million dollars and recently those of Sparta Community Hospital... Yes No

3. I believe that a new \$18.5 million dollar hospital, without skilled care, which is one or more miles from Pinckneyville is needed, whose loan cost for interest and principal would, over the life of the loan, might be about \$37 million, to be paid by Medicare from US. payroll taxes - a program that is expected to spend more money than it receives in 2014; Medicaid, from Illinois taxes, which has budgeted unpaid bills to health care providers in the billions of dollars; employer paid insurance; private insurance; real estate taxes; workers compensation and patients... Yes No

4. I believe that skilled care services should continue to be part of the services provided by the hospital to citizens of the area. If it was discontinued there would be fewer hospital admissions; fewer X-Rays; laboratory tests; physical therapy treatments; respiratory therapy treatments; surgical procedures; and other tests and that these costs would increase because 24 hour, 7 day staffing must be maintained at a lower volume level; additionally housekeeping, administrative, dietary, maintenance costs would increase because they are partially supported by skilled care revenue; skilled care nursing and related costs would decrease... Yes No

5. I believe that there are many low income people in Pinckneyville and the area served by the hospital who would be affected by having a \$18.5 million dollar new hospital with higher charges. They are those who took early retirement; those who were laid off without health benefits; the disabled; the young widows with no coverage from Medicare; the young people with minimum wage jobs and no benefits, the transients with only small resources to pay their bills; the small businessmen who try to maintain coverage for themselves and their employees; city and county governments who try to limit tax increases; the school districts with limited resources; the area churches; also new industries which seek to relocate to Pinckneyville which has had limited growth in the last 50 years and has had losses of industry and a high unemployment rate... Yes No (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

After reading this information about the present hospital versus the proposed hospital, please complete the questionnaire and return to:
Hospital Survey
c/o George W. Ranta
501 Coffman Street
Pinckneyville, IL 62274

Hospital Survey

1. I believe that the present hospital, at its present location near physician's offices, its dedicated and trained staff, its state of art medical equipment, its well maintained buildings, its accessible central location meets the medical needs of the residents of Pinckneyville and the area served by the hospital and its skilled care unit. Yes No

2. I believe that the present hospital can meet changing emergency

Comments: Hudjuns or however you spell his name is just what we need a new building with skilled care. Blue... he could care less... the people of this area need skilled care needs to be supported by...

Signature (optional) _____ or Initials _____
Date 7-26-06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, IL 62274 in a sealed envelope.

Comments: Cont.

We strongly believe that Skilled care patients need the good care they cont. to have by keeping SCU attached to the hospital. They deserve the convenience ^{error or} convenience of x-ray, Lab, CT Scans, MRI, etc... Outpatient Services provided. If it is Seperated then there is the extra expense to patient or maybe Medicare for getting ^{error or} transporting back-u-forth. Also, the convenience of the Doctors who now can come up & see SCU patients after rounds on Med Floor & before they go to their offices. These are good, Strong reasons why we feel SCU is a good place for patients & get good care, of course other reason too, but ~~for~~ for the ~~re~~ reasons above SCU should not be Seperated from the hospital.

Thank you for taking time to read our comments.

Tim & Dana Kellerman

No _____ (Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2,400 industrial jobs over a period of years.)

Comments

We need to plan ahead for the Baby Boomers. We will only need more skilled care units + nursing homes. to help take care of our elderly.

Signature (Optional) Jim Kellen or Initials _____ Date _____
7/25/06

Please return this Hospital Survey to George W. Ranta, 501 Coffman Street, Pinckneyville, Il. 62274 in a sealed envelope.

Mr Ranta,
Thank you for taking the time to try and save our hospital and SCU.

Thanks.
Jim

Walk Through

501 Coffman Street
Pinckneyville, IL 62274
August 28, 2009

To: Illinois Health Facilities Planning Board (IHPB)
Susana G. Lopatka Vice-Chairperson
Courtney R. Avery Voting Member
Dr. James J. Burden Voting Member
Jeffrey J. Mark Executive Secretary
David Carvalho Deputy Director, IDPH
Ex-officio, non-voting
Jerome Butler Illinois Department of Human Services
Ex-officio, non-voting
New Appointee Medicaid Policy Advisor
Illinois Department of Health and Family
Services
Ex-officio, non-voting
George Roete Supervisor, Project Review Section – IHFPB

From: George W. Ranta, Retired Hospital Administrator
Pinckneyville Community Hospital

Subject: Certificate of Need for a New Hospital Complex
Pinckneyville, Illinois

I would like to discuss with you, as members of the Illinois Health Facilities Planning Board, the availability of health care; the flow of patient admissions at Pinckneyville Community Hospital; financial issues and suggestions.

Availability of Health Care:

1. Pinckneyville Community Hospital is one of a group of hospitals serving a thirty mile area around Pinckneyville in Southern Illinois which are similar in size and three of them have similar governance, namely, they are tax assisted district hospitals. Pinckneyville Community Hospital is located in the smallest city with a population of 3,100 plus 1999 prisoners in a correctional institution. The other hospitals are located in cities with a population of more than 5,000 or are the only hospital in the county. All five hospitals were built in the 1960s. The district hospitals are the Pinckneyville Community hospital, which had a major addition in 1976 designed by the architectural firm, McLaughlin and Associates; Chester Memorial Hospital designed by the architectural firm McLaughlin and Associates and additions designed by the same firm with a large Illinois State prison; Washington County Hospital was also designed by the same firm with modernizations in the 1970's and 1980's; Sparta Community Hospital was designed by a different firm had a recent modernization of their emergency room at a cost of \$1.5 million dollars. The other two hospitals are Marshall Browning Hospital, an endowed hospital located in a city with a large Illinois State fairgrounds with a recent major modernization costing \$7.6 million dollars and St. Joseph's Hospital located

in Murphysboro with no major modernizations is located near Carbondale with its Southern Illinois University campus. All hospitals provide high quality care with advanced technology and numerous specialty clinics with out-patient services.

2. Flow of Patient Admissions.

Based on my experience as the hospital administrator from 1967, shortly after Pinckneyville Community Hospital opened until 1989 and primarily from 1995 when my wife had a stroke, we have been out-patients at least every three months as well as emergency room patients and more recently my wife has been an in-patient, I would like to describe the flow of patient admissions in order to give you an overall understanding of operations of a hospital seeking to build a new \$37 million dollar hospital complex.

The patient admission from the Family Medical Center: The modern Family Medical Center was built about twelve years ago and is located across the street, north of the hospital in a modern building which cost over \$1 million dollars to construct. It is a one story building with a basement. It currently houses two physicians, one surgeon and one physician's assistant with one physician on maternity leave who is leaving. Alterations to the building are underway for another physician who is coming in August. There has always been sufficient parking available when I have gone. Additional parking space is available to the north by purchasing a large house and a smaller house lot or building a parking garage on a slope to the west. The prospective patient registers at the scheduled time, furnishing his insurance card and making the required deductible co-insurance payment and waits in a comfortable room with four rows of seating. After a while the prospective patient is called and taken to a physician's examination room where a nurse records all the medicine bottles the patient brings to be checked, then the nurse takes and records the vital signs and listens for the chest sounds. After a while, the physician comes in to examine and prescribe to the patient. It usually takes one hour beyond the scheduled time to see the physician. Some laboratory tests are done here but others are ordered to be done at the hospital.

If the patient requires admission to the hospital as an in-patient or requires laboratory or other studies these are scheduled with the different departments. When the patient arrives she (or he) finds a number of handicap or other parking in front of the hospital and either uses a handicap ramp or steps through automated doors into the attractive lobby which is furnished with attractive, colorful, nearly new furniture. Many wheel chairs are available in the anti-room; signs direct the patient to the Business and Admitting Office which has a small waiting room with four chairs and four privacy enclosures; the waiting time and the completion of admission forms and the application of identification bracelets takes about ten minutes as the majority of admissions are to former patients, then the patient is directed to the elevator in front of the office for out-patient services or to the nursing floor for admission

Laboratory Services: The majority of laboratory services are tests which require fasting, so they are mostly done from 7 AM to 11 AM Monday to Friday or in a 20 hour period of time. Laboratory personnel make rounds of patient rooms first thing in the morning so that test results will be available to the attending physician. Out-patients sit in a small waiting room with about six chairs and register with the office personnel and await testing. This testing or electro-cardiograms usually take about ten minutes, and then the patient is ready to go home. Other testing occurs on a seven day twenty four

hour basis seven days a week for emergency room patients, in-patients being admitted and referrals from physician's offices. Such testing is quickly done.

Radiology, Nuclear Medicine, Ultra-sound, Mammography, CAT studies and MRI examinations are available within 200 feet of the elevator landing and are staffed by the same technical staff members who have to be knowledgeable in many areas. There is a small waiting room where there might be one or two patients waiting for examinations. Typically the waiting time is up to thirty minutes as some of the scheduled examinations might take as long as one hour. Hospital in-patients and emergency room patients have priority. Many procedures require fasting and must be done in the morning. Here, again, as in the laboratory, the major portion of the 24 hour seven day work load is done from 7 AM to 11 AM or in 20 hours per week while the balance of the time is physician's office referrals, emergency room patient admissions, hospital in-patient admissions.

Pulmonary and respiratory services, chemical cardiac stress tests, and specialty clinic staffing is done by a small staff which requires specialized training and working relationships with many different physicians. The work in this area is also done in the same 7 AM to 11 AM time frame five days a week or 20 hours per week. This area has a waiting room in a nearby conference room with a wait of five to ten minutes at the most if the physician is running late as these are scheduled examinations. This area is located on the ground floor about 200 feet from the elevator landing.

Stress testing, quality assurance, patient education, staff training, community health education, public relations, licensed practical nurse education program, social services, an activity program, dietary education service, and other duties are done by professional employees with multiple responsibilities at different locations throughout the hospital including the nursing area and patient rooms primarily from 7 AM to 3 PM. All of this is available in a small city of 3,100 plus the surrounding area for an average in-patient population of 7.1 patients. All these services are available within 200 feet from the entrance.

Emergency services: The emergency room is located in the rear of the hospital, one block from State Highway #154 and is two blocks from State Highway #13. The radiology department is next to the entrance as is the reception area; the emergency and treatment rooms are twenty feet away and the laboratory is less than two hundred feet away for quick response. In the 1960's there was a serious bus accident with twenty six injured and a number of fatalities where all the injured were directed to Pinckneyville Community Hospital by the State police and those to the other hospital who were fatally injured although both hospitals were the same distance from the scene of the accident because Pinckneyville was better prepared. Since that time there have been numerous serious accidents involving drunken driving, excessive speed on narrow rural highways which have had similar quick and professional response.

Surgery: The surgical suite is located about 100 feet from the admitting office and is convenient by elevator from the emergency room which is on the ground floor. It has two rooms for surgery. The hospital has been fortunate in having a highly qualified surgeon for many years. The suite has modern operating room tables, anesthesia machines and a surgical nursing staff

Medical/Surgical Nursing Floor: The floor, which has a twenty five medical/surgical bed unit is located on the same floor as the admitting office - about 200 feet from the office. The rooms are large with individually controlled air conditioning

and heating units; showers; television sets; telephones and other conveniences. The nurse's station has the latest electronic medical record installation as well as electronic capability of heart monitoring in all patient rooms. There is a two bed monitored heart room and a two bed monitored intensive care unit opposite the nurses station. The nursing staff serves as a back-up to the emergency room. The professional nurse is one of the most critical elements of hospital operations. The professional nurse has to make many observations and decisions in the course of the shift when mostly dealing with the fragile elderly. They involve starting and maintaining IVs, blood transfusions, responding to codes, whether to call the patient's family physician at his home for guidance, responding to assist the emergency room nurse and physician when there are many admissions there, offering assurance to the patient, explaining symptoms, procedures, obtaining consents, providing explanations to family members regarding the patients condition, providing grief assurances to family members, calling the funeral home, supervising the staff, understanding word processing and computerized medical records, understanding drug reactions and drug therapy and being able to react in critical situations which require CPR and the use of cardiac equipment, the ability to read the heart monitor, etc. The professional nurse frequently has to work overtime because of an overflow of patients in the emergency room, an unexpectedly long surgical procedure, the need to start an IV or attend to a critical patient or complete her report or give lengthy explanations to the oncoming shift about patients on the nursing floor. Despite all this responsibility, the hospital board decided to eliminate all paid overtime for the professional nurses in order to meet budgetary goals prior to taking a large group to Washington, DC to request funding assurances for a new \$37 million dollar hospital.

Specialty Clinics: There are a large number of specialists who provide services to patients at the hospital. They are in the following fields of medicine: Allergies, cardiology, OB/GYN, oncology, podiatry, urology, neurology, pulmonology, wound care/ostomy care, sleep study and the availability of the MRI unit. :

Maintenance and Housekeeping: When a prospective patients first enters the hospital, they are struck by the appearance of newness as if the building, rooms and corridors had been recently painted as there were no marks or scaling or dull surfaces; the housekeeping was immaculate with no dusty surfaces; with spotless windows, furniture and other surfaces.

Summary: The compact, conveniently located hospital currently meets the medical needs of the City of Pinckneyville, population 3,100 plus 1999 at the correctional institution which has its own medical clinic plus the surrounding community. It has twenty-five beds. The hospital has all the capabilities of a much larger hospital. There are no significant problems with the physical plant. There are two separate buildings - one completed in December 1965 and the second in July 1976.

The 1976 building initially served as the Skilled Care Unit, when Medicare reimbursement regulations caused losses which made it advantageous to transfer residents to the older 1965 building. When this transfer was made, the resident areas were thoroughly surveyed by the Illinois Department of Public Health as to room size and for the safety of residents. There were annual inspections by the State Fire Marshall, the City Fire Chief and the property insurance carrier for fire safety; all recommendations were promptly carried out which included necessary stairwells, fire stops, automatic door closures, alarm systems, connections to the fire department, evacuation plans, heat and

fire detectors and other alarm systems. The Illinois Department of Public Health did separate annual surveys of both the hospital and the Skilled Care unit with follow-up visits to be assured that all recommendations are carried out. The State Environmental department also carried out annual surveys to be sure that there were no environmental issues. During the twenty-two years that I was the administrator a licensed plumber replaced much of the plumbing in the building; while the maintenance department constructed required fire stops.

The 1976 building was constructed with a loan from the Farmers Home Administration with a building design which met both the requirements of Hospital Building Standards and Long Term Building Standards. The building was approved by the Illinois Facilities Planning Board.

The convenient health care site is located one block from State Route #154 to the South and one block from State Route #13/127 to the East. It is one block from the north edge of the city of Pinckneyville. The majority of residents live within a ten block area South, East and West of the hospital. The area where the hospital is located has been associated with health care for over sixty years. The first district hospital was built on 103 North Walnut Street in 1951, then there was an addition to the building; and in 1965 a new hospital building was opened with 55 medical/surgical beds and the adjoining older hospital buildings were demolished; then the 1976 building was constructed where the previous 1951 hospital had been located. During this and the current time the hospital board took numerous steps to acquire additional parking. It acquired the Stella Brey property, an adjacent older house, the Ruby Pundsack property, and the Bertha Hinckey Estate as well as space south of the hospital. Currently there are a number of sites available for additional parking plus an area for a parking garage, also, the closure of the Skilled Care unit with its 40 residents and 45 staff members plus visitors provided additional parking spaces. Across the street was a physician's hospital which has since become part of the hospital parking lot. Across the street North of the hospital is the Family Medical Center, constructed about eleven years ago and the Family Dental Center of Pinckneyville; to the south is the Medical Arts building and the Stotlar Drug Store; a few blocks away is the office of James A. Wittenauer, Chiropractic Physician.

Almost all residents of the city of 3,100 have had some association with the hospital as one of the retired physicians was the attending physician to 3,000 births and there were three other doctors who delivered babies before the hospital closed the obstetric department as the physicians no longer wanted to deliver babies.

Proposed New Site: A three person committee of the Hospital Board most of whom were serving their first term met and recommended a new site one and one half miles east of Pinckneyville without any community input. In two large surveys where detailed information was provided to hospital district voters over ninety percent of the respondents wanted to modernize the present hospital at its current convenient location. (The Hospital Board was given copies of both surveys which included comments. There was no acknowledgement. The hospital did not conduct its own surveys.)

In addition to being one and one-half miles away from the population center with its fire, police and ambulance services, the site had other issues. It is located at the intersection of a country highway where there have been fatalities and serious accidents. Route #152 where the site is located is a very busy highway with three public schools and very heavy large truck traffic from flour processing factories located in Steelville and

Chester, Illinois and their employees. Another concern is that there is a nearby natural gas transmission complex.

The advantage of the new complex is that there is many parking spaces.

A second advantage is that the construction of a new, costly complex offers investment opportunities to the wealthy community members who wish to purchase tax-exempt government guaranteed bonds.

A New Hospital Complex: The newly appointed administrator and the majority of recently appointed members of the board of directors were, at that time and continued to be, single-minded in their desire to close the Hospital's Skilled Care Unit and all other health-related services and to build a new hospital complex one and one-half miles from the center of the city whose costs have risen from \$20 million to \$21 million to \$31 million to \$33.7 million dollars whose costs now include all new medical equipment in a small community of 3,100 residents plus 1,999 prisoners in a correctional institution with its own health care system without giving due consideration to available alternatives and at a time of major economic distress and uncertainty.

They didn't fully discuss in open meetings and in newspaper articles the various issues which community hospitals face in seeking to provide all aspects of health care, instead they concentrated their efforts on hospital profitability, for example, the Skilled Care Unit:

They claimed that the Skilled Care Unit was "losing" \$1 million dollars per year while neglecting to mention that the fragile elderly residents were generating hundreds of thousands of dollars each months in laboratory, radiology, respiratory therapy and other services. Administration made no effort to increase charges to residents; to review staffing levels or to make administrative changes. They didn't consider different options regarding the number of residents on the two different floors. They didn't consider the impact on the residents, their families and the community when a highly rated long term care facility closed after thirty-two years of caring service. This was reflected in an advisory vote where 89% of the district's voters wanted Skilled Care to be part of the hospital; also that 26 of the 40 long term residents died within months after the closure. (The hospital knew that this would happen when residents are moved from one facility to another.)

The same scenario also happened with the closure of the Durable Medical Equipment department, Home Health, Hospice services. The previous hospital administrations and boards of directors wanted to provide maximum use of the hospital's resources of the building, the equipment and the staff of dedicated employees. All hospitals have "loss" leaders where they make money in one department and lose money in another department.

No explanation was ever given to the hospital districts taxpayers as to why construction costs increased 68.5% or why all new equipment had to be purchased when the hospital had been purchasing new equipment every month. Despite monthly front page articles over a five year period detailing 'loses' in Skilled Care and the purchase of land for a new hospital building complex, there was never a public explanation as to why a new hospital was needed. It was as if the hospital district was the personal property of administration and the board of directors and not the district's taxpayers.

There was never a word or description of how the hospital board would pay for the construction of a new hospital complex which would now cost \$31 million dollars. The Board didn't establish a Foundation to financially support building the new complex; it didn't actively seek wealthy donors, it didn't establish a hospital auxiliary to publicize the hospital's needs regarding a new facility, it didn't conserve cash to build up a reserve for unexpected expenditures, but rather it continued to purchase new medical equipment and make costly expenditures every month and to proceed with construction plans as if the new hospital complex had been fully approved by the Illinois Health Facilities Planning Board.

Instead of being conservative and using some local resources, the hospital chose to depend totally on Medicare, a program whose costs are increasing at three times the increase in wages; on Medicaid, a Federal/State program significantly contributing to Illinois major budget problems; on local government, the largest employer group in Perry County (school districts, hospitals, county government, etc.) on employers with large deductibles; on people without insurance to pay for the total cost of a new hospital complex. The total cost of a new \$33.7 million dollar hospital complex over the life of a thirty or forty year loan with interest and principal could be as much as \$67.4 million dollars all in a community with 3,100 people and 1,999 correctional facility inmates with their own health facility. It's like the famous bridge in Alaska!

Loss of 800 jobs from 2004 to 2007. A major manufacturer which had employed 800 people in 2004 closed its doors in 2007 caused Perry county's unemployment levels to rise to 10.2%, the second highest in Illinois with the high likelihood that the rates will remain at these high double digit rates for a decade based on past experience with the loss of coal mining jobs in the 1980s. The hospital administrator downplayed the impact of this job loss in a presentation to the Methodist Men's organization by saying that he "took a tape" of the revenue generated by the employees and found that it wasn't significant to the hospital. He totally misses the point, probably intentionally, that these employees, their spouses and their children represent the future patients of the Pinckneyville Community hospital. The vast majority will remain living in Pinckneyville commuting to distant jobs at lower beginning wages and without health care benefits and retirement benefits. Some of the employees with transferable skills sold their homes after the homes were on the market for six months to a year, but the majority remained in Pinckneyville. Some were near retirement age and waited it out using their unemployment benefits as a bridge. Some had pre-existing health issues and could find employment and some were too old to start a new career, while the younger ones enrolled in community colleges. The net effect of the loss of 800 jobs was increased poverty and a lower standard of living. This in time will lead to increase use of the emergency room for health care, more bad debts for the hospital and higher use of the Medicaid program and lower ability for the hospital to pay interest and principal on their large outstanding debt. Insurance for health care policies has increased 30% to 40% compared to the past year and the cost of health care is two to three times higher than the increase in salaries.

Poverty: A new high school vs a new hospital complex. According to the latest report, Perry County is on the Heartland Alliance's Mid-America Institute on Poverty warning list as is adjacent Randolph County while Washington County to the north of Perry County is on the watch list which has eight Southern Illinois counties. The

Heartland Alliance assesses four main indicators of economic well-being of the state's 104 counties. These factors include unemployment rates, poverty estimates, high school graduation figures and teen birth rates. Perry County is cited as in the Poverty Watch in all these areas.

While new school construction and improvements is not one of the measurements, it is a sign of economic vitality and well-being. In Southern Illinois almost every vote for a new school building has been defeated by a two to one or more votes against it and even increased funding for operations has been defeated. An example of this is the Pinckneyville High School where the high school board is being mandated to correct certain building deficiencies such as structurally weakened lintels on doors and windows and replacing their air-conditioning, air handling and heating system, while the board would like to replace the 1933 structure with an entirely new building with the same number of square feet.

It is interesting to note the different priorities of some members of the business community regarding a new high school and a new hospital complex. When the present hospital administrator was asked about the need for a new high school at the Methodist Men's meeting where he was making a presentation, he downplayed the need for a new school by saying that "... this is what school officials usually do." It is interesting to note the differences:

The high school was built in 1936, it is 76 years old; it has no elevator for the handicap students only a hand-rail chair system; there is only one central stairway for entrance and exit of students and faculty; it has no central air-conditioning system, and no air handling system and its heating system is obsolete and inefficient and its window and doorways are crumbling. The State of Illinois is mandating improvements in about three years. Each child is in the classroom 180 days a year times four years or a total of 720 days. There are usually 496 students.

In contrast, one of the hospital buildings was constructed in 1965 and is 44 years old; it has two elevators which are used by staff, patients and visitors; there are two stair cases; there is central air-conditioning, air-handling and a good heating system. All required improvements are made on a timely basis. There are no medical/surgical patient admissions, however, there are thousands of admissions to the emergency room and to the out-patient services areas. The second connected hospital building was constructed in 1976 and is 33 years old; it has one elevator which is used by staff and two staircases primarily used by staff; there is central air-conditioning, air-handling and a heating system. All required improvements are made on a timely basis. There is an average of 7.1 patients a day in the 25 bed medical/surgical floor.

The Pinckneyville Chamber of Commerce spent thousands of dollars and almost all the businesses displayed large signs reading:

**SUPPORT
NEW
HOSPITAL
QUALITY HEALTH CARE
NOW & IN THE FUTURE**

But they never acknowledged the need to modernize or replace the present high school which has mandated improvement requirements and where their

children spend many years of their life. (The reason for the difference is that certain Chamber members expect Medicare, a program with severe financial problems, Medicaid, a program whose health care costs have doubled in the last decade and other health care providers to pay the entire loan cost in the next thirty/forty years of a new hospital complex whether needed or not; while a new high school modernization or replacement would mean higher local real estate taxes.

My suggestion is that the high school board construct the mandated improvements and build a state-of-art science and communication addition to the present building with an elevator and that the hospital build an addition to the emergency room and the support services as neither needs new multi-million dollar buildings in these challenging economic times.

The City of Pinckneyville is supporting the construction of a new hospital complex and a new high school and two museums as economic development projects of the city disregarding the financial impact of much higher real estate taxes on its citizens for the next thirty or forty years.

City of Pinckneyville – unemployment and poverty: In the 1950s, a group of civic minded citizens banded together and financed the construction of two manufacturing factories and recruited occupants for the two buildings. The larger one became the Decca Records plant and the smaller one became the My Ti Fine pudding plant. The record factory prospered and changed ownership several times when it was purchased by Matsushita Universal Media Services LLC, commonly called MUMS. The My Ti Fine pudding plant closed after many years of successful operation and was used by MUMS as a manufacturing facility until it closed in 1999 with the loss of 175 jobs. In 2002 there was a new corporation established which increased record production and added 350 jobs and a \$1 million dollar monthly payroll. The new owners encouraged major expansion of the plant which required cooperation with the City of Pinckneyville and the State of Illinois's economic department for funding. The new owners also encouraged the construction of a new community college branch which came into being through State and community financing. The company also acquired the use of the now vacant pudding plant. In 2004, the high point of record manufacturing and packaging required 800 employees and produced 250,000 CDs daily in a 202,500 square foot facility as well as handling sample fulfillment inventories. In 2007, MUMS is closed with DVD manufacturing sent to Mexico as well as being consolidated to other manufacturing plants. The end result was massive layoffs of employees.

The City of Pinckneyville acquired the 202,500 square foot factory and its high real estate taxes in January 2007 and then tried unsuccessfully until August 2009 to sell the factory when it auctioned off the property to Bullets, Incorporated which will employ twenty employees, instead of the previous 800 employees; not surprisingly the State economic development authorities "...haven't been very cooperative in the endeavor".

The now vacant My Ti Fine factory was converted into a fish processing plant through a major investment of State economic development funds. It lasted about one year when competition with Arkansas forced its closure; then using State economic development funds and TIF funds it was sold and converted into a furniture store which had moved from the city square. The City is now adding to the available space hoping to convert the area into a mini-mall.

The city is also involved in building a second mall south of the city with three businesses using TIF funds and grant funds and also hoping to attract a new car dealership to another location.

A major undertaking of the city was acquiring a State Correctional facility with 1,999 inmates. However, this didn't prove out to be the achievement expected as employees from distant other facilities commuted to the new correctional facility and the city's sale of natural gas was hampered by the State's inability to pay due to the recession which resulted in a debt of \$100,000's of thousands.

Because the city did not have a large new car dealership or have a major shopping center, its revenue from sales and other taxes was only 1/12 of that of surrounding small cities, it faced financial difficulties. It raised the price of natural gas to its citizen users by 15%, however, this didn't have the desired effect as the customers simply used 15% less natural gas. The net effect was a financial concerns—only \$11,000 in the checking account recently.

Medical Staff Rivalry: For about sixty years there have been two rival medical groups of physicians and their successors in Pinckneyville, both of which had their loyal patient followers. One group of physicians had an experienced and qualified surgeon, whereas the other group typically preferred sending their surgical patients to St. Louis and other major cities. In the last decade the surviving physician of one group became affiliated with the hospital-connected, government supported clinic which greatly expanded its staff and heavily advertised its medical services and the hospital's specialty clinics through the use of Medicare, Medicaid and hospital funds while the private medical practitioner received minimum advertising support. This led to friction and the recent decision of the private, twenty year practitioner to be a member of a nearby hospital's medical staff. This pressure could have a chilling effect on any future private practice physician desiring to establish a medical practice in Pinckneyville. The private practitioner retained his Pinckneyville offices. The government connected, hospital affiliated medical clinic launched an area-wide mail campaign illustrating its staffing capabilities.

During the past decade the hospital-connected, government supported Family Medical Center has had a significant physician turnover and has had to spend much time, effort and expense recruiting replacement physicians.

The Perry county government struggled for many years adjusting to the loss of income from well paid mining jobs, then recovered last year, but then this year was hit with high health care costs and other personnel costs which is forcing it to make tax anticipation loans.

New building construction vs modernization of existing hospital buildings: Because of the fact that wages in Southern Illinois are sixty-five percent of the state-wide average (65%); because many counties are on the poverty warning list such as the following Southern Illinois counties: Perry, Jefferson, Hamilton, White, Saline, Union, Pope, Hardin, Alexander and Massac; because of the loss of thousands of mining, manufacturing and packaging jobs and because of the conservative nature of the people there has been very little construction of new hospital complexes in Southern Illinois since the 1960's when the Federal government encouraged construction in poverty rural areas. The following is a listing and description of some of the projects:

Regional Hospitals –

Heartland Regional Hospital located in Marion, a growing community located near two Interstate highways, a heavily traveled state east/west highway and a busy north/south state highway was built with private funds by an out-of-state hospital corporation about seven years ago replacing a city owned facility in the center of the city of Marion, population 17,159. It is rumored that the charges for services are very high. The hospital recently received one million dollars (\$1,000,000) in assistance from a State fund supporting ailing hospitals. The hospital is located near two competing hospitals – Herrin hospital and Franklin County hospital in Benton.

Good Samaritan Regional Hospital located in Mount Vernon, population 16,269 in a growing transportation and motel hub located near two very busy Interstate highways and heavily traveled east/west and north/south state highways. It is currently constructing a one hundred eighty million dollar hospital complex adjacent to the Interstate highway. The hospital is a part of a two hospital corporation with **St. Mary's Hospital** of Centralia. There is no competing nearby hospitals.

Southern Illinois Healthcare, a corporation consisting of Memorial Hospital of Carbondale, Herrin Hospital of Herrin, St. Joseph Hospital of Murphysboro and Miners Memorial Health Center of West Frankfort. Memorial Hospital of Carbondale serves as the regional hospital for southwestern Southern Illinois. It provides almost all the obstetric services and maternity care in the area. It is one of the top 100 heart hospitals in the United States. Carbondale is a city with a population of 24,806 located at the intersection of two busy state highways which is the home of Southern Illinois University Carbondale which has its own health care system. The hospital, constructed in the 1950s has undergone numerous modernizations having recently completed conversion of its semi-private rooms into private rooms and making the buildings earth quake resistant. The work was done by the maintenance staff at a cost of two million dollars (\$2,000,000).

Herrin Hospital is located in a city with a population of 11,835 near a very busy east/west multi-lane state highway. The hospital building itself is quite old, probably constructed in the 1940s, recently completed two modernization projects – one was about nine million dollars (\$9,000,000) for the emergency service area and a second for nine million dollars (\$9,000,000) for other parts of the hospital. The hospital has an excellent rehabilitation unit. The hospital recently received State assistance from a fund established to aid ailing hospitals.

St. Joseph Memorial hospital of Murphysboro is located in a city of 13,295 near Carbondale and a north/south highway. The hospital building constructed in the 1960's has not had any recent modernizations.

Critical Access, District and small rural hospitals: Chester Memorial Hospital, Franklin Hospital, Marshall-Browning Hospital, Sparta Community Hospital, Washington County Hospital and Pinckneyville Community Hospital.

Hospital districts were started by the Illinois legislature to provide quality primary health care in small rural cities and counties at reasonable cost by allowing voters to vote bond issues to establish hospitals and to support their operations. The Federal government, likewise, supported small hospitals through the Hill-Burton construction program as well as regional poverty programs. This led to major hospital construction programs in Southern Illinois in the mid and late 1960s. Medicare, Medicaid and other

programs were very helpful to these new hospitals by providing maximum depreciation allowing them to make additions and upgrades over the years as well as purchasing new durable medical equipment. **The State and Federal government did not intend these district and not-for-profit hospitals to be competitors for patients but rather to provide health care services to their respective communities.** Most hospitals made careful and conservative improvements. The following is a discussion of the hospitals near Pinckneyville Community Hospital:

Chester Memorial Hospital, a district hospital, located in a city with a population of 8,400 with a large State prison which has its own health care system. It is at the intersection of two State highways. The hospital was built in the 1960s with modernization in the 1970s of its basement area. Randolph County where Chester Memorial is located has two other hospitals – Red Bud Regional Hospital and Nursing Home and Sparta Community Hospital.

Franklin Hospital started out as a county hospital and ran into financial difficulties and then became a not-for-profit small rural hospital is located in Benton, Illinois, a city with a population of 6,880 people. It has a Family Health Care Clinic. It is located near Interstate #57 and competes for patients with Herrin Hospital and Heartland Regional Medical Center located in Marion. It has not had any recent modernization projects. The hospital recently received State assistance from a fund established to aid ailing hospitals and grant funds for electronic medical records.

Marshall Browning Hospital, a not-for-profit hospital is located in a city of Du Quoin with a population of 6,326 on July 20, 2008 which has a large annual State Fair. It is about twenty miles south east of Pinckneyville. The hospital is one of the oldest, constructed in 1922 with modernization in the 1970s and two recent modernizations, one for a new emergency room and another for a 25 bed medical/surgical unit with a conservative cost of **\$7.6 million dollars.** There are two hospitals in Perry County. The hospital has a full range of specialty clinics and serves residents of eastern Perry County as well as residents of Franklin and Jefferson County. It is a Critical Access hospital.

Sparta Community Hospital, a district hospital, a busy commercial city with a population of 4,486 is located about 20 miles north west of Pinckneyville has a hospital constructed in the 1960s with three modernization with the most recent being the emergency room area about five years ago which was built at a cost of **\$1.5 million dollars.** The hospital has a full range of specialty clinics and is one of three hospitals in Randolph County.

Washington County Hospital, a county-wide district hospital is located about 20 miles north of Pinckneyville and is near Interstate Highway 57 with the population of Nashville where the hospital is located of 3,027 in July 2008. It has a Rural Health Clinic and a long term care facility as well as a Specialty Clinic. It is not a Critical Access hospital. It had two modernizations in the 1970s. It is the only hospital in Washington County, a normally prosperous county with many businesses located near the Interstate highway.

Pinckneyville Community Hospital, a district hospital is located in the center of Perry County in Pinckneyville with a population of 3,385 and a State correctional facility with 1,999 prisoners which has its own health care system for a total population of 5,384 in July 2008. There is also a Rural Health Clinic called Family Medical Center and specialty clinics. The hospital was one of the first district

hospitals in the state when it was organized in 1951 and it is the second hospital building on this site. A new hospital was opened in December 1965 with funding by Hill-Burton, Federal poverty funds and the district tax payers. In 1976 a major addition was made to the hospital through a loan by the Farmers Home Administration. A Skilled Care Nursing Facility was located in this part of the hospital. It was closed in September 2008. The hospital is a Critical Access Hospital. About five years ago the hospital board voted to build a new hospital 1½ miles east from the center of Pinckneyville despite the fact that 90% of the surveyed voters preferred modernizing the present, conveniently located hospital. The cost of the new hospital complex rose from \$20 million, to \$21 million, to \$31 million and now to \$33.7 million which now included all new equipment. The building is to be financed by Medicare, Medicaid, patient Insurance payments and other sources over a period of thirty or forty years. The cost of the project exceeds the cost of all small and rural hospital modernization projects in south western Illinois in the last ten years. The hospital has an average patient population of 7.1 patients although it is heavily advertising in local and regional newspaper and area-wide television programs.

There were four hospitals with modernization projects in this region with a total cost of \$29.1 million or an average cost of \$7.275 million dollars in the last ten years. The cities in which these hospitals were located had a total population of 47,443 which is much lower than Pinckneyville's hospital cost of \$33.7 million with a total population of 3,385 excluding the correctional facility.

ALTERNATIVE TO A NEW HOSPITAL:

By building a one or two story 30' x 180' matching brick attached addition south of the present hospital all the present and future needs of the hospital district can be met in a city which has had very little residential growth in the last eighty years; which has high unemployment; which is on the poverty warning list; and which has higher priorities such as meeting State standards for high school improvements.

This addition would have a redesigned emergency room and fifty to one hundred percent (50% to 100%) more space for all departments and services on the ground floor. If there was a second floor, this would provide fifty to one hundred percent more administrative, surgery and medical records space, sufficient for all future needs.

Reinforcing and making interior walls of the hospital earthquake resistant work could be done by the hospital maintenance staff. They could also convert some of the semi-private rooms into private rooms like the work that was done by the maintenance staff at Memorial Hospital of Carbondale. Additional parking is available at a recent walking distance from the hospital which can be acquired. The elevator can be extended to the roof for helicopter landing.

If careful and conservative planning takes place this could be done for under \$7.6 million dollars which is the average of other area modernization projects. The hospital's architects had stated that modernization could be done for \$9 to \$13 million dollars which is somewhat higher than my estimate based on hospital construction cost given by the architectural department of Southern Illinois University Carbondale.

PROMOTION AND ECONOMIC DEVELOPMENT: Promotion to construct a new hospital complex by the Economic Development Department of the City of Pinckneyville and the Chamber of Commerce is not in the best interest of the citizens of

Pinckneyville. While Medicare, a Federal health program that will be paying out more than it receives in ten years and which must be revised will be paying for fifty percent (50%) "hopefully" of the monthly one hundred to one hundred fifty thousand dollar (\$100,000 - \$150,000) loan repayment that still leaves the other fifty percent (50%) to be paid by Illinois and hospital district citizens and taxpayers for the next thirty (30) or forty (40) years. Part of this payment "hopefully" will come from Illinois' Medicaid program, a very unreliably deadbeat partner who is slow in issuing monthly health care payments to providers and has recently "settled" the hospital out of seven hundred thousand dollars (\$700,000) due for health care services rendered with more "settling" to come in the future mean that the local tax payers and citizens will have to pick up the tab which is part of the hospitals' charge structure and its reserves. A large part of the monthly fifty to seventy-five thousand dollar payments will have to come from local real estate tax and other funds such as Perry County government and its employees who use the hospitals' services; City of Pinckneyville's government and its employees; all the school districts and their employees; the hospital and its employees plus local businesses and their employees plus all the private pay individuals. In addition, if there is a shortage from all of these sources the hospital district can increase the district's real estate taxes greatly without a vote. All of this out flow of local money will occur for a period of thirty or forty years leaving very little for Pinckneyville economic development projects. The reason so much will fall on the local government - county and city - is that they are now the largest area employer. In order for the hospital to pay the one hundred to one hundred fifty thousand monthly interest and principal the hospital will have to increase its patient charges to levels much higher than other area hospitals which will cause money concerned patients to go elsewhere where charges are reasonable.

The sad thing is that the same out flow of money will occur if a new high school is built without one hundred percent (100%) funding by the State of Illinois.

MODERNIZING THE PRESENT, CONVENIENTLY LOCATED HOSPITAL: is a cost effective method of using Medicare, Medicaid, insurance and local funds. This can be done by constructing a two level, matching brick construction, earth quake resistant 180' x 30' attached addition south of the present building: Estimated total cost \$3,240,000. This will add 50% to 100% more space to the following departments: Accounting, Admitting, Business Office, Electro-cardiology, Medical Records, Radiology, Nuclear Medicine, Stress Testing, Surgery Suite and other services. The Emergency service area can be modernized in the area west of the east elevator to the west outside wall including reinforcing all walls to make them earth quake resistant - 2,040 square feet at a cost of \$612,000. Sprinklers will be extended in the 1966 building and asbestos problems resolved. The surgery elevator will be extended and a helicopter pad will be placed on the roof of the 1966 building as suggested by the State. The former nursery will become the Women's Center (Mammography). The former delivery room will become the Rehabilitation Center (Physical Therapy and Stroke Rehabilitation).

EARTH QUAKE RESISTANCE: The hospital's maintenance department can replace all existing interior walls with concrete block walls and help to make the interior earth quake resistant. This is similar to what was done at Memorial Hospital of Carbondale over a two year period at a cost of \$2,000,000 from the hospital's maintenance department. Carbondale is about 30 miles south of Pinckneyville.

The maintenance department could also convert most of the semi-private rooms, except the cardiac and intensive care monitored rooms to private rooms.

OPTIONS: The hospital has options such as extending the south addition to the third and fourth level at a cost of \$3,240,000 (180' x 30' x \$300 x 2). This area could be used for pulmonary function studies and specialty clinic examination rooms and conference rooms. The total cost would be \$7,092,000. (\$3,240,000 + \$3,240,000 + \$612,000)

A second option would be to construct a new Rehabilitation and Fitness Center on the property the hospital acquired east of the city. This Center would be similar to the one built at the Veterans' hospital in Marion, Illinois at a cost of \$3,900,000. There could be a larger than planned which would have the following additional features:

1. A large hydrotherapy room;
2. A floor mat area;
3. A kitchenette area for stroke and accident patient rehabilitation;
4. A large conference room for diabetes, weight control, substance addiction and other health education programs;
5. A small room for staff;
- 6... Two small family conference rooms;
- 7.. Space for new rehabilitation services.

The total cost of the option would be \$7,752,000. (\$3,240,000 + \$612,000 + \$3,900,000.)

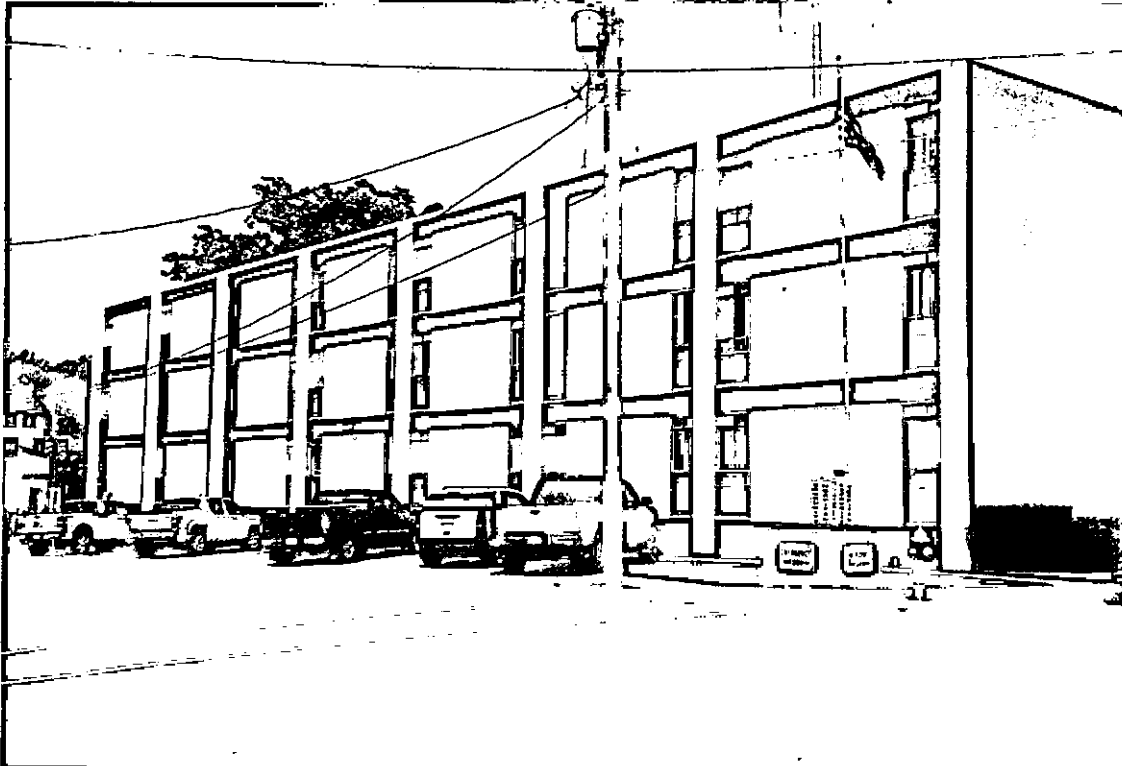
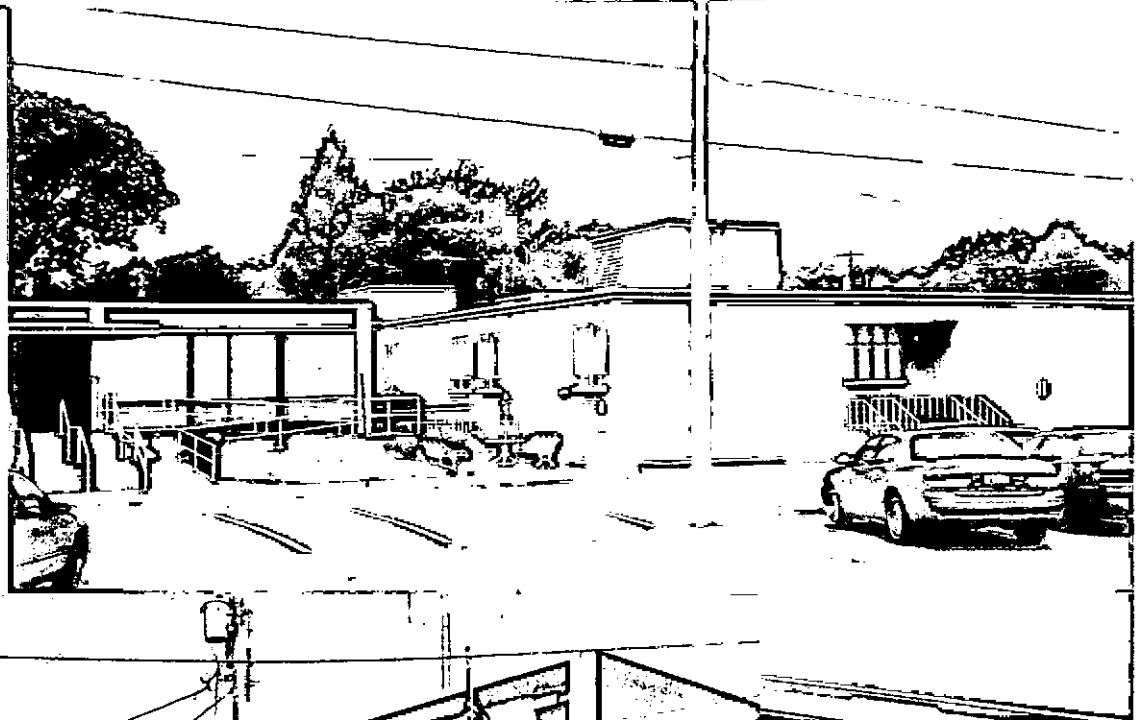
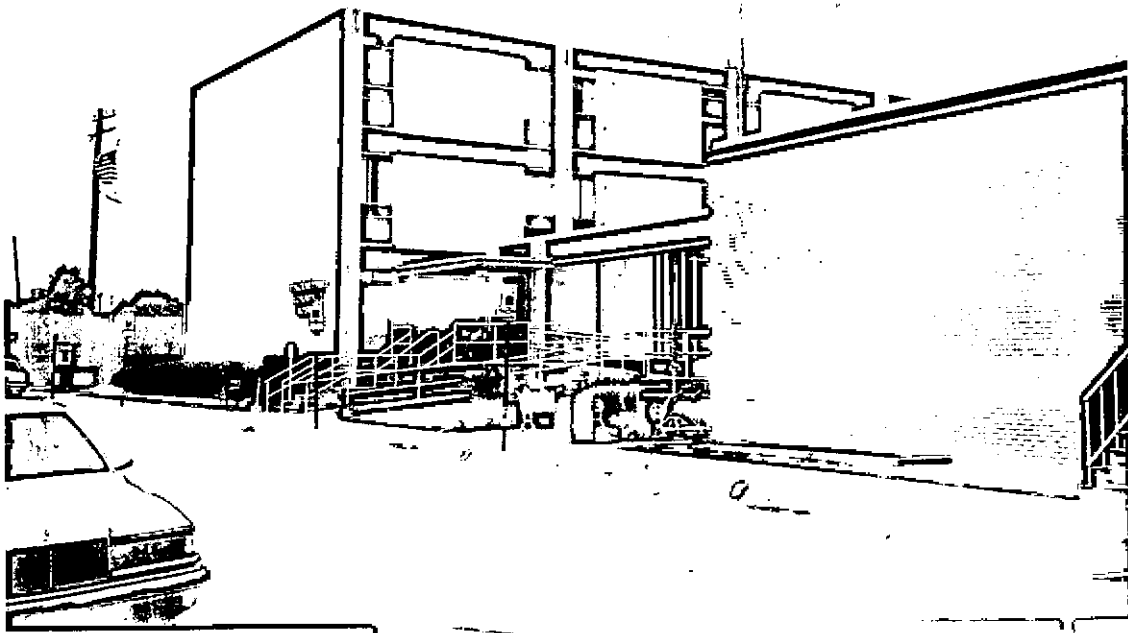
In conclusion, we believe that the present conveniently located and structurally sound hospital can be modernized at a fraction of the cost of a new hospital complex whose cost have risen from \$21 million to \$22 million to \$31 million and now to \$33.7 million which now includes all new equipment except the CAT scanner. By modernizing the present buildings at a cost of \$7.6 million the hospital will remain competitive with Sparta Community Hospital and Marshall Browning Hospital and allow other 25 bed Critical Access Hospitals to receive Medicare and other funding in these difficult economic conditions.

In our opinion, the Illinois Health Facilities Planning Board should deny a Certificate of Need to build a new hospital complex to the Pinckneyville Community Hospital and to recommend modernization of the present structurally sound conveniently located hospital.

Respectfully yours,

George W. Ramta
George W. Ramta, MS. MPA
Shirley Place Welsch
Mrs. Shirley Place, Real Estate
Broker

Addition: Letters submitted to HUD



501 Coffman Street
Pinckneyville, IL 62274
June 10, 2009

U. S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, D.C.20410
Attention: Health Facility Loans

Subject: Pinckneyville
Community Hospital (IL)
Loan Application 242
Program

Dear Director :

By way of introduction, my name is George W. Ranta, I was Administrator of the Pinckneyville Community Hospital from 1966 to 1989 as well as a Licensed Nursing Home Administrator of the Skilled Nursing Facility from its opening in 1976 to 1989; prior to that I was in administration at Middlesex County Sanatorium (MA) for seven years. I was closely involved in construction and building design projects and budgeting at both hospitals. I received a Bachelor's degree in Economics from Tufts University with elective courses in engineering and also had three years of high school education in Mechanical Drawing. I attended the Master of Business Administration program at the University of Massachusetts. After retirement, I received the degree of Master of Science in Community Development and a degree of Master of Public Administration from Southern Illinois University Carbondale

I submitted the enclosed March 14, 2009 letter to Region V, Chicago Office for their consideration in the Application process. Since that time there have been additional developments which should be considered. The original cost of the building the new hospital complex was \$20 million, then \$21 million, then \$31 million, and now they have added \$2.7 million to the cost of the projected loan making the total loan \$33,700,000.

This additional \$2.7 million was for the purchase of all new hospital equipment except the CAT scan equipment. I do not understand the logic of purchasing shorter term depreciable medical equipment with a long term loan. The Medicare program provides depreciation income and it is part of the cost structure. Further, almost all the medical equipment is less than ten years old with new purchases being made monthly. All the patient rooms have new models of programmable costly Stryker beds, there is recently installed electronic medical records; the emergency room has the latest Stryker gurney's including one for a 350 pound patient which was difficult to get in a standard size elevator. The hospital recently 'standardized' all the newer defibrillators with still newer ones; there are a number of automated lockable medicine cabinets in the emergency room area. There is a recent model nuclear medicine room. If this almost new equipment was sold, it would only bring a small part of its original cost as other hospitals are reluctant to buy used equipment. The only rationale I can think of is that the hospital desires a competitive advantage over similar sized nearby hospitals by saying that "...we have a new hospital with the latest high-technology equipment to better serve your health care needs." (The two nearby hospitals modernized at a cost of \$1.5 million at Sparta Community hospital and \$7,6 million for Marshall Browning, hospital in Du Quoin.)

Please consider the following in your deliberations:

1. Ninety percent of the voters in the Hospital District who responded to two surveys voted in favor of keeping the well-equipped hospital at its present, convenient location. Nearly every family had an opportunity to respond to the detailed survey. The location is near the intersection of two state highways. The majority of the population of the city lives within ten blocks of the hospital. There has been no population growth in Pinckneyville in the last 80 years according to older residents. Over seventy-five percent of the hospital admissions and hospital in-patient stays are to patients over the age of sixty two years; the same percent probably use the hospital's out-patient services and specialty clinics. .
2. This same group overwhelmingly (90%) supported modernizing the present hospital at its present convenient location. They made a number of suggestions which were incorporated into the second survey. The survey findings were provided to hospital administration and the board of directors with no response.
3. Poverty is an important issue in Pinckneyville and Perry County and this was reflected in the response of the citizens. Perry County currently has 11% unemployment, the second highest in the State of Illinois and based on experience when the coal mines ceased being a part of Perry County's economy it lasted for many years. Unemployment occurred when it started losing 800 manufacturing employees and ended in 2007 when the plant closed. The County is on the Poverty warning list.
4. There will be a serious financial impact on the citizens if a new hospital is constructed even though Medicare will help over 50% because there is only one major employee group in the hospital district – that is local government. School districts will pay much higher premiums or provide less educational services; the same applies to county government, city government, hospital employees; small business owners with high deductible insurance premiums will be hit hard as will those without insurance by having much higher health care costs.
5. Low cost option. I proposed an addition to the present hospital which would cost less than one third the cost of a new hospital complex and meet the health care needs of the area served for the foreseeable future. This would be an addition south of the present hospital. Additional parking is available through the purchase of several nearby available homes or building a parking garage.
6. Conclusion. Only one new hospital has been built in Southern Illinois since the 1960's and that was constructed by a out-of-state health care corporation. This regional hospital is near a Inter-State highway and a major state highway. This hospital after a decade of operation recently needed \$1 million dollars in assistance from other hospitals. All other hospitals needing modernization have decided to modernize existing hospitals because there is poverty, unemployment and that Southern Illinois wages are only 65% of state-wide wages.

We hope you will deny a loan to build a new hospital complex and instead encourage modernization of the existing well constructed modern hospital.

Sincerely yours,

George W. Ranta
George W. Ranta, MS MPA

CC: IHFPB

HUD:

501 Coffman Street
Pinckneyville, IL 62274-1509
March 14, 2009

United States Department of Housing and Urban Affairs
Chicago Regional Office – Region V
Ralph Metcalfe Federal Building
77 West Jackson Blvd.
Chicago, Illinois 60604
Attention: Tim King – 242 Program

Dear Sir:

Subject: Funding Application of the
Pinckneyville Community Hospital

By way of introduction, my name is George W. Ranta, I was administrator of the Pinckneyville Community Hospital from 1966 to 1989 as well as a Licensed Nursing Home Administrator of the Skilled Nursing Facility from its opening in 1976 to 1989; prior to that I was in administration at Middlesex Sanatorium for seven years. I was closely involved in construction and building design projects and budgeting at both hospitals. I received a Bachelor's degree in Economics from Tufts University with elective courses in engineering and also three years of high school education in mechanical drawing. I attended the Master of Business Administration program at University of Massachusetts. After retirement, I received the degree of Master of Science in Community Development and a degree of Master of Public Administration from Southern Illinois University Carbondale.

In my opinion, a new, a very costly hospital complex is not needed because the present, conveniently located hospital, with modernization can meet the health care needs of the community for the foreseeable future; and because Pinckneyville and Perry County are in a high poverty area with high unemployment – 10.2%, so, I would like to present my views for consideration by the United States Department of Housing and Urban Affairs.

Repayment of the loan to build a new hospital complex would present many hardships to the hospital service area. They are as follows:

1. Loss of the major manufacturing plant which had 800 employees in 2004 and the vacant building is now a costly liability to the City of Pinckneyville. Many of these employees will have to take early retirement as the plant has been in operation for over fifty years. The working-skills of the employees in some areas is not transferable as the product was records and packaging. The unemployment rate at 10.2% is the second highest in Illinois.
2. Perry County is on the Heartland Alliance's Mid-America Institute on Poverty warning list as is adjacent Randolph Count while Washington County to the north of Perry County is on the watch list which has eight Southern Illinois counties. The Heartland Alliance assesses four main indicators of economic well-being of the state's 104 counties. These factors include unemployment rates, poverty estimates, high school graduation figures and teen birth rates.

3. Other priorities include State mandated improvements or replacement of the present high school at a cost of \$8.6 million dollars. These improvements will have to be made in three to five years. The voters rejected a new high school by a two to one vote several years ago, and now they have been debating issues and plans for a new high school to replace their 1930's building on the same location.
4. The City of Pinckneyville has many issues which must be resolved. It is now the owner of a voluminous empty manufacturing plant which has high taxes, security issues, insurance costs plus costly efforts to sell or lease the property in a difficult marketplace with large available manufacturing and shipping plants located near the Interstate highways. It was only 1/12th of the sales tax revenue of nearby, somewhat larger rural cities which have large Walmart stores and new automobile sales facilities. The city has also acquired large, expensive sections of land in all directions through grants, TIF programs, etc. for industrial and commercial development with very limited success. One of its endeavors was to obtain a State Correctional institution which now represents a liability to the community as the State is unable to pay its natural gas bill because the State has a \$12 billion dollar debt. This will take decades to fully solve. The city is taking many steps to solve its problems. Another issue is its water and sewer plant which is city-operated and needs costly replacement.
5. Convenient location of the hospital versus promotion of a new hospital. The present hospital is located in the heart of the city and near the intersection of two State highways – North-South, East-West. Over ninety percent (90%) of the city's population lives within ten blocks in all directions of the hospital. Over seventy-five percent of the hospital admissions and hospital in-patient stays are to citizens over the age of sixty-two years. The same percentage probably also use the hospital's out-patient services and specialty clinics. After a life-time of work elsewhere, and farmers and others have retired to smaller homes with less upkeep in the city which are near their banks, grocery stores, dentists, physicians, hardware stores, beauty parlors, paint stores, insurance firms, automotive suppliers, churches, schools, funeral homes, drug stores, restaurants and dining places. This group of citizens is less affluent and more concerned about their real estate taxes as most of them are on Social Security and small pensions and limited other resources. They overwhelmingly (90%) in two large surveys support the present location and modernization of the present, conveniently located hospital. Then there is a second group of citizens, many of whom live on the outskirts of the city who are more affluent, younger, who seldom use the services of the hospital, who see a new modernistic hospital located 1 1/2 miles east of the City of Pinckneyville as an economic development tool to attract business to Pinckneyville. They are not concerned with the cost of the project or the inconvenience to the elderly. They believe that Medicare, Medicaid and insurance will pay for the hospital complex. No foundation to support the building complex has been established in the last five years. They use other issues such as tight parking and congestion in a town of 3,100 residents.
6. Physician Recruitment. The hospital has been recruiting replacement family physicians every year for the last five years. No sooner than one signs on than another one leaves. Currently there are four family physicians and one surgeon

with one who extended her contract for one year. Her mother resides in Canada and she wishes to go to Canada. They have signed a new physician to join them in the hospital owned Family Medical Center when he completes his education. The surgeon intends to retire. The hospital does only scheduled surgeries; emergency surgeries are sent to area hospitals. It will be difficult to recruit a surgeon. Only five percent (5%) of United States medical school graduates enter family practice while ninety five percent (95%) become specialists, so almost all prospective family physicians are foreign trained. Two of the current family physicians are United States trained and one was born and trained in Illinois. This physician, who is near early retirement age, is very helpful in recruitment issues. He admits to the hospital the majority of the patients. The annual average patient population has remained the same at seven (7) for a number of years.

7. Historical Prospective. Several years before the Pinckneyville Hospital Board of Directors became interested in building a \$34 million dollar hospital complex consisting of a 25 bed hospital, a family practice center and a rehabilitation and fitness center, it had many years of discussions with directors and the administration of Marshall Browning hospital, the other hospital in Perry County. The objective was to build one twenty five bed Critical Access Hospital for the county as only one was needed. Site studies were conducted, but Pinckneyville hospital authorities only wanted a site one and one half miles from Pinckneyville rather than a any other site. Pinckneyville's population is about 3100 while Du Quoin's is 5000, where Marshall Browning is located. The talks ended. There would have been over a million dollars savings in emergency room physician coverage alone plus millions more by having only one hospital for the county
8. Two Groups. There are two divergent groups in Pinckneyville and the surrounding area, consisting of those with good income, excellent health care benefits, pension plans, nice homes and who seldom are hospitalized or have to use out-patient or emergency room facilities at the hospital. They represent about 10% of the population and support the need for a new hospital complex and the importance of more parking and ease of access; they are not concerned about building cost increases from \$21 million dollars to the recent \$34 million or 61% increase or the monthly interest and principal in excess of \$100,000 per month or the impact on all local taxing bodies using hospital services as well as residents with high deductibles, or no health insurance coverage believing that Medicare and Medicaid and patient insurance will pay the entire cost of a new hospital complex.

Then there is the other group which has moved to or lives within ten blocks of the hospital for convenience to their grocery stores, their banks, their beauty parlors, their hardware stores, their auto repair shops, their drug store, their schools, their dentists and other services; they visit their physician on a routine basis, require many laboratory and other tests and have more hospital admissions due to age and declining health. Frequently, they have come back to Pinckneyville after working careers in other cities and places of employment. Their retirement income is small; some had to take early retirement; some are getting unemployment benefits from the closure of MUMS factory and many are elderly widows and widowers living alone; but they all want to retain their conveniently located hospital. They

are concerned about their real estate taxes and are afraid that the hospital will go bankrupt if a new hospital was constructed. They represent the 90% who voted YES to retain and modernize the present conveniently located hospital. They also voted "YES" 89% in a non-binding hospital district vote to make SKILLED CARE a part of hospital services.

9. Closure of the Skilled Nursing Facility. It was a sad chapter in the history of Southern Illinois health care. The hospital authorities claimed, while they were accumulating millions toward the construction of a new \$34 million dollar hospital complex in a community with no population growth in eighty years, that they were losing money in the Skilled Care Unit but neglecting at the same time to mention all the income generated by the fragile, ill residents of the facility and failing to increase charges to competitive level of care rendered. The consequences to the residents and the reputation of the hospital as a caring institution were dire. Over twenty residents died in the weeks and months before and after closure, many, many times the normal rate. The authorities were warned that this would happen when residents are moved or threatened to be moved to other facilities.
10. Consequences of a new hospital complex to the community: In-patient charges, out-patient and specialty charges will have to be higher for all patients. Medicare patients with co-insurance will be covered, but those patients who don't have or can not afford co-insurance will have higher bills to pay. Medicaid patients will be covered by the State of Illinois which currently owes health care providers \$1.5 billion dollars at a higher rate. Blue Cross and commercial insurance carriers will have to pay higher charges. This will cause higher costs to stressed school districts, state employees, county employees, city employees, library employees, and hospital district employees. A large part of this cost will be born by the tax payers through the real estate tax and the sales tax. Business owners, self employed and others will pay higher charges. As a result of higher costs of a new hospital complex, our charges will be higher for all services than Marshall-Browning hospital in Du Quoin, Sparta Community Hospital and Washington County Hospital in Nashville which have only had modest modernizations of their facilities.
11. Promotion. Despite heavy promotion – full page advertisements, daily TV commercials on CNN , publicity about the proposed modernistic new hospital, complex and the annual budgeted expenditure of \$100,000 for advertising (about one half of the income from the real estate tax from the hospital district's taxpayers) the average daily patient population of 7.1 remains the same for a number of years. However, all of this has caught the attention of deep-pocketed regional hospitals from as far away as fifty to one hundred miles away to place full page colored advertisements in local newspapers. While relying heavily on out-patient revenue to offset the low in-patient revenue from the average 138 daily laboratory studies, the 34 daily in-patient studies, the 14 laboratory studies under contract, plus revenue generated by diagnostic and therapeutic equipment the hospital is able to remain profitable. This is causing a great deal of costly rivalry between the Perry counties two hospitals – Pinckneyville Community Hospital and Marshall-Browning Hospital. (Total population for Perry County is

23,094 in 2000) NOTE: With numerous specialists in small rural hospitals ordering laboratory and radiological test and studies, the Medicare and insurance industry will in time lower reimbursement for the tests and studies. Ninety-five percent of medical school graduates are completing training to become specialists, thus creating an over abundance of specialists.

12. Modernization of the present facility – two buildings. The present buildings – 1966 and 1976 are well constructed and meet the needs of the residents of the hospital district and they can be modernized at a fraction of the cost of a new hospital complex. All suggestions resulting from two surveys have been incorporated'

1. 1966 BUILDING – SOUTH

- i. Emergency Service area. Modernize space west of the east elevator to the west outside wall and reinforce all walls to make them earthquake resistant. 120' x 17' = 2,040 square feet. Cost 2040 x \$300 = \$612,000. This construction would make us competitive with Marshall Browning hospital and Sparta Community hospital and their new emergency rooms.
- ii. Construct a two-level, matching brick, earthquake resistant 180' x 30' attached addition south of the present building: total square feet – 10,800. Cost 10,800 x \$300 = \$3,240,000. This will make us competitive with Marshall Browning which has modernized their facilities for a total cost of \$7,600,000. This will provide 50% to 100% more useable space for the following departments or services:

1. Accounting
2. Admitting
3. Electrocardiography
4. Medical Records
5. Radiology
6. Rehabilitation/Physical Therapy
7. Respiratory Therapy
8. Specialists Offices/Examination Rooms
9. Stress Testing
10. Surgery Suite

All interior and exterior walls are to be constructed earthquake resistant. Existing interior walls will be made earthquake resistant by the hospital maintenance department. Sprinklers will be extended in the 1966 building and asbestos problems resolved. The surgery elevator will be extended and a helicopter pad will be placed on the roof of the 1966 building as suggested by the State. The former nursery will become the Women's Center (Mammography). The former delivery room will become the Rehabilitation Center (Physical Therapy Department).

2. 1976 Building – North
 - a. Make all interior walls earthquake resistant. Work to be done by the hospital maintenance department over a period of several years./
 - b. Conversion of most of the semi-private rooms, except the cardiac and intensive care monitored rooms to private rooms. Work to be done by the hospital maintenance department.

3. SOUTHERN ILLINOIS REHABILITATION AND FITNESS CENTER.

Build a larger planned, state of art Southern Illinois Rehabilitation and Fitness Center on the land purchased for the hospital complex east of Pinckneyville. This larger than planned center would have the following additional features:

- a. A large hydrotherapy room;
- b. A floor mat area
- c. A kitchenette area for stroke and accident patient rehabilitation;
- d. A large conference room for diabetes, weight control, substance addiction and other health education programs;
- e. A small room for staff;
- f. Two small family conference rooms;
- g. Space for new rehabilitation services as recommended by the Rehabilitation Institute at Southern Illinois University Carbondale.

This Center would be comparable to the facilities of Good Samaritan Regional Hospital unit, the facilities at Herrin hospital, those at the VA hospital in Marion which was built at a cost of \$3.9 million.

A Center like this would be beneficial to stroke patients, accident patients and the entire community. The Practical Nurse program could also use the facility as well as the Rend Lake College Pinckneyville branch for their health education classes.

The relocation of the present Southern Illinois Rehab and Fitness Center would further help the parking and congestion on the Pinckneyville Square and help the Medical Arts patients find parking.

This Center does not require approval of the Illinois Health Facilities Planning Board and would be appreciated by all citizens.

Cost estimates:	Emergency Room	\$ 612,000
	Modernization 1966 Building	3,240,000
	Rehabilitation & Fitness Center	3,900,000

Total

\$7,752,000

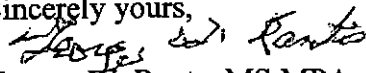
This hospital modernization would make the hospital physician's offices and rehabilitation facility more than competitive with the other area hospitals compared to spending \$34 million dollars for a new hospital complex.

I am enclosing the more detailed information study which I am submitting to the Illinois Health Facilities Planning Board for the Application for Certificate of Need for a new hospital complex.

I feel that with Southern Illinois wages at 65% of the wages of Illinois; with the second highest unemployment levels in the State; being listed on the Poverty Warning list; having major mandated school modernization issues. City-wide issues and the economy in a tail spin and unknown changes in health policy should recommend modernization of the present well constructed hospital. There are parking solutions available through purchase of available buildings and a parking garage.

IHFPB

Sincerely yours,


George W. Ranta, MS MPA

4 Economic Projects for Pinckneyville ^{8/31/09}

BY KATHY KOPSHEVER
DUQUOIN@VERIZON.NET

PINCKNEYVILLE

There are multiple development projects in the works throughout Pinckneyville that will literally change the face of the town if completed. Both Pinckneyville Community High School and Pinckneyville Community Hospital are planning to build new facilities in the near future.

The Illinois Department of Transportation is moving forward with a plan for a west bypass around the town when Route 127 is expanded from two to four lanes between Murphysboro and Nashville.

The Foundation for the Future of Pinckneyville is working to bring two museums to town, using existing structures that will be altered to suit their needs.

Economic Development Coordinator Carrie Ford received a signed purchase agreement from Hush Bullet Inc. to purchase the TUMS building for \$600,000.

Hush Bullet Inc. will pay \$300,000 and finance the other half of the purchase price over the next five years at five percent interest.

The City Council authorized Ford to send Hush Bullet's Revolving Loan application to the state for approval. Normally, the local revolving loan committee makes a recommendation to the city on whether or not to grant a revolving loan, but because Hush Bullet Inc. deals with firearms and ammunition the state must grant approval first.

crews are working on three phases of improvements to the Cooper B-Line factory including new water and sewer lines and road work that includes widening the entrance to the factory.

Pinckneyville received a \$659,827 Department of Commerce and Economic Opportunity grant to put in a new sewer line to the factory and to upgrade Snowy Owl Road from Route 154 to Longspur. The sewer project is nearly complete. Amerent is the contractor doing the sewer work. E.T. Simonds was the low bidder on the road work.

The city also received a \$165,752 grant from Delta Regional Authority to put in a new water main for Cooper B-Line. Red Dot Construction is the contractor on that phase of the project.

At the July 27 City Council meeting, a change order extending the water main project for Cooper B-Line to loop the 10" line around to hook into the city's 12" high pressure line was approved. The loop will allow for more breaks, which can isolate problems when they occur while continuing service to the factory and nearby residential customers when repairs must be done. The project, awarded to Red Dot Construction, came in under bid. The state has allowed the city to use the remaining grant funds to extend the project.

The final project currently in the works is the south shopping center project. The city has received a \$150,000 Rural Development IPP Loan and has approved a total expenditure of \$250,000 on the shopping cen-

Hush Bullet Inc. manufactures ammunition. They expect to employ about 20 people once the operation is relocated to Pinckneyville.

There are three other ongoing Economic Development projects in the Friendly Little City.

First, Kelleman Brothers is nearly finished putting in a parking lot on the west side of the McDaniel's Furniture building. Seeding and striping are the only things left to complete on that project, Ford said.

Wet weather caused the city to extend the project deadline twice. Pinckneyville received \$99,000 USDA grant through Rural Development to complete the parking lot, which will provide access to 11,000 square feet of space in the former Illinois Fish Farmer's Co-op which is not used by the furniture store. The parking lot can also provide access to additional acreage in the city's east business park.

Also on the east side of town,

ter. The center, which will house Kelleman's Feed Store, Best One Tire and JC's Air Conditioning is awaiting EPA approval before it can move forward.

Economic Development Consultant Harold Palmer said that the city's funds for the project are in the bank. The first TIF request was for \$180,000.

Rural Development gave the city a \$99,000 grant to upgrade the water line and make changes to Brown Street for the shopping center. The total cost of the Brown Street project is \$135,000. The city's share of the project is mainly materials.

The city is working with Robert Spencer of the Perry County Soil and Water Conservation District to mitigate wetlands that will be disturbed if an occupant is found for a site on the west edge of town.

The City Council had cleared away some brush, hoping to entice a car dealership to relocate to town.

Pinckneyville Hospital Posts Operating and Net Loss During June

BY KATHY KOPSHEVER
DUQUOIN@VERIZON.NET

PINCKNEYVILLE
Pinckneyville Community Hospital posted an operating loss of \$43,826 and a net loss of \$4,025 for the month of June 2009. The loss was due largely to a Medicaid settlement that took approximately \$1 million in accounts receivable off the books in exchange for a cash payment of \$330,000.

The Medicaid settlement normally would have been stretched over a six or seven month period instead of one month.

Medicaid had to have 90 percent of their claims paid by the end of June to be eligible for additional stimulus funds, Hospital CEO Tom Hudgins said. He added that the hospital has since adjusted their expected Medicaid payments.

On a positive financial note, the hospital's auditors McGladrey gave their highest possible opinion of the annual PCH audit. The auditors found had no suggestions and found no internal deficiencies.

Senior Partner Randy Ragan and Richard Lynch, who managed the PCH audit, made several positive comments about the hospital's financial group.

The financial group is headed by CFO Kara Jo Carson and staffed by Michelle Eisenhauer and Melissa Brooks.

McGladrey will be finished with their review of the hospital's books around Labor Day. Their approval is the last step before the hospital's consultants can complete the certificate of need application for a new hospital and the HUD 242 loan application. Hudgins said he expects to submit both

applications in September.

In other business, the board:

■ approved a five-year contract extension with Dr. Christopher Reyes. The contract will run through October 2014.

■ reappointed Physician's Assistant Steve Priebe to the Allied Health Professionals staff and granted privileges to Dr. Asif Habib on the consulting medical staff and Dr. Salvador Chavez on the Emergency Room staff. The board also granted courtesy staff privileges to Dr. Robert Davidson, pending his being granted active staff privileges at Washington County Hospital.

■ heard that the National Interest Waiver for Dr. Salva Bilal is still in progress. Dr. Bilal agreed to extend her commitment to PCH from three to five years. Hudgins said he expects to have the waiver application wrapped up by the end of November. The waiver will allow her husband to obtain a work visa. Dr. Bilal's first day was Monday, Aug. 3. She is settling in nicely.

■ heard from Hudgins that he will have the opportunity to talk to a group of doctors about PCH at a physician's education conference. The hospital is still actively seeking another physician.

■ approved the purchases of six recliners for oncology at a total cost of \$10,908. Three of the recliners have a weight limit of 300 lb. and the other three can support patients up to 500 lb.

■ set the September meeting date as Sept. 14 because the first Monday of the month is Labor Day.

Perry Jobless Rate Climbs to 12.1 Percent

DU QUOIN

The Illinois Department of Employment Security has released the unemployment figures for July 2009. In the local (southern) area, Perry County has the second-highest unemployment rate at 12.1 percent. Franklin County was at 14.3 percent.

The state unemployment rate for July 2009 was 10.5 percent. The national figure was 9.7 percent.

The southern Illinois region includes 21 counties in the Carbondale, Marion, Harrisburg and Olney-Mt. Carmel areas. Perry County is grouped with Alexander (11.6%), Jackson (7.5%), Massac (9.4%), Pulaski (11.4%), Randolph (9.3%) and Union (10.3%) Counties in the Carbondale area.

Franklin County leads the Marion area counties with 14.3 percent unemployment while the rates in the Harrisburg and Olney-Mt. Carmel areas range from 8.5 to 11.8 percent, with most hovering around 10 percent. Three of the 18 counties in the southern region had higher unemployment rates than Perry County. They were: Clay (15%), Marion (12.4%) and Clark (12.3%) Counties.

Perry County's July 2008 unemployment rate was 11.3 percent.

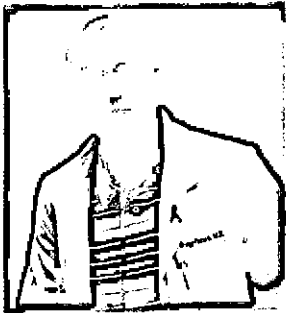
Quality Care. Always There.

Introducing:

For care where you need it most – right here in Pinckneyville – trust the physicians and staff at the Family Medical Center. We offer convenience and, because we are operated by Pinckneyville Community Hospital, all the services you may need are close at hand.

We are also elated to add Dr. Silva Bilal to our staff and introduce her to the community. Dr. Bilal, her husband and two sons are settling in Pinckneyville and she will begin seeing patients August 3rd.

When it comes to health care, you have a choice. We hope you make it the physicians at the Family Medical Center.



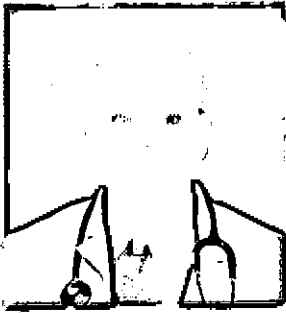
Dr. J. Gregg Fozard



Dr. Christopher Reyes



Dr. Salva Bilal



Steve Priebé, P.A.



Angie Eubanks, P.A.

**FAMILY
MEDICAL
CENTER
OF PINCKNEYVILLE**

Pinckneyville to Use \$100,000 From TUMS Auction Proceeds to Pay Some of Its Bills

BY KATHY KOPSHEVER
DUQUOIN@VERIZON.NET

PINCKNEYVILLE

The Pinckneyville City Council agreed to deposit \$100,000 of the proceeds from the auction at the former Technicolor Universal Media Services building into the General Fund.

Finance Commissioner Auggie Kellerman said that the city has \$84,590 in cash on hand and bills of \$121,219, creating a deficit of \$36,629.

Kellerman said that payroll costs are up \$72,782 from last year, but hours are down by 600 or 1.3 percent. The increased cost is due to raises and bonuses.

The state still owes \$284,626 in utility payments for the Pinckneyville Correctional Center.

"The last payment was April 20 and it wasn't a full payment," Kellerman said. "We can't cut them off, but we need to do something."

He suggested contacting Sen. Dave Luechtefeld (R-Okawville) and Rep. Mike Bost (R-Murphysboro) to ask for help in getting payment.



Commissioner Marty Beltz pointed out that non-payment by the state is inconvenient now, causing cash flow problems. It will be even worse in the winter when gas bills are due.

In other business, the council:

- approved additional raises of \$.35 per hour for Mike Millikin and Carrie Ford and \$.24 per hour for Bob Stanton. The raises are retroactive to Aug. 1. At the July 13 meeting Economic Development Coordinator Ford received a \$.69 per hour raise and Utility Superintendent Millikin and Street Superintendent Stanton received \$1.10 per hour each. The correction will bring the total raises to \$1.04 for Ford, \$1.45 for Millikin and \$1.34 for Stanton.

- approved the appointment of one full-time police officer by the Board of Police and Fire Commissioners. The board chose to offer part-time officer Jim Holder the full-time position. Commissioner Beltz said that there were several positions open. Officer Betty Harvel recently retired and replacements were not hired when Kenny Kelly was promoted to Asst. Chief and Chris Brooks resigned. The Police Department currently has six part-time officers on the payroll. By contract, the city can hire up to seven part-time officers.

- agreed to give \$2,725 from the

tourism fund to the Chamber of Commerce to pay for 'Radio Disney' to entertain at Mardi Gras. Ameren donated \$1,000 towards the event.

- agreed to purchase three new hand-held meter readers at approximately \$1,750 each and software costing \$1,000. Commissioner Dave Stone said that the current hand-held devices have become obsolete. There are problems downloading information and several routes have been lost. The units are about 10 years old.

- approved an contract with E.T. Simonds for the Brown Street project in the amount of \$133,552. A grant will pay \$98,000 towards the project. The balance of the funds will come from the business development fund.

- heard from Rita Schwebel that the city needs to pass their own zoning laws. Because the city has none, residents must follow the rules established by the county's zoning ordinance. Schwebel wants to build a daycare on her property, but has been unable to reach agreement with the Zoning Board so far. Her application for a variance was tabled at the last Zoning Board meeting and will be addressed again at the Sept. 23 meeting. Kellerman said he would speak to Zoning Administrator Jeff Ashauer to see what can be done.

Pinckneyville Hospital to Balance the Year on Backs of Delayed Payments

BY LEO EISENHAUER
DU QUOIN EVENING CALL

PINCKNEYVILLE

The Pinckneyville Community Hospital board is hoping to better balance the year on the backs of past due Medicare and Medicaid payments.

Current end-of-the-year estimates for the Pinckneyville Hospital don't look good with over a million dollars in losses, in fact almost \$1.5 million, however, an audit report from the first half of the year shows that the hospital isn't getting all the money it should.

The reports show that Medicare reim-

bursements were short. \$440,000. By year's end, that amount could hit \$1,489,078.

The audits did not have a chance to take into consideration the closing of the Skilled Care Auxiliary Unit, estimated to have saved the hospital about \$425,000.

The hospital is also anticipating a payment from Illinois Medicaid in the amount of \$220,000.

By the end of the fiscal year in April the hospital is estimated to be incur a net loss of \$24,447. That loss will be offset by revenue of \$332,975 from interest and taxes, not including the payment expected from Medicaid.

At Monday's meeting, an update concerning an incoming doctor, Dr. Salva Bilal, a family practitioner from Omaha, reported that all of the necessary documentation for her license had arrived in Springfield and her paperwork should be completed by February.

Her employment is expected to start in the beginning of August, 2009.

New officers were appointed for the Pinckneyville Hospital Board. The new chairman is John Shotton; vice-chairman Roger Smith; Secretary Leonard Heisner; Assistant Secretary Dave Pirseim; Treasurer Dr. C.W. Roe; and Assistant Treasurer Nelson Rule.

**REPOSE
TO
PINCKNEYVILLE COMMUNITY
HOSPITAL
CERTIFICATE OF NEED
APPLICATOPN**

**George W. Ranta
501 Coffman Street
Pinckneyville, IL 62274**

**Shirley Welsch
117 South Walnut Street
Pinckneyville, IL 62274**

January 10, 2010

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LETTERS TO THE EDITOR

When a news article about a new Pinckneyville Community Hospital complex two miles east of the city was first published in a local newspaper, the cost was \$21 million dollars; then some time later, it was \$22 million dollars; then it was \$31 Million dollars and now the current construction cost is \$33,697,000 which includes much new equipment, however, now, for the first time, articles mention other costs such as architectural costs, financing costs and moving costs bringing the total to \$46,624,405. This does not include funds already spent on preliminary work on the project.

The monthly interest and principal costs are an estimated \$162,000 on a \$40 million dollar loan for the next 40 years plus the monthly estimated interest income of \$10,000 on \$6 million dollar down payment. This means that \$172,000 is leaving the hospital district every month for the next 40 years to pay for a new hospital when there are modernization alternatives of the present hospital that cost less than 20% of that amount.

The loan repayment will have to be a part of the patient charge structure which means higher health care charges to all patients. The major health care group in Perry County is governmental employees; that means that health care costs will increase markedly for Perry County government; for the local and surrounding area school districts; the hospital employees and other governmental employees until the loan is paid off in forty years. During the past fiscal year the county budgeted \$700,000 for health care, but the expense was \$1,000,000. In order to remain price competitive with area hospitals, hospital employee salaries and hours of employment must be kept low hurting retention of present employees and recruitment of qualified new employees,

While Medicare/Medicaid, programs in financial trouble, will pay about fifty percent of the monthly interest and principal cost, the remaining costs will affect everyone using the hospital and paying taxes in the hospital district. With the loss of 800 well paying manufacturing jobs since 2002, the employment picture is bleak with only 16 replacement employees. We simply can not afford a new \$46,624,405 hospital complex to be located 2 miles from the center of Pinckneyville and a new high school.

It is simply a myth that it is cheaper to build a new hospital than to modernize an older one. The present 1976 spacious addition was designed to meet both hospital standards and nursing home standards and no modifications were required when the medical/surgical nursing service moved to the first floor. In addition, the laboratory and radiology departments were modernized to meet standards at the same time.

Not a single Critical Access Hospital, community hospital or other small hospital in Southern Illinois has elected to build a new hospital, but rather they have modernized their existing hospital at a fraction of the cost. These hospitals with recent modernizations include Memorial Hospital of Carbondale, Herrin Hospital, Sparta Community Hospital, Marshall Browning Hospital, Massac Memorial Hospital, and Hamilton District Hospital. Only regional hospitals, located on or near busy Interstate highways, have built or are building new hospitals. Small hospital administrators and boards of directors in Southern Illinois are fiscally conservative in the expenditure of health care funds because wages are 65% of the state-wide wages; because many counties are on the State's Poverty -1-

Warning List including Perry County; and because many counties have high unemployment rates including Perry County whose rate is 12.7%, one of the highest in Illinois.

Despite planning a new hospital complex, modernizing parts of the present hospital, purchasing state-of-art medical equipment, recruiting new physicians, providing modern medical record keeping, advertising and eliminating community services such as Skilled Care*, hospice, durable medical equipment, home health, the patient population remains low causing financial losses during certain seasons of the year. The reason is that many patients prefer to go to larger regional hospitals when they have serious health issues which might require multiple specialists and complex services which are available in regional hospitals in Carbondale, Mt. Vernon and St. Louis. This will not change.

The current hospital architect is capable of designing a state-of-art plan for the present hospital which will allow it to meet 21st century needs as have architects at the other area hospitals. Hospital building codes change from time to time and the State Surveyors make recommendations which are enforced. Pinckneyville Community Hospital has always quickly complied with these recommendations. There will be new building codes in the future.

The present, conveniently located hospital and site near the intersection of two state highways and near the population center of the City of Pinckneyville with all its resources such as fire and police protection, ambulance and rescue services meets the health care needs of the community of 3300 residents and 2200 correctional facility inmates.

The proposed site of the new hospital complex is two mile east of the city while the planned Pinckneyville Interstate by-pass is west of the city necessitating ambulances, police and rescue vehicles to go past several churches, three schools, a busy intersection of two state highways to get to the hospital. The response travel time would become ten to fifteen critical minutes.

Sincerely yours,

George W. Ranta
George W. Ranta. MS MPA
Retired Administrator
501 Coffman Street
Pinckneyville, IL 62274
618-357-6596

*In the months prior to and after the closure of the Skilled Care Unit almost all forty residents passed away as this was their "home" for months and for some years. This was predicted by social workers and known by the hospital board. The majority of the residents were 'private' pay. No effort was made by administration to make revenue and expenses competitive with area long term care facilities; the same applied to other community health services which were sold or discontinued

501 Coffman Street
Pinckneyville, IL 62274-1509
January 2010

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
535 West Jefferson Street
Springfield, Illinois 62761

Mr. Courtney R. Avery, Acting Chairman
Dr. James J. Burden, Voting Member
Mr. David Penn, Voting Member
Mr. John Hayes, Voting Member
Mr. Dale Galassie, Voting Member
Mr. David Carvalho, Deputy Director, Non-Voting Member
Illinois Department of Public Health
Mr. Jerome Butler, Non Voting Member
Illinois Department of Human Services
Mr. Michael C. Jones, Non-Voting Member
Illinois Department of Healthcare and Family Services

Project: Pinckneyville Community
Hospital, Overview

Dear Members:

As the retired administrator of the Pinckneyville Community hospital, I would like to provide a brief overview of the hospital's history so that the members can understand why I am opposed to a Certificate of Need for the construction of a new \$46,624,405 hospital complex in a city with a population of 3300 residents and 2200 inmates at a correctional facility.

During my administration, the goal was to meet the health care needs of the community served by the hospital district. Beginning in 1968, when the hospital was experiencing a large increase in the patient population it became necessary to expand the hospital. This resulted in the construction of a large addition completed in 1976 which included a 44 bed Skilled Care Unit which met both hospital and long term construction standards. The building included new kitchen and dining facilities, conference rooms and modernization of the adjoining 1965 building's laboratory and radiology departments and several other services.

The Skilled Care Unit flourished and quickly became full. It provided high quality service to the community. It was rated by the Veteran's Administration surveyors as the best provider in the four states which they surveyed. The State surveyors stated that "they wouldn't survey the facility if they were not required to do so annually". It was also rated the best in the State and accredited by the Joint Commission of Accreditation of Health Care Facilities.

Despite Federal encouragement to build hospital based Skilled Nursing Facilities (SNF), their accounting rules penalized such facilities by limiting reimbursement. As a result, the residents were moved from the newer 1976 addition to the 1965 building with smaller rooms, but still meeting hospital and long term building standards based on the State survey prior to the move.

During my twenty-one year administration, with strong support from the hospital board, many new services were either added or strengthened. These included: Physical Therapy Department, Social Service, Activity Department, Patient Education, Rend Lake College LPN program, Respiratory Therapy program, Stress Testing program, In-Service training program, the quality-assurance program, Black Lung Clinic and Pulmonary Clinic and Cardiac Clinic. Additionally there was affiliation with Southern Illinois University for cross-training of the technical staff and with Rend Lake College for a series of courses in health where there was participation by 90% of the hospital employees. The hospital had the first EMT classes in Southern Illinois for the city's ambulance service. We were the first to use staplers in surgery as well as using a treadmill for stress testing in Southern Illinois. According to our national auditing firm, our hospital was the most complex small hospital in four states with over 21 different services. Interestingly, the total number of employees remained the same despite added services. Two small and one large parking areas was acquired by the hospital.

The Federal government initiated a new program to control costs called Diagnosis Related Groups which in theory sounded good, but in practice was harmful to small hospitals. It had thousands of different diagnosis with specific payments based on the admitting diagnosis. The problem was that a patient might be admitted for pneumonia requiring a three day stay and to find out during the stay that he had a serious heart condition which required ten day stay. The hospital was only paid for the three day admitting diagnosis. With many elderly residents having multiple health problems, some area hospitals faced million dollar annual losses.

My successor, for about ten years, continued the expansion of services in cooperation with the hospital board. A new Family Physician Office Building was constructed and the former Franklin Store on the Square was acquired and converted into the Southern Illinois Fitness and Rehab, and services such as Home Health, Hospice, and the Durable Medical Equipment Department was added. Specialty clinics provided additional services.

Two succeeding administrations continued acquiring additional specialty clinics for the hospital which allowed the hospital to generate additional revenue and build a surplus with which they purchased state-of-art medical equipment.

There were a series of meetings beginning in 2006 between administration and boards of directors of Marshall Browning hospital in DuQuoin and Pinckneyville with the purpose of having one 25 bed Critical Access Hospital to serve Perry County. The meetings proceeded to the extent that studies were made to determine a suitable site. The immediate advantage of one hospital would be one million dollars annual cost saving in emergency room coverage costs. Not mentioned in the news releases were the millions of dollars to be gained by having only one hospital serving the county with a population of about 20,000 residents. The talks concluded when the Pinckneyville board announced that it would only accept a site located two miles east of Pinckneyville. This was not acceptable to Marshall Browning, a larger city with a population of 6,000 -4-

about 13 miles away. Then Pinckneyville announced that it "would it go alone" and build a new hospital". Marshall Browning proceeded to construct a \$7.6 million dollar addition and make it operational in a relatively short time. Pinckneyville hospital acquired land, hired architects, and then proceeded with drawings, layouts and discussions regarding financing. Their first priority was the closure of the 40 bed Skilled Care Unit which they succeeded in doing in September 2008. They claimed that they were loosing over one million dollars annually by keeping it open. I had offered various options such as down sizing, but still maintaining this essential service to no avail.

In an advisory, non-binding vote, 89% of the voters voted that Skilled Care should be part of the hospital which confirmed what my two surveys indicated. **Interestingly, one year later, after the closure, the financial loses were the same as before Skilled Care closed. These loses were caused by a low Medical/Surgical patient census which averaged 7.1 patients per day much lower than Skilled Cares average of 40 residents per day.**

In explaining Skilled Cares "loses", the hospital only included income from the room rate which was below area averages for a lower level of service and did not consider laboratory, radiology, respiratory services, specialty clinic services and other services required by these very fragile residents. After the closure, revenue from these services declined. Administration made no effort to increase prices to competitive levels, to reduce hours of work to competitive levels or to seek administrative or organizational changes to increase efficiency in Skilled Care.

When Skilled Care closed, Pinckneyville residents had to go the facilities outside of the hospital district for this level of care. Studies have shown that people in the final year of life are admitted to a hospital five times, so the hospital will lose numerous admissions annually for the foreseeable future.

In addition to the closure of the Skilled Care Unit which had been providing high quality care for thirty two years to the community, administration closed "under-performing" departments such as durable medical equipment, hospice, home health and the Gerri Luke home health service. As with Skilled Care, administration made no effort to increase revenue, reduce costs or review the organizational structure or merge departments.

These departments and services had been in existence for almost two decades and had provided valuable community health services and had many dedicated long term employees. All of these changes created much turmoil among employees, residents, patients, family members and the general public which will last for generations.

You, as a member of the Illinois Health Facilities and Services Review Board might ask what all these historical facts mean to the construction of a new \$46,624,405 dollar hospital? They show how fragile the financial resources of the hospital area; how the hospital administration has disregarded public sensitivity and opinion and pushed ahead without considering other alternatives such as modernizing the existing hospital.

In this era of open government, the Illinois Department of Transportation held a public meeting with large displays and explanations of a high speed highway involving Pinckneyville and invited public comments regarding three different alternate routes through or around Pinckneyville and took the suggestions under consideration. They next established a citizen advisory board to come up with the preferred route which was a by-pass to the west of the city. They made some minor changes to reduce the highways'

impact on the community. They are now in the detailed planning process. This was a costly choice.

The high school board, likewise, over a period of years, held monthly meeting where a new high school was discussed. The present high school was constructed in about 1933 and is about **77 years old** and has been ordered to correct certain life safety issues by the State of Illinois. It has considered different alternatives and is starting the financing phase. The specific problems and their cost to remedy have been made available to the public. There has been an election and all members who wanted a new high school were elected. They are going to build the new school in and around the present structure with the same number of square feet to meet life/safety code requirements. There were numerous executive committee meetings. The architect is from this area.

In contrast the Pinckneyville Community Hospital administration and its board of directors chose another approach to a very expensive hospital construction project. The initial construction cost was \$21 million; then \$22 million; then \$31 million; and now \$33,967,000 which also included new equipment except for a CT scanner, however, now, for the first time, after several years, newspaper articles mention other costs such as architectural costs, financing costs and moving costs bringing the total to \$46,624,405. This does not include funds already spent on preliminary work on the project and work to be done razing the present hospital and landscaping the present area.

This is similar to what a new car dealership might do, namely, advertise a new model automobile at a very low price and when the customer comes, the automobile either was just "sold" or is a high mileage "demonstrator" giving the salesman the opportunity to sell a higher and higher priced model until the maximum is reached.

The next step by the board and administration was to make commitments and purchases of property which was of interest to the board. A committee of three was appointed to make recommendations which they did on land east of the city. Instead of continuing paying for options to buy and await approval for their project by the Illinois Health Facilities and Services Review Board, they purchased a costly piece of land; laid out the parking area, expended funds with the Illinois Department of Transportation for a planned entrance, engaged an architect, a contractor, a company to place hospital equipment and otherwise committed the hospital. The purpose of these actions was to convince the Hospital District's citizens and taxpayers and State authorities that so much money has been expended already that the project should go forward.

Numerous statements were made by administration over the months and years such as "we're on track for approval" or setting the month when construction will start. All of this was designed, again, to convince the citizens that it is not possible to stop the project.

In none of the monthly news releases over the years, there never was a clear cut reason why a new hospital or a different location was needed. The nearest statement by administration in the application to close Skilled Care was the statement that the building had "iron pipes" and recently that the building was "box like" in architecture.

To the best of my knowledge, the board never made any site visits to facilities designed by this architectural firm or opened a design competition to other architectural firms for a project of this magnitude. They merely accepted the recommendations of the administrator who recommended a firm in Tennessee. The same applies to the out of state building contractor.

Because there was no public input to purchase a new location and construct a new hospital complex to replace the present conveniently located facility, I felt that it was my civic responsibility to prepare a survey. I prepared a survey with opportunity to make comments. It was mailed to one in ten voters in Pinckneyville, living in the major part of the Hospital District plus other copies distributed by volunteers. About a month later, I followed up with a second survey which was mailed to one in five residents. In this way almost every family had an opportunity to respond. (Copies of the responses are included in this report.) The conclusion was that over ninety percent of the respondents wanted to remain in the same convenient location where there has been a hospital for almost sixty years. Copies of the survey and results were submitted to the hospital board with no response.

For the past several years, no financial data or patient census data has been discussed in open Hospital District board meetings. Almost every meeting has ended with the hospital board going into executive session.

Advantages of the present site: The present site is one block from a very busy east/west state highway with a continuous flow of large trucks from several flour processing and packaging plants in Steelville and Chester; it is also one block from a north/south highway with fast flowing traffic headed for St. Louis, Missouri. The planned by-pass will have an exit five miles to the south and about two miles to the west; the city police department, rescue and fire stations are three blocks from the hospital; the Perry County Jail is located four blocks away; the ambulance service is five blocks away; the drug store is one block away. In a drill, the volunteer fire department was able to respond in four minutes to the hospital when all volunteers were available, however, when there was a real life fire at the Dairy Queen, the salaried fire chief had to sit and wait for his crew while the building burned down for a total loss. About ninety percent of the city's total population lives within a ten block area to the east, the south and to the west. Physician's office buildings are in the next block as well as dentists offices. The grade school is located two blocks away to the west; the high school is seven blocks and the junior high school eight blocks away to the west. All schools are on the busy east/west highway in the ten block area which includes three public housing units; twelve churches; one nursing home which is about three miles away as is the city fairgrounds. City Hall is two blocks away. There are two large grocery stores, two banks and other retail establishments within this area. Almost all the homes in this ten block area are over fifty years old and there is very little new construction of homes. New homes have been built in the outlying areas by the more affluent citizens.

With over seventy percent of the hospital's in-patients being over the age of sixty-two and about the same percentage out-patients and specialty service patients using a facility two miles away will present a hardship in view of the fast moving traffic in all directions to the elderly.

The present site presents parking flexibility. There are two small parking areas and one large area. There are about five house lots which includes a large home that has been available. Also there is space that could be used for a parking garage; additionally, with the loss of the Skilled Care Unit with its 45 care givers and visitors there are many available parking spaces. .

The present hospital consists of two buildings, one built in 1965 according to State hospital building standards of that time and the 1976 addition which was designed to meet both hospital and long term facility building standards. The laboratory, radiology departments in the 1965 building were modernized in 1976. The 1976 addition now contains the medical/surgical floor, pharmacy, kitchen, dining room, conference room, classroom, specialty clinic/respiratory therapy room. The 1965 building has been upgraded to meet all recommendations of the State fire marshal and the State surveyors.

I have described in detail how this hospital compares with surrounding hospitals which also were constructed in the 1960s, often designed by the same architects with similar additions.

I have suggested a conservative modernization alternative to a \$46,624,405 new hospital complex which would cost less than 30.27% of a new hospital; this would be a 30' x 180' attached, matching brick addition to the south of the 1965 building which would more than double the useable support service area of the hospital and modernization which would more than double the emergency room service area. The addition could have three levels. Based on the present architects average cost estimates for all aspects of the project of \$446.07 per square foot, this addition would cost \$7,226,334. Modernizing the present Emergency Room area based on average cost estimates for new construction for all aspects is 466.29 per square foot, this modernization would cost \$1,713,136 and an addition to the Rural Health Clinic at \$466.32 for a cost of \$1,356,058. The cost of replacing out-patient rehabilitation would be \$3,818,813. The total is \$14,114,341 which is 30.27% of the cost of a new hospital. My calculations are on the high side because new equipment is not needed due to state requirements to have both facilities operational at all times which is \$2,697,000; moving expenses are not required, deducting \$2,697,000 from \$14,114,341 equals \$11,417,341 dollars or 24.49% of the cost of a new hospital.

In an interview with an area newspaper, the administrator stated that the cost of modernization would be from \$9 million to \$13 million according to the architects. The present hospital allows much flexibility because the third floor is vacant and can be used by different services with only minor upgrades which can be done by the hospital maintenance staff.

In conclusion, I feel that the community simply can not afford to build the third costliest hospital in Southern Illinois since the 1960s in a community of 3300 tax paying residents whose only growth in about 80 years has been through annexation; which has lost 800 well paying industrial jobs since 2002; which has replaced these jobs with 16 jobs, which is on the poverty warning list; which is committed to building a new high school; whose citizens want to remain in the same convenient, accessible location.

In a recent proposal by consultants with the possibility of a twenty year loan for \$40 million dollars with interest payments from Build America for a number of years was discussed. This would still be a monthly loan repayment of \$166,666.67 for twenty years. If the health proposals become law, we don't know what the impact on the hospital will be when patients who have many health issues and come for service. The first priority of the hospital will be to pay the mortgage (Bonds) but with limited funds it will be difficult to recruit and retain scarce health care workers who will require full time employment and higher wages.

If instead of a \$40 million dollar loan for a new hospital there was a \$10 million dollar loan for modernizing the present hospital, the monthly loan repayments would become \$41,666.67 instead of \$166,666.67.

No consultant can predict the outcome for the next twenty years.

In Summary:

- 1 Golden Opportunity: The Pinckneyville Community Hospital, its administration, board of directors and the people of Perry County lost a golden opportunity to reduce health care costs for the foreseeable future by not merging with Marshall Browning hospital. The annual savings would have been in the millions of dollars. The merger could have saved Skilled Care as this was as a possibility.
- 2 Deciding to Build a New Hospital. The decision to build a new hospital was made by a board where seven of the nine members had recently been appointed. I tried, with a letter, to educate them to the fact that a number of small rural hospitals had closed in recent years. These included hospitals in West Frankfort, Cairo, Christopher, Eldorado and the Franklin County hospital which later reopened. All of these closures were not due to management deficiencies but due to lack of sufficient physicians. In Pinckneyville, we have three physicians, one of whom started practicing in September and will be taking a three month pregnancy leave in March which leaves only two physicians. This makes it difficult during vacations and at other times and especially if there is a major automobile accident which requires immediate physician response. A few months ago, a twenty-year senior physician resigned and is seeing patients in Nashville, a neighboring city. The full impact of this resignation has not yet to seen in statistics. There has been almost a continuing round of replacement recruitment of physicians. Foreign born physicians like to live in communities with similar nationalities. Additionally, good community relationships produce bequests, hospital auxiliaries, establishment of foundations. This can be seen by the lack of any other funding from these sources in the application for a Certificate of Need.
- 3 Modernization of the Existing Building. Only one new Regional Hospital has been built in Southern Illinois was in Marion, a much larger growing city located at the intersection of a major established Interstate highway and a major state highway. It is in some financial difficulties as it has received one million dollars from a hospital support fund. A second Regional Hospital is under construction in Mt. Vernon, again, at the intersection of two Interstate highways. It is unknown what the impact of the by-pass around the city will mean to the community and the hospital. The completed highway to Carbondale will probably take a decade to complete.

As previously discussed, Pinckneyville's only growth in 80 years has been

through annexation. The long term tradition in Southern Illinois is to modernize existing rural hospitals.

4. Projections. It has been predicted by the hospital's consultants that there will be a decrease in in-patient admissions and an increase in out-patient services. This is highly unrealistic as when Medicare was implemented in the first ten years of its existence there was a ten year lengthening of life expectancy which means more hospitalizations of the fragile elderly. The full effect of the Medicare drug benefit is yet to be seen. Additionally, the Health Reform legislation has yet to be finalized. Although it is intended to be revenue neutral, hardly any legislation has met budgetary goals due to Congressional changes and changed circumstances.
5. Need and Affordability. The Pinckneyville Community Hospital does not need a \$46,624,405 hospital complex with \$1,248,893 Canopies to differentiate it from all other area hospitals because Perry County has one of the highest unemployment rates in Illinois at 12.7%; with many former employees stopping seeking employment; with the loss of 800 well paying manufacturing jobs since 2002 and the gain of only 16; with being placed on the State's Poverty Warning List; with the need for higher real estate taxes due to the construction of a new high school to replace a 77 year old school; with the increase in Perry County's budgeted health program from \$700,000 to \$1,000,000 in the past year; with the continuing depressed job market which could last for thirteen years as occurred when the coal mines closed; with the lack of sufficient sales tax revenue because there are no new automobile dealerships or major retailers such as Walmart compared with surrounding communities with Critical Access Hospitals; with the lack of population growth; with the difficulty of retaining physicians; with the low in-patient population and the necessity to maintain staffing for contingencies.

In conclusion, I would like to suggest that a Certificate of Need to construct a new \$46,624,405 hospital complex with \$1,248,893 canopies be denied and that the hospital be encouraged to modernize the existing, conveniently located hospital at 24.49% of the cost of a new hospital or \$11,417,341, and a much more manageable monthly debt payment in difficult economic times.

Sincerely yours, ,

George W. Ranta

George W. Ranta MS MPA

Cost Space Requirements

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. Explain the use of any vacated space.

Cost / Space Requirements							
Department	Cost	Gross Square Feet		Amount of Proposed Total GSF That Is:			
		Existing	Proposed	New Construction	Remodeled	As Is	Vacated Space
Clinical							
Medical / Surgical	\$ 6,375,060	5,990	13,671	13,671			5,990
Emergency	\$ 1,713,136	550	3,674	3,674			550
Diagnostic Imaging	\$ 2,843,436	2,840	6,098	6,098			2,840
Surgery	\$ 1,704,103	1,800	3,654	3,654			1,800
Same Day Surgery / Prep/Recovery / PACU	\$ 1,402,389	0	3,007	3,007			0
Central Sterile Processing	\$ 434,268	310	931	931			310
Laboratory	\$ 1,013,098	1,640	2,173	2,173			1,640
Pharmacy	\$ 629,916	800	1,351	1,351			800
Oncology Infusion Area	\$ 1,251,009	1,170	2,683	2,683			1,170
Specialty Clinics (Physician Offices)	\$ 1,392,046	2,100	2,985	2,985			2,100
Rural Health Clinic (Physician Offices)	\$ 4,778,875	7,340	10,248	10,248			7,340
Outpatient Rehabilitation	\$ 3,818,813	7,828	8,189	8,189			7,828
Sleep Lab	\$ 202,853	0	435	435			0
Cardio-Pulmonary (EKG)	\$ 311,717	0	668	668			0
Pre-Admission Services (Draw Station)	\$ 233,280	0	500	500			0
Inpatient Rehabilitation	\$ 563,865	0	1,209	1,209			0
General Surgeon Suite (Physician Offices)	\$ 339,487	0	728	728			0
Total Clinical	\$ 29,007,351	32,368	62,204	62,204	0	0	32,368
Non-Clinical							
Registration	\$ 534,576	0	1,284	1,284			0
Lobby / Public Space	\$ 2,316,147	860	5,564	5,564			860
Ambulance Vestibule	\$ 235,741	0	566	566			0
Business Office	\$ 324,296	0	779	779			0
Health Information Management	\$ 592,142	0	1,422	1,422			0
Administration	\$ 2,015,380	7,450	4,841	4,841			7,450
Information Technology	\$ 177,135	0	426	426			0
Dietary	\$ 2,039,592	4,460	4,900	4,900			4,460
General Store / Materials Management	\$ 818,171	800	1,965	1,965			800
Housekeeping / Linen	\$ 788,364	560	1,894	1,894			560
Maintenance	\$ 348,941	600	838	838			600
Circulation / Building Gross	\$ 5,313,758	24,872	12,764	12,764			24,872
Mechanical / Electrical	\$ 863,818	3,750	2,075	2,075			3,750
Canopies	\$ 1,248,893	0	3,000	3,000			0
Storage	\$ -	2,520	0	0			2,520
Vacant Space	\$ -	17,298	0	0			17,298
Total Non-Clinical	\$ 17,617,054	63,170	42,318	42,318	0	0	63,170
Total Project	\$ 46,624,405	95,538	104,522	104,522	0	0	95,538

APPEND DOCUMENTATION AS ATTACHMENT-B, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Note: The existing facility will be vacated and converted to non-hospital use.

LETTERS TO THE EDITOR

Skilled Care Employee Offers Suggestions To Save Unit

Letter to the Editor:

I attended the public hearing regarding the proposed closure of the Skilled Care Unit. Dr. Roe stated, "The Board really does not want to close Skilled Care and that if anyone has any other ideas, the Board would love to hear them." With that said, I hope you will all listen and keep an open mind.

For those who do not know me, my name is Peggy Patterson. I've worked in Skilled Care over 17 years. You're probably thinking the reason I'm here is because of my job. Let me start out by saying I love my job but should Skilled Care close, as a nurse I'm sure I can find employment elsewhere.

However, as a concerned tax paying citizen of this community, I felt I should speak out before you all make a decision that could be detrimental to this community. If you attended the public hearing, you already know that the majority of the community feels you are making a big mistake.

Mr. Hudgins said that the reason he wants to close skilled care is strictly financial. According to the last newspaper I read, he stated Skilled Care is costing the hospital \$200,000 per year and I'm sure if you look at the books, which probably some of you have, he can show you that this is correct. However, has anyone looked at how he came up with these figures? Has anyone thought about the potential loss of income for the hospital as well as the rest of the community if Skilled Care closes? And if the hospital is in such bad financial shape, are you really sure we can afford a new hospital?

I'm not here to tell you I have all the answers. No one does. But, I feel this is too important to ignore the ques-

tions.

I spoke to a lot of people before coming here tonight. Basically, I wanted to try to figure out where the problem is so I can make some suggestions on how it might be able to be fixed. However, as I'm sure you already know, it's not that simple. It seems no one is sure but I would like to talk about a few of the things people mentioned most.

1. Room rates - some said, "I was told the problem is the Medicaid rate as they pay \$90/day." The fact is as of April 29, 2008 we had 46 residents. Two are Medicare, 31 are private pay and one pays double. Only 13 are Medicaid. Four were private pay until they used all their income living here. Medicare rates are based on the type of services received. Private pay = \$105 per day which went up to \$109 per day on May 1, 2008. Private rooms pay \$10 more. Medicaid, as of January 1, 2008, pays \$95 per day. Pinckneyville Health Care stated in the paper that they charge \$115 per day.

If this is the problem, why haven't our rates increased? For the care they receive, people will pay more.

Do you realize with our current census, if we increase our private pay rates by just \$20 per day our income would increase by \$640 per day and in one year \$232,960 - problem solved.

2. The second major problem seems to be staffing. Everyone wishes to say skilled care is over staffed. However, that is why our care is as good as it is. We are, however, having staffing problems. In a two week period (April 27 - May 10), when the schedule was posted we had 89 eight-hour CNA shifts that were not filled and 22 and a half eight-hour nursing shifts. This has resulted in 29 eight-hour CNA

shifts being covered by our staff, but at overtime rates, 3.5 eight-hour CNA shifts filled with PRN and Per Diem staff at a higher rate and 25 eight-hour CNA shifts filled by the temp service.

Also we had 3 eight-hour nursing shifts paid at an overtime rate, 10 eight-hour shifts filled with PRN/PerDiem employees at a higher rate and 9 and a half eight-hour shifts filled by the temp service.

Why do we have so many shifts not covered by our own staff? Well, for the past year, all you hear about is the fact that Skilled Care is closing. If everyone would quit talking about closing Skilled Care and work on a way to fix the problems, we might be able to hire our own employees to cover these shifts.

If we could get rid of just the temp service.

We paid \$12,800 in March 2008 and \$24,000 in February 2008. So, if you average it out, it is costing us \$19,000 per month. In one year, we could save \$228,000.

If Skilled Care stays open and you build a new facility where all of the skilled care was on one floor, we could reduce the amount of staff that is required to care for our residents.

3. Probably the most asked question is how Mr. Hudgins came up with these figures? There are many ways to figure the books. Several times we have asked the question, if we pay \$1 for something and we charge \$10, but we get paid \$5, have we lost \$5 or have we made \$4?

There are a lot of ways you can make it look like we are losing money, when we may not be. For example, our census is usually stable. Med floor's census, however, changes frequently. Laundry expenses are based on square footage. Also when the census

on med floor increases, we have to pay more for laundry cost. Why doesn't med floor have to absorb that cost? If you close Skilled Care, who is going to absorb the extra cost?

Has anyone done a study to see what closing Skilled Care is going to cost the hospital? For example, all of our long-time residents are billed as out patients for x-ray, specialty clinics, etc. If Skilled Care closes, how is that going to effect their income? Many of our residents get their meds from the hospital pharmacy. How is this going to effect their income?

Please understand there are way too many questions unanswered to even be considering closing Skilled Care at this time. The Board is here to represent the community and everyone should know by now that the community does not want Skilled Care to close. Mr. Hudgins is not from Southern Illinois and I'm sure when he retires, he's not going to stay here. The rest of you, however, are. So remember if you go against what the community wishes and the hospital doesn't make it, you are the ones that are going to have to answer to your family, friends and neighbors. But if you keep Skilled Care open and the hospital closes, we are all in it together.

Just so you are all aware, one of our residents was transferred to another facility on April 24 because of the possible closing of Skilled Care. That resident passed away on May 2, just eight days after transfer. Please understand that this is a life and death situation to many. Make the right decision before it is too late. Keep Skilled Care open and be proud of what it means to our town.

Peggy Patterson, RN
Skilled Care Unit

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Agenda Board of Directors January 2010

Pinckneyville Community H
Board of Directors Open Sessio
January 4, 2010

Call to Order

Recognition of Visitors/Guests

Agenda: Changes/Additions – Approval

Board of Directors' Walk-through: Arlen Carson, Leonard Heisner,

Approval of Minutes of Previous Meeting(s)

Examined Forecast: Randy Ragan and Sue Evelsizer

Financial Report

- Financial Summary
- Key Statistics
- Balance Sheet
- Operating Statement
- Trended Income Statement
- Departmental Contribution Report Summary
- Cash Account Detail
- Investment Schedule/Recommendation(s)
- Signature Cards for New Certificates of Deposit for Dec. Mat
- Gross Days in Accounts Receivable
- Checks Written ←

D.K.

Bad Debts/Charity

Staffing Report

Administrator's Report

- Physician Recruitment Update
- CON/HUD Update
- Healthcare Reform
- National Interest Waiver Update
- IPT 2010 Renewal Quote
- Start up for Computerized Physician Order Entry
- Interim Cost Report
- Freedom of Information Act (FOIA)
- RLC Foundation 'Thank You'
- US Dept Veteran Affairs: Inquiry Routing/Info System
- Retirement of H.R. Director/Exec. Asst.
- VNA Relocation

CNE Report

Rural Health Clinic Report

Old Business

- Recognition of Veteran's Day in lieu of Personal Day

New Business

- 2010 Meeting Schedule
- Resolution including authorizing the proposed replacement hospital, the loan amount and a staten Board of Trustees has reviewed and agrees with the findings of the Examined Forecast

Policy Manual Approval - none

Capital Equipment

Executive Session

- 5 ILCS 120/2 ©, (1), (11) & (17)

Other

Adjournment

Dec. 2008 meeting, I did not attend.

Pinckneyville Community Hospital.

Jan 4th, 2010.. Hospital Board meeting. John Shotton, president opened meeting. Present.. John Shotton, Bill Roe, Nelson Rule, Edgar Hale, Arlen Carson, David Pierson, Absent Roger Smith, Gary Timpner, Leonard Heisner. Also present Shirley Welsch, Roger Seibert, Randy Ragen & Sue Evelsizer from St. Louis. Vistors were welcomed by Mr. Shotton. Agenda.. No changes.

Building inspection report. Carson & Heisner Dec. 29th, 2008.

1 thing in Kitchen.. Plastic cover machine down for over a month.

Chairs at Nursing station ..needs 3 new ones.

SIR place.. at 1 desk.. food was left setting around after person went home. Facility in very good clean shape.

Minutes approved.

Randy Ragen ..Examined Forecast..Risk Management accepted process. 3 firms involved in signing off. (Hospital finances..Board Set up.)

HUD is relying on this Risk M firm. Sue Evelsizer is involved in Risk in future years. Filed Nov. 18th, 2008 with all the facts. HUD requested a lot of information not in the system. First time HUD has been on this type of Build American Bonds.

Option.. 2 pages..4-2010..4-2015 period. How to pay for ..pages 2 ..interest rates subject to change. Firm appointed funds to be found to supply cost..forecast.

Page 5. Cash flow..net cash provided by services. \$600,000,00in 2010

\$3,600,000.00 in cash today.

\$100,000.00 in 2011

\$103,000.00 in 2012 and up. 225,000.00 decrease.

David Pierson doesn't like figures..has lots of questions.

Note 4/ Will need to add 4th Doctor by 2012 to make plan work. Showing 4% increase in out patients..decrease for in-patients.. then Hospital will stay level.

Note 7 Revenue assumptions..didn't understand this existing date as of 4-2009?

Project bonds go out to 2039. Build American Bonds.. HUD wanted to know if these bonds were not available? They would basically provide 1 million per year toward interest. 2 million dollars..debt service rebate. \$80,000.00 some needed per month.

Bill Roe..sort of up-set that someone may claim 2-sets of books and etc.like was like last time with Skilled Care. He does not want things said like before.

Some of the report is based on projected income. D. Pierson still wanting answers as to whether the board goes forward. This examined report done at 8:50 P.M.

(Copy of Report can be had from Hospital office.)

Accounts receivable ..went up some.

New Lady Doctor..197 patients average. doing better.

Kari Carson went over cost reports. Medicare pays off of these.

1. Checks written..O.K.
2. Bad Debts..O.K.
3. Staffing Some people retiring soon.
4. Physician recruit. New doctor (maybe) her husband is wanting to take test for pharmacist
Good candidate. another doctor (man) with H.I. Visa.
5. C.O.N. ..no hearing date yet on public hearing.maybe a Monday thru Thursday.
H.U.D. filling resolution to be done next week or so. Maybe an update on Phase 1 on soil drilling. Team may come to check site (Chicago) done in advance of hearing in April.
6. Health care reform..nothing.
7. Doctors passed on this?
8. IPT. 2010 renewal quote. \$104,00.00 reduced liability cost.
- 9,10,+ 11. FOIA. Hospital required to keep E. Mail for 5 years. out going.
12. PLC Beds donated .
13. Veterans' day inquiree.
14. Office manager..Phylliss retiring notice. Board said nothing.
15. VNA Relocation..Lease runs out in April. They will be moving..lower level of old clinic building.
16. Eva, head nurse... E.R. is full tonight. maybe 2 admissions. She is still cross training nurses. Carol Van Horris and Sherri Fulk retiring. Eve wants to Keep them on as back up. Nurses still not gettin 80 hours (2 weeks pay).
17. Back to Veteran's Day .. it cost 27.00 extra to give personal day. Policy left as is.
18. New business. Board passed (Resolution including authorizing the proposed replacement hospital, the loan amount and a statement Board of Trustees has reviewed and agrees with the finding of the Examined Forecast.) HUD requires this to be signed but this doesn't force Hospital to build. Roe made motion, Rule seconded, Motion Carried.
19. Meeting over. Board went into Executive Session. (9:30)

Notes taken by Shirley Welsch.

ANOTHER POINT OF VIEW REGARDING THE HOSPITAL

I wish to express my concern about a new hospital and changes to Skilled Care. I feel that we must look at alternatives rather than spending money for such a project. I recognize that I retired a number of years ago and that Medicare regulations have changed, but practical solutions are still relevant.

The issue of Skilled Care is not clear cut, but rather it is complicated. Skilled Care residents are different from hospital patients in that all financial arrangements are made prior to admission and payment is collected monthly, except for Medicare and Medicaid. There are some Medicaid residents – whose personal and family funds have run out. The typical resident is over eighty years of age and has serious health issues. The cost of medicine and supplies is covered by the patient or their families. The laboratory, X-Rays, PT and Respiratory Therapy charges are typically paid by the Medicare program, as a result, there is little or no bad debts or outstanding charges. There is no discount on the room and board charges for private pay patients. Medicare and Medicaid on the hand does not pay charges or costs but pays based on their own formulas which is not the cost of providing services, as a result, in both the hospital and Skilled Care, Medicare charges are a partial write-offs.

If Skilled Care closed, resident, Medicaid and Medicare payments for care would be lost, income from laboratory, X-Rays, respiratory therapy, physical therapy, medical supplies, medicine would be lost. If residents left the community and went to other towns, they would be in skilled care units in those towns and cared for by new physicians. The typical person, in the last year of life, is admitted to a hospital five times according to governmental studies. Our hospital would be the loser; it would have lost thousands of hospital admissions to surrounding hospitals in the last thirty years. In addition, Skilled Care has received many bequests from families for the excellent care. If Skilled Care closed, it would be very difficult to restart another one. A number of years ago, we faced similar government attempts to cut costs and we reduced the number of beds, but after months we found no difference in income because we also lost revenue from laboratory, X-Rays, Respiratory Therapy, medicine and other charges. Often our physicians keep residents requiring IV therapy and blood transfusions in Skilled Care rather than move them to the hospital and unfamiliar surroundings because they are in fragile health – they trust the level of care by the professionals and the staff. In addition family members can easily visit, especially during crises.

Board members must remember that hospital room rates do not pay for the entire cost of nursing care in the hospital, just like Skilled Care, they are paid for by other services such as laboratory, radiology, etc. While the beds in Skilled care are full and there is a waiting list, the patient population in the hospital varies according to the season due to the flu, pneumonia and respiratory health problems while at other times it has a low patient population, yet it must be fully staffed for accidents and heart attacks and emergency situations.

If there is an issue with staffing, this can be addressed carefully. There are experts who can help make care plans that require less labor but maintain quality care. Management can use budgets, position control and care plans to meet its goals. My

suggestion to the Board is that they continue third floor Skilled Care. It could make safety improvements from fire break to fire break. These would include sprinklers and asbestos removal if the Board felt these would be necessary. They are not required by our license.

The young women who provide care in the Skilled Care Unit have had training as Certified Nurse Assistants, are usually from the Pinckneyville area, and this is often their first position. It is difficult work, very few residents can talk coherently; many are unresponsive; some are incontinent; they have to be turned frequently so they will not get bed sores, heavy lifting is required, and there are no rewards when the idealistic young person realizes that their resident of whom they have grown to love is going to die in days, weeks, months or a year. Many young people can't take the stress and leave soon. The turnover rate is high; then senior staff must restart training again.. Older men and women often are not willing to undertake the required training to become a Certified Nurse Assistant for an entry level position.

If Skilled Care were to close, we would be asking our neighboring towns to care of our, fragile Pinckneyville citizens who are in the last years of their life. We would be asking Benton, Du Quoin, Nashville, Sparta, Murphysboro, Coulterville, Red Bud Skilled Care Units to take our residents; we would be asking our residents families to travel long distances to visit their elderly parents and grandparents: we would be asking our children who love to take care of the Skilled Care residents to move away to distant towns.

Another issue mentioned in newspaper articles is lack of space. This issue can be addressed by better use of space. Modern compact, space-saving furniture and panels can be used. All business office activities should be in one location; all activities relating to indirect patient care should be in one location on the first floor not in the nursing department. The administrator's, accountant's office and the personnel office could be on the east end of the second floor. This would eliminate the space problem. Again, installation of sprinklers and asbestos removal could occur section by section at a time. This is not required.

The Skilled Care residents and some of the second floor staff could be moved to the empty rooms created by moving offices on the hospital nursing unit on the first floor of the newer building after a board evaluation of the total number of Skilled Care beds desired . This would provide the residents larger semi-private rooms. There would be a reduction in the number of nurses' stations' from three to two with savings.

Negotiations could be started by the board or a knowledgeable realtor representing the board to acquire property north of the hospital or other nearby sites. One or two houses would take care of the lack of parking space for ten years at least.

By taking these steps a new hospital would not be required and Skilled Care would remain.

The next issue is Durable Medical Equipment. This is a small department where there could be a reduction of the space allocated to it to reduce overhead including housekeeping and staffing could be reviewed so that income could match expenses. The current inventory could be relocated to leased space until it is reduced in size.

SIR Fitness Center. This service is located on the Pinckneyville Square and serves a large population. A part of its services are physician ordered services on an out-patient

basis such as Physical Therapy, Speech Therapy, Occupational Therapy and work hardening and part is a community exercise program. The community exercise program could be separated and supported fully by dues from the users. The physician ordered services would start at 8:00 AM to 4:00 PM while the community exercise program could start at 4:00 PM until 11:00 and 6:00 AM to 8:00 AM. The overhead housekeeping service, heating, air conditioning, and maintenance would be shared proportionately. By changing hours, parking problems for the business community would be resolved. Other cost sharing arrangements could be made.

The present hospital consists of two buildings connected to each other by two corridors -- one on the ground level and the other on the first floor. The newer building was constructed in 1976 and paid by a loan from the Farmers Home Administration, hospital funds, business contributions and community donations. There were no tax payer building loans. Income from hospital patient and Skilled Care charges are used to pay interest and charges on the loan. It is my belief that there are loan payments to be made until 2016. The 1965 building was the first of a number of District hospitals built in the mid 1960's in the area; the only newer hospital in 40 years is the Regional hospital in Marion which is in a growing community near two Interstate highways.

The 1976 hospital building has 22 semi-private rooms for a total of 44 beds.. The building has sprinklers, smoke detectors, automatic corridors fire doors and connection to the fire department. The building is comparable to a new one in its features. There are code changes from time to time for new construction, but the hospital has followed all recommendations for both buildings. In addition there are annual state surveys by the Department of Public Health.

The advantages of the newer building is that physician's offices are on both sides of the two buildings so that they can make frequent rounds and respond to emergency situations and are available to the staff for consultations; the fire, police and ambulance services are within blocks of the buildings so that they can readily respond when required; most of the tax payers and voters of the hospital district live within ten blocks of the buildings so that the emergency room and other areas are quickly available to them; two pharmacies are within blocks of the building if needed for some medicines or supplies; dentists and other health professionals are nearby. The location is convenient to fast food restaurants, family restaurants, drug store, gift and furniture stores, for family members, hospital members and others. The building is of brick construction with deep steel reinforced concrete foundations. The building was built to last for at least 100 years.. Earth quake standards and requirements for Perry County were carefully reviewed by engineers and architects and their recommendations were followed

The disadvantages are that on certain days of the week when specialty clinic physicians are seeing patients there is limited parking; there is traffic congestion around the hospital due to many health related and commercial businesses in the area; some maintenance is required due to the age of the building. There are congestion and parking issues due to the Fitness Center.

The 1965 building is of an older design. Improvements such as smoke and heat detectors were installed; two automatic fire doors on each floor; wall to wall fire breaks; floor to next floor corridor walls; automatic signals to the fire department. Sprinklers were installed in the store room, the laboratory and nuclear medicine. When Skilled Care

moved into the second and third floor, a meeting of State nursing home surveyors was held in Springfield and they approved the move with no adverse findings regarding the building.

The disadvantage is that the resident rooms, while meeting minimum standards are small because of limited funding at that time.

About ten years ago, talks were started between administrators and board members of Pinckneyville Community Hospital and Marshall Browning Hospital to merge in order to save a substantial amount of money in emergency room physician coverage. Extensive, costly studies by out of state and large city consultants were started to find a mutually suitable site for a new \$18 million dollar building. After awhile, the Pinckneyville board made a proposal that the hospital should be located two miles east of Pinckneyville; and then after a period of time with no response the Pinckneyville board announced that the talks had ended and that Pinckneyville would "go alone" with the project.

It has been mentioned in the area newspapers quoting Pinckneyville Community hospital officials that the hospital would become a "community" hospital rather remaining a District hospital. This is a difficult path for a small hospital to take in Southern Illinois unless the board can find a generous donor when financial times are difficult. The following are some examples: According to the administrator of Carbondale Memorial hospital, some time ago, they had "stacks and stacks of unpaid bills and faced severe financial problems", later they received funds to support the Medical School from the State, additionally they received funding for obstetric care. St. Joseph's in Murphysboro was sold to Memorial hospital in Carbondale; St. Mary's in Centralia and Good Samaritan joined together; the Miner's hospital in West Frankfort was sold to the city for one dollar; Christopher hospital has been closed for many years; Cairo and Eldorado have closed. No district hospitals have closed.

After Pinckneyville decided to "go alone" according to newspaper reports, they continued the proposal to build a \$18 million dollar hospital two miles east of Pinckneyville. The possible annual principal and interest costs could be as follows:

20 years @5% interest and principal	\$1,444,367.00
30 years @5%.interest and principal	1,170,926.00
40 year @5% interest and principal	1,049,006,00

What are the possible consequences of these large annual payments to the hospital and its employees'?

Possibility of the board of having to defer salary increases to employees

Possibility of discontinuing health and pension benefits;

Higher property insurance costs;

Possibility of labor problems;

Loss of competitiveness to Marshall Browning hospital and other area hospitals due to higher charges

Because of debt, inability to purchase replacement or new medical equipment;

There would be inconvenience to physician's office patients to go for X-Rays, laboratory work and other procedures at the hospital;

There would be longer time and higher costs for ambulance trips to St. Louis and Carbondale.

Inconvenience to families, visitors and others.

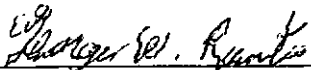
Ten years of discussion have had a serious negative effect on employee morale. A new hospital would not provide better emergency care, out-patient care, hospital care or skilled nursing care; the only thing it would possibly provide is better parking for eighteen million dollars.(\$18,000,000).

In summary regarding a new hospital and the different areas of concern, the board and administration should sharpen their pencils and look at their services and staff as there will be governmental cuts in the Medicare and Medicaid program and fewer employees with health insurance due to 500 workers losing their jobs in Perry county and the ripple effect of this job loss.

Talks should be resumed with Marshall Browning hospital as the financial health of the two hospitals is too important of an issue to let die. Administrators and accountants of both hospitals should get together and prepare a report for sharing services in professional and administrative areas.

The Marshall Browning board had many risk factors to consider in its discussion with Pinckneyville such as its residential and commercial population is twice as large as Pinckneyville's, the number of emergency room visits is twice as many as Pinckneyville's, it has two railroad crossings for ambulances and emergency vehicles to cross to reach a site in Pinckneyville, it has the the State Fairgrounds which attracts thousands of visitors where a major accident could occur; and it has a major shopping center.

We have a great hospital and skilled care unit and do not need an \$18,000,000 new hospital and a new site. We just need to make some adjustments.


George W. Ranta, MS, MPA

Retired Administrator, Pinckneyville Community Hospital And Skilled Care
1967-1989

501 Coffman Street
Pinckneyville, IL 62274
December 2, 2008

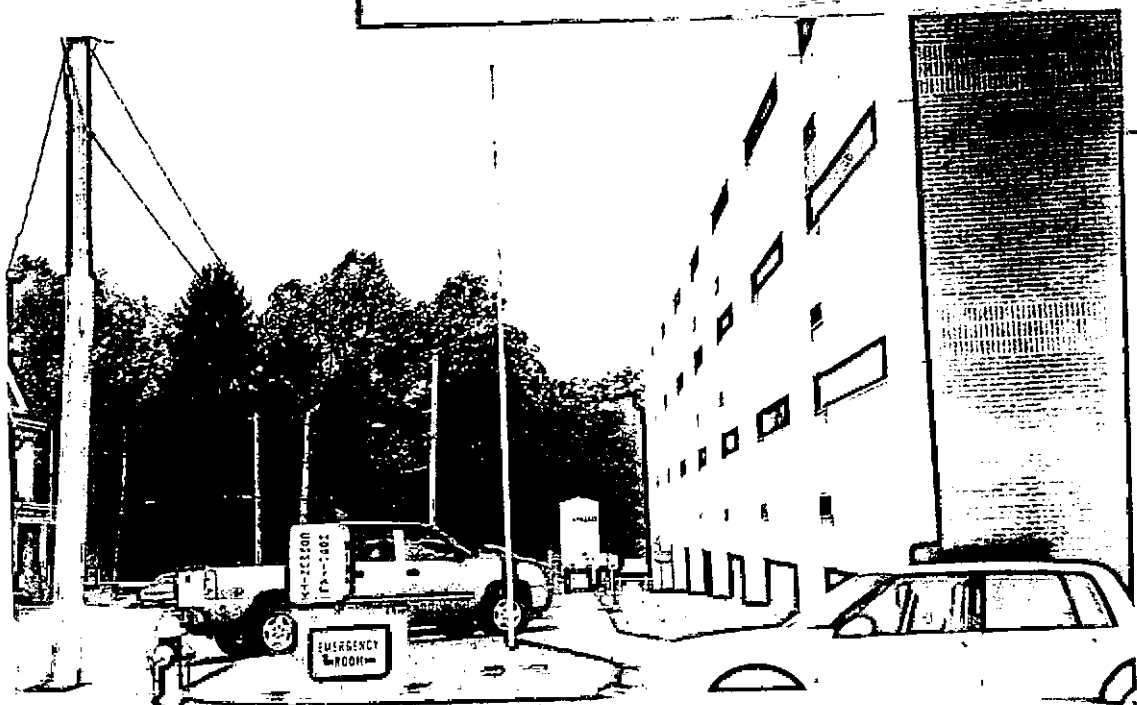
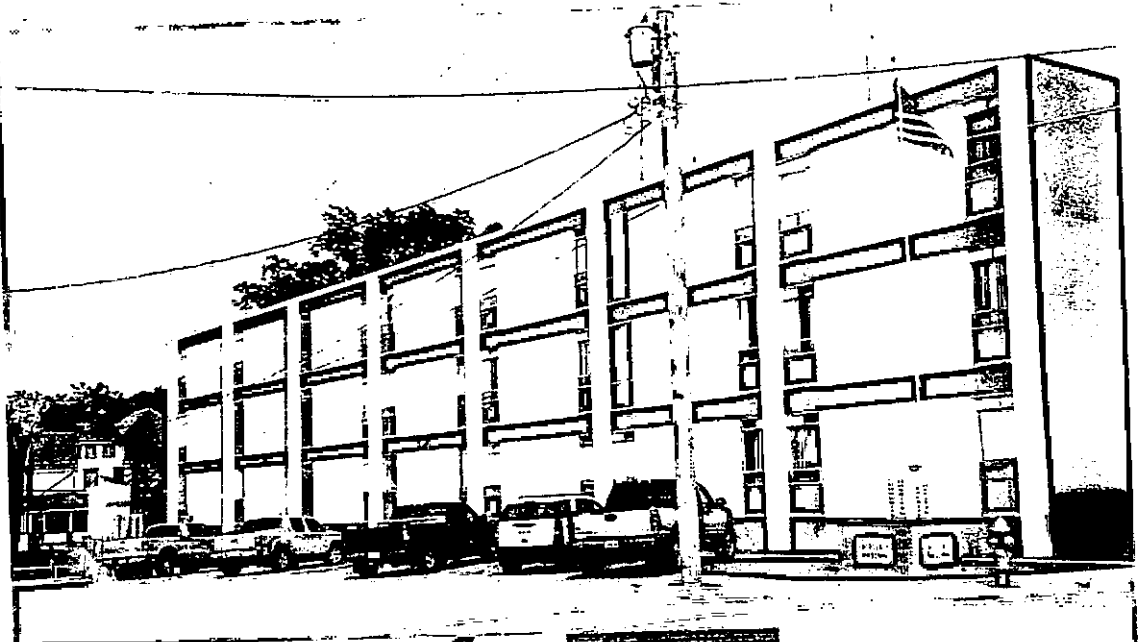
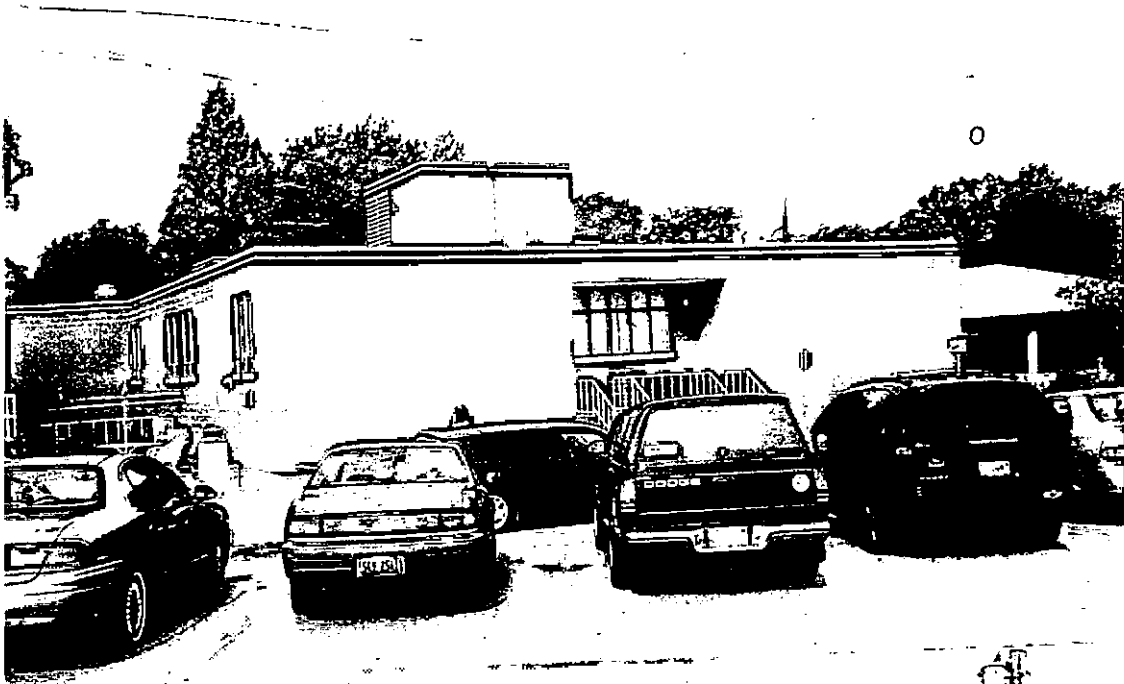
Board of Commissioners
Perry County
Government Building
Route 13/127
Pinckneyville, IL 62274

Dear Commissioners;

You have shown loyalty to the present Pinckneyville Community Hospital appointees that are up for reappointment for the past six or more years when under their leadership major changes have occurred such as the closure of the hospital's skilled care unit; the sale of their home health nursing unit and the sale of their durable medical unit and now their continuing advocacy of building a \$31+ million dollar hospital complex one and one half miles east of Pinckneyville, however, new issues have arisen which require a different type of leadership. These issues are as follows: A financial crises in the nation and a deepening recession and unemployment; a state government in financial distress, and a city government having to raise its taxes significantly. The only bright spot is county government which is on budget. The nation's health care system will probably be vastly overhauled in the coming decades. There is much uncertainty regarding the outcome. The debt of the nation is reaching astronomical levels which will cause higher taxes for many generations or major reductions in community improvements and social issues.

There are voices to be heard regarding the reappointment of these three members, the voices are as follows:

1. The voice of the Hospital District's voters who voted 87% or 2,903 to 413 in favor that the Skilled Care Unit be a category of service and an essential component of public health services by the hospital. While this was advisory only, it reflected community concerns. In the first survey, 96.845% of Pinckneyville voters, agreed with maintaining Skilled Care as part of the hospital.
2. The voice of one in ten Pinckneyville voters participating in a survey submitted to the hospital board of directors where 113 or 94.167% voted in favor of the present convenient site and 7 or 5.833% disagreed.
3. The voice of one in five Pinckneyville voters participating in a second survey submitted to the hospital board of directors where 45 or 90% voted in favor of the present convenient site



- and 5 or 10% disagreed. (Almost every family had an opportunity in Pinckneyville to give their opinion.)
4. The voices of petitioners who wanted to save the skilled care unit as part of the Pinckneyville Community Hospital.
 5. The voices of large groups of family members, employees, supporters and the public who attended all the meetings of the board.
 6. The voice of the retired administrator who suggested a phased reduction by not admitting new residents to the skilled care unit until only the third floor remained where the very frail residents remained who needed much care and costly hospital services. This option wouldn't cause any trauma and anxiety to current residents and their families.
 7. The voice of the public as expressed in "Letters to the Editor".
 8. The voice of the Skilled Care CNA with a pre-existing health condition who was laid off after 34 years of working at the Skilled Care Unit and not being offered a new opportunity after the unit closed.
 9. The voice of the CNA with children who will have to go on welfare if she becomes unemployed.
 10. The voices of many Skilled Care employees who lost their jobs and who will have to move away from their home communities.
 11. The hospital board disregarded the voices of 106 voters or 91.379% who wanted to improve the existing hospital at a modest cost like other hospitals such as Marshall Browning and Sparta Community Hospital were doing and remain competitive with them in the charges for services.
 12. The voice of ninety four percent (93.75%) who agreed that Medicare is in jeopardy in 2014 or six years away when payments exceed income who cautioned against excessive expenditures.
 13. The hospital board did not take notice of the fact that there was much poverty in the area served by the hospital and that higher charges would be the result of having a new building while 94.444% of the voters did acknowledge the fact.
 14. Parking problems were acknowledged by ten participants, but the problem was resolved by the recent closure of the Skilled Care unit which provided more parking spaces.
 15. Concern was expressed by voters about the lack of population growth over the years and in the future.
 16. Appreciation by many for the location and the convenience of the present site by the elderly which constitutes over 75% of the admissions to the hospital which has an average population of 7.1 medical/surgical patients
 17. The board didn't listen to the concerns of 91.84% of the voters who agreed that conservative improvements should be made to

the present hospital like those that have taken place at Marshall Browning hospital; Sparta Community Hospital and in hospitals with high congestion and traffic volume such as Memorial Hospital in Carbondale, Herrin Hospital and the VA Hospital in Marion, (Except for hospital staff, most people don't go to the hospital frequently.) .

18. The administrator dismissed the importance of the closure of MUMS and the loss of hundreds of manufacturing jobs to the hospital, but these former employees are the future in-patients and out-patients of the hospital. Many have pre-existing health issues; many are near retirement age, most will exhaust their unemployment benefits and then find jobs which will not have pension and health care benefits. The majority will return to this area when they retire. If our hospital charges are too high compared to other hospitals they will not move here.
19. Proponents of a new hospital say that if we build a new hospital it will attract physicians and a "quality" staff, this is not true. When I came in 1966 we had a sparkling new hospital, but we didn't attract a single new physician but kept our home grown physicians. We created our own "quality" staff by providing learning opportunities. In 1976 we doubled our hospital adding skilled care, dietary facilities, new laboratory and a larger X-Ray department and numerous other services, but we only got replacement physicians and our home-grown staff continued their education.
20. The reality of physician recruitment is this: Only five percent (5%) of new physicians go into family practice while ninety-five (95%) become specialists where there are scheduled hours, higher salaries and much fewer hours of work so they can enjoy the quality of life (golf, etc.). When we do find a physician, after a year or more trying, it is likely to be foreign trained who will only remain a few years before moving on. We are currently relying on one or two family physicians to do most of our seven patient average daily hospitalizations.
21. There is a total lack of concern by the board for poverty in the hospital district which makes it hard for many hard pressed citizens to pay their real estate taxes. They are concerned that taxes will increase and the possibility that the hospital will go bankrupt.
22. There is the brave, fifteen year, professional skilled care nurse that tried to educate the hospital board that their skilled care room charges were lower than the surrounding area while the available services were of higher quality; that the hiring practices were of high cost by hiring expensive part-time workers.

23. Then there is the voice of the retired hospital administrator who pointed to the hospital application for skilled care closure which only included revenue from the room rate and not revenue generated by out-patient charges which were substantial; that no effort was made by administration to lower costs and increase efficiency and become competitive.
24. Finally, there are the voices in the hearing crowd which questioned the reliability of the information submitted to Health Facilities Planning Board.
25. Then there is the voice of the Planning Board member who questioned the reason why they were seeking to close Skilled Care which had the highest occupancy level at 80% in the area?

Three new members should be chosen who will be articulate, respect the United States tax payer, the State tax payer, the Perry County tax payer and the Hospital District tax payer, who will be careful with expenditures and have a common sense approach to problems. New leaders will rise from the remaining hospital board.

These are brave decisions, but they are ones the voters hired you to make. This is what happened to the previous Pinckneyville City Council; the voters hired a new city council which will respond to their voices.

Sincerely yours,

George W. Ranta
George W. Ranta, MS, MPA

SUGGESTED MODERNIZATION

PINCKNEYVILLE COMMUNITY HOSPITAL

1. **1966 BUILDING - (South)**
 - a. **Emergency Services Area.** Modernize space west of the east elevator to the west outside wall and reinforce all walls to make them earthquake resistant. 120' x 17' = 2,040 square feet. Cost 2040 x \$300 = \$612,000. This construction would make us competitive with Sparta Community hospital and with Marshal Browning hospital and their new emergency rooms.
 - b. **Construct a two level, matching brick, earthquake resistant 180' x 30' attached addition south of the present building.** Total square feet – 10,800 square feet. Cost 10,800 x \$300 = \$3,240,000. This will make us competitive with Marshall Browning which has modernized their facilities for a total of \$7,600,000. This will provide about 50% more usable space for the following departments or services:
 1. Accounting
 2. Admitting
 3. Electrocardiography
 4. Medical Records
 5. Pharmacy
 6. Radiology
 7. Rehabilitation/Physical Therapy
 8. Respiratory Therapy
 9. Specialists Offices
 10. Stress Testing
 11. Surgery Suite

All interior and exterior walls are to constructed earthquake resistant. Existing interior walls will be made earthquake resistant by the hospital maintenance department. Sprinklers will be extended in the 1966 building and asbestos problems resolved. The surgery elevator will be extended and a helicopter pad placed on the roof of the 1966 building as suggested by the State.

The former nursery will become the Women's Center (mammography).. The former delivery room will become the Rehabilitation Center (Physical Therapy).
2. **1976 BUILDING – (North)**
 - a. **Make all interior walls earthquake resistant.** Work to be done by the hospital maintenance department over a period of several years.
 - b. **Conversion of the semi-private rooms to private rooms.** Work is to be done by the hospital maintenance department.
3. **SOUTHERN ILLINOIS REHABILITATION AND FITNESS CENTER.**

Build a larger, state of art Southern Illinois Rehabilitation and Fitness Center on the land east of Pinckneyville. This larger than planned Center would have the following additional features:

- a. A large hydro-therapy room;
- b. A floor mat area;
- c. A kitchenette area for stroke and accident patient rehabilitation;
- d. A large conference room for diabetes, weight control, substance addiction and other health education programs;
- e. A small room for staff;
- f. Two small family conference rooms;
- g. Space for new rehabilitation services as recommended by the Rehabilitation Institute at Southern Illinois University Carbondale;
- h. This Center would be comparable to the facilities of Good Samaritan Regional Hospital rehabilitation unit; the facilities at Herrin Hospital; those at Marshall Browning and those at the VA Hospital at Marion which was built at a cost of \$3.5 million dollars.
- i. A Center like this would be beneficial to stroke patients, accident patients, hip fracture patients and the entire community. The Practical Nurse program could also use the facility as well as the Rend Lake College for their health education classes;
- j. The relocation of the present Southern Illinois Rehab and Fitness Center would further help the parking situation on the Pinckneyville Square and help the Medical Arts patient find parking;
- k. This Center does not require approval of the Illinois Health Facilities Planning Board and would be appreciated by all citizens.


Cost estimates:	Emergency Room	\$ 612,000
	Modernization of 1966 Building	3,240,000
	New Rehabilitation & Fitness Center	3,500,000
	Total	\$7,352,000

This new Center would make the Pinckneyville Community hospital more than competitive with Marshal Browning and Sparta Community hospital in the field of rehabilitation.

Note: The hospital board approved architects drawings for a new \$31,000,000 hospital complex prior to receiving approval from the Illinois Health Facilities Planning Board which would add to the previous cost estimates. The \$300 square foot construction estimates were obtained from SIUC Architecture Department.

Summary: Modernization of the Emergency Service area and the construction of the new Southern Illinois Rehabilitation and Fitness Center and the maintenance department's project to make the 1966 and the 1976 building earthquake resistant and to convert the semi-private rooms into private rooms could begin in 2009. The other work, which might require State approval, could begin at a later date.

Sincerely yours,


George W. Ranta, MS MPA

Robb, S.

501 Coffman Street
Pinckneyville, IL 62274
December 1, 2008

Board of Commissioners
Perry County
Government Building
Pinckneyville, IL 2274

Dear Commissioners:

Subject: Reappointment of
Hospital Board Members

By way of introduction, my name is George W. Ranta. I was administrator of the Pinckneyville Community Hospital from 1966 to 1989 as well as a Licensed Nursing Home administrator of the Skilled Care Nursing Facility from its opening in 1976 to 1989; prior to that I was in administration at the Middlesex County Sanatorium for seven years. I was closely involved in construction and building design projects at both hospitals. I received a Bachelor's degree in Economics from Tufts University with elective courses in engineering and also three years of high school education in Mechanical Drawing. I attended the Master of Business Administration course at the University of Massachusetts. After retirement, I received the degree of Master of Science in Community Development and a degree of Master of Public Administration from Southern Illinois University Carbondale.

I would like to review with you events that have occurred at the Pinckneyville Community Hospital that have caused me a great deal of concern.

First, the Boards of Director's of Pinckneyville Community Hospital and Marshall Browning Hospital held a number of meetings to discuss the possibility of having one twenty-five bed hospital in the county instead of two hospitals in a small population-wise county. The stated advantages would be an immediate savings of \$1 million dollars annually in emergency room physician costs and savings in purchasing very expensive duplicate medical equipment, not mentioned in the news releases was the millions of dollars saved in reduced administrative costs; accounting costs; specialists services; heating, air-conditioning and maintenance costs; and a major reduction of personnel costs and the elimination of the real estate tax for the hospital district taxpayers that would occur. Studies were conducted regarding a suitable location between the two cities; however, the recommendations of the studies were never published.

Following these events the Pinckneyville Community Hospital Board of Director's announced that it would only accept a site 1 1/2 miles from the center of Pinckneyville rather than a mutually agreed upon site. The talks ceased. I can understand the position of the Marshall Browning Board of Directors; they were a larger community; they had two railroad crossings which often had long delays with emergency vehicles; and they had a State Fair with over ten thousand visitor who might be involved in health emergencies.

The Pinckneyville Hospital Board did not have any citizen participation or focus groups involved in site selection only a three person committee.

Marshall Browning then proceeded with its modernization program by building a new patient room area and modernizing other departments in their hospital which was built in 1922. They had recently completed modernization of their emergency service area. The total cost of their modernization program was \$7.6 million which didn't require approval by the Health Facilities Planning Board.

At about the same time nearby competing hospital – Sparta Community hospital modernized their emergency service area at a cost of \$11/2 million dollars. This hospital was built in the 1960's which was the same age as the Pinckneyville Community hospital.

The Memorial Hospital of Carbondale started another building project to meet changing conditions in health care by making their building earthquake resistant. They proceeded to do this by using their maintenance staff to reinforce all their interior and exterior walls over a two year period at a cost of \$2 million dollars. Memorial hospital is a large, older regional hospital than Pinckneyville located in a dense, business/residential area with congestion and a high volume of traffic.

The Marion Veteran's hospital had also completed a modernization program of their existing older hospital and was involved in building a rehabilitation building sponsored by a veteran's organization which cost \$3.5 million dollars.

Herrin hospital located in a busy residential/business area with a high volume of traffic became involved in improving its existing emergency room and other service areas. It is a much older facility than Pinckneyville.

The only new hospital in Southern Illinois is the Heartland Regional Hospital which was built by an out-of-state corporation near an Interstate highway and a busy state highway in a fast growing community at a cost of \$28 million dollars

The Pinckneyville Community hospital Board of Directors decided to "...go alone" and build a new hospital complex consisting of a new hospital replacing a 1966 building and a 1976 building; a ten year old \$1 million dollar physician's office building and a rehabilitation center that had been remodeled about ten years ago at a total cost of \$21 million; later at a cost of \$22 million; later at a cost of \$31 million and recently at a cost of \$31 million plus the cost of millions for new medical equipment in a community which had not experienced any residential growth in eighty years; which was not near the Interstate highways and was in a community with poverty and high unemployment due to the closure of a major manufacturing plant.

Second, I felt that it was my civic responsibility to determine the public reaction to this the most costly expenditure of public funds for a hospital in Southern Illinois history, so I decided to conduct a survey about the proposed hospital building complex. This survey was mailed to 240 voters or one in ten Pinckneyville voters; additionally two volunteers distributed 200 surveys to area voters. The questions were as follows:

Question #1: I believe that the present hospital, at its present location near physician's offices, its dedicated and trained staff, its state-of-art medical equipment, and its well maintained buildings, its accessible central location meets the medical needs of the residents of Pinckneyville and the area served by the hospital and its skilled care unit.

The response was... YES... 113 OR 94.167% NO... 7 OR or 5.833%.

There were many comments and written suggestions. Two area newspapers carried the questionnaire and some responses were from the newspaper readers.

Question #2: I believe that the present hospital can meet challenging emergencies and out-patient medical needs at a modest cost compared to a new hospital by building an attractive, matching- brick two or three level structure in the south parking area leaving parallel parking instead of diagonal parking which would double the emergency room areas; the X-Ray department; increase the laboratory and stress testing area in the basement and a first floor which would provide additional space for administration, medical records, pharmacy and the operating room. These improvements would be similar to those made by Marshall Browning at a cost of \$2 million dollars and recently those at Sparta Community hospital which cost \$1.5 million dollars; both did an excellent job improving existing buildings. Marshall Browning recently announced improvements to their hospital costing \$5.6 million by adding 22,000 square feet to their hospital. Their total project cost was \$7.6 million was doesn't require State approval.

The response was... **YES...106 or 91.379% NO...10 or 8.621%**

Question #3: I believe that a new \$20-21 million dollar hospital, without skilled care, which is one or more miles from Pinckneyville is needed, whose loan costs for interest and principal, would, over the life of the loan, might be about \$40 million, to be paid by Medicare from U.S. payroll taxes – a program that is expected to spend more money than it receives by 2014; Medicaid, from Illinois taxes, which has budgeted unpaid bills to health care providers in the billions of dollars; employer paid insurance; private insurance; workers compensation and patients.

The response was... **YES...6 or 6.25%...NO...90...or 93.75%**

Question #4: I believe that skilled care services should continue to be part of the services provided by the hospital to the citizens of the area even if necessary due to Medicare regulations on a reduced basis.

The response was ... **YES...92 or ..96.845%...NO...3 or 3.158%.**

Question #5: I believe that there are many low income people in Pinckneyville and the area served by the hospital who would be affected by having a \$20 - \$21 million dollar new hospital with higher charges.

The response was ... **YES ... 85 ... or .. 94.444% ... NO ... 5 ... 5.556%.**

The major comment was that there was no need for a new hospital (20) and that there would be high future taxes (5).

The new site proponents felt that the hospital had outgrown its present site (4).

The cited problem areas at the present site and offered solutions were parking and congestion at the present site (10); build a parking garage (4).

Modernization of the present facility was supported by 106 participants.

The sixty-six page report with comments was given to Dr. Roe with copies for each Hospital Board member, administrator and hospital attorney. No acknowledgement was received. Copies of the report were mailed to Mr. Mark Jeffrey, Executive Director of the Illinois Health Facilities Planning Board; no acknowledgement, comments or guidelines were received.

SECOND HOSPITAL SURVEY RESULTS PINCKNEYVILLE COMMUNITY HOSPITAL

The reason for the Second Survey was to provide more voters of Pinckneyville the opportunity to express their opinion about the proposed new \$21 million dollar hospital to be located east of Pinckneyville; to provide resulting information and suggestions from the previous survey; to help provide administration and the Pinckneyville Hospital Board insight into the community reaction to their recent proposals.

Question No. 1.

I believe that the present hospital with its state of art medical and surgical patient area, its dedicated and trained nursing, technician and support staff, its present convenient location near physician's offices for quick response, its multi-million dollar high-tech medical equipment, its well maintained buildings, its central location near the majority of residents of Pinckneyville and the area served by the hospital and its skilled care nursing unit meets the needs of the citizens of our community,

YES: 45 or 90.00% NO: 5 or 10.00%.

Comments by voter: YES. Leave it where it is at!

YES. I did not know that they were planning on moving everything.

They are paying too much for the land they are going to buy.

NO. It would be better used if up dated facility-wise.

YES. I cannot believe that this area has the population to justify the new larger facility outside of town. We will never draw doctors that specialize especially when we are so close to Carbondale.

NO. The future needs of the community need to be considered. The shell that houses our hospital is very inadequate and leads to us not attracting and seeking quality personnel.

YES. You just need a good emergency room or rooms and a chopper pad to air lift to a hospital that can take good care.

YES. It has been about 2 years since I have been in the hospital but it seems to meet the communities' needs as is.

YES. I had two mother's-in-law, my mother & my sister receive care in the new hospital. The nurses & the staff were like family & took good care of my loved ones. The location was great as I spent lots of time over there in the last 4 years.

YES. Keep it as it is. People on fixed income can't afford no higher taxes.

YES & NO - because yes it is a great location & is great for closeness for the elderly. No, it needs newer medical equipment, better parking and more local doctors.

YES. I do not want a new hospital built!

YES. Our hospital board knows that not everyone in P'ville are as well off as they are. It is going to be one big burden to even try to pay taxes with every plant thinking of shutting down.

NO. Emergency services area is too small. Many emergency procedures can not be provided by the hospital. Patients have to be transported to larger facilities when they require a higher level of care. This is inconvenient for residents of Perry County.

YES. If there needs to be up grades – the money should go to new medical equipment and expanding the number of doctors.

Question No. 2.

I believe that the present hospital can meet changing emergency and out-patient needs at a modest cost (\$7.6 million or less) compared to a new \$21 million dollar hospital by building an attached, attractive matching brick 4 level 30' x 180' structure in the south parking area leaving parallel parking instead of diagonal parking in the present physician and technician parking area. This will provide 21,600 square feet of additional area or 71.4% more useable space than the 1966 part of the hospital (excluding the lobby).

On the first level the plan would double the emergency room area using state of art sound-proofing materials and latest design elements to assure privacy in all areas of the new addition; double the size of X-Ray, Nuclear medicine and mammography services; double the size of the laboratory, stress testing and EKG areas. (It will be connected by short corridors.)

The second level would provide additional space for administration and would allow the accountant to relocate to the hospital, provide space for the pharmacy and durable medical equipment, double the present space of the medical records department and provide for a new operating room with direct elevator access to the emergency room. (It would be connected by short corridors.)

The third level addition would almost double the available room space by re-locating the corridor. Part of the area could be large Skilled Care rooms – private and semi-private, part could be physical therapy, occupational therapy and work-hardening service area relocated from the Square.

The fourth level addition would almost double the available space by relocating the corridor. It could be used for skilled care residents and for respiratory therapy, foot and ankle services, cardiac study services, cancer, etc.

A helicopter pad on the roof of this building has been suggested by the State helicopter service which would have direct access from the emergency room by extending the west elevator. At the time of construction, sprinklers shall be added and all small amounts of asbestos removed.

The 44 beds in the medical and surgical floor of the 1976 building would become 22 private rooms to assure patient privacy.

A suggestion was made that the board should negotiate with a neighbor who offered to sell his property for additional parking, and the city should consider one-way traffic on North Walnut Street to relieve congestion.

These were suggestions made in the previous survey.

These suggested improvements are similar to those recently made at Sparta Community Hospital and those proposed at Marshall Browning Hospital at a comparatively low cost of \$7.7 Million (maximum) versus \$21 million for a new hospital, \$3 million for a new Skilled Care building, \$1 million for a new Family Practice Center plus \$1 million for a new SIR Fitness Center. Other older hospitals in congested, residential, high traffic areas which are adding or have added to their hospitals are Memorial Hospital of Carbondale, the VA Hospital of Marion and Herrin Hospital. Locally, the Pinckneyville Grade school added to their building as did the Pinckneyville Dental Clinic when more space was needed.

YES: 45 or 91.84% NO: 4 or 8.16%.

Comments by voters: YES. No new hospital.

YES. If our administrator & board cannot fig. out a way for our small community to improve our facility by spending less taxpayer dollars then maybe we need a new administrator. Federal & state grants are our taxpayer dollars & when these are depleted we'll be taxed more to compensate. We in this area cannot afford lush environment for such offices.

NO. A central massive (sp.?) hospital unit to serve needs would be more beneficial to provide future generations the services needed instead of traveling long distances.

YES. SAVE your money, till you have the money; then build it.

YES. It is always nice to improve to meet future needs. I'd prefer not having my taxes increased but if it is deemed necessary to have these improvements then so be it. I would guess a needs-assessment has been done to verify these needed improvements.

YES. Pt/ot/wh clinics are ideally located on the ground floor.

YES. I think that \$7.7 million is less of a concern than \$21 million. I like the idea of one-way traffic, however, I hate to see another building turned into a parking lot. Why couldn't we build a parking garage on the lot east of the hospital. A multi-level parking garage could impact parking for years.

YES. Use the building north of the fitness center (SIR) to increase its space.

NO. A one story would be best. That crowded 2nd + 3rd floor SC is pathetic. Let the old people be able to walk outside in a patio from their rm not be upon 3rd or 4th floor

NO. I don't think that you need FMC building there is nothing wrong with the one we have. The hospital needs to be built or updated.

YES. I believe that if we the people of Perry County are going to go in this kind of debt for a new hospital, we should get to vote on it. Our future young people are going to have a hard time making it if our taxes get any higher.

Question No. 3.

I believe that despite \$22 million dollar, \$100,000 monthly cost and the \$44 million dollar cost over the life of the loan, we should have a new hospital to be located outside of town. It will be paid for by Medicare from U.S. payroll taxes – a program that is expected to spend more money than it receives in 2014; Medicaid, from Illinois and U.S. taxes, which has budgeted unpaid bills to health care providers in the billions of dollars, employer paid insurance; private insurance; real estate taxes; workers compensation and patients income.

YES: 2 or 4.00% NO 48 or 96.00%.

Comments by voters: NO. My Perry County taxes on my house in Pinckneyville were \$4,204 for 2006 and I believe they would go a lot higher if a new hospital is built.

NO. No hospital.

NO. Absolutely not!

NO. With 7 patients on an average per week why would you spend \$22 million dollars?

NO. The hospital Board should realize that Pinckneyville is a bed room community & lots of retired people. Any more taxes is not a good thing for retirees or young people trying to make a good living.

NO. The new hospital is on a highway that is dangerous for the elderly.

NO. We need no new hospital!!

- I don't know.

NO. I'm having problems paying my taxes now – what will I do with still higher taxes?

NO. Absolutely Not!

Question No. 4

I believe that skilled care services should continue to be a part of the services provided by the hospital even, if necessary, on a reduced scale due to Medicare reimbursement. If it were closed there would be fewer hospital admissions, X-Rays; laboratory tests; physical therapy treatments, respiratory therapy treatments and surgical procedures and that these costs would increase because 24 hour 7day staffing must be maintained at a lower volume level; additionally, administrative, housekeeping, maintenance, costs would increase because they are partially supported by skilled care revenue; nursing costs would decrease.

YES: 49 or 96.08% NO 2 or 3.92.

Comments by voters: YES: WE should keep Skilled Care.

YES. I have always heard good comments regarding the personal care given in skilled care. I believe it should be kept if possible.

YES. Make the state accountable.

YES. My question is – How are the cost of supplies dispersed between Skilled Care & the hospital? We need a break down of this – including salaries of administration.

YES. Skilled Care is a community service that the taxpayers are proud of. Any time that someone I know including my first wife and her mother – needed a skilled service my first thought is our Skilled Care.

Question No. 5.

I believe that there are many low income people in the Pinckneyville area who would be affected by having a \$22 million dollar hospital with higher charges. They are those on SSI, those who took early retirement; were laid off without health care benefits; the disabled; the widows with no coverage from Medicare; the young people with minimum wage jobs with no benefits; the transients with only small resources; the self employed farmers; the small businessmen who try to maintain coverage; city and county governments; ; school districts' churches; and industries who seek to relocate to Pinckneyville, a community with no residential growth in 80 years and a high unemployment rate. Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2400 well paying jobs over the recent years.

YES: 54 or 96.43% NO 2 or 3.57%.

Comments: YES. No new high school. It was OK! No new hospital; so is the hospital.

NO. Everyone can receive services. This is a loaded question.

YES. I can't understand how the hospital can put us in debt without a vote because part of our tax money goes to support the hospital.

What about the bonds – are they due on demand?

Yes. Low income, middle income people – everyone will be affected, but possibly a new hospital & a new high school might be catalysts for residential growth – business expansion – which would then be worth the sacrifice.

YES. I told someone from out of town that we were planning to build a new hospital. Their first question was – What has changed in P'ville that would warrant a new facility? I thought about the decrease in sales tax revenue – increased unemployment – lack of economic growth and I started wondering why?

YES. All little towns won't change unless big factory comes in, etc., so Perry Co. will continue to be poor but we all need health care.

Question No. 6.

I believe that the administration and the Board of Directors must exercise conservative leadership recognizing that Medicare and Medicaid, which provides up to 80% of the inpatient income and is subject to wide reimbursement changes which could seriously affect the hospital's survival. They should avoid costly long term commitments that do not help patient outcomes. It would be far more important, for example, if a large part of the proposed \$100,000 MONTHLY interest and principal expense were used to sponsor hospital and skilled care and Pinckneyville youth and others to become physicians, pharmacists, physical therapists, nurses and other health care workers. It is difficult to attract and retain young professional people to a small town, but young people and others with local roots love the town.

YES: 51 or 94.44% NO 3 or 5.56%.

Comments by voters: **YES.** We do not have a Walmart or car dealers like DuQuoin to get a lot of sales tax money. Pinckneyville should look at themselves who they are and not get big ideas of a new hospital and a big shopping center.

YES. We have a great hospital

NO. Need to provide better health care for this area.

YES, if the educational aid was given on merit rather than to those who had connections.

NO. Local roots or not, a person has to go where there's work.

Sponsoring events to encourage future medical professionals is great, but if a person can work at a new facility, then you attract not only the locals, but also those who are looking for jobs. "New" would be nice, but, I don't know if it's the right answer

YES. I'm not sure that I understand where the proposed \$100,000 monthly amount would come from to pay the interest and principal expense – but all of that is "projected". I do not see how we can spend money that we "may" have. We should practice fiscal responsibility and not place more burden on our taxpayers than they can pay.

YES. We cannot afford a new hospital costing \$22,000,000 plus financing costs would double the cost.

NO. If we had nice new hosp – medical people would stay or return after school if they love this town.

YES. George – I'm grateful to you for putting so much effort into this. You are a wonderful citizen!

YES. WE think it would be better to put money in making our hospital better and that can be done a lot less than \$22,000,000. This region is not at all ready for a new hospital. Unemployment is the reason.

YES. Definitely! Hospital charges are already astronomical. Maybe if they would stop allowing the doctors to take kickbacks and gifts from the pharmaceutical companies some of this would improve.

YES. We believe that due to Pinckneyville's 0 to negative growth patterns. A new \$22 million hospital (outside the city) would soon turn into a \$22 million albatross that would be sitting vacant due to lack of funds.

SUMMARY

The second survey, like the first one, showed a continuing, conservative desire to remain at the present location while updating the present hospital; to maintaining the present Skilled Care unit and an awareness of poverty in Perry County.

George W. Ranta
501 Coffman Street
Pinckneyville, IL. 62274

I became concerned that my surveys were not reaching the Illinois Health Facilities Planning Commission, Certificate of Need. 625 West Jefferson Street, Springfield, Illinois, 62705, so, I prepared another Survey which was mailed and submitted to over 600 people with pre-addressed envelopes to Springfield. Some of the envelopes were mailed to Springfield and a large number were completed at meetings by persons interested in Skilled Care and the issues and then mailed. The State in its report showed only 40 in favor and 20 against. They must have only given a "sample to the Health Facilities Planning Board.

A copy of the letter is shown below.

December 2007

To: Voters, Residents, and Tax Payers of Pinckneyville and Perry County
From: George W. Ranta, Retired Administrator and Concerned Citizens
Subject: Pinckneyville Community Hospital and the Skilled Care Unit

The Illinois Health Facilities Planning Commission, Certificate of Need, 625 West Jefferson Street, Springfield, Illinois 62702 is going to make a decision about the future of the Skilled Care Unit in early 2008 and I would like to have you participate in the decision making process as you have a meaningful role as a citizen and a tax payer. I am asking you to review this letter, then respond to the questions and hopefully make written comments, sign it and mail it in the enclosed envelope to the Commission. Your response will not be shared with the hospital.

MODERNIZE HOSPITAL 30' x 180' ADDITION AND SAVE SKILLED CARE \$3,240,000*
YES _____ NO _____

I believe that the present, conveniently located, structurally sound, licensed hospital and skilled care unit should continue with conservative changes such as a 30' x 180' ground floor addition in the area South of the present building which will allow more space for the laboratory, X-Ray and emergency room to address space needs; a second floor which would provide more administrative, pharmacy, medical records and social worker space. No structural changes would be made to Skilled Care except a patio on the roof of the second floor for the residents like they have at the Washington County Hospital's Skilled Care Unit.

The cost of this modernization would be about \$3,240,000. (One hundred eighty feet x 30' x 2 x \$300 per square foot) This is less than the modernization of the 1922 building at Marshall Browning Hospital in Du Quoin which is costing \$7,600,000 and more than Sparta Community Hospital. It would allow us to continue to be competitive. The addition would meet all state hospital construction requirements. This is in keeping with our low hospital patient census and lack of population growth of our community.

The South elevator would be extended to the roof and a helicopter pad installed. The hospital's patient rooms would be converted from semi-private rooms to private rooms. Additional parking space shall be purchased.

The 50 bed Skilled Care Unit would remain as part of the hospital.

Comments: _____

INFORMATION

LOSS LEADER, SECURITY, FUTURE NEEDS, RESPONSIBILITY

I believe that almost every business has a 'loss leader' which attracts business and in our case Skilled Care is our 'loss leader' as it brings residents to our community from surrounding towns, it keeps our citizens in town and it allows residents to have quick access to physicians and all the resources of the hospital. Despite 'loses' in Skilled Care, not audited figures "show that the hospital has brought in \$936,940 for the year, about \$140,000 ahead of last year's picture" - they can afford to keep Skilled Care. In the last year of life a person is admitted to the hospital five times. Without Skilled we would be the only hospital in our area that does not have a skilled care in their service area. If residents go to surrounding communities, they will go to their hospitals and we would lose thousands of hospital admissions over the years. Further, I believe that having Skilled Care provides a sense of security to our senior citizens who will be assured that their needs will be taken care of in their home community.

The baby boom generation is starting and there will be an even greater need for convenient skilled care beds in the future for rehabilitation and long term care that requires a skilled level of care. I believe, further, that it is the responsibility of the hospital board to follow the wishes of the tax payers of the Hospital District and continue Skilled Care as part of the hospital's services.

Yes: _____ No: _____

Comments:

COMMUNITY CONCERNS

I am concerned about some of the following issues which affect Pinckneyville and Perry County and the area:

POVERTY

As a result of job losses, Perry County made the Poverty Summit's Annual Warning List which assesses the economic well-being of the State's 102 counties. These factors include unemployment rates, poverty estimates, high school graduation rates, and teen birth rates. The poverty rate for 2004 in Perry County was 13.8% of the population compared to 11.9% state-wide.

JOBLESSNESS

The joblessness rate in Perry County increased from 8.3% in 2006 to 10.1% in July 2007, the highest of all 102 counties in the State. Nine of the top ten counties are in Southern Illinois. This was the result of the closure of the Technicolor-Universal Media plant and the layoff of 320 union workers and 120 non-union workers, prior to this layoff, 360 employees lost their jobs when the DVD packaging department closed.

These job losses will have a major impact as these employees are the future Medicare, Medicaid and insurance patients of the hospital. Many will be near retirement age with pre-existing health conditions as the plant has been in operation for over 50 years, some will have no means to purchase health insurance and not be covered, some will not be able to find work, some will have to commute long distances while their families remain in Pinckneyville as housing costs are much higher elsewhere than the average home in Pinckneyville which costs \$53,000.

JOB RELATED POTENTIAL ISSUES

The recent sale of GS Metals which employs 175 to competitor Cooper B-Line of Houston, Texas could further affect employment levels in Pinckneyville.

PINCKNEYVILLE COMMUNITY HIGH SCHOOL

The high school which was built in the 1930's has serious health/life/safety issues which have to be addressed which could cost the tax paying public as much as \$4.8 million dollars to correct.

PERRY COUNTY GOVERNMENT

Since the loss of the coal mining industry decades ago, the County government has been financially struggling to meet its mandated obligations and now is the potential loss of \$200,000 in tax revenue in real estate taxes because of the closing of the Technicolor factory. This could mean further loss of services or higher taxes.

CITY OF PINCKNEYVILLE

The city, according to the Mayor and the Treasurer is facing a "grim financial outlook for the future" as it is losing over \$1 million dollars each year. Its sales tax revenue is down about 20% this year alone. The Treasurer stated that Pinckneyville receives \$340,000 each year in sales tax revenue while neighboring Sparta and DuQuoin receive that amount each month.

CONCLUSION

I believe that the Hospital District, the School District, Perry County government and the City of Pinckneyville should be very careful with their finances and avoid costly long term commitments that affect the hospital's, city's and county's tax payers.

Yes: _____ No: _____

Comments: _____

BUILD A NEW HOSPITAL COMPLEX WITHOUT SKILLED CARE
\$24,000,000...YES _____ NO _____

I believe that Hospital Administration and the Board of Directors should - discharge all Skilled Care residents and layoff all Skilled Care employees, demolish the present conveniently located hospital and Skilled Care unit and the Family Medical Center and build a new Hospital Complex which includes hospital buildings, a Southern Illinois Rehab & Fitness Center and a new Family Medical Center but no Skilled Care Unit. It would cost at least \$24 Million dollars to be paid by the Medicare Program, the Medicaid Program, Real Estate taxes, Insurance, and patient payments over many decades. It is not free money or grants. It will not improve patient care.

Comments: _____

Signed: _____ Date: _____

Hearing

501 Coffman Street
Pinckneyville, IL 62274-1509
April 28, 2008

Mr. Don Jones
Illinois Department of Public Health
525 West Jefferson Street
Second Floor
Springfield, Illinois 62751-0001

Certificate of Need
Application to Close Skilled Care

Dear Mr. Jones:

I would like to thank you and Mr. George Roate for the professionally conducted hearing at the Pinckneyville Junior High School on Tuesday, April 22, 2008. Everyone was given an opportunity to speak in an unhurried manner with no time lines. I felt that it was totally impartial. However, I share the concerns expressed by several of those who spoke regarding the notice of the meeting and time of the meeting. It almost seemed like it was planned by the proponents of the closure by being on a work day and 3:30 in the afternoon.

I reviewed the Pinckneyville Community Hospital Application for Permit and would like to present pertinent information for your review. Please review the following Exhibits:

Exhibit A.1
Pinckneyville Community Hospital
50-Bed General Long-Term Care Category of Service*
Trended Department Contribution Reports
(Page 22)

Net Revenue

<u>FYE 04/30/04</u>	<u>FYE 04/30/05</u>	<u>FYE 04/30/06</u>	<u>FYE 04/30/07</u>
\$1,361,663.01	\$1,408,034.68	\$1,251,668.32	\$1,504,172.31

And

Table A.3
Pinckneyville Community Hospital
Long Term Care Beds Category of Service
AHQ Profile
(Page 24)

In-Patient Days

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
13,104	16,214	14,898	14,767

This comes out to a daily patient revenue as follows:

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$103.91	\$90.54	\$84.02	\$101.86

-14-

This daily patient revenue is approximately the same as the room rate plus some associated room charges. The Non-Operating Income is probably family donations, and proportionate real estate taxes from the Hospital District.


The hospital has a number of revenue producing departments which benefit from having a Hospital-based Skilled Nursing Facility. The following are examples of services which provide revenue and if the Skilled Care was discontinued, this revenue would cease.

1. Family Medical Center. This revenue center is a part of the hospital services. Its three family practice physicians, a surgeon and a physician's assistant performs admission examinations, routine physical examinations and Medicare, Medicaid, insurance and private pay follow-up visits as well as visits to residents who are hospitalized. All residents in the long term care unit are required to have a physician. The surgeon performs, as required, surgical procedures on residents hospitalized as well as consultations. The specialty clinic sees residents with cancer, heart conditions, pulmonary problems, foot and ankle conditions and other diseases. The Specialty Clinic services bill the resident or the residents' family and is an excellent source of revenue for the hospital.
2. Pharmacy. The pharmacy is a part of the hospital and the pharmacist and his staff provide medicine to the residents as prescribed. The resident often receives as many as 7 or 8 different medicines daily. For example, in 1966 there were 2,593 Medical/Surgical patient days, not including Observation Days or an average daily census of 7.1 persons, while in Skilled Care there were 14,898 Inpatient days or a daily average of 40.8 residents. From this it can be seen that about 85% of the daily work load is skilled care related. Without skilled care all this revenue would be lost.
3. Medical Supplies. There are many different supplies that the fragile elderly residents use including incontinence supplies, respiratory supplies, disposable items, I-V fluids, etc. This revenue would be lost if Skilled Care was closed. The same ratio of work and revenue applies to the hospital patients and skilled care residents.
4. Other hospital related services which produce additional revenue include Physical Therapy Services, Respiratory Therapy Services, Occupational Therapy services for residents with work related health issues; dietary consultations for residents with dietary problems. All of these sources of revenue are considered Out-Patient Services and are billed separately to the resident or the residents' family.
5. Radiology, CAT scans, MRI scans, Nuclear Medicine, Mammography, Stress testing, EKG services likewise are considered Out-Patient Services and generate revenue for the hospital in addition to the room rate and are not included. Many family members told me that every month there were major other charges in addition to the room rate charges because of the fragile condition of the residents. These Revenue Centers - Out-Patient Services and Specialty Clinics helped to generate the \$7,000,000 million that the hospital accumulated in recent years.

In conclusion, I believe that the 'losses' attributed to Skilled Care are misleading as many of the participants at the hearing stated. The statement by Mr. Blue C.P.A. who had experience with skilled care units in Indiana is more accurate. He projected an annual loss of \$400,000 in his study. The hospital and the other C.P.A. firms in their projections only used the room rate revenue without considering revenue from Specialty Clinics and Out-Patient Services. If the Skilled Care was closed this revenue would be lost as well as revenue from all future hospital admissions if there was no Skilled Care.

I hope that you will give due consideration to this added information as the loss of Skilled Care would have a sad affect on all concerned - residents, their families, the employees, the hard-pressed citizens, the tax-payers, the city and county government.

Sincerely yours,


George W. Ranta, MS MPA

Note: Mr. Jones transferred from his position to another department shortly after the hearing in Pinckneyville.

Pinckneyville Community Hospital

Recent Developments

Paper
George W. Ranta, MS, MPA

May 1, 2007

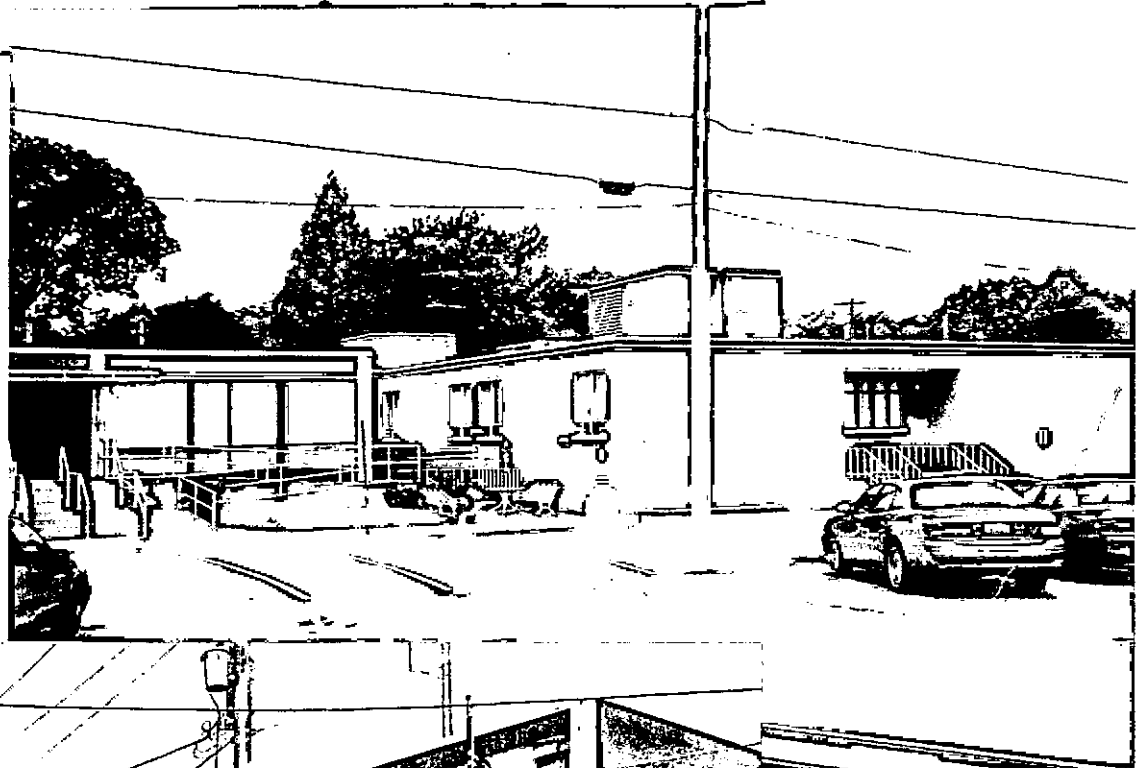
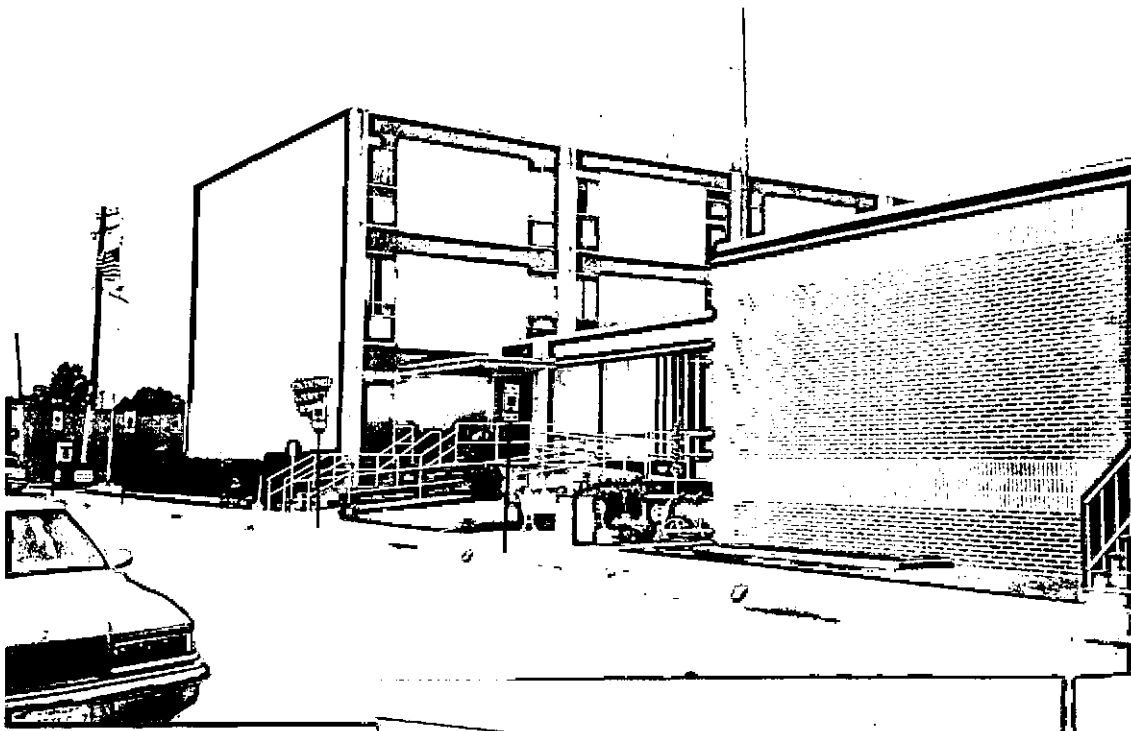


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501 Coffman Street
Pinckneyville, IL 62274-1509
April 27, 2007

Mr. Mark Jeffrey, Executive Secretary
Illinois Health Facilities Planning Commission
525 West Jefferson Street
Springfield, Illinois 62951

Dear Executive Secretary Jeffrey: Subject: Pinckneyville Community Hospital
Recent Developments

A front page article in the Du Quoin Evening Ca;; dated February 15, 2007 with the headline - Perry County Makes the Poverty Summit's Annual Warning List - citing an annual report by the Mid-America Institute on Poverty on Heartland Alliance for Human Needs and Human Rights which assesses four main indicators of the economic well-being of the state's 102 counties. These factors include unemployment rates, poverty estimates, high school graduation figures and teen birth rates.

Perry County posted an unemployment rate of 7.4 percent for August of 2006, the most recent figures available before the report was prepared. This compares to a 4.6 percent jobless figure statewide for the same period. With the announcement last month of the upcoming shutdown of Pinckneyville's Technicolor-Universal Media Services factory, that number will increase in 2007.

The county's overall poverty rate for 2004 - the most recent figures available for the report - was 13.8 percent of Perry County's population. The state wide poverty rate for 2004 was 11.9 percent..

And while the graduation rate for Illinois during the 2005-2006 school year was 87.8 percent, Perry County posted a figure 84.5 percent of students successfully completing high school.

The county also exceeded the birth rate for the state for 2004. Statewide 9.9 percent were to teenage mothers. In Perry County that number was 12.6 percent.

"All told this really points in very quick snapshot of current and trends as it relates to your county's strength and well being." said Amy Rynell of the Mid-America Institute during a telephone interview on Wednesday. "It really is a warning that your trends economically and socially are headed in the wrong direction."

Altogether 25 counties made the groups poverty warning list. Besides Perry County, other Southern Illinois counties on that list include Jefferson, Hamilton, White, Saline, Union, Pope, Hardin, Alexander and Massac.

The report says that communities, leaders and officials in counties on the warning list need to take immediate corrective action to turn things around for their area.

Meanwhile 12 counties across the state are on the poverty watch list and their social and economic trends monitored carefully, the group says. In Southern Illinois, Jackson, Franklin, Randolph, Williamson, Pulaski, and Gallatin counties were included on the poverty watch list.

Since last year's report, 44 counties have seen their status worsen compared to 2006. Nine counties improved according to the group's standards, while 49 counties show no change.

Rynell said a first step for Perry County residents is voicing their concerns to local and state leaders. "Meeting with elected officials can make a huge impact" Rynell said. "They have very tough jobs, and they are expected to know and do so much, meeting with them face to face can help them make policies."

Improving the counties infrastructure-from better roads to high speed internet access-is another key factor for a better economic picture, Rynell says.

Local leaders must also target what Perry County can do to attract higher paying jobs Rynell said.

"We have to help communities look at the impact of low wages so that workers can support their families," she said. "A family that's more economically stable gives better workers. They have fewer crises, they have less debt, and it makes a better work force."

State Senator Dave Luecheffield, R Okaville said he would be interested in statewide legislative sessions to target concerns addressed in the report.

Luecheffield served on the Poverty Summits steering committee and said he expects state funds to be available within the next four or five years to improve local roadways.

"I think that there will be a capital bill for school construction, roads and infrastructure in this session, and if we are willing to put up our part U.S. Congressman Jerry Costello has always been very active in trying to get money for Southern Illinois and for this region," Luecheffield said.

"However, Luecheffield expressed doubts over another recommendation from the Poverty Summit to develop a plan to ensure health care for all Illinois residents.

"We would like to see people covered with health care, but as a state, how are you going to pay for it?" Luecheffield said. "Right now the state is in the worst financial shape it's ever been. It's never been this bad and it's worse than you think it is."

Instead of starting new programs while facing limited funding, Luecheffield said the emphasis on health care for all should be handled on the federal level

U.S. Senator Dick Durbin said yesterday that the report shows many Illinois families are falling behind economically.

"As the cost of health care, education, housing and utilities continues to rise, month after month, year after year, wages don't keep pace, and the number facing poverty grows." Durbin said in a prepared statement.

Durbin said leaders need to raise the minimum wage, give more low-income households access to the LI-HEAP program to cover utility bills and to increase Pell grants.

By Craig Shrum

Hundreds of job losses expected after TUMS announces shutdown

Article in The Southern newspaper by Christi Mathis, dated January 18, 2007

A changing market is forcing owners of the Technicolor Universal Media Services plant to close the facility by March 31, layoff 444 people and relocate the work out of state and out of the country.

As employees showed up for their shifts Wednesday, management called them into plant meetings to receive the news from Plant Manager Joe Eckerle. Employees were then allowed to leave for the day while receiving six hours pay. Workers said. The decision affects 320 union and 124 company workers at the Perry County facility.

The plant on Illinois 154 manufactures and packages CDs and DVDs for distribution. The closure was announced as part of a major restructuring of Technicolor Home Entertainment Services' DVD replication, packaging and distribution business. Technicolor is owned by Thomson SA, a French media and entertainment company.

"Thomson is announcing the proposed changes now to allow impacted employees to properly prepare for the future and to insure an orderly transition of operations to the remaining designated facilities," said Tom Bracken, Technicolor Vice president of worldwide marketing and communications. "The company will work to assist these employees during this difficult period of time."

In all 1,200 jobs are being eliminated in North America. Thomson officials said. Packaging and distribution work done in Pinckneyville is being reassigned to facilities in Michigan, Tennessee, Canada and Mexico and manufacturing will be centralized in existing Technicolor operations in Guadalajara, Mexico, Bracken said.

He said the action was necessitated as a "result of the reduced growth rate for standard definition DVDs and ongoing customer demand for lower pricing". "We know it's not good news," he added. "It's something we have to do. It's obviously something that's difficult."

Thomson believes that these challenges will strengthen its business activities, directly address ongoing pricing pressures associated with the home entertainment sector and generate operating efficiencies that will enhance Technicolor's long term competitiveness," Bracken said.

Besides closing the Pinckneyville plant, there will be downsizing at the company's principal manufacturing, packaging and distributions operation in Camarillo, California, he added.

The elimination of positions at Pinckneyville will be done on phases based on the work load and plans call for the selling or leasing the building as soon as possible, Bracken said. Bracken said that there's little likelihood that employees would find jobs elsewhere within the company since "virtually every site is being affected by downsizing."

Service Employee's International Union President Eric Weisel said rumors and fears of closure have been circulating for some time but the union didn't learn the facility would close until Wednesday.

"There have been rumors since last year," Weisel said. "You always kind of expected it but we didn't really know it was coming. Last week Joe Eckerle sent a memo to the company employees telling them he didn't come to Pinckneyville to close the place or fire anybody so we didn't think this was going to happen so soon like this."

Weisel said union officials will be meeting with the company to negotiate severance packages for employees and will try to do the best they can. He said talks have not yet been scheduled. He said according to their union contract, all employees must be paid at least 60 days. Bracken said that all employees in good standing will be employed for at least 60 more days.

Many of the employees questioned the closing of the Pinckneyville plant while Memphis is being retained. Memphis is not a manufacturing facility but a "very efficient, highly automated" packaging and distribution facility only.

The Southern Illinoian – January 18, 2007

Officials say Perry County economy to take big hit.

By John D. Homan

PINCKNEYVILLE – Mayor Joseph Shirk was terse with his comments after learning Wednesday of the Technicolor Universal Media Services LLC plant closing.

"It's for the people who are losing their jobs and how's that going to affect their lives and our economy here in Pinckneyville, Du Quoin and Perry County," Said Shirk, who didn't learn of the closing until Wednesday morning around 10. "At one time, there were well over 600 employees out there. It just makes me sick that corporate America does this kind of thing. I've been told the jobs are going to Mexico and the company will eventually ship its product back to the U.S. and expect us to buy it. By God, I say let them sell the product over there."

TUMS employees manufacture and package music and movie DVDs and CDs. The Pinckneyville plant has been operating since 1957. Employees earn an average salary of about \$14.00 an hour. That translates into a payroll worth millions spent with Perry County businesses each year.

"This community has done about everything we could possibly do to keep company officials happy, including a loan," Shirk said. "There's nothing I can say or do that will soften the blow for the employees there. All we can do now is to try to find someone to locate at that facility."

The company, the mayor said, does owe the city "quite a bit of money" from other agreements. Shirk also pointed out that city could likely end up owning most of the TUMS building after entering agreements as incentives for TUMS.

"We're going to have another building dropped on us, and it's a big one, too," he said.

Finance Commissioner John Hammack said the plant closing will impact the city's economy.

Shirk said he and a contingent of Perry County leaders are meeting with TUMS manager Eckerle at 7 a.m. today at Larry Woolard's office in Marion to check on closing details. Woolard is southern region manager for the Illinois Department of Commerce and Economic Opportunity.

"Sales tax revenue will be affected and the people that work here and continue to live here will have financial problems for months to come," Hammack said. "This is a big bump in the road for us, but Southern Illinoisans are resilient people. We will get through this."

Perry County Board Chairman Bigham said he was disappointed to hear the news and remarked that there is no way that the impact of losing a plant like TUMS can be fully appreciated.

"Today was a bombshell, no doubt," Bigham said. "I kind a thought things were looking up out there in recent months, but apparently not. What we have to do now is find someone to fill that building. And that's going to be a long drawn out affair."

Du Quoin Mayor John Rednour described Wednesday as a "sad day" for Du Quoin and Perry County.

He said many workers live in Du Quoin and that the job loss would translate into a more depressed county economy.

"There's no doubt this is going to hurt us," Rednour said. "All we can do now is to try to find a replacement."

TUMS Timeline

2004 The plant employs about 800, produces about 450,000 DVDs and 250,000 CDs daily in a 202,500 square-foot facility as well as handles sample fulfillment inventory, management and warehousing.

Jan. 17, 2006 – Relocation of a DVD packaging line results in 228 – employment layoff, a few weeks later . 16 more jobs are cut as four DVD replication lines are moved,

Jan. 17, 2007 – TUMS officials announce closing the Pinckneyville plant by March 31 as part of a North American restructuring affecting 320 union and 120 company employees.

Pinckneyville Gas Bills Lost In the St. Louis Post Office

Delays May Impact City's Ability to Pay Gas Association, City Payroll

By Craig Shrum, Du Quoin Evening Call, Friday, February 16, 2007

If you still haven't received your latest bill from Pinckneyville's utility department, you should get it from your postman today or Saturday, said Accounts Commissioner John Hammack this morning.

Instead of the check getting lost in the mail though this is a case of the bill getting lost in the St. Louis postal distribution center, Hammack said.

Staff at City Hall sent out payment due notices on February 9, according to their regular schedule. Then, personnel at the Pinckneyville post office sent the bills on to St. Louis for processing last week, per postal regulations. Apparently that's when the mix-up occurred.

Hammack said Pinckneyville Postmaster Jim Davis - who remembers sending the more than 2000 bills to the St. Louis center - help track down the missing mail.

"Jim did a lot of work to get it resolved and try to find those bills," Hammack said. "The delay was in St. Louis."

That delay could mean some penny-pinching for the city's in up coming weeks, though. The total billing for the payments mailed last week is around \$827,000, with bills due March 5.

However, Hammack said the 'missing week' means the city won't receive payments from utility customers who usually write their checks right after getting their bills from the city.

That, coupled with the fact that the city has to pay around \$287,000 by Tuesday to the Interstate Municipal Gas Agency (IMGA), means Pinckneyville could see a cash crunch over the next few weeks.

Hammack said the city could make a late payment to the IMGA. But doing so would incur interest on the account.

When customers hadn't received their bills by the beginning of this week, utility department staff considered reprinting the bills and sending out a second payment due notice, hoping customers would receive those notices sometime this week.

But then they discovered that the city utility billing soft-ware - which Hammack has asked city council members over the last several months to replace, does not allow printing of duplicate bills.

And though it seems like a situation where Murphy's Law has been hard at work, Hammack is asking customers to consider turning in their utility payments as early as possible to help the city cover costs. Besides owing \$287,000 next week to the IMGA, the city also had to cover the municipal payroll this week to the tune of around \$60,000.

There's some good news though, Hammack said. The State of Illinois last week paid approximately \$89,000 utility bills owed to the city by Pinckneyville Correctional Center. That's about half of the prison's current debt to the city, Hammack said.

The local business office at the prison has been very helpful to process things." He said. "They pay regularly, it just takes so long to process it, and then the comptroller's office takes so long to release the funds."

OTHER LOW INCOME AND POVERTY RELATED ISSUES

Early Estimate: Pinckneyville HS
Needs Over \$8.6 Million Up-grade

Initial Report on 10-Year Health/Life/Safety Survey

BY CRAIG SHRUM

PINCKNEYVILLE

DI QUOIN EVENING CALL, WEDNESDAY, January 24, 2007

Pinckneyville Community High School board members on Monday heard annual figures from Mevert Professional Association of Steeleville indicating that the district could see bills totaling as much as \$8,619,585 to bring the main classroom building, the Thomas Gymnasium and the school's weight room facility up to code on health/life/safety regulations.

District architect Dave Mevert and his colleague, Todd Jones told the board from that figure the single greatest expense would come from the school's outdated heating, ventilation and air conditioning system. Mevert said early estimates show it could cost as much as \$1,833,490 to install a new system that would serve the main building and Thomas Gym.

The HVAC upgrade falls under the survey's 'urgent' category and would have to be completed between three to five years after the state approves the district's Health/Life/Safety survey

Another major project categorized as urgent for the main classroom structure would be the replacement of window lintels throughout the building. Mevert said a high estimate for putting in new lintels would run around \$1,670,625. However, he said the actual price for the work should be lower than that estimate.

Damaged lintels cost the district extra money on heating, electrical and repair bills because of energy inefficiency and water leaks around the windows after heavy rainfall.

\ Work needing immediate attention is classified as required" under the survey, and Mevert estimates that such projects could cost the district about \$122,180. Under state regulations, such improvements would have to be completed within one year after the state approves the health/life/safety survey.

The price tag for required work in the main structure would be about \$44,915 and includes the installation of emergency and exit lights and fire extinguishers.

The bill for required projects would be higher in the Thomas Gym, at around \$73,565. Work in the gym that would have to be completed within a year after the survey's appraisal would include installation of handrails, concrete tread extensions and stair nosing in the gym's bleacher seating area.

Meanwhile, required projects for the weight lifting area would total around \$3,700 and would include putting in exit and emergency lights in the facility.

Recommended items, the survey's third category can be omitted from the survey and added at a later date, but once they are approved by the state, they must be completed within 10 years of their approval.

In the main building, recommended items would cost the district an estimated \$2,949,795.

Seismic reinforcement represents the major expense in the required category, while another improvement in the same category would be the installation of sprinklers for fire prevention throughout the building. The Alsom code would require the installation of an elevator in the three story structure to provide access to all levels of the building.

Recommended projects in the Thomas Gym would cost an estimated \$73,500 and \$5,100 in the weight room area.

Kreid emphasized that all the figures in the survey report represent early estimates and said that before the board moves toward addressing any issues brought forward by the survey, the district must weigh due diligence in regards to repairs at the main classroom building.

"We're going to consider in the coming months to see if it would be more prudent to replace existing square footage in the main building through new construction rather than renovation," Kreid said.

Estimates such as those considered Monday night by the board were a major issue in 2002 when voters were asked to consider approving the construction of a new facility for the high school. Proponents of a plan to construct a new school said it would be more cost-effective to construct a different facility instead of making repairs to the present structure. Voters rejected the construction plan at that time. (Two against and one for....GWR)

Health/Life/Safety at a Glance

Main Building
Required: \$44,915
Urgent: \$3,326,935
Recommended: \$2,949,795
Architect/Engineer Fee: \$632,165
Contingency Fee: \$632,165

Thomas Gymnasium
Required: \$73,565
Urgent: \$705,475
Recommended: \$73,500

Weight Room Area
Required: \$3,700
Urgent: None
Recommended: \$%,100.

Pinckneyville school district requests some of city's TIF funds

By Christi Mathis, Southern Illinoisan Saturday, March 3, 2007

PINCKNEYVILLE – Pinckneyville Consolidated School District 204 wants some of the city's Tax Increment Financing District funds.

Superintendent Chris Rigdon said that the district has requested TIF funds many Times in the past and never received a penny but is hopeful now,

Rigdon said that since the city has awarded the high school \$50,000 toward a new gymnasium floor, \$5,000 toward gym bleacher caps and \$35,000 for football field improvements, "there is every reason to believe the city will honor our request. It will follow the blueprint established by their precedent. We believe that is fair, legal and appropriate, keeping in mind that TIF revenues from TUMS can only be shared with PCHS and 204. We believe we're next in line for some needed assistance."

There are several projects the district is considering to improve its facilities, which it believes are eligible for TIF funding. These include expanding and resurfacing the school parking lot, upgrading playground facilities, including energy efficient windows in the old building and new façade for the old school.

The board will review the program at the March 22 meeting and decide which ones to pursue.

“Our proposal will probably seek about the same amount as PCHS has already received from TIF funds,” Rigdon said.

He said TIF funds can be shared with schools for site preparation, architectural and other professional services, construction and renovation.

Also, the district’s financial profile score by the state has improved from 1.95 in 2003-2004 to 3.0 for 2004-2005 out of a possible 4.0 maximum, Rigdon said.

Rigdon also noted that the first score was lower because the district paid in full for a new building addition while the 1996 building addition didn’t have the same adverse affect since it was financed for fifteen years and won’t be fully paid until December 2011.

Rigdon said while the District had a “tough financial period” as it paid for the new addition, no long-term borrowing was required and “we can finally see a light at the end of the tunnel. We’re not a wealthy school district, but we do the best we can with what we have.”

COUNTY GOVERNMENT By George W. Ranta

The Perry County government faced a very difficult period of adjustment when almost all the coal mines closed due to the Clean Air Act and revenue generated by the operating mines ceased. The County Commissioners committed themselves to not raise real estate taxes. For at least a decade it was a tight balancing act to maintain services to the county residents within the ability to pay for them. Twice every year until the current year, the County Board had to make tax anticipation loans from the local banks to meet payroll and health insurance and liability insurance payments. Some years there were high health insurance payments due to employees with serious illnesses. The members sought grants in order to make bridge and other infrastructure improvements. They were involved in a lengthy, contentious fight to obtain a landfill for Perry County which is finally a working reality. Consolidation of the various road districts occurred during 2006. Property re-evaluation was discussed on numerous occasions, but never achieved in a professional manner due to the lack

of funds. There was a highly bi-partisan approach to all the issues facing Perry County. There was an effective transition to computerization in the various county offices. A close working relationship was achieved with both the City of Pinckneyville and the City of Du Quoin.

According to Mr. Bill Taylor, Treasurer, there would be a loss of taxes in excess of \$200,000 to Perry County if the TUMS plant reverted to State or Pinckneyville ownership. This would be a serious blow to a balanced budget,

**Tax Warrant Covers County
Worker's Compensation Payments**

By Emily Britton

Du Quoin Evening Call – March 20, 2007

The Perry County Board approved its first tax anticipation warrant of the fiscal year Tuesday morning in order to safely cover worker's compensation payments due this month.

The board agreed to borrow \$75,000. Murphy-Wall was chosen for the loan at a rate of 4.3 percent. County treasurer Bill Taylor says he hopes to repay the loan no later than September.

According to board members, this is the first time in many years the board has waited so long to make a tax anticipation loan, and the commissioners commended Taylor for a job well done.

PINCKNEYVILLE
By George W. Ranta

The citizens of Pinckneyville were involved in coal mining during the Great Depression and many years afterwards; various parts of the city are interlaced with underground mine passages. Many of the mines were operating independently, even with only family members. After the small operations, came the big corporations and the miners' unions. The garment factory provided many factory jobs to the people of the community and then the factory closed its doors.

From The Southern

In 1967 a group of community leaders helped finance the construction of a factory and persuaded Decca Records to open a factory here. It continued to operate until 1966 when the Music Corporation of America purchased the plant, four years after MCA acquires control of Universal Studios. In 1972, the plant name changed to MCA.

By 1988 the business evolved and starts packaging compact discs, In 1994, the Universal Music Group Management began directing production and DVD manufacturing begins.

In 1999 the facility becomes a joint venture of Panasonic Disc Services Corporation, a subsidiary of Matsushita Electric Industrial Company, LTD and Universal Music and Video Distribution, a division of Universal Music Group, and is known as Matsushita Universal Media Services LLC, commonly called MUMS. About 175 people would lose their jobs as a secondary facility nearby closes. -

In 2002 Technicolor purchases Panasonic Disc Services and a partnership with Technicolor leads to Technicolor Universal Media Services LLC of America. Technicolor is part of Thomson SA, a French media and entertainment company.

2002-03 - company increases by more than 350 jobs and a \$1 million plus monthly payroll.

2004 - the plant employs about 800, and 250,000 CDs daily in a 202,500 square foot facility as well as handles sample fulfillment inventory.

By George W. Ranta

In addition to TUMS, Pinckneyville has a smaller manufacturing facility. It was owned for many years by U. S. Gypsum Company when it was sold to some of its own management staff. It continues in operation manufacturing metal products used by industry.

In the 1950s a small plant was built by local funds and sold to My-T-Fine and produced desserts, and was known as the 'pudding factory'.. It reverted back to the city and was vacant for a number of years. With State financing, a fish processing plant was started, but failed after a short period of operation. Again, it lay vacant for a few years. Recently TIF funds have been awarded to McDaniel Furniture to remodel the factory into a modern furniture store.

During the 1960s and 1970s housing issues were addressed and two Federal housing units were built as well as a low income project.

The citizens suffered through the period of high paying mine job losses for many years. As a result there were many vacant homes, but the younger workers found over-land truck driving employment and retained most of their homes and their families. Many commuted to jobs in Mt. Vernon and St. Louis.

The city was fortunate in having its own natural gas distribution system which allowed it to improve its infrastructure. A new city hall and fire station was built as well as a public swimming pool. Thanks to a progressive city administration, abandoned houses were removed and many were up-graded.

The city promoted and was awarded a Correctional Facility. Although it employs 1999 employees, most are not local residents, but commute from surrounding towns.. Likewise, Pinckneyville does not attract many Southern Illinois University Carbondale staff members.

Another negative factor is that there is there is no large shopping center which brings in sales tax revenue. Neighboring Du Quoin has a Walmart which resulted in the end of their real estate tax. They also have the State Fair and 312 days of recreational activity.

The City employed Tom Denton, the Chief of Police, as Economic Developer and during his employment application was made and approved for the previously mentioned Pinckneyville Correctional facility also the Mason Woods residential facility was started.

After his resignation, Mr. Ashauer was employed and he is using the TIF funds to convert the former Fish building into a furniture store' improve the Save-A-Lot store and make other infrastructure improvements.

Tom Hodgins, Hospital Administrator, Guest Speaker at United
Methodist Men's Club
February 22, 2007

Participants included Charles W. Roe, DDS., John Shotton, and David Persein, hospital board members.

Mr. Hodgins talked about life in Pinckneyville and how this small community is friendly and welcoming; how it is safe with doors being unlocked when owners are away. He expressed appreciation of all the things the community has to offer. He explained his policy of "openness and availability to answer all questions".

Then he went on to explain about "critical access" hospitals which are located throughout the United States with some in very remote areas of the country where hospitals could be as much as 100 miles apart. These hospitals have a lot of clout with their congressmen because they are located in all the states. Their cost represents only 2% of the total cost of all the hospitals in the country. The names of the hospitals are listed in a book. He noted that our hospital was mid-range in cost of operation.

He stated that Skilled Care had been profitable until 1992, when it started to lose money and that there had been studies since then.

Following his initial remarks he opened the meeting to questions. One of the participants asked "what happened to the idea of a county hospital"? Mr. Hodgins responded that "We didn't want to associate with those people over there." He expanded his statement by explaining that there were only two available sites which met their space requirements. The other sites would be very costly because of the need to bring the needed utilities to the new site.

Another participant asked about "other building alternatives"? Mr. Hodgins responded that he had talked to several architects about them and they weren't supportive of the idea.

One member asked if the building of a new hospital "would be voted on by the Hospital Districts taxpayer's?" The administrator replied that the hospital's nine directors would be the ones who decide whether to build a new facility.

Another one asked what would happen to the present hospital and the Family Medical Center? Mr. Hodgins replied that it would be taken down and probably replaced by apartment buildings.

Discussion turned on the availability of doctors for the hospital with Dr. Gene Stotlar expressing his feelings that the most important factor in recruiting a physician for Pinckneyville is the physician's wife. Mr. Hodgins concurred. He said to one prospective physician and his wife that if you come here for four years, we won't be able to get you to leave because you will like it so much. He related how careful he was in seeking a new surgeon as he wanted one who had at least five years of experience. He further elaborated by saying that they were very cautious when they obtained week-end nursing and other nursing coverage so as to be sure that they met our standards.

Reverend Jim Barnett stated that he had been a board member of a Methodist nursing home and that there were many residents who had been residents there as long as five years and he wondered if this was true at the Pinckneyville Skilled Care facility. Mr. Hodgins replied that there were many who had been residents ten and even fifteen years because they received the best care of any facility in Illinois. He attributed this longevity to the excellent care the residents received in Skilled Care. He wondered where the name "skilled care" came from. He further stated that if the Skilled Care unit closed that residents could go to Friendship Manor in Du Quoin or the nursing home in Pinckneyville or the new Manor at Mason Woods residential facility which is expanding and still remain in Perry County. The facilities would receive additional compensation for taking care of the fragile residents such as the ones currently in the Skilled Care Unit.

He stated that all the present hospital employees would be retained. Skilled Care represents 25% of the cost of the hospital overhead operations.

Mr. John Shotton, hospital board member noted that the hospital could continue to operate with Skilled Care included for another seven years with their present funds.

The administrator by mentioning his discussion with a consultant about a new skilled care facility, stated that it would require from seventy-five to one hundred beds to be viable and because there are vacant nursing home beds in Perry County, a Certificate of Need wouldn't be issued to build a new Skilled Care Unit if this one closed.

Reverend Barnett stated his concerns regarding environmental safety. Hodgins responded that the new hospital would have a system in place which would bring in outside air instead of circulating inside air which would result in lower hospital acquired infections which is now of great concern. He related the recent drill to remove 'residents' down the stairs turned out to be a "disaster". He further related that the distance between beds in the Skilled Care Unit was only 13 inches because the rooms are small.

He talked about the new equipment the hospital recently purchased which allows the hospital to digitally send X-Rays to Dr. Fozard's office so he can immediately view the X-Rays.

A questioner asked what affect the large loss of jobs at TUMS would have on the new hospital. Mr. Hodgins responded that it would have only a small affect. He had taken a tape of the revenue from TUMS and it only amounted a little over \$100,000 annually. He elaborated saying that the hospital has "free care" for those in need and that no one is denied care.

Dr. Stotlar asked as to when the hospital expected to start construction of the new building? Mr. Hodgins replied that two hospitals had already been approved and that he expected that construction would start in December/

Review of Proposed Application

By

**George W. Ranta, Retired Hospital and Skilled Care Administrator
1967 - 1989**

Physician Staffing Concerns

For many decades there were four physicians which included a general surgeon who also did family practice medicine in one group called the Clinic and two physicians in a second group called the Medical Arts. Currently, the larger group now called Family Medical Center - a rural health clinic has three physicians and one vacancy and one part-time surgeon who is also part-time at Marshall Browning hospital in Du Quoin. One of the three remaining physicians has submitted his resignation effective June 2007, however, it hasn't been accepted until a replacement can be found (per contract). Recruitment for the present vacancy has been ongoing since May 2006. The senior physician in this group works ten hour days; has had prostate cancer and could take early retirement.

My experience during the last ten years going to the Family Medical Center almost on a monthly basis for either my wife who has had a stroke or I who has health issues, is that the waiting room has about fifteen to twenty patients waiting to be seen of which twelve to eighteen are blue collar patients or their family members and three or four Medicare age patients. In the ten years, I have only seen three white collar workers and one hospital employee.

The other physician's office - Medical Arts - has one full-time physician and his physician wife, who works about three days per week in the office. He, too, is early retirement age.

In a conversation with Charles W. Roe, DDS, Hospital Board member, he observed that today's medical school graduates only want to work 24 to 32 hour weeks and enjoy a "quality of life" work week. He felt that the country had lost its work ethic. This is why the vacancy occurred last summer - the capable physician didn't want to work long hours,

The professional and business community members go to out-of-town family physicians, specialists, and hospitals fully staffed with specialists. This business group wants "a new hospital" while the typical voter wants the hospital to remain at its current convenient location.

Washington County hospital in nearby Nashville, Illinois has had the same recruitment problem, being unable to secure the services of additional physicians - it has only two on its staff. This, I understand is also true of nearby Marshall Browning hospital in Du Quoin, Perry County, Illinois.

As a consequence of this physician shortage, the hospital suffered an operating loss of \$25,000 in October; \$25,000 in November, and \$148,000 in December. Losses in January and February have not been announced. There was concern at a recent board meeting that the operating losses would have been more severe if it hadn't been for the 'specialty clinics'. In order to make up for the losses, the board voted to increase hospital patient charge by 4%. The board extended its' option to buy land for a new hospital to June 2007, hoping to improve its financial outlook by then.

The board also adopted a new policy regarding delinquent accounts and hired a staff member to screen patients prior to their receiving services. This action was due to the increasing number of bad debts.

This shortage of admitting family practice physicians could have serious consequences for all small rural hospitals.

Impact of the Closing of the Technicolor Universal Media Services Plant (TUMS) in Pinckneyville

To say that the closing of the TUMS manufacturing plant would only have a minimum impact on the hospital is not accurate. This largest employer in Pinckneyville and in Perry County had 800 employed workers in a county with a population of 24,000 represents a major subject of concern. If the average family consisted of three members, this would mean that 2,400 people would be affected or 10% of the county's population - they represent the future Medicare, Medicaid, private insurance and other payers of both Pinckneyville Community hospital and nearby Marshall Browning hospital of Du Quoin.

While this healthy working population does not represent many hospital in-patient admissions at the current time, it will become a major factor in the coming years. The workers with pre-existing health care conditions will have many difficult decisions to make. They will have difficulty finding employment; if no health insurance is provided in their new employment, they will be faced with extremely high premiums; if they elect to join the 47 million who don't have health insurance, they run a risk of financial ruin.

Although "free care" is available at all hospitals it is not widely advertised or used. Very few people will admit to office personnel that they need help. They use their credit cards - as a consequence - health care debt is the major part of the total credit card debt of the nation. Bad debts would become a major concern for both hospitals in Perry County.

When the coal mines closed, many of the miners became truck drivers because of their heavy equipment background; this is not true of this group of employees who work in light manufacturing, packaging and shipping of products. Many workers will have to commute to St. Louis or northern Illinois towns; the vast majority will retain their homes in Pinckneyville and Du Quoin based on past experience when the coal mines closed. The average selling price of a house in the Pinckneyville area is \$53,000 while the cost in St. Louis and northern Illinois is many times this cost - the new workers couldn't afford the cost of relocation. If they have children in school, they would prefer to keep the children in the local schools until they graduated. It would mean commuting for the bread-earner and longer hours and smaller take-home income due to high transportation costs. In many cases, the new workers would start at the bottom of the pay scale due to the lack of seniority.

In addition to a lower starting wage, these newly hired workers will be faced with the strong possibility that their new employer will not provide health insurance or a retirement plan. If they wish to maintain coverage for themselves and their families, it will mean a smaller pay check.

A College Opportunity Fair was held for laid off workers at the Pinckneyville High School which was attended by 150 employees by Rend Lake College. There were 30 representatives from the college presenting opportunities ranging from allied health to graphic arts. Many of the former employees expressed interest in computer programming, criminal justice, heavy equipment technology, allied health and graphic design. Offerings in allied health included the Certified Nursing Assistant program (CNA) and training in the hospitality industry as waitresses. The hourly wage of a CNA is \$9.00 and the average annual wage in the hospitality industry is only \$9,000.00 often without health care benefits. This contrasts with the employees' former wage of \$13.62 plus generous health care and retirement benefits negotiated over many decades.

A further disadvantages for the former Technicolor employees is that the thousands of employees who were laid off at the Maytag plant in nearby Herrin, Illinois have had a month head start in starting education and retraining and seeking employment in the area.

All of these factors combine to increase poverty in Pinckneyville, Du Quoin and all of Perry County. Per capita and household income will be down; many young people will not complete high school in order to help the family; others will get married at a young age and there will be increased break-ups of families because of financial problems.

A New Hospital Complex

The hospital administration and board of directors proposed the construction of a new hospital complex to be built 1.8 miles east of Pinckneyville consisting of a twenty-five bed hospital; a physician's building; a fitness center and a skilled care nursing home. This complex would replace the 1965 and the 1976 hospital buildings which currently Has twenty-five hospital beds and fifty skilled care residents; the ten year old physician's building which cost \$1,000,000 to construct; the fitness center which is in a extensively remodeled Ben Franklin two-story building.

The stated reasons for this major expenditure of funds by a Hospital District are the following:

- The hospital buildings are "long in tooth";
- the present buildings has some asbestos problems;
- some areas of the 1965 building does not have sprinklers;
- the buildings are not "earth-quake proof";
- there are many wires in the ceiling rather than cable;
- a new hospital would have an air-handling system which reduces hospital acquired infections;
- The resident beds in Skilled Care are only thirteen inches from each other.

My response to these stated deficiencies is as follows:

- The 1965 and the 1976 hospital buildings are structurally sound and meet all state and federal licensing requirements and have been modernized for the future. They are surveyed annually or as required by the Fire Marshall; by Illinois Department of Public Health; liability insurance carriers and numerous other agencies.
- Numerous steps have been taken to isolate the "asbestos problem". If the 1965 building was modernized the isolated asbestos could be removed by stages. The hospital has had over forty years to remove asbestos if it was a matter of concern.
- The 1976 building has sprinklers; the 1965 building has sprinklers in storage rooms, in the laboratory, radiology and the lobby. Both have heat and smoke detectors, automatic door closures, automated connections to the fire department and all required devices. If the 1965 building was modernized, sprinklers could be added to areas currently without sprinklers. The hospital has had over forty years to add sprinklers if it was a matter of concern to the board or state authorities.
- The hospital is located in the fringe area of an earth quake and based on the architects recommendations a very strong foundation for both buildings were used. If an addition was built, as I am suggesting, it would be constructed according to the latest recommendations.
- The conversion of the present ceiling wires to cable wiring should not be a costly, time consuming task when improvements are being made in the medical/surgical floor of the 1976 building.

- A few years ago, the hospital installed a new air conditioning/air handling system so additional mechanical systems should not be very costly when the 44 semi-private rooms are converted to 22 private rooms.
- The resident rooms in Skilled Care can be made much larger with a thirty foot wide addition to the 1965 building which I have proposed

ALTERNATIVE PLAN

It is my belief that a conservative, alternative is to modernize the existing buildings by constructing an attached, attractive matching brick 4 level 30' x 180' building in the south parking area leaving parallel parking instead of diagonal parking in the present physician and technician parking area. This will provide 21,600 square feet of additional area or 71.4% more useable space than the 1965 part of the hospital (excluding the lobby).

On the first level the plan would almost double the emergency room area and in-patient needs using state-of-art sound-proofing materials and latest design elements to assure privacy in all areas of the new addition, double the size of the X-Ray, nuclear medicine and mammography services; almost double the size of the laboratory, stress-testing and EKG areas.

The second level would provide additional space for administration and business office operations and would allow the hospital accountant to relocate to the hospital, provide space for the pharmacy and durable medical equipment; double the present space of the medical records department and provide for a new operating room with direct elevator access to the emergency room.

The third level would add over fifty percent more space to the twenty resident rooms or if this service was discontinued it could become a new physical therapy department; occupational therapy and work hardening service area which is currently located in the business district of Pinckneyville.

The fourth level addition would double the available space for residents who require intensive hands-on nursing care by relocating the corridor. An alternative use would be to use the fourth floor for a new respiratory therapy department; foot and ankle services; out-patient cardiac study services; cancer consulting services, etc.

A helicopter pad would be located on the roof of this building with direct access from the emergency room by extending the west elevator. At the time of construction, sprinklers shall be added and all small amounts of asbestos shall be removed.

Modernization of the 1976 building would be part of the construction plan. The 44 bed semi-private rooms would be converted into 22 private rooms for privacy of the short-term patients in this medical and surgical part of the hospital. Wiring for patient rooms would be replaced by cable and improvements made to the air handling system. Currently each room has individual air conditioning and heating controls. Recent studies have shown that opening windows is better than any mechanical system for controlling hospital acquired infections.

A recent informal survey by the Illinois Department of Public Health of the 1976 building indicated that there were only insignificant problems for using the resident area for Skilled Care. The building was constructed to meet both nursing home and hospital standards. Additionally, it was built for a future patient floor which provides another alternative instead of a second and third floor addition on the 1965 building. \

FINANCIAL CONCERNS

During the past several years, administration has provided monthly news releases to the various area newspapers about building a new hospital complex and closing skilled care which has caused much consternation among skilled care residents, their families and skilled care employees as well as the citizens of the Pinckneyville area. The public rates the skilled care higher than the hospital as a health care resource.

None of the news releases have provided any information about financing new \$22 million dollar hospital complex to the District/s taxpayers such as the length of the loan, interest rates, and possible bond issues. The tax payers were concerned about tax increases and the potential of losing the hospital through default. This concern was shown in the two surveys done by the author.

IMPACY OF CLOSING SKILLED CARE UNIT

When the hospital skilled care unit was first established there were a number of objectives which are discussed below:

- **Space needs of the hospital.** The 1965 building was built to minimum space requirements and had immediately outgrown the building. It needed more laboratory space; radiology space; dietary and dining room area; a meeting room and classroom area; storage area; physical therapy and respiratory therapy space; maintenance space and storage space. This space was provided on the ground floor of the 1976 building. The first floor became the skilled care unit. Later the residents were moved to the second and third floor of the 1965 building because of the Medicare reimbursement requirements.
- **The skilled care unit.** The federal government promoted the concept of hospitals and nursing homes of having skilled care units where residents could receive rehabilitation services and convalescence services rather than being in costly hospital beds. As a result many hospitals throughout the state and nation established skilled care units. As a result Pinckneyville Community Hospital built and successfully operated and provided skilled nursing care to thousands of area residents over a period of 30 years.
- **Improved health care efficiency.** The hospital had all the resources to provide care to the additional residents of the skilled care unit without additional hospital personnel. The only need was a nursing staff for skilled care.
- **Additional revenue.** By having a skilled care unit revenue from the residents provided income to the laboratory, radiology, respiratory therapy, physical therapy, pharmacy, out-patient services, central services, dietary department and to the attending physicians.
- **Community and family benefits.** By having the skilled care unit in Pinckneyville it meant less travel time and better access to the residents by family members and added convenience to the residents.

- **The skilled care unit provided employment opportunities for young people of the community as Certified Nurses Assistants, Licensed Practical Nurses and Registered Nurses and efficient use of all hospital resources.**

If skilled care was discontinued, many hospital cost centers would see major cost increases such as the following:

- **Administration. Administration, accounting, admission, communications, social service, and related personnel costs would increase by 25% as they are currently charged to skilled care;**
- **housekeeping, maintenance personnel and other costs would increase by 25% as they are currently charged to skilled care;**
- **dietary costs for personnel would increase at least by 25% - there would be some saving in raw food costs;**
- **Laboratory, radiology, respiratory. physical therapy costs per test would increase because of lower volume of tests performed by the staff. Income from these services would also decrease.**
- **The only savings would be skilled care nursing salaries and benefits.**

The most serious issue is the loss of future medical and surgical patients as the average person is admitted to a hospital five times in the last year of their life and by sending our skilled care residents to communities outside of Pinckneyville we will be losing thousands of future admissions. Because Pinckneyville is one of the smallest communities with a hospital such a loss could be disastrous.

CONCLUSION

The present hospital is structurally sound, modern and conveniently located to over ninety percent of its' citizens. Upgrades to the emergency and out-patient services would make it competitive with other area hospitals which have or are in the process of modernizing their facilities. This could be done at a modest cost without endangering the future of the hospital.

There are dangerous factors to consider regarding financing a \$22 million dollar hospital complex such as high unemployment, low income and poverty as well as difficulty in recruiting physicians to the area.

HOSPITAL EDUCATION

**To: Board of Directors
Pinckneyville Community Hospital**
From: George W. Ranta
**Subject: Education of Hospital Staff
Skilled Care**

In my first monthly meeting with the Medical Staff of the Pinckneyville Community Hospital, the members stated that the hospital staff lacked professionalism, so I decided that I should make staff education a high priority for a number of years.

The hospital board adopted a policy where educational classes would be held from 2:00 PM to 4:00 PM Monday through Friday and some in the evening. The 2:00 PM to 4:00 PM classes would be one hour on hospital time and one on the employees own time. The employee would receive a ten cent raise for every course completed with a maximum raise of forty cents. As a result of this policy over 90% of the employees were involved in some aspect of the education plan.

The instructors were the following:

- Members of the Medical Staff;
- Nurse Anesthetist;
- Administrator;
- Staff Registered Nurses;
- High School Nurse;
- Laboratory Technologist;
- Hospital Pathologist;
- Executive Housekeeper;
- SIU-C Instructors;
- Hospital Attorney – Lloyd Middleton.

The board required that all nurses aides take the 100 hour Nurses Aide Training course. The graduates are now called Certified Nurses Assistants. Presently, all nursing employees who are new to nursing must be Certified Nursing Assistants.

The area funeral homes ceased transporting patients to the hospital, so I started one of the first Emergency Medical Technician – Ambulance programs in Southern Illinois. It included Standard First Aid, Advanced First Aid and 100 hours of emergency related education and training. It followed the program developed by the American College of Surgeons. About fifty ambulance and hospital volunteers and employees enrolled with about 25 completing the course

When the hospital started the two-bed monitored coronary care bed unit and the two bed monitored critical care unit it sent all the registered nurses to Memorial Hospital in Springfield, Illinois for training in interpreting electrocardiograms, so they can be helpful to physicians who are not immediately available. This took place over a period of time.

A course in Coronary Care was designed which was available to all nursing employees.

In cooperation with Rend Lake College, a series of courses which followed the Licensed Practical Nurse college course outline with the nursing staff as instructors was instituted. This motivated a number of former Candy Strippers to become Nurses Aides, to become Licensed Practical Nurses, to become Registered Nurses, and Directors of Nurses in Skilled Care,

Elective courses in cooperation with Rend Lake College were started. These included the following: Infection Control; Legal Aspects of Nursing. and a Management Course for Supervisors.

A multi-disciplinarian program was started with Southern Illinois University Carbondale to educate and train X-Ray technicians, laboratory technicians and respiratory technicians so that they could function in several departments. The program became a National model.

The hospital provided summer employment for pre-med students and encouraged employees by reimbursing them to take educational programs. As a result two of our employees entered medical school and two of our summer employees entered medical school for a total of four from Pinckneyville. One of our long term ward clerks and one of our office employees became registered nurses. One of the board members daughters became an X-Ray technician.

Because of the intense interest in education, our nursing staff enrolled in the Bachelor of Science in the Nursing program at Rend Lake College. According to the nurses, Pinckneyville Hospital had more nurses involved than all hospitals combined in Southern Illinois. Graduates became Directors of the Health Department, Directors of Hospital Nurses, Skilled Care Nursing, School Nurse at Trico High School, Director at the Luke Hospice, etc. One of our physicians, Dr. C. E. Cawvey, received Certification in Geriatrics.

In addition to in-house education and training, employees were sent for specialized lengthy courses in emergency room services; obstetric nursing; fetal monitoring, and infection control at CDC in Atlanta, Georgia. Classes in cardiac resuscitation were held in cooperation with Marshall Browning Hospital in Du Quoin.

Because of our close affiliation with Rend Lake College we became a teaching and clinical hospital for their nursing program and have been their program supporter for many decades.

As a result of all this training and education, Pinckneyville Community Hospital was designated a Local Trauma Center with the surveyors stating that we had the potential of being one of the best hospital in the state; the Veteran's Administration stated that we had the best Skilled Care in the four state region; our National accounting firm stated that our hospital was the most complex small hospital in the four state region and the State Public health survey team members stated that they wouldn't come to our hospital if they weren't required to by regulations.

What has this to do with the hospital and retaining Skilled Care? Plenty! In the next five years the hospital is going to start losing a large part of its nursing and health care staff due to early retirements and part-time employment. This will affect the following services:

- Emergency Room - nursing;
- Infection Control - nursing;
- Patient Education - nursing;
- Medical and Surgical - nursing;
- Rend Lake College student teaching – nursing;
- Laboratory technicians;
- X-Ray technicians.

Positions in these area require experienced nurses and technicians because of liability and expertise requirements. Recent graduates can not be used.

The hospital will have to heavily advertise and pay premium salaries to attract out-of-town employees who are willing to commute to or move to Pinckneyville. They will often become short-term employees when new openings occur in the area. This now happens in X-Ray department.

It is true that there is a nation-wide shortage of nurses, but it is especially critical at Pinckneyville Community hospital because it has only very few if any young people in the pipeline to become nurses and health care workers, partly due to the size of the community and partly due to inattention. I was told by very reliable sources that very few of the recent administrators made rounds to Skilled Care where they could evaluate the care being provided and encourage upward mobility among the certified nurses' assistants and the licensed practical nurses. One nurses' assistant told me that in five years of day-time employment she had seen only once a glimpse of the then administrator on the ground floor. One administrator intensely disliked Skilled Care as if it were a person. Fortunately, Skilled Care had highly motivated supervisors and directors' of nurses.

During many of the years that I provided direction of the education program, the number one career choice among graduating seniors at the Pinckneyville High School was a career in nursing. As a result, many of our present nursing employees are members of those classes.

If the board will look at annual audits it will find that every year in the last ten years has been;

- Profitable;
- The hospital has been able to purchase millions of dollars worth of state-of-art medical equipment;
- It has been able to pay competitive wages to its employees;
- It has been able to accumulate millions of dollars from patient charges sufficient to consider building a new \$22 million dollar hospital complex with monthly interest and principal payments of about \$100,000'
- It has been able to pay out-of-town emergency room physicians and nurses for coverage;
- It has provided funds for building improvements and maintenance;
- It is funding full page advertisements extolling the care provided at Pinckneyville Community Hospital'
- It has abundantly covered all 'loses' attributed to Skilled Care.

What are the options to consider?

- Continue the 20 Skilled Care beds on second floor where the residents are alert, able to communicate, are mobile and able to participate in activities, use less hospital services and are reimbursed at a lower rate. Continue the 30 Skilled Care beds on 3rd floor where the residents are mostly unable to communicate, are often bed-ridden, are in fragile health, require frequent hospital services, numerous medications, require much direct nursing care, participate only in a limited manner in activities, and are reimbursed at a much higher rate by the State of Illinois. By maintaining both sections the hospital will continue to have the support of the community which has a high regard of this service; it will continue to provide employment to young women living in the community as well as revenue to the businesses of the community from, frequently, State funds. The 'accounting losses' will continue, however, according to statements by a board member this could be supported by hospital funds for seven more years.
- Discontinue the second floor only. These residents could adjust to another health facility setting because they have fewer health issues, are mobile and able to communicate and participate in activities. They bring less hospital services revenue and state revenue. The public might more readily understand if these residents were transferred to another facility in the area. Eighteen jobs would be lost instead of forty-five.
- Continue 3rd floor only. These residents who have been in Skilled for many years, some for 5 years, some 10 years, a few for 15 years or more and used all their resources and their family resources and who use many hospital services and bring much revenue on a monthly basis from Medicare and

other revenue sources. They might not be able to verbally communicate, but they are aware of their surroundings and of their care-givers. In my opinion, if these residents were moved to other facilities which might not be able to provide immediately the same high level of care, there could be serious consequences soon after they were moved. This action would, at the very least, tarnish the hospital's reputation as a caring institution. The public reaction to seeing these helpless residents being moved to other facilities in the area is unpredictable. If these residents died shortly after being moved there could be State inquiries. My suggestion is, at the very least, is to continue the 30 residents who produce the highest hospital revenue and to retain 27 nursing jobs. The 'accounting losses' would be reduced 40 percent.

- In education, I would like to suggest a return to the education program that was previously used by the hospital, namely, having nursing related courses from 2:00 PM to 4: PM in cooperation with Rend Lake College, but held at the hospital for working young women who often have family responsibilities. This will allow them to become Licensed practical nurses and start them on the way as future professionals at the hospital.

The action you take will affect the reputation of the hospital for generations to come.

Sincerely yours,

George W. Ranta
George W. Ranta, MS, MPA

Cc: Concerned Individuals

Report Commissioned to See If Private Pay Hikes at Skilled Care Is Warranted

Friday Meeting

BY CRAIG SHUPIM
NEWS EDITOR

PINCKNEYVILLE

Pinckneyville Community Hospital's board of directors on Friday decided to look into whether or not increased private pay rates for Skilled Care patients could help put the long-term care unit on solid financial ground.

A crowd of nearly 100 people gathered in the hospital's conference room at a special meeting in which the board was to consider two options for its budget for the 2008 fiscal year.

One of the spending plan models assumes that the hospital would separate Skilled Care as a not-for-profit entity by Oct. 31. Under that plan, PCH's budget for fiscal year 2008 would post a positive net income of \$351,644, but its operating income would be in the red to the tune of about \$202,397.

A second budget option with Skilled Care continuing to operate under its current connection to the hospital would give PCH an operating loss projected at \$927,124. Net income for the hospital would come in at a deficit of around \$373,083 under that model.

On Friday, the board unanimously agreed to a motion by John Shotten that administrators research what it would cost to raise private pay rates to make Skilled Care as well as the hospital's home medical equipment department financially solvent.

Shotten said he did not believe voters would approve a separate scenario under which the hospital could raise revenue through a tax increase. Shotten estimated that the average tax bill in the hospital district could go up by three to four times in order to keep Skilled Care and medical equipment in the black.

Shotten also said he felt that raising taxes

would unfairly burden local property owners with greater rates while Skilled Care patients from outside the district would not pay for that tax increase out of their own pockets.

"People living outside the district should have to pay the same as others," Shotten asserted.

Hospital administrator and CEO Tom Hudgins noted that the board during the last few years has expressed reluctance to ask voters in the district to approve a tax increase.

Several members of the audience criticized the board for not asking for public opinion about raising private pay rates for Skilled Care instead of considering separating the unit from the hospital.

"Give families the opportunity to express their views about raising Skilled Care rates," said one woman. "I just don't feel that a board should be able to make a decision like that."

One woman said she has a petition with 500 signatures of community members who want Skilled Care to keep its doors open.

Other members of the crowd faulted board members for considering construction of a new hospital facility on Illinois 154, when the district cannot afford to continue operating Skilled Care.

Dr. Bill Roe of the board of directors said that because the current building does not meet state health/life/safety requirements, PCH is faced with the choice of extensive renovations or constructing a new hospital, and that the decision is not related to the continued operation of Skilled Care.

"We had a study done in 2003 that said you could put this building up to safety codes—which it isn't now—at a cost of around \$18 million," Roe said.

The cost of constructing at a new site would cost approximately \$22 million under projections from Gresham, Smith & Partners of Nashville, Tenn., in 2003.

Estimates for renovating the current structure—which fails to meet state code on several fronts—ranged in 2003 between \$12 million to \$19.3 million. Hudgins said that none of those estimates would cover costs to bring PCH completely up to state health/life/safety regulations, though.

Hudgins also pointed out that three separate analyses by outside firms over the past few years indicate the hospital could afford to build a new facility without having to increase tax rates.

When questioned about what the hospital would do should it be unable to pay off bonds required to finance a new building, Roe said that should PCH continue to operate on budgets in the red by \$900,000, bond guarantors could argue the hospital is "violating its current bond obligations."

"We have spent more than two years on how to keep Skilled Care open—that's why we're \$900,000 in the red," Roe said. "We cannot operate on a \$900,000 deficit."

Outside financial analyses that suggest the hospital cannot afford to continue operating under its present financial configuration.

Medicare reimbursement formulas changed when PCH became a critical-access hospital several years ago, and projections show that the district will be far enough in debt in several years under its current fiscal set-up to threaten the hospital's ability to keep operating. Those studies identified Skilled Care as the single biggest district expense that is outside the realm of Medicare reimbursement.

Jacqueline Malinski, director of nursing at Skilled Care, asked the board to capitalize on the long-term care unit's assets and to do everything possible to keep Skilled Care open.

"We have a wonderful thing, and we have to lose it," she said.

The board will meet again on May 7.

Friday Meeting to Look at Skilled Care Costs

BY CHRIS SERRIN
News Editor

PRODENVILLE

Finance committee members from Prodenville Community Hospital's board of directors on Monday took another look at the facility's proposed budget for fiscal year 2008.

The hospital's operating income has been cut during recent years, with much of that loss connected to covering costs at the hospital's long-term skilled care unit.

During fiscal year 2006, Skilled Care's direct operating loss cost the hospital around \$330,000. PCH also had to allocate \$770,000 from hospital operations to cover the unit's expenses.

Board members at their April 2 meeting asked CEO Tom Hudgins and chief financial officer Kara Jo Carson to rework the budget for fiscal year 2008 to determine what it would take for the hospital to break even next year.

On Monday, Carson and Hudgins presented revised numbers for fiscal year 2008 showing that even if Skilled Care were shut down by Oct. 31 and the hospital's home medical services department were closed by the end of June, PCH would still post a negative operating income of \$202,397.

State regulations would prevent any immediate move to separate Skilled Care from the hospital as an independently operating entity, since the unit would have to

obtain its own certificate of need to function as a not-for-profit entity.

However, budget projections presented on Monday show that if Skilled Care were separated from the hospital by May 1, PCH's operating income would be in the black by \$351,644 for fiscal year 2008. That would represent an improvement of around \$578,000 over a budget where Skilled Care maintains its current connection to the hospital.

On Friday, the board of directors will hold a special meeting at 12:30 p.m. in the hospital conference room to hear the finance committee's recommendations and to consider next year's budget.

"They're going to look at either accepting

the budget as it was initially presented (at the April meeting) or they will look at the budget changed as proposed on Monday," Hudgins said. "We'll start down whichever path they choose."

Hudgins said the board will also take another look at timing issues related to separating Skilled Care from the hospital as well as pricing estimates for creating Skilled Care as a free-standing long-term care unit. It could take up to six months to obtain the necessary certificate of need to separate Skilled Care under current state regulations, Hudgins said.

Skilled Care's future has been a sticking point as the board of directors has evaluated the hospital's financial outlook during meet-

ings over the last year.

Services like Skilled Care, which do not fall under PCH's acute-care status, do not receive cost reimbursement through Medicare. Projections from outside accounting firms in studies commissioned by the board show that if PCH continues to operate Skilled Care as it does now, the future of the hospital as a whole is at serious financial risk.

A reported prepared last fall by McGladrey, Pullin and Associates shows that moving Skilled Care to a new site on Illinois 154 would put the hospital in the red by around \$1.3 million by 2012.

Developments

501 Coffman Street
Pinckneyville, IL 62274-1509
May 30, 2007

Executive Secretary
Illinois Health Department
Nursing Home Certificate of Need
525 West Jefferson Street
Springfield, Illinois 62702

Dear Executive Secretary

Subject: New Developments
Pinckneyville Community Hospital
and Skilled Care

The enclosed front page articles which appeared in the daily newspaper and two weekly news papers is similar in tone to articles published monthly and sometimes bi-monthly for the last nineteen months blaming the hospital skilled care unit for not producing more revenue.

The hospital Skilled Care Unit is not the cause of the decline in revenue as it has remained at the same resident income level, but rather the impact of not being able to replace one admitting physician to its primary care staff in over one year. This loss represents 16.67% of the active medical staff. It is likely to get worse in the coming months as physicians take scheduled vacations and patients wait until later for non-emergency surgeries. This is typical of summer slack periods. With the potential of losing a second physician who has submitted his resignation this could become very serious. If the hospital succeeded in the coming weeks to recruit a recent graduate, which will be difficult because most of them are committed by now, it will take months before their impact on admissions will be felt.

The hospital has instituted a 4% increase in all charges and is proposing various cuts in costs in the immediate future. It will take months before the actual income will reflect these changes because most of the income is related to the Medicare program and other governmental programs.

The adverse publicity in the area newspapers will have an unintended affect on physician and other professional recruitment. Physicians, pharmacists, physical therapists, registered nurses and others which a small city must recruit from other cities are reluctant to come to a hospital in financial difficulties.

The Skilled Care residents, their families, skilled care employees, the community and the county has endured nineteen months of uncertainty regarding the potential closure of skilled care. At the meetings of the hospital board there are often fifty or more concerned citizens, staff and family representatives. They are waiting for some decision to be made regarding the future of Skilled Care.

I have tried my best through letters and newspaper articles in response to the hospital's monthly and bi-monthly news releases to educate the relatively recently appointed hospital board members to the realities of small hospital administration. With only eight to ten patients on average, the loss of one patient daily can create significant financial problems and now with the loss of 800 well-paying industrial jobs with health care benefits in recent years this will create additional poverty in the community together with the inability to recruit physicians will causes major financial problems The full impact of the job loss will come when separation benefits are exhausted. .

It is my desire that the Illinois Health Facilities Planning Commission not approve the building of a new \$22 million dollar hospital complex which is planned to replaces a 1965 and a 1976 hospital building; a physician's office building replacing a ten year old #1 million dollar building; a fitness center which replaces a recently renovated facility because of the poverty and unemployment in Perry County due to the closing of the Technicolor-Universal Media plant and the recent additional layoff of 320 union workers and 120 non-union workers and the failure to recruit two physicians.

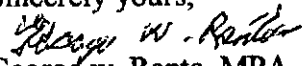
I further believe as do the voters in two surveys that the present hospital can be modernized like nearby Marshall Browning hospital in DuQuoin did for \$7.6 million on a 1922 hospital building without burdening the community with large interest and principal payments in a community with high unemployment and poverty. The modernization can be deferred until two new physicians are recruited.

I further hope that there can be an organized approach to the Hospital Skilled Care unit. The community is being torn apart by reaction to potential closing of the highly rated skilled nursing facility and the publicity surrounding it over the past 19 months. It is my hope that a step-by-step approach be used by restricting admissions to the unit until the desired level of skilled care beds is reached with at least twenty or thirty resident beds in the hospital unit as recognition of over 30 years of excellent care to residents. (One of the officers of the board indicated on several occasion that they had sufficient reserves to maintain Skilled Care for seven years at 50 beds.) This step-by-step approach would calm the controversy surrounding the reduction in resident beds. The decision can be reviewed in a year.

Despite "losses" the district hospital has built up sufficient reserves to consider building a new \$22 Million dollar hospital complex; purchasing the latest medical equipment; paying competitive salaries and keeping its buildings and equipment in excellent condition.

Thank you for any consideration that you may give to my request.

Sincerely yours,


George w. Ranta, MPA, MS
Retired Hospital and Skilled Care
Administrator

501 Coffman Street
Pinckneyville, Illinois 62274
June 17, 2007

Mr. Mark Jeffrey, Executive Secretary
Illinois Health Facilities Planning Commission
525 West Jefferson Street
Springfield, Illinois

Dear Executive Secretary:

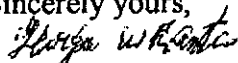
Additional Information
Pinckneyville Community Hospital
Skilled Care Unit

The accompanying article which was printed in the DuQuoin Evening Call on June 13th showed that "The out-patient (clinic) was \$2 million over budget-compared to last year, out-patient is up over \$3 million." Additionally..."unaudited figures show that that the hospital has brought in \$936,940 for the year, about \$140,000 ahead compared to last year's financial picture". All of this has occurred despite "losses" in Skilled Care. The loss in in-patient income of 14 percent is what I had projected due to lack of a physician replacement which still has not occurred. Non-operating income of \$102,000 would be way down if a new \$22 million dollar hospital complex was built for an annual average of 8 to 10 in-patients. It would cost over \$100,000 in interest and principal **monthly** to pay for a new hospital complex in face of many potential changes in health care funding in order for the nation to remain competitive in the world economy. Some of the cancer out-patient income would be lost also because there usually are cancer residents in skilled care.

In my opinion, administration and the board is waiting until construction of the proposed facility is completed and then discharging all the residents as there would be no facility for them. This would create hardship for all the families who visit their family members daily to have to drive 40 to 50 miles daily to facilities offering skilled care services; it would mean at the minimum the loss of 45 jobs in a struggling community with a high unemployment rate and poverty rate. It is possible that the loss of jobs could be as high as over 100 as the facility would only have 10 in-patients compared to 60 with skilled care. All departments would be affected due to lower volume of tests, procedures, etc.

I still believe that building a new hospital complex is a very risky move and the loss of skilled care beds would be sad in view of the aging population and the increase in many long term illnesses. There is a highly motivated staff trained as a team to take care of the residents.

Thank you for considering my suggestions.

Sincerely yours,

George W. Ranta, MPA, MS

Developments

501 Coffman Street
Pinckneyville, IL 62274-1509
July 20, 2007

Executive Secretary
Illinois Health Department
Nursing Home Certificate of Need
525 West Jefferson Street
Springfield, Illinois 62702

Dear Executive Secretary

Subject: New Developments
Pinckneyville Community Hospital and
Skilled Care Unit

Recent newspaper headlines stated that "Hospital Board Decides to Move Forward On A New Facility Without Skilled Care Unit. This decision on a 6 to 3 vote will eliminate 60 jobs and leave about 45 patients without a place to go. The board voted Monday to move ahead.

I am saddened and disappointed with this decision as I feel that there are a number of different alternatives rather than closure using the present convenient site rather than building a new \$22 million dollar hospital complex which will have an average patient population of 8 to 10 and losing 60 well-trained, young, articulate, highly motivated, unionized workers who could be encouraged to become registered nurses and technicians and reduce over-time and recruitment costs.

- The third floor could be modernized as stated previously and staffing reviewed so it will be comparable to other facilities with skilled care units; administrative and other overhead factors could be reviewed and reduced. Discussions could be held with regional Medicare auditors and personnel to find solutions which will make the facility more cost effective. No such activity has occurred during the last 20 months. This reduction of 20 beds from 50 to 30 would reduce "losses" by at least 40%
- The number of skilled care beds could be reduced to 10 which would be at least an 80% reduction of the "losses". It would allow Pinckneyville residents who have had hip replacement surgery and other surgical/medical care to receive rehabilitation services in Medicare and other beds in their convenient hometown hospital. If the hospital doesn't maintain skilled care beds, we will become the only hospital in the region that does not have skilled care in their service area. This means that there will be thousands less admissions to the Pinckneyville Community Hospital over the next decades. Patient's requiring skilled care services will need physicians in other communities who admit to their own hospitals. In addition there will be fewer laboratory radiology, respiratory services, surgery and out-patient services. The hospital volume will go down and expenses will go up. It will mean more reductions in staff.

- This is not a question of financial difficulties as the hospital makes revenue from out-patient services; and specialty clinics in the millions of dollars; it purchases state-of-art medical equipment every month such as electronic medical records, digital X-Ray equipment; modular nurses stations, etc. The revenue exceeded expenses by \$900,000 in the year ending April 30, 2007. It is giving its administrator a \$23,000 raise this year. It has accumulated sufficient reserves to demolish a ten year old million dollar physician's office building and build a new rehabilitation and fitness center which is included in the \$22 million dollar hospital complex in a city of 3500 residents which is on the poverty warning list and has lost 800 employees in the last decade and whose unemployment rate is twice the national average. All of this is happening while other area hospitals are only making conservative improvements to their existing facilities. An example is Marshall Browning hospital in Perry County which is modernizing a 1922 building complex at a total cost of \$7.6 million with the same number of beds – 25.
- The hospital's major problem is its inability to recruit a replacement physician for one who resigned over one year ago which resulted in a loss of in-patient revenue of 14% and the upcoming loss of a second physician scheduled for December 31, 2007 with further losses.
- The cited deficiencies in the existing 1965 conveniently located, structurally sound, modern hospital building are easily correctable by adding a narrow 30 foot four level addition to the south of the present building. It would:
 - Double Emergency Service area and laboratory; radiology; stress testing; EKG;
 - Double on the first floor Medical Records, Business Office; provide a new surgical suite; provide a new pharmacy area and medical equipment area;
 - Add 50% more space on the second floor for larger Skilled care rooms and/or a modernized physical therapy department;
 - Add 50% more space on the third floor for larger Skilled Care rooms and/or a modernized respiratory therapy department and specialty physician offices;
 - The west elevator can be extended to provide for a helicopter pad for direct access from the emergency room or the operating room for transfers to other facilities;
 - During construction the sprinklers can be extended from the ground floor to the different floors;
 - During construction the minimal amounts of asbestos can be removed. Almost all the existing pipes have been replaced and there are two layers of plaster board separating different areas of the building;
 - Additional parking – the major complaint – is available nearby.
 - The rooms in the 1976 building can be easily converted into private rooms during construction.
- All of this can be accomplished at a fraction of the cost of a new \$22 million dollar hospital complex in a community which according to 'old timers' hasn't grown in 80 years and is on the poverty warning list and has high unemployment approaching 10%.
- The funds to pay for the \$22 million dollar hospital complex do not come from grants but are a loan which must be paid back over a period of many years. The funds come from Medicare payroll taxes, Illinois Medicaid program, Blue

Cross/Blue Shield and patient insurance, Workers' Compensation, private pay and Hospital District taxes. It is not something that is free.

I really hope that you can "save Skilled Care" which has provided excellent care for thirty-one years and modernize the present, conveniently located, accessible hospital in a cost effective manner. (Almost all of Hospital District's tax-paying residents live within 10 blocks of the present hospital which, in surveys, support the present convenient location and retaining Skilled Care.)

In conclusion, not a single patients' health outcome will be improved by having a new \$22 million dollar hospital complex located on a highly traveled highway east of the city.

Sincerely yours,

George W. Ranta

George W. Ranta, MS MPA

Retired Hospital Administrator

Developments

501 Coffman Street
Pinckneyville, IL 62274
November 8, 2007

Illinois Health Facilities Planning Commission Members
625 West Jefferson Street
Springfield, Illinois 62702

Dear Commission Members:

HEARING STATEMENT

As retired administrator of the Pinckneyville Community Hospital, I emphatically don't believe that we need a new \$22 million dollar hospital complex 1.5 miles from the center of the city and the destruction of the present, conveniently located, 1966 and 1976 hospital buildings, the 10 year old \$1 million dollar Family Medical Center and the loss of the centrally located Rehabilitation and Fitness Center.

Our neighboring hospital in Perry County – Marshall-Browning Hospital - is in the process of extensively modernizing their 1922's hospital buildings at a total cost of \$7.6 million dollars without burdening the elderly and low income community with high interest and principal payments.

I firmly believe that improvements can be made to our two buildings at a fraction of the cost of a new hospital complex. They are as follows:

- Construct a 30' x 180' attached, multi-level, matching brick building on land presently used for parking South of the present building;
- The total square feet would be 21,600 with the 1st floor doubling the size of the X-Ray and interpretation rooms; increase the laboratory by providing a new stress-testing room, a larger waiting room, increase the number of emergency rooms;
- The 2nd floor would double the administrative office area and the medical record areas with additional space for a relocated pharmacy/durable equipment space and an additional new operating room;
- The 3rd floor would house two stairwells and have five semi-private rooms and a recreation room thus retaining the Skilled Care Unit and still allowing the hospital to reduce so-called "losses". There would be an eight foot wide east-west corridor. Each room and the recreation room would have an enclosed, glassed in balcony giving residents a home-like living area. The addition would be earth quake resistant; have sprinklers and no asbestos; the nurses' station and the utility rooms would be in the 1965 part of the building;
- The physical therapy department, and work hardening services would be removed
- from the Rehabilitation and Fitness Center and relocated to the areas vacated by
- Skilled Care on this floor thus reducing congestion in the Square; the work to modernize this space can be done by the hospital staff;
- The 4th floor part of the new addition would be similar to the 3rd floor with five semi-private rooms and an enclosed glassed-in balcony, two stairwells, a

- recreation room, and a corridor with the nurses' station and the utility room in the older part of the building. The addition would be designed to meet all state requirements. The remainder of the floor in the 1965 building would be used by respiratory therapy, the heart and cancer programs and other services. the work to modernize this space can be done by the hospital staff;
- This modernization of the present buildings would cost about \$6,480,000 compared to \$22,000,000 for a new hospital complex. (21,600 square feet x \$300 per square foot hospital construction costs.) Just like Marshall Browning which is completing their modernization at \$7.6 million, ours would modernize every department except dietary and maintenance. Pinckneyville has several building which successfully attach to adjacent buildings including the grade school addition. The West elevator would be extended to the roof for use by a helicopter.
- The suggested changes would add 50% more useable patient and administrative area to the 1965 building at a very modest cost. It would meet all hospital needs for the foreseeable future.
- The 44 semi-private rooms in the 1976 addition would be converted into private rooms and modernized with computer enhancements for medical records and other systems. Some of this conversion could be done by hospital maintenance.
- Additional parking would come from land available north of the hospital.
- There would be 20 beds instead of the present 50 but would retain Skilled Care services and substantially reduce so-called losses to a manageable level.

The administrator's reaction to these suggestions at a public meeting was "I talked to a couple of architects and they didn't think that it was a good idea." Naturally, they would prefer to design a new \$22 million dollar hospital complex.

Unlike the high school board which is facing major, mandated, life/safety issues by seeking an independent engineering analysis of alternative options, hospital administration and the board of directors took no action on a less costly alternative;

In conservative Southern Illinois hospital administrators and boards of directors always prefer modernizing existing buildings and facilities rather than building new costly ones, so only one new hospital has been built since the 1960s, namely in Marion by an out-of-state corporation, while others have modernized. Marion is a community that is growing and near an Interstate and a busy State highway. Examples of recent hospital modernization programs involving existing hospitals are: Marshall-Browning Hospital in DuQuoin, Memorial Hospital of Carbondale, Marion Veterans' Hospital, Herrin Hospital, and Sparta Community Hospital

My suggestions regarding modernization instead of building a new \$22 million dollar complex in a community and county which has not grown in eighty years were submitted to the administrator and each of the board members.

After receiving no response, I felt that it was my responsibility to the community to determine if the voters shared my concerns about the \$22 million dollar hospital complex, so I prepared a detailed description of the existing facilities and a questionnaire about the proposed new complex; the Skilled Care Unit and poverty in the Hospital District.

This questionnaire was submitted to over 10% of the population. The response from 113 voters was 94.167% to remain at the present convenient location and 106 or 91.379% agreed that we should modernize as proposed at the present site.

Wanting to give every voting family an opportunity to express their opinions, I prepared a second similar questionnaire and submitted this to families not included in the first survey. The results were similar. I included all improvement suggestions made by the first group. Results of both surveys were submitted to the administrator and to each member of the hospital board of directors. Again, there was no acknowledgment.

Later, in an unusual move, the board of directors voted to purchase land for the \$22 million dollar hospital complex for \$300,000 in Pinckneyville rather than continue the option to buy. This purchase was before a public hearing in Pinckneyville; a public hearing in Springfield and before consideration by the Health Facilities Planning Commission. The \$300,000 represented almost two years of real estate taxes paid by the hard pressed tax payers of the Hospital District.

I firmly believe that Pinckneyville simply can not afford a new \$22 million dollar hospital complex composed of a 25 bed hospital, a family medical center and a rehabilitation and fitness center for the following reasons:

- The jobless rate in Perry County increased from 8.3% in 2006 to 10.1% in July 2007, the highest rate of all 102 counties in the State. Nine out of the top ten counties are in Southern Illinois. This was the result of the closure of the Technicolor-Universal Media plant and the layoff of 320 union workers and 120 non-union workers; prior to this layoff, 360 employees lost their jobs when the DVD packaging department closed;
- The administrator's reaction to the closure of the Technicolor plant at a public meeting was to dismiss it as having only a minor impact on the hospital finances. This will have a major impact as these employees are the future Medicare, Medicaid and insurance patients of the hospital. Many will be near retirement age with pre-existing health conditions as the plant has been in operation for over 50 years, some will have no means to purchase health insurance and not be covered, some will not be able to find work, some will have to commute long distances while their family remains in Pinckneyville as housing costs are much higher elsewhere. The average home in Pinckneyville costs \$53,000.
- Nationally the jobless rate is 4.5% compared to Perry county's 10.1% rate and the average hourly earning nationally is \$17.38; it takes 16.8 weeks for the unemployed to find work;
- There are other potential employment problems because of the recent sale of GS Metals which employs 175 to competitor Cooper B-Line of Houston, Texas which could further affect employment levels in Pinckneyville;
- As a result of job losses, Perry County made the Poverty Summit's Annual Warning List which assesses four main indicators of the economic well-being of the State's 102 counties. These factors include unemployment rates, poverty estimates, high school graduation figures, and teen birth rates. The poverty rate for 2004 in Perry County was 13.8% of the population compared to 11.9% state-wide;

- It has taken over fourteen months to replace a physician who resigned and now a second physician has resigned. As a result of the physician resigning in-patient revenue declined by 14% and charges had to be increased by 4%.

OTHER ISSUES

- There are other issues which face the tax paying public. The high school which was built in the 1930's has serious health/life/safety issues which have to be addressed which could cost the public as much as \$4.8 million to correct;
- The high school board is diligently studying two alternatives to the school's heating and air system – a water source heat pump system versus a two-pipe fan coil unit which would cost over \$2.4 million to install; the other issue is the replacement of lintels on 113 windows and doors throughout the classroom facility which was built in the 1930's. The estimate for lintel replacement was around \$1,700,000. The architect stated that if no action was taken, the building could collapse in 20 years. This building is twice as old as the present hospital buildings which are structurally sound and have no building issues.

PERRY COUNTY

- Perry County was the leading producer of coal in Illinois for many years when it lost its coal production due to environmental concerns and as a result was faced with an economic disaster. The county government has struggled for almost a decade to meet its financial obligations and to maintain mandated services. Almost every year it has had to use tax anticipation loans. The current year is the first year that it has had a balanced budget. Now, another serious problem has arisen – the loss of the Technicolor factory. If this facility reverts back to the City of Pinckneyville, it will immediately lose \$200,000 in real estate taxes which will mean many cut-backs of employees and services, but this is only the beginning of belt-tightening as the impact of the job loss will start to be felt throughout the county such as the inability to pay taxes for required services.

CITY OF PINCKNEYVILLE

- According to statements made by the Mayor and the Treasurer, the City of Pinckneyville faces a "grim financial outlook for the future"; it is losing over \$1 million dollars each year. There is only \$346,823 in unrestricted funds left for this year. November 1 will mark the first half of the fiscal year. Departmental expenses far exceed revenue. Sales tax revenue is down about 20% percent this year alone. The Treasurer stated that Pinckneyville receives \$340,000 each year in sales tax revenue while neighboring Sparta and DuQuoin receive that amount each month.

- **SKILLED CARE**

Skilled Care has been a "loss leader" for a number of recent years meaning its charges less than the cost of health care services which are helped by other departments such as out patient services and specialty clinics with a profit overall to the hospital. Different accounting firms have offered different estimates on Skilled Care losses from a low of \$400,000 per year to \$1,000,000 to \$2,000,000; yet, despite these "losses", the hospital has been able to purchase over \$1,000,000 in new medical equipment in recent years.

Despite these losses, the hospital has accumulated sufficient resources to want to build a \$22 million dollar hospital complex one and one half miles from Pinckneyville which requires monthly interest and principal payments approaching \$100,000 per month to be financed by the eight to ten in-patients, out-patients, emergency room patients and specialty clinic out-patients. It is not free money or grant money but is money that must be paid back with interest for decades to come. A new hospital complex will not improve the lives of a single hospital, emergency room patient or out-patient.

During the past several years, board members have stated publicly that there are 13 too many employees compared to other similar skilled care units, yet no publicly announced steps have been taken to review staffing levels by experts. No steps have been taken to review the administrative structure of Skilled Care to see if it can be modified and be made more efficient.

I have submitted proposals to administration and the board of directors about reducing the number of beds so as to reduce the "losses" to manageable levels. But all have been ignored. My proposal above would reduce the beds from 50 to 20 which would be a reduction of 30 beds or a substantial reduction in "losses". The modernized rooms will meet all state regulations. While not perfect, it would allow residents who have been recently discharged from the hospital; those that have rehabilitation potential and those who require frequent medical treatments to maintain their health status to receive services. The present Skilled Care is highly regarded by the community and Illinois surveyors. Loss of this resource will create a hardship to both the family members and the residents. We would be the only area hospital which does not have a skilled care unit in its service area; it would mean the loss of many admissions in the following decades. The average person in his or her last year of life is admitted five time to a hospital; this statistic has not changed for many, many years. If Pinckneyville residents are admitted to other skilled care units, they are seen by physicians in these community's and are admitted to other hospitals.

I feel that the first obligation of a community, not-for-profit, tax-supported hospital board of directors is to the residents of the hospital district and not bond holders of hospital construction loans. The only other beneficiaries will be out-of-state architects, out of town contractors and construction workers. These benefits last about two years.

Continuing Skilled Care was a high priority with the fifty or more supporters who attended most board meetings; with almost all who responded to the two surveys which I mailed as well as the general public. The administration commented that the hundreds of responses was a 'small' sample, but didn't have any surveys of its own about Skilled Care; or about the out-of-town location or the decision to build a new \$22 million dollar hospital complex. The decision to promote a new hospital was made by an appointed board of directors with no district voter input by those who had been taxed for over fifty years.

Despite stated "losses" regarding Skilled Care the hospital was profitable overall; was able to purchase over \$1 million dollars of state-of art medical equipment in recent years; to make air-handling improvements to the building; to pay competitive wages; and to build sufficient reserves to consider building a new \$22 million dollar hospital complex

501 Coffman Street
Pinckneyville, IL 62274
February 28,, 2009

Mr. George Roete, Supervisor, Project Review Section, Il. Dept. Public Health
Illinois Health Facilities Planning Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761-0001

Dear Mr.Roete:

Subject: Pinckneyville Hospital
Certificate of Need
New Hospital Complex

By way of introduction, my name is George W. Ranta, I was administrator of the Pinckneyville Community Hospital from 1966 to 1989 as well as a Licensed Nursing Home administrator of the Skilled Care Nursing Facility from its opening in 1976 to 1989; prior to that I was in administration at the Middlesex County Sanatorium for seven years. I was closely involved in construction and building design projects at both hospitals. I received a Bachelor's degree in Economics from Tufts University with elective courses in engineering and also three years of high school education in Mechanical Drawing. I attended the Master of Business Administration course at the University of Massachusetts. After retirement, I received the degree of Master of Science in Community Development and a degree of Master of Public Administration from Southern Illinois University Carbondale.

In my opinion, a new hospital complex in Pinckneyville is not needed because the present hospital, with modernization of the present facility can meet the health care needs of the community for the foreseeable future; and because Pinckneyville and Perry County are in poverty area with high unemployment, so, I would like to present my views for consideration by the Health Facilities Planning Board.

The present hospital is composed of two connected buildings: One constructed in 1965 and the other completed in 1976 under the Illinois Health Facilities Planning Board requirements.

DESCRIPTION OF 1976 BUILDING

The 1976 building was financed by the then Farmer's Home Administration and has two levels – the ground floor and the first floor and has a matching brick construction with the 1965 building. The dimensions are approximately 188' x 60' or 22,560 square feet. There is an elevator at the west end of the building with provision for a second elevator on the east end. The foundation had a change order and is made of reinforced concrete. The building was built to accommodate another floor if expansion is needed in the future. The corridor walls are tile half way up for ease of cleaning. The flooring is seamless vinyl for cleanliness. The first floor is designed on an H pattern with patient rooms facing out and the inside section containing support services for the nursing services. The building meets all the fire safety requirements such as smoke and fire detectors; automated door closures; and connection to the fire department. Each patient room has individual heating and cooling units; large windows; is spacious with ample

closet space; remote controlled television sets; nurse call systems and the latest electronic medical records connections. There is oxygen and suction in each room. There are patient showers and telephones in each room. Patients in every room can be electronically monitored for heart problems at the nurses' station. There is a new modular nurses' station with all the electronic monitoring devices. This floor also has the pharmacy which provides unit dose medications. A solarium is available to visitors.

The ground floor contains the Dietary Department which consists of the kitchen; dietitian's office, a large dining room and a smaller dining area. At one time the Dietary Department served meals daily to 99 patients and residents and 170 employees plus visitors and about 20 student nurses. The Physical Therapy Department is located on this floor as well as the specialty clinics. There is a conference room/ board room with dividers with a class room for the Practical Nurse program. There is a small laundry room and a maintenance department room.

At the time of construction of the 1976 building changes were to the 1966 building. The laboratory was relocated to the former kitchen and part of the dining room with the remainder of the dining room becoming the nuclear medicine room. The former laboratory became an additional room for radiology. The former physical therapy room became the mammography room.

The sprinkler system from the new addition was extended to the ground floor of this building and also to the hospital lobby.

DESCRIPTION OF 1966 BUILDING

The 1966 building was constructed with funds from the Hill-Burton program, the Appalachian Poverty program and a bond issues from the Pinckneyville Hospital District and public contributions. There was a time limit when construction had to be started and this was the first hospital which the architects from Carbondale had designed. They had a constricted space where to build. The building was designed to meet minimum State of Illinois Hospital Construction Standards.

The ground floor contained the emergency room, the physical therapy room, the X-Ray rooms, the laboratory, central service rooms, the nuclear medicine room and a store room as previously described.

The first floor contained the lobby, the administrator's office, accounting, insurance, the business office was on the east side while medical records, physician's library, surgery was on the west side.

The second floor was the surgery floor and the obstetric department. Later, when the obstetric department closed, the surgery department moved to the 1976 building as well as the third floor's medical department and Skilled Care resident's moved to second and third floor of this 1966 building. This was due to Medicare reimbursement requirements. The move was approved by the Illinois Department of Public Health.

The third floor which initially housed the medical patients, now housed the fragile elderly Skilled Care residents.

Over the twenty-two years of my administration, many changes were made to this building to keep up with changing regulations and to maintain an attractive hospital. All corridor walls were extended to the floor above; two fire breaks from outside wall to outside wall on each floor were installed. Automatic door closure systems and connection to the fire department was installed. Fire retardant ceiling tile was installed throughout the building. Much of the plumbing was replaced. The building areas with

potential asbestos problems were isolated with double plastered walls. Tile half way up the wall of corridors was installed as well as hand rails in corridors. All the recommendations of the fire marshal, the environmental surveyors, the State hospital and Skilled Care surveyors as well as Joint Commission of Accreditation surveyors were closely followed. The total square feet of the building were approximately 40,000 including the lobby and storage areas.

In the 1970's the two buildings housed as many as 99 patients and residents – 55 hospital patients and 44 Skilled Nursing Facility residents.

SITE – PRESENT AND PROPOSED

The present hospital site and adjacent areas have been used since 1950 by the hospital district and several physician owned hospitals. The hospital district has received support for construction through bonds from the real estate tax payer as well as funding for operations.

Present Site

The present hospital is located two blocks from the intersection of Route 13/127 a heavily traveled north south road and Route 152 likewise a heavily traveled east-west route. It is located three blocks from city hall and the fire station. It is about seven blocks from the ambulance service building. The nursing home which frequently transfers residents to the hospital for admission or transports residents to the physician's offices for care is located about one and half miles from the hospital. The Perry County Fair Grounds which has some accidents during the season which require hospital admission and treatment is located about two miles from the hospital. The Medical Arts building which at one time had three family practice physicians now has one is across the street to the south as well as the drug store which is needed at times for supplies is also in the same block. On the north side of the hospital is the Family Medical Center which currently has three family medical practitioners, one surgeon and two physician's assistants. Across the street from the Family Medical Center are the offices of Wayne Hawkins DMD who is on the hospital dental staff. The Southern Illinois Rehabilitation and Fitness Center, a part of the hospital, is in the next block from the hospital. Three blocks from the hospital are the offices of James A. Wittenauer, chiropractic physician; three blocks away in another direction is a pain management clinic. Pinckneyville has been for at least one hundred years a health center for the small communities around the city. Its residential population has remained essentially the same for at least eighty years. In the 1990's a medium security prison which has its own health care system was built. Pinckneyville has a population of 3100 residents plus 1999 prisoners. The majority of the residents of the Hospital District live in older homes within ten blocks of the hospital.

Proposed Site

A new site and a new hospital complex initially costing \$21 million dollars, then \$22 million dollars, then \$31 million dollars and most recently \$33 million dollars to be built one and one half mile from the center of Pinckneyville. Although the hospital was a community hospital, there was no public explanation of the need for a new hospital or any provision for citizen participation in the site selection process – it was all based on the recommendations of a committee of three members to the hospital district board of directors.

All community hospital support services were at least one and one half miles away with some much further away. The medium security prison was about ½ mile away, the Rend Lake College Pinckneyville Campus was nearby, and the golf course was about one mile away.

I spoke to several Pinckneyville Chamber of Commerce members – an organization supporting the construction of a new hospital complex – to determine the need for a new hospital complex. One cited the fact that people “want to drive up to a facility and receive services, which would be available in a new setting with ample parking”. He cited an example of someone parking at the Medical Arts building and walking to the Rehab and Fitness building because of the lack of available parking spaces. The other person cited an example that State surveyors would make a long list of problems which had to be resolved while a new building wouldn’t have these problems. A new facility would attract many new doctors and other health professionals to the community.

Response to the issues raised by members: Due to the closing of the Skilled Nursing Facility there are fifty to one hundred more available parking spaces so parking on both sides of the street in front of the hospital can be limited to one hour. This would allow out-patients time to get their tests or procedures completed; it would give visitors ample time to see family members and others time to complete their business.

Response to public concerns regarding congestion on North Walnut Street: Make North Walnut Street with one-way traffic going north. This would ease the congestion in the two block area from the intersection.

Relocate the Southern Illinois Rehabilitation and Fitness Center from the Pinckneyville Square to the land one and one half miles from Pinckneyville where it would have sufficient parking and allow more parking spaces for Medical Arts patients.

Response to the ability to recruit physicians to the community: The reality of physician recruitment is that only five percent (5%) of American trained new physicians go into family practice while ninety-five percent (95%) become specialists where there are scheduled hours, higher salaries and much fewer hours of work so that they can enjoy the quality of life (golf, etc.). There are many other factors why a physician chooses a given community beside the hospital, such as the quality and reputation of the educational system; the social and recreational activities available; the size of the community; the experience to be gained; the collegiality, age and relationship with other members of the health care community as well as compensation considerations. When we do find a physician, after a year or more of trying, it is likely to be foreign trained who will only remain a few years before moving on. We are currently relying on one or two family physicians to do most of our seven patient average daily hospitalization which has remained at the same level for at least three years despite heavy television and print advertising.

Proponents of a new hospital say that if we build a new hospital it will attract physicians and a “quality” staff, this is not true. When I came in 1966 we had a sparkling new hospital, but we didn’t attract a single new physician but kept our own home grown physicians. We created our own “quality” staff by providing learning opportunities. In 1976 we doubled our hospital adding skilled care, dietary facilities, a new laboratory, and a larger X-Ray department and numerous other services, but we only got replacement physicians and our home-grown staff continued their education.

Another community leader cited building problems which must be corrected as a reason for building a new \$34 million dollar hospital complex.

Response: When our 1976 hospital addition was new a State surveyor spent two days looking for something to find and finally found two step stools that needed a coat of varnish. I had maintenance varnish them at the end of the first day but he had to go to Springfield and write a report and come back. An environmental surveyor after a day of surveying the new hospital found a mirror in the bath room that was too high for someone sitting in a wheel chair. It is the job of the surveyors to find problem areas. I was told by a nurse survey team that they wouldn't come to Pinckneyville Community Hospital if it wasn't required to do so.

More recently, the present administrator asked the nurse survey team to conduct an unofficial survey of the suitability of the 1976 building for use as a skilled care unit and they "found only several minor problems". The addition was built to meet both hospital and long term care Illinois State standards.

HOSPITAL AND SITE SURVEY

Since neither the administrator nor the hospital board did not involve the voters in the decision to build a new hospital complex nor in the site selection, I decided to conduct a survey of the Pinckneyville voters who were the major constituency of the hospital district. This survey was mailed to 240 voters or one in ten Pinckneyville voters; additionally two volunteers distributed 200 surveys to area voters. Question #1 was as follows:

I believe that the present hospital, at its present location near physician's offices, its dedicated and trained staff, its state-of-art medical equipment, its accessible central location meets the medical needs of the residents of Pinckneyville and the area served by the hospital and its skilled care unit.

The response was ... YES ... 113 Or 94.167% NO .. 7 OR 5.833%.

In order to further verify the results of the first survey, I conducted a second survey using suggestions made by the first group of respondents. This was mailed to one in five Pinckneyville voters.

The response was ... YES ... 45 OR 90% NO ... 5 OR 10%

It must be remembered that there had been a district hospital in this area since 1950 and that prior to that time for many years there had been two physician' owned hospitals in the immediate area for many years.

POVERTY ISSUES

According to a recent report – The Southern Illinoisan, April 16, 2008 – issued by Heartland Alliance's Mid-America Institute on Poverty, eight of the 22 counties named to a poverty warning list are in Southern Illinois, while eight other area counties made the report's poverty watch list. This list grew by 19 percent in the past five years and now totals more than 1.83 million Illinoisan. Perry County is on the warning list as is Randolph County; Washington County is on the watch which has eight Southern Illinois counties. Residents of Perry, Randolph, and Washington county are in the Pinckneyville Community hospital service area. The Heartland Alliance assesses four main indicators of economic well-being of the state's 104 counties. These factors include unemployment rates, poverty estimates, high school graduation figures and teen birth rates

In March 2008, the unemployment rate was 10.2 percent compared to 7.8 percent the previous year. The county's overall poverty rate for 2004 – the most recent figures available was 13.8 percent of Perry County's population. The state wide poverty rate for 2004 was 11.9 percent. And while graduation rate for Illinois during the 2005-2006 school-year was 87.8 percent, Perry County posted a figure of 84.5 percent of students successfully completing high school. The county also exceeded the birth rate for the state for 2004. Statewide 9.9 percent were to teenage mothers while in Perry County the number was 12.6 percent. According to the Alliance spokeswoman, Amy Rynell, this is "... a warning that your trends economically and socially are headed in the wrong direction". The report says that communities, leaders and officials in counties on the warning list need to take immediate corrective action to turn things around for their area.

.. In the 1970's Perry County was the leading producer of coal in the state and in the 1980's, coal production almost ceased due to environmental concerns under the Clean Coal Act laying off thousands of coal miners in Southern Illinois. Many of these miners had to take retirement and early retirement benefits. Now in the 2009, many of these retirees and their spouses who have excellent benefits are passing away and the hospital and health care in general will lose a predictable source of income.

In the year -2004- the major industry in Pinckneyville and Perry County, Technicolor Universal Media Services which was in the home entertainment business had 800 employees. On January 17, 2006, the company announced the relocation of its DVD packaging line which resulted in the layoff of 228 employees, a few weeks later, 16 more jobs are lost as four DVD replication lines are moved. On January 17, 2007 TUMS officials announce closing of the Pinckneyville plant by March 31 as part of a North America restructuring affecting 320 union and 120 company employees. According to Pinckneyville's mayor Ron Shirk, the plant had been operating since 1957 with employees earning an average salary of about \$14 an hour which translated into a payroll worth millions of dollars spent with Perry County businesses each year.

While the hospital administrator minimized the impact of this closure at a presentation to the Methodist Men in Pinckneyville, it will have a major impact in the future as these employees exhaust their unemployment benefits and take early retirement and enter the Medicare program. Many will have pre-existing health conditions and will have difficulty in finding new work. These workers are the future patients of the hospital. Another impact is the loss of sales tax revenue which is generated by the employees.

Another impact of the closure is that the City of Pinckneyville received the plant from MUMS which will cost \$380,000 in taxes and associated costs. With its cavernous building, it will be difficult to find a suitable replacement manufacturer in the coming years as the plant is not near an Interstate highway. It will be difficult to divide into different sections.

OTHER LOW INCOME AND POVERTY RELATED ISSUES

Early Estimates: Pinckneyville High School
Needs over \$8.6 Million Up-Grade

By Craig Shrum, DuQuoin Evening Call, January 24, 2007.

Pinckneyville Community High School board members on Monday heard annual figures from Mevert Professional Association Of Steeleville indicating that the district could see bills totaling as much as \$8,619,585 to bring the main classroom building, the Thomas Gymnasium and the school's weight room facility up to code on health/life/safety regulations.

The greatest expense would come from the school's out dated heating, ventilation and air conditioning system which would cost as much as \$1,833,490 to install a new system that would serve the main building and Thomas Gym. This is on the state's 'urgent' category which must be completed in three to five years.

Another major 'category would be the replacement of window lintels throughout the building. A high estimate would run around \$1,670,625. Damaged lintels cause extra money on heating, electrical and repair bills because of energy inefficiency and water leaks around the windows after heavy rainfall. Another group is the 'recommended' items which total \$2,949,795.

Since this report, the high school board and its architects have been discussing the possibility of building a replacement two level high school with the same square footage as the current high school on the same site a decision must be made in the near future.

DISTRICT 204 TAXPAYERS WILL DIG DEEPER TO STAY VIABLE.

In an article in the DuQuoin Evening Call, the District's Superintendent is asking to increase the tax levy from \$644,064 in 2007 (payable in 2008) to \$829,206 (payable in 2009), representing an increase over 30 percent over the previous year.

PERRY COUNTY JOBLESS RATE 10.2 PERCENT

up from 7.8 percent a year ago.

In an article in the DuQuoin Evening Call on March 8, 2008 this major increase was announced. The national unemployment rate is 7.2%.

The Perry County unemployment rate does not reflect the true picture which is that many employees have stopped looking for work especially those with pre-existing health problems and those who are nearing retirement age.

THE BIG PICTURE

HOSPITALS ILL FROM MORE BAD DEBT, CREDIT TROUBLES.

December 12, 2008, Southern Illinoisan articles which presents a picture of health care which is appropriate for this report. It is written by Linda A. Johnson, Associated Press.

Trenton, NJ – Gainesville's first community hospital has been on life support since the Shands Healthcare system in northern Florida bought it a dozen years ago.

Now, because of the recession, the plug is being pulled on 80 year old, money losing Shands AGH. Next fall, its eight hospital not-for-profit parent company will shut down the 220 bed hospital and move the staff and patients to a newer, bigger teaching hospital nearby as part of an effort to save \$65 million over three years across the system.

Like many U.S. hospitals, Shands is being squeezed by tight credit, higher borrowing costs, investment losses and a jump in patients – many recently unemployed or otherwise underinsured – not paying their bills.

All that has begun to trigger more hospital closings – from impoverished Newark, N.J. , to wealthy Beverly Hills, California – as well as layoffs, other cost cutting and scrapping or delaying building projects.

More closings and mergers are on the way, industry consultants predict.

“They will get swallowed up by somebody else, if they need to exist, and if they don’t they’ll just close,” said Tuck Crocker, vice president of health care practice at management consultant Bearing Point.

Most endangered are rural hospitals and urban ones in areas with excess hospital beds and a lot of poor, uninsured patients.

Hospital, which employ 5 million people, are reporting that donations and investment returns are down, patient visits are flat and profitable diagnostic procedures and elective surgeries are declining as people with inadequate insurance delay care; but those patients are turning up later at ERs, seriously ill, making it tough for hospitals to lay off nurses and doctors.

All these problems are aggravating long-standing stresses, stingy reimbursements from commercial insurers, even lower payments that generally don’t cover costs for Medicare and Medicaid patients, and high technology costs.

Hospital executives and consultants say the growing number of people with high deductible health plans is boosting unpaid patient bills. Many worry health reform efforts by the Obama administration could bring cuts in Medicare reimbursements, and many cash strapped states have already begun cutting payments for poor people covered by Medicaid.

In the past few months, patients and insurers have been paying hospital bills more slowly. As a result, some think hospitals will stop demanding up-front payments for elective procedures.

In November, Moody’s Investors Service changed its 12 to 18 month outlook from “stable” to “negative” for non-profit hospitals citing “prospects of a protracted recession,” bad debt and the credit crunch.

“Looking forward, the cost of borrowing will likely be higher – and may be nonexistent for lower rated hospitals, “Moody’s noted, a problem because hospitals borrow for everything from expansions and equipment to payroll and supplies.

Since October, there’s been “ a dramatic slow down” in plans for new wings and building upgrades, with many delayed indefinitely, said Paul Keckley of the Delotte Center for Health Solutions.

The Pinckneyville Community hospital has added staff and taken many steps to prevent bad debts which have increased and there has been a decline in specialty service income.

In order to gauge community feeling about poverty in Pinckneyville the survey of August 12, 2006 included the following question:

#5

I believe that there are many low income people in Pinckneyville and the area served by the hospital who would be affected by having a \$20 - \$21 million dollar new hospital with higher charges ... YES ... 85 or ... 94.444% NO ... 5.56%.

A second survey was conducted to confirm the results of the first survey and it included the following question:

#5

I believe that there are many low income people in the Pinckneyville area who would be affected by having a \$22 million dollar hospital with higher charges. They are those on SSI, those who took early retirement: were laid off without health care benefits; the disabled; the widows with no coverage from Medicare; the young people with minimum wage jobs with no benefits; the transients with only small resources; the self employed farmers; the small businessmen who try to maintain coverage; city and county governments; school districts; churches and industries who seek to relocate to Pinckneyville, a community with no residential growth in 80 years and a high unemployment rate. Note that wages in the region are only 65% of the state-wide wages and that Southern Illinois has lost 2400 well paying jobs over the recent years.

YES ... 54 OR 96.43% ... NO ... 2 or 3.57%.

Almost every family on the voting list had an opportunity to respond to the survey. Also, the unemployment rate has increased to 10.2% since this survey was taken and that many employees have exhausted their unemployment benefits.

MODERNIZATION

I believe that the present two buildings are well constructed and that they meet the needs of the residents of the hospital district and that they can be modernized at a fraction of the cost of a new hospital complex. I have sent copies to the hospital administration and to the hospital board of directors with no acknowledgement.

1. 1966 BUILDING - SOUTH
 - a. Emergency Service area. Modernize space west of the east elevator to the west outside wall and reinforce all walls to make them earthquake resistant/ 120' x 17' = 2,040 square feet. Cost 2040 x \$300 = \$612,000. This construction would make us competitive with Sparta Community hospital and with Marshall Browning hospital and their new emergency rooms.
 - b. Construct a two level, matching brick, earthquake resistant 180' x 30' attached addition south of the present building; the total square feet - 10,800 square feet. Cost 10,800 x \$300 = \$3,240,000. This will make us competitive with Marshall Browning which has modernized their facilities for a total of \$7,600,000. This will provide 50% to 100% more useable space for the following departments or services:
 1. Accounting
 2. Admitting
 3. Electrocardiography
 4. Medical Records
 5. Radiology
 6. Rehabilitation/Physical Therapy
 7. Respiratory Therapy
 8. Specialists Offices/Examination Rooms
 9. Stress Testing

10. Surgery Suite

All interior and exterior walls are to be constructed earthquake resistant. Existing interior walls will be made earthquake resistant by the hospital maintenance department. Sprinklers will be extended in the 1966 building and asbestos problems resolved. The surgery elevator will be extended and a helicopter pad will be placed on the roof of the 1966 building as suggested by the State.

The former nursery will become the Women's Center (Mammography). The former delivery room will become the Rehabilitation Center (Physical Therapy Department).

2. 1976 BUILDING _ (North)

- a. Make all interior walls earthquake resistant. Work to be done by the hospital maintenance department over a period of several years.
- b. Conversion of most of the semi-private rooms, except the cardiac and intensive care monitored rooms, to private rooms. Work to be done by the hospital maintenance department.

3. SOUTHERN ILLINOIS REHABILITATION AND FITNESS CENTER.

Build a larger, state of art Southern Illinois Rehabilitation and Fitness Center on the acquired land east of Pinckneyville. This larger than planned Center would have the following additional features:

- a. A large hydro-therapy room;
- b. A floor mat area;
- c. A kitchenette area for stroke and accident patient rehabilitation;
- d. A large conference room for diabetes, weight control substance addiction and other health education programs;
- e. A small room for staff;
- f. Two small family conference rooms;
- g. Space for new rehabilitation services as recommended by the Rehabilitation Institute at Southern Illinois University Carbondale;
- h. This Center would be comparable to the facilities of Good Samaritan Regional Hospital unit; the facilities at Herrin hospital; those at Marshall Browning and those at the VA hospital at Marion which was built at a cost of \$3.9 million dollars;
- i. A Center like this would be beneficial to stroke patients, accident patients, and the entire community. The Practical Nurse program could also use the facility as well as the Rend Lake College for their health education classes;
- j. The relocation of the present Southern Illinois Rehab and Fitness Center would further help the parking situation on the Pinckneyville Square and help the Medical Arts patients find parking;

- k. This Center does not require approval of the Illinois Health Facilities Planning Board and would be appreciated by all citizens.

Cost estimates:	Emergency Room	\$...612,000
	Modernization of 1966 Building	3,240,000
	New Rehabilitation & Fitness Center	3,900,000
	Total	\$7,752,000*

This new Center would make the Pinckneyville Community Hospital more than competitive with Marshall Browning and Sparta Community Hospital in the field of rehabilitation.

Note: The hospital board approved architects drawings for a new \$31,000,000 hospital prior to receiving approval from the Illinois Health Facilities Planning Board which would add to the previous cost estimates. The \$300 square foot construction estimates were obtained from SIUC Architecture Department.

Summary: Modernization of the emergency service area and the construction of the new Southern Illinois Rehabilitation and Fitness Center and the maintenance department's project to make the 1966 and the 1976 building earthquake resistant and to convert the semi-private rooms into private rooms in 2009. The other work, which might require State approval could begin at a later date.

*If the hospital wanted a four level addition this would add \$3,240,000 to the cost of the addition.

In a brief statement in a local newspaper the administrator stated that it would cost between \$9,000,000 dollars and \$13,000,000 to modernize the present hospital buildings. No definitive studies were done to my knowledge. To gauge public opinion, I submitted question #2 to the voters of Pinckneyville:

Question #2: I believe that the present hospital can meet challenging emergencies and out-patient medical needs at a modest cost compared to a new hospital by building an attractive, matching brick two or three level structure in the south parking area leaving parallel parking instead of diagonal parking which would double the emergency room areas; the X-Ray department; increase the laboratory and stress testing area in the basement and a first floor which would provide additional space for administration, medical records, pharmacy and the operating room. These improvements would be similar to those made by Marshall Browning at a cost of \$2 million dollars and recently those at Sparta Community Hospital which cost \$1.5 million dollars; both did an excellent job improving existing buildings. Marshall Browning recently announced improvements to their hospital costing \$5.6 million by adding 22,000 square feet to their hospital. Their total cost was \$7.6 million which doesn't require State approval.

The response was ... YES ... 106 or 91.379%... NO 10 or ... 10 or 8.621%.

The major comment was that there was no need for a new hospital by 20; the major complaint was lack of parking by 10 people.

MODERNIZATION OF EXISTING HOSPITALS

The long term trend in Southern Illinois by experienced boards of directors since the construction boom of the 1960's has been to expand and modernize existing hospitals with only one exception and that was in Marion, Illinois where an out of state corporation constructed a regional hospital for a reported \$28 million dollars. This facility is located near an Interstate highway and a busy state highway in a growing community. The following is a discussion of some of the recent hospital construction projects in Southern Illinois:

Hamilton County hospital begins \$18.5 million expansion.

Continuing a 50 year tradition of caring for community, the Hamilton Memorial Hospital District officially broke ground Tuesday (2008) on an \$18.5 million expansion and renovation project.

The undertaking, with an anticipated completion date of October 2010, will add a new emergency room, family clinic, surgical suite, aquatic therapy pool, sleep lab, cardiac rehabilitation services, private patient rooms with family amenities, as well as other areas of the hospital.

The project will be funded without adding to the local tax burden. The hospital is a critical access hospital and therefore will receive about half of the projected cost through a federal reimbursement program.

About \$7 million in bonds will be paid back over the next 30 years with hospital funds, with the remaining \$2 million donated through the district's foundation. The article is by Becky Malkovich, The Southern newspaper.

FIRST LOOK; OPEN HOUSE FOR NEW \$7.7 MILLION
MARSHALL BROWNING EXPANSION IS SUNDAY,
DECEMBER 9, 2007.

The \$7.7 million expansion – the largest in the hospital's 85 year history – has literally transformed the campus. The 22,000 square foot addition created 25 private patient rooms, each with its own private shower and rest room. Four of the rooms have direct observation capabilities from the nurse's station. The wing also features a surgical suite, a dedicated pre and post-op out patient surgery area, a spacious laboratory, an expanded pharmacy and an inpatient activity and rehab area.

The hospital is implementing many new technology improvements which include a new telephone system; a nurse call system; a health information system; a PyxisO9 medication system and C-arm for the surgical suite.

The hospital will begin the second phase of the project once patients and staff are moved to the new wing. The second floor of the 1972 will be renovated for health information services, patient accounts, administration, human resources, marketing, support services, nursing administration, material management, and environmental services. The anticipated completion date for this project is April 2008.

Article is from the Du Quoin Evening Call, November 18, 2007.

SPARTA COMMUNITY HOSPITAL

Sparta Community Hospital modernized their emergency room at a cost of \$1.5 million dollars in 2007. This is a community hospital about 19 miles from Pinckneyville in a community of about 5,000. Information is given to me by the administrator.

MARION VETERAN'S HOSPITAL

The Marion Veteran's Hospital had a number of recent modernization programs over the last ten years including a long term care facility. The latest was a Rehabilitation Center constructed by a veteran's organization at a cost of \$3.9 million dollars. Information is from the Southern Illinoisan in 2007.

HERRIN HOSPITAL

This older hospital in a busy, congested area had two modernizations. The first was of the emergency service area and the second of other areas. The total cost was about \$20 million. Information is from articles in the Southern Illinoisan in 2008.

MEMORIAL HOSPITAL OF CARBONDALE

There have been a number of modernizations at this regional hospital over a period of many years. The latest was to reinforce the interior and exterior walls of the hospital to make them earthquake resistant and also to convert the semi-private rooms to private rooms. The work was done by the hospitals maintenance department at a cost of \$2 million dollars. Information is from the Southern Illinoisan in 2008.

This is a sample of recent improvements by area hospitals.

SUMMARY

UNEMPLOYMENT: In the United States 2.6 million jobs were lost in 2008, led by layoffs in manufacturing, construction and retail. It was the highest figure since 1945. Unemployment stood at 7.2%, with 11.1 million Americans out of work while in Perry County the unemployment figure was 10.2% or 41.67% higher than the national rate reaching depression era levels. This is having a profound affect on the City of Pinckneyville which last year increased its real estate tax by 15% and its natural gas charges by 20% with no effect. The citizens simple used less natural gas. Heating is a fundamental need to maintain health without which there can be serious health consequences.

POVERTY in Perry County is a serious issue resulting from the loss of 800 manufacturing jobs at Technicolor Media Services since 2004. It has resulted in the listing of the county being warned about its unemployment rates, its poverty estimates, its high school graduation figures and its teen birth rates. One of the priorities is the mandated State requirement to make major life/safety improvements to the aged high schools which will total in the millions of dollars.

ECONOMIC DEVELOPMENT versus **MODERNIZATION:** While it is convenient to use the Medicare program to fund a \$34 million dollar hospital complex, it is morally wrong when there are much less costly alternatives which cost less than one third and achieve the same results. It is nice to have a modernistic building complex designed by architects from Tennessee, but the newness will fade quickly when the payment of principal and interest on the loan begins and continues in the amount exceeding \$100,000 per month for thirty or more years. This will be the first priority of future boards of directors to avoid default, not new equipment, not employee benefits, not other health care enhancements.

Very few in the governmental leadership understand the enormity and complexity of providing health care for 41 million more people than are now without health care insurance. The United States has the highest cost for health care but the results are less

than any of the advanced countries. There are going to have to be painful cuts in health care in order to remain competitive with other nations in the world's marketplace.

CONSEQUENCES OF A NEW HOSPITAL COMPLEX TO THE COMMUNITY

In-patient charges, out-patient charges and specialty charges will have to be higher for all patients. Medicare patients with co-insurance will be covered. But those patients who don't have or can not afford co-insurance will have higher bills to pay. Medicaid patients will be covered by the State of Illinois which currently owes health care providers \$1.5 billion dollars at a higher rate. Blue Cross and commercial insurance carriers will have to pay higher charges. This will cause higher costs to school districts, state employees, county employees, city employees, library employees, hospital district employees. A large part of this cost will be born by the taxpayers through the real estate tax and the sales tax. Business owners, the self employed and others will pay higher charges. As a result of higher cost of a new hospital complex, our charges will be higher for all services than Marshall-Browning Hospital in DuQuoin, Sparta Community Hospital and Washington County Hospital in Nashville which have only had modest modernizations of their facilities.

PROMOTION: Despite heavy promotion – full page newspaper advertisement; daily TV commercials on CNN; publicity about the proposed modernistic new hospital complex and the annual budgeted expenditure of \$100,000 for advertising (about one half of the income from the real estate tax from the Hospital District's taxpayers) the average daily patient population of 7.1 patients remained the same for a number of years. However, all of this has caught the attention of deep pocketed regional hospitals from as far away as fifty to one hundred miles away to place full page colored advertisements in local newspapers. While relying heavily on out-patient income to off-set the low in-patient revenue from the average of 138 daily laboratory studies; the 34 daily in-patient studies and the 14 laboratory studies done under contract; plus revenue generated by diagnostic and therapeutic equipment the hospital is able to be profitable. This is causing a great deal of costly rivalry between the Perry counties two hospitals – Pinckneyville Community Hospital and Marshall Browning Hospital. (Total population for Perry County is 23,094 in 2000.)

With numerous specialists ordering laboratory and radiological tests and studies, the Medicare and the insurance industry will in time lower reimbursement for the tests and studies. Ninety five percent of medical school graduates are completing training to become specialists, thus creating an over abundance in time of specialists.

CLOSURE OF THE SKILLED NURSING FACILITY: was a sad chapter in the history of Southern Illinois health care. The hospital authorities claimed, while they were accumulating millions toward the construction of a new \$34 million dollar hospital complex in a community with no population growth in eighty years, that they were losing money in the Skilled Care Unit but neglecting at the same time to mention all the income generated by the fragile, ill residents of the facility and failing to increase charges to competitive levels for the level of care rendered. The consequences to the residents and the reputation of the hospital as a caring institution were dire. Over twenty residents died in the weeks and months before and after closure, many, many times the normal rate.

The authorities were warned that this would happen when residents are moved or threatened to be moved to other facilities.

OTHER LONG TERM HOSPITAL SERVICES: The administrator proceeded to sell the Durable Medical Equipment department claiming that it was "losing money" without trying to reduce staff or combining it with pharmacy or purchasing. It was sold to a business in Sparta, about twenty miles away; causing a 40 mile trip for Pinckneyville residents needing durable medical equipment. He sold Hospice to TIP/VNA, an out-of-town not-for-profit organization claiming that it was "losing money" without trying to make it profitable, while, again, making money in other departments. Several long-term, very conscientious professional registered nurses were lost.

TWO GROUPS: There are two divergent groups in Pinckneyville and the surrounding area; one consisting of those with good income, excellent health care benefits, pension plans, nice homes and who seldom are hospitalized or have to use out-patient or emergency room services of the hospital. They represent about 10% of the population and support the need for a new hospital complex and the importance of more parking and ease of access; they are not concerned about building cost increases from \$21 million dollars to the recent \$34 million or 61.9% increase or the monthly interest and principal in excess of \$100,000 per month or the impact on all local taxing bodies using hospital services as well as those residents with high deductibles, or no health insurance coverage believing that Medicare and the "government" will pay the entire cost of a new hospital complex.

Then there is the other group which has moved to or lives within ten blocks of the hospital for convenience to their grocery stores, their banks, their beauty parlors, their hardware stores, their auto repair shops, their drug store, their schools, their dentists and other services; they visit their physician on a routine basis, require many laboratory and other tests and have more hospital admissions due to age and declining health. Frequently, they have come back to Pinckneyville after working careers in other cities and places of employment. Their retirement income is small; some had to take early retirement; some are getting unemployment benefits from the closure of the MUMS factory and many are elderly widows and widowers living alone, but they all want to retain their conveniently located hospital. They are concerned about their real estate taxes and afraid the hospital will go bankrupt if a new hospital was constructed. They represent the 90% who voted yes to retain and modernize the present conveniently located hospital. They also voted 'YES' 89% in a non-binding Hospital District vote to make the SKILLED CARE a part of the hospital services.

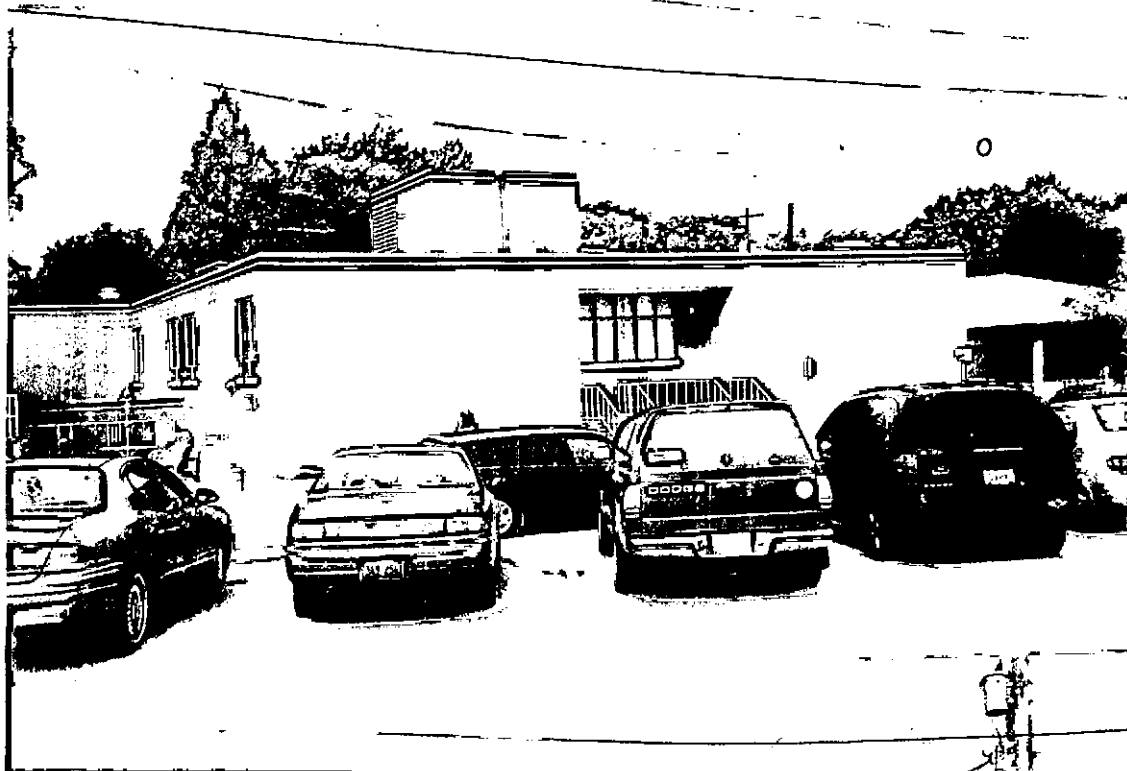
CONCLUSION

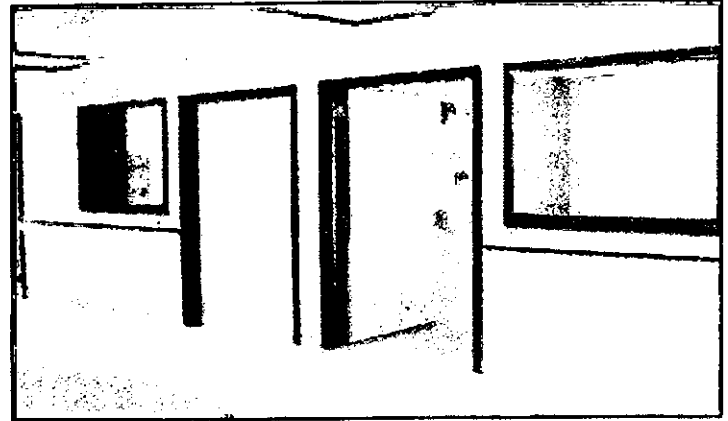
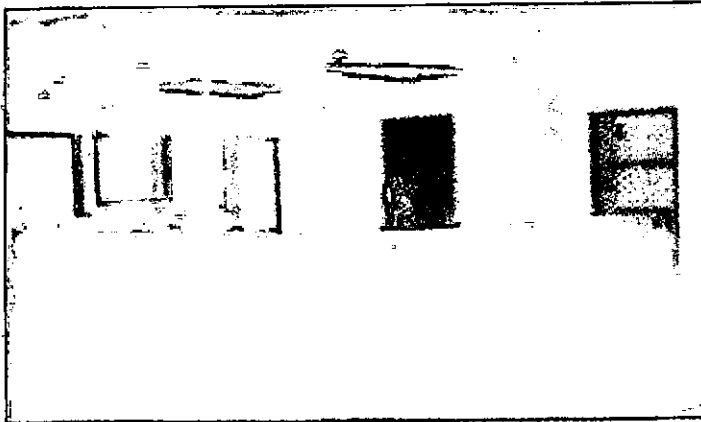
I would like to suggest that the Illinois Health Facilities Planning Board deny the Pinckneyville Community Hospital a Certificate of Need to build a new \$34 million dollar hospital complex because the present 44 and 33 year old hospital buildings and the ten year old Family Medical Center and the attractive Southern Illinois Rehab and Fitness Center can be modernized at one quarter to one third of the cost of a new hospital complex. Economic conditions nationally, statewide, and especially locally including unemployment, poverty and educational needs and the uncertainty of the future changes in the national health care system and the need of the nation to remain competitive in the world marketplace do not permit such an expensive and financially risky long term commitment.

Respectfully yours,

George W. Ranta, MS MPA

Cc: John Cullerton, Senator
President,
Illinois Senate
Springfield, IL
HUD, 242 program
Chicago, IL





New circular nurse's station gives direct access to any hallway on the floor, and some rooms will have direct observation capabilities directly from that station

First Look: Open House for New \$7.7 Million Marshall Browning Expansion is Sunday, Dec. 9

DU QUOIN
Marshall Browning Hospital's expansion is nearly complete. The hospital is planning an open house with guided tours for the public from 2 p.m. to 6 p.m. on Sunday, December 9th. Tours will begin in the main lobby at the front entrance.

The \$7.7-million expansion – the largest in the hospital's 85-year history – has literally transformed the campus. The 22,000 sq.ft. addition created 25 private patient rooms, each with its own private shower and restroom. Four of the rooms have direct observation capabilities from the nurses station. The wing also features a surgical suite and an endoscopy suite, a dedicated pre and post-op outpatient surgery area, a spacious laboratory, an expanded pharmacy and an inpatient activity and rehab area. Convenient parking

is an additional complement to the new building.

The hospital is implementing many new technology improvements which include a new telephone system, a nurse call system, a health information system, a Pyxis® medication system and C-arm for the surgical suite.

The hospital will host a special celebration for the MBH family – physicians, employees, Auxiliary volunteers and Annual Giving Club members on December 6th.

William Huff, CEO, said, "The staff played a critical role in the design phase. We listened carefully to what they had to say, especially with regards to privacy and more space. In the end, I think we achieved our goal of creating an environment that is comfortable and healing and at the same time efficient, orderly and functional."

The hospital will begin a second phase of the project once patients and staff are moved to the new wing. The second floor of the 1972 building will be renovated for health information services, patient accounts, administration, human resources, marketing, support services, nursing administration, materials management, and environmental services. The completion date for this project is anticipated to be April 2008.

Harold Rice, Board President, said "We're excited about the future of Marshall Browning Hospital. We have some of the finest, most dedicated healthcare professionals working here." Rice said the new wing is beautiful, well planned and the community will be very proud when they see it.

Hamilton County hospital begins \$18.5 million expansion

BY BECKY MALKOVICH
THE SOUTHERN

McLEANSBORO — Continuing a 50-year tradition of caring for community, the Hamilton Memorial Hospital District officially broke ground Tuesday on an \$18.5 million expansion and renovation project.

The undertaking, with an anticipated completion date of October 2010, will add a new emergency room, family clinic, surgical suite, aquatic therapy pool, sleep lab, cardiac rehabilitation services, private patient rooms with family amenities, as well as renovations and additions to virtually all other areas of the hospital.

"In 1958, a group of citizens had the vision to build a rural hospital in our community. They knew in their hearts it was the right thing for this community and surrounding communities," HMHD CEO Randall Dauby said during a ceremony Tuesday morning. "Now we live in a reactive world and many times we wait for necessity, but in this case, we wanted to be proactive. In 10 to 15 years,

we want to look back and say it was a good thing we did it when we did."

Dauby said the hospital's most recent major expansion took place in 1982.

"Think of how health care has changed since then. We have run out of room and it's time we did this," he said.

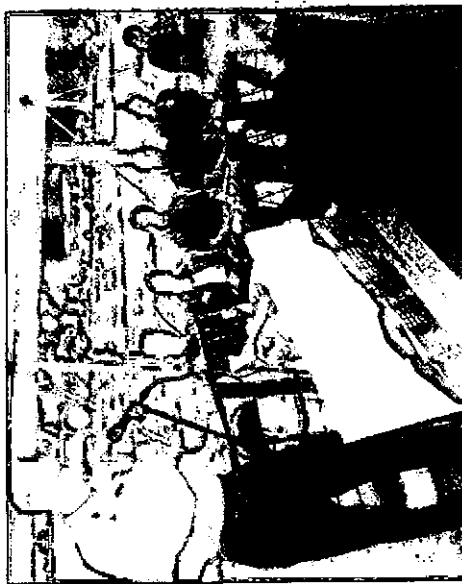
Mayor Dick Deitz said the expansion will not only improve the delivery of quality health care to the citizens, but will also stimulate economic development by making Hamilton County poised for future growth.

The project will be funded without adding to the local tax burden, Dauby said. The facility is classified as a critical access hospital and therefore will receive about half of the projected cost through a federal reimbursement program.

About \$7 million in bonds will be paid back over the next 30 years with hospital funds, Dauby said.

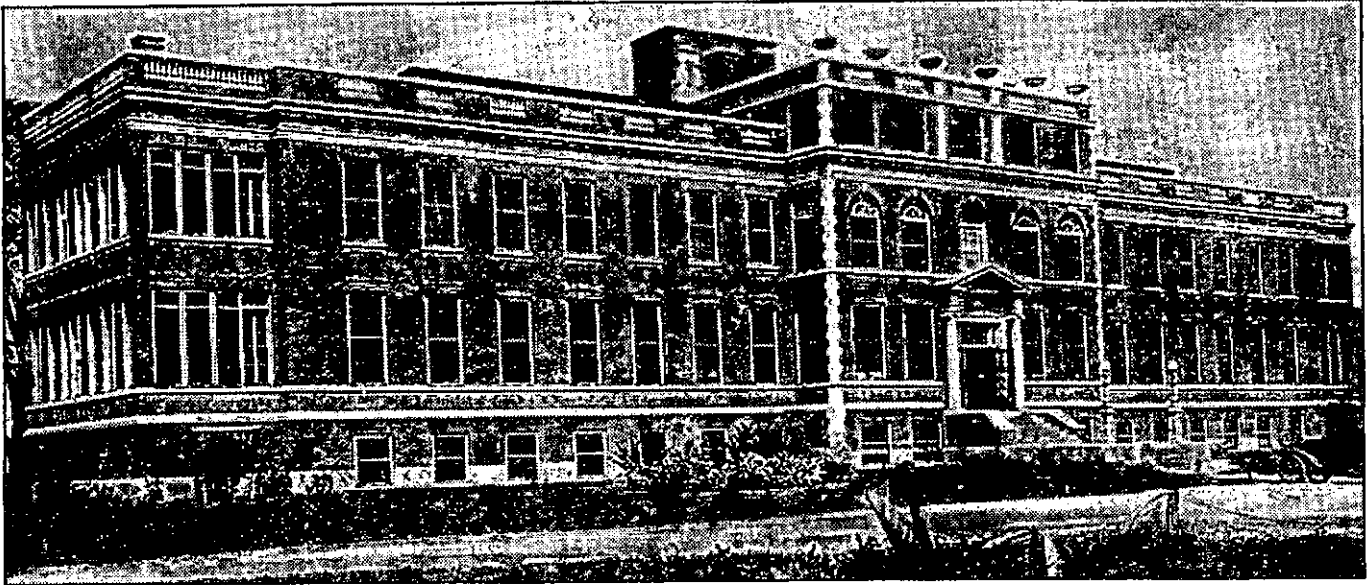
The remaining \$2 million will be picked up by donated funds through the district's foundation.

SEE **HOSPITAL** / PAGE 2B



BECKY MALKOVICH/THE SOUTHERN
Randall W. Dauby, CEO of Hamilton Memorial Hospital District, gives an overview of the \$18.5 million expansion of the McLeansboro hospital during the groundbreaking ceremonies Tuesday morning.

CONSTRUCTION WILL EMPTY ORIGINAL 1922 HOSPITAL



ROBERT MOREFIELD COLLECTION

The Marshall Browning Hospital as it appeared after completion in 1922.

Du Quoin Hospital to Break Ground in February for New Doctors' Park

■ The Only Thing Left: Demolish 1922 Building

BY JOHN H. CROESSMAN
MANAGING EDITOR

DU QUOIN

The Marshall Browning Hospital in February hopes to break ground on a new suite of doctors' offices on the grassy knoll immediately southwest of the hospital's Emergency Room and helipad.

Completion of the building—valued at nearly \$1 million—would empty the last of the original 1922 hospital and set in motion a plan to demolish the original hospital. Demolition would create a smart, new look to the entire campus that now includes a new 25-bed private room patient wing, new surgical suite, pharmacy and laboratory, a stand-alone physical therapy and rehabilitation center and Marshall Browning Estates, which continues

to have a waiting list.

It would be the culmination of a very visionary plan begun in the early 1990s.

The current work involves completing the move of clerical and administrative functions off the third floor of the original building to the second floor of the 1972 patient unit. "We are probably 90 percent finished," said hospital CEO Bill Huff. He said housekeeping and laundry departments will be moved in the coming weeks.

The new suite of doctors' offices would house Dr. Tucker, Dr. Hall and Dr. Jafri and should be inviting in the hospital's recruitment efforts for more doctors. He said the contract for construction has not yet been finalized.

Marshall Browning Hospital was con-

ceived on January 14, 1918, when Lillie F. Browning drew up her last will and testament, leaving the bulk of her estate to a trust which would have the responsibility of erecting and supporting a public hospital in or near Du Quoin. She requested the hospital be named in memory of her husband "Marshall."

The Julliette Wall Pope addition was added in 1957 and a patient wing in 1972.

Huff said his board has also approved the purchase of approximately \$100,000 in upper and lower GI equipment. And, at end the year, the hospital has also announced a four-year scholarship program for Du Quoin High School students committed to a career in health care.

The Veteran's Administration Hospital in Marion, built in June 1942, has 60 beds for long-term nursing home patients and 55 more beds for acute care patients. A \$3.9 million Illinois AMVETS Clinical Resource Center will be built on the hospital grounds.

Medical center serves many veterans from region

BY JOHN D. HOMAN
THE SOUTHERN

MARION — There are 43,000 reasons why the VA Medical Center in Marion is thriving. That's the number of veterans from Illinois, Kentucky and Indiana who have been served by hospital staff over the last year.

Community Affairs Director Rebecca Shinneman said the first patient treated was in June 1942, the same year that the center was built.

There are 60 beds for long-term nursing home patients and an additional 55 beds for acute care patients.

"We have community-based outpatient clinics in Paducah and Hanson, Ky., as well as Mount Vernon, Effingham and Evansville, Ind.," Shinneman said.

"We also have the only VA

with Egyptian architecture due to the fact that Southern Illinois is referred to as Little Egypt."

Shinneman said a pyramid rests atop the hospital.

It features granite inlays with the Egyptian theme.

In June, Marion officials announced that a \$3.9 million Illinois AMVETS Clinical Resource Center will be built on the hospital grounds.

The funding was provided by the Illinois AMVETS Service Foundation. The new resource center will feature an aquatherapy pool.

"Not only does the funding pay for the construction of the building, which will be anywhere from 25,000 to 28,000 square feet, but it will also pay for all the necessary equipment inside.

"Besides the pool, there will also be resources available for

9/19/07
The new Illinois AMVETS Clinical Resource Center to be built on the hospital grounds will cost \$3.9 million. **3.9**

mental health and job counseling, as well as physical therapy," Shinneman said. The foundation also funded a fishing pond and pavilion for the Marion nursing home about 15 years ago.

Also notable is last March's funding by the Department of Veterans Affairs in Washington of \$4 million for a new cardiac catheterization lab.

The first surgeries were performed March 6 by Dr. Yogesh Agarwal.

"Catheterizations give us a clear answer on whether or

not the patient has a blockage within one of the main blood vessels in the heart and where that blockage is located," Argawal said.

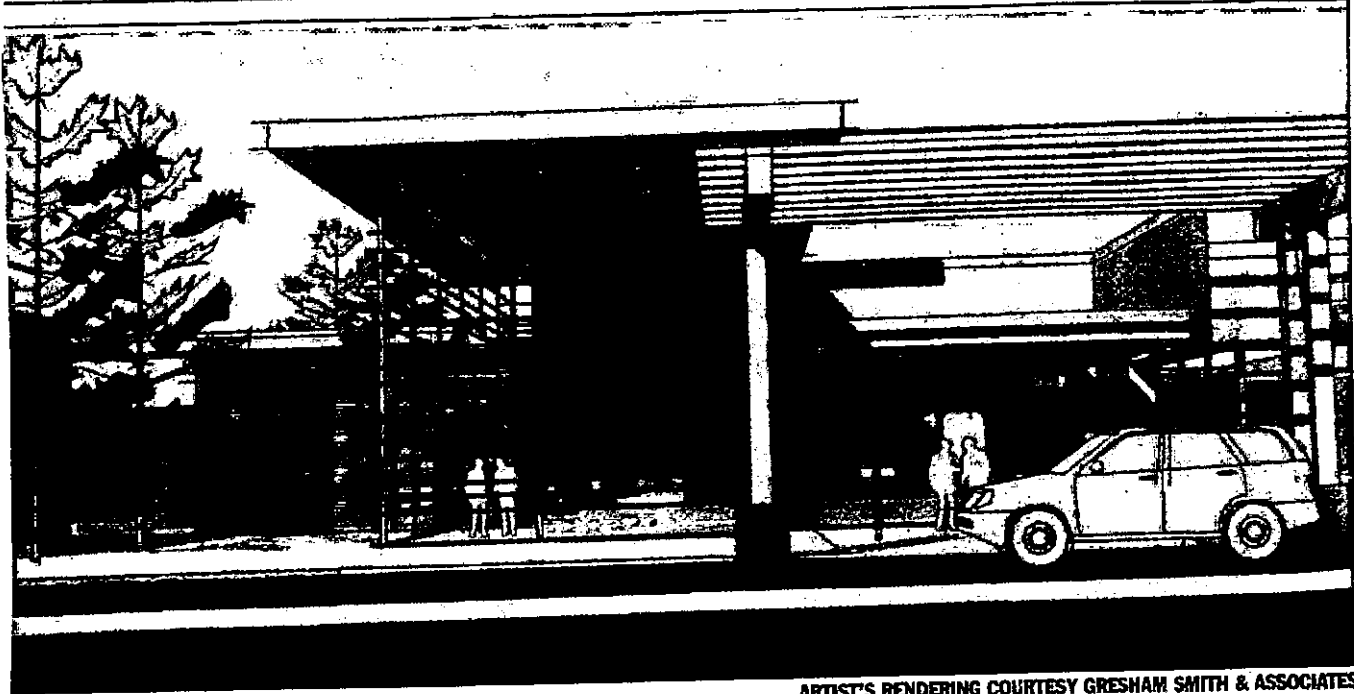
"And if there is no blockage, then we know that the patient's chest pains originate elsewhere."

"A year from now, we hope to be doing stent placement with cardiac procedures, in addition to catheterizations and pacemaker placements here in our new lab," Shinneman said.

john.homan@thesouthern.com / 351-5805

12/24/2008

FIRST LOOK AT THE NEW PINCKNEYVILLE HOSPITAL



ARTIST'S RENDERING COURTESY GRESHAM SMITH & ASSOCIATES

Artist's rendering of the entrance to the new Pinckneyville Community Hospital.

Pinckneyville Community Hospital Construction to Begin March 2010

■ Administrator Tom Hudgins: \$33 Million Leap of Faith Worth Taking; Will File For Certificate of Need in May '09

BY JOHN H. GROESSMAN
MANAGING EDITOR

PINCKNEYVILLE

The Pinckneyville Community Hospital board will know the costs of its planned 110,000 square foot hospital by March 2009, will file for its certificate of need by mid year and hopes to begin construction in March 2010.

Hospital administrator Tom Hudgins believes its a leap of faith worth taking in an economy that promises to be no better in 2009 and in a climate of resistance. Yet, he is not alone in dreaming big.

Du Quoin Community Unit District 300 superintendent Gary Kelly had the same mindset in working toward a new middle school and believes funding will come for a new high school. Marshall Browning Hospital board president Harold Rice and administrator Bill Huff said Du Quoin deserved a modern hospital. It was opened last year. The list goes on to include the Southern Illinois Center at the Du Quoin State Fairgrounds and the new Illinois State Police headquarters and shooting range.

It may never come to fruition, but even Toney Watkins still believes in a state of the art entertainment complex in west Perry County.

At the very least—like it or not—west Perry County will be on the doorstep of the Metro East area by the next generation.

Be ready.
But, can we afford to be \$33 million ready—or even \$50 million ready—when equipment is moved and the new hospital outfitted?

\$33,685,656 to be exact.
Hudgins believes we can.

Nashville, Tenn.- based Gresham Smith & Partners, the hospital's architect, has made three visits to the Pinckneyville Community Hospital in recent weeks to establish the needs of a new hospital and to fully identify the costs of making such a move. "They are getting drawings developed," Hudgins said.

The builder will be Robins Morton, Inc. also of Nashville, Tenn.

The hospital will be built on a 30-acre tract near the intersection of White Walnut Road and Rt. 154.

"We are hoping for a start date of March

2010 and we hope to have the final cost projections by March 2009. The board has authorized me to forward a letter of intent to the Illinois healthcare facilities board. We hope to submit our application for the certificate of need by May 2009," he said.

Hudgins added his office is trying to access a federal Housing and Urban Development program called HUD 242. The program would serve as co-sponsor of the hospital for borrowing purposes. It serves to guarantee payment of the bonds and, according to Hudgins, should make investors more comfortable and result in a lower interest rate.

He adds that the economy may work in the hospital's favor. Materials and equipment are cheaper and many capital construction bids are starting to come in under estimates.

He said all of these things "should help us in the marketplace."

The Pinckneyville Community Hospital board announces a contract with a new family practice physician. Dr. Salva Bilal, finishing a residency at Creighton in Omaha, will sign on with the hospital August 1.

NEW ISSUES

- 1.. Local Hospital Issues. According to the State of Illinois Inter-fund Borrowing Act there will be funding from the federal government's recently approved Hospital Assessment Plan which makes \$900 million of matching money available. To qualify for this money, hospital providers must pay a tax, and funds collected from the tax is ultimately cycled back to hospitals. According to Harvey Davis, Franklin Hospital CEO, "the hospital has received some very much needed cash that will give us some breathing room until things get straightened out in Springfield and Washington":

Estimates for financial benefits for area hospitals are as follows:

- a. Union Hospital in Anna - \$1.8 million;
- b. Franklin Hospital in Benton - \$450,000;
- c. Ferrell Hospital in Eldorado - \$750,000;
- d. Harrisburg Medical Center - \$560,000;
- e. Herrin Hospital - \$840,000;
- f. Heartland Regional Medical Center in Marion - \$2.8 million
- g. Massac Memorial Hospital in Metropolis - \$670,000.

Heartland Regional Medical Center is the only new hospital since the 1960's which was constructed by an out-of state corporation which now received \$2,800,000 and Herrin Hospital which received \$840,000. Herrin Hospital is in the second phase of an expensive modernization project. Franklin Hospital, Heartland Regional Medical Center and Herrin Hospital are located near a busy Interstate highway about ten to fifteen minutes driving time from each other which creates financial difficulties in a recession economy as they are providing health care services to the same constituency.

2. City of DuQuoin. The city had budgeted a twelve percent health care increase (12%) for their employees, but it was reported that the increase turned out to be an actual increase of eighteen percent (18%) or an increase of over \$125,000 in a city of 5,000 people. It is highly likely that this in part reflected higher hospital costs due to Marshall Browning hospital's modernization program.
3. State of Illinois. The Treasurer of Illinois reported that there was a \$8 billion dollar budget deficit.
4. Medicare and Medicaid Although the government has spent \$1.3 billion dollars defining which treatments get the best outcomes for the least money, another study shows that both the physicians and their patients are very resistant to changing their treatments and habits which is bad news for the planners. Health care costs, if left unchecked, will rise astronomically and leave us non-competitive with other nations of the world.
5. President Obama has proposed cuts in the Medicare and the Medicaid expenditure in his new budget. These cuts will be opposed vehemently by AARP, the Drug industry, insurance companies, physician's societies and other groups with vested interests in this growing group of patients. The likely outcome is little or no growth in this year's budget, after a protracted struggle due to his current popularity. This would have an adverse affect on hospital construction projects.

The Obama Approach

SITTING IN AN ARMCHAIR IN HIS ENORMOUS Eisenhower Building office overlooking the West Wing, Orszag unspools the argument he has made for years, first as a scholar at the Brookings Institution and then as head of the Congressional Budget Office. No long-term budget plan can get around the massive surge in costs that comes with rising medical-care prices and the aging of the baby boomers. "If health-care costs grow at the same rate over the next four decades as they did over the past four decades, you're up to 20% of gross domestic product by 2050," he claims. Translation: left unchecked, the government won't have money to spend on anything but health care.

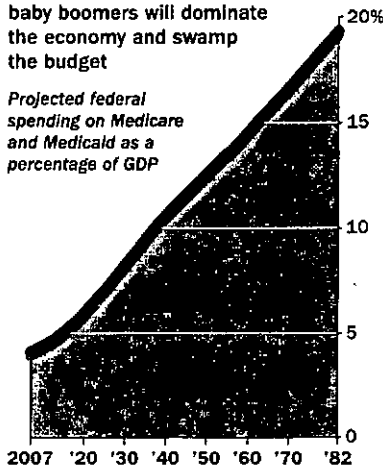
Characteristically, the Propeller-Heads think they can tackle this problem in part through better data processing. First, a massive investment in health-information technology will track how America's health-care dollars are being spent. Next, a \$1.1 billion government study, funded as part of the stimulus package, will take that information and figure out which treatments get the best outcomes for the least money. Which makes more sense for a clavicle fracture: a simple sling and waiting six weeks or surgical repair with a stainless-steel plate? The final step could be to create a federal health-care board that would shape Medicare- and Medicaid-reimbursement plans based on those studies.

Administration officials suggest that some savings would come from controlling drug costs and changing reimbursement procedures. One proposal would have Medicare Advantage providers compete for government contracts for the first time, a move projected to save \$130 billion over 10 years. Another would be to stop paying for individual procedures and instead pay one lump sum for an entire treatment. Savings would not ap-

Soaring Costs

Left unchecked, the rising cost of medical care for aging baby boomers will dominate the economy and swamp the budget

Projected federal spending on Medicare and Medicaid as a percentage of GDP



Source: Congressional Budget Office

On Feb. 23, Obama will convene a fiscal-responsibility summit to talk about entitlement reform. He'll follow that the next night with his first address to a joint session of Congress, which his speechwriters are already building around the themes of health care and energy. Then Orszag will roll out the President's budget, and the fight will begin in earnest.

From his hard-edged Inaugural vow that "our time of standing pat, of protecting narrow interests and putting off unpleasant decisions—that time has surely passed," to his frequent promise of smarter government, Obama has reflected a national consensus that the old way of doing business is bankrupt. To have any chance of getting a stimulus bill that he could sign quickly, Obama had to let congressional Democrats take the lead. The result, he said, was not perfect, but "my bottom line is not how pretty the process was," he argued to columnists on Air Force One on Feb. 13. "My bottom line was 'Am I getting help to people who need it?'"

But this will be his budget, and the need to make hard choices starts with him. Will he actually identify popular programs he's willing to cut, or will he antagonize his party's patrons—such as drugmakers or trial lawyers—in the pursuit of real savings? Already party moderates worry that congressional liberals will reinsert programs Obama targets. Whatever he proposes, says Virginia Representative Jim Moran, "there is a fear that Congress could pork it back up again." If Obama pushes back, he has a chance to show that he really means change—even if some traditional supporters don't believe in it. —WITH REPORTING BY JAY NEWTON-SMALL/WASHINGTON AND MICHAEL SCHERER/WITH OBAMA

Perry Unemployment No. 2 in State

Local Unemployment Rate Climbs to 10.7 Percent During December

BY LEO EISENHAEUER
DU QUOIN EVENING CALL

DU QUOIN

Unemployment grows across the country as the economy struggles to stabilize, and Illinois is no stranger to it -- especially Perry County.

In the Chicago-Naperville-Joliet area unemployment rose from 4.9% in December 2007 to 7% in December 2008. This wasn't the greatest percentage in job loss in the state but had the greatest net loss of jobs with 57,500.

The Rockford area was hit hardest in terms of percentages, jumping from 7.1% in December 2007 to 12.5% in December 2008, the highest unemployment percentage growth in the state.

The runner up with 10.7% is Perry County. December 2007 Perry County was calculated to have an unemployment of 9.1%, the highest in the state.

Compared to the previous year, unemployment in 2008 persisted at greater levels as

firms in most industry sectors reduced payrolls.

Substantial layoffs were reported in manufacturing and professional-business services. Employment losses occurred in leisure-hospitality, financial activities and information. Job reductions in transportation and wholesale trade also contributed to the higher jobless rates. Stable retail trade employment levels occurred in 2008, but businesses did not hire many additional workers during the last quarter of the year. Employment advances were reported in education-health services.

At the end of 2008, expected seasonal layoffs in construction and leisure-hospitality sectors added to the number of jobless. Payroll losses were also reported in manufacturing and at temporary employment service firms. Moderate payroll gains were reported in health care services.

One can only ask what is being done to reverse the trend.

Pinckneyville seeks a business to fill the

TUMS building and get it running again but is also temporarily cutting city payroll to be able to pay bills. The county as a whole is even keeping a careful watch on its budgets.

Everyone is seeking to be more conservative, which means less jobs as businesses cut back. Starting businesses are few as banks are less willing to hand out loans.

Every sector of Perry County's economy is waiting for word on a national stimulus package that might jump start our economy.

All of the area communities are making lists of projects that might improve infrastructure and create new job.

The solution, despite the efforts of all our strong local communities, lies on the national level.



Handwritten scribbles and numbers, possibly "2009".

Franklin Hospital to receive funding

BY ADAM TESTA
THE SOUTHERN

SPRINGFIELD — A bill approved by the Illinois Senate earlier this week will provide funding to several rural hospitals in Southern Illinois.

The Interfund Borrowing Act will help hospitals across the state qualify for funding from the federal government's recently approved Hospital Assessment Plan, according to a news release from state Sen. Gary Forby.

The federal plan makes \$900 million of matching money available. To qualify for this money, hospital providers must pay a tax, and funds collected from the tax is

ultimately cycled back to hospitals.

Among the beneficiaries of the money will be Franklin Hospital in Benton, which Forby said "is in such dire straits that the administration was afraid they'd have to close" in the release.

Hervey Davis, the hospital's CEO, said the facility has been facing budget issues lately but closure has never been a consideration or worry. The money from this bill, along with other efforts by Forby, will help the hospital, he said.

"He's gotten us some very much needed cash that will give us some breathing room until things

get straightened out in Springfield and Washington,"

Estimates for financial benefits to other area hospitals include:

- Union Hospital in Anna, \$1.8 million
- Franklin Hospital in Benton, \$450,000
- Ferrell Hospital in Eldorado, \$750,000
- Harrisburg Medical Center, \$560,000
- Herrin Hospital, \$840,000
- Heartland Regional Medical Center in Marion, \$2.8 million
- Massac Memorial Hospital in Metropolis, \$670,000.

adam.testa@thesouthern.com
618-351-5031

4-11-06

VNA-TIP Hospice Purchases Luke Memorial Hospice And Home Health Care From PCH

Pinckneyville, Ill.

Friday will be a big day for Home Health and Luke Memorial Hospice, which were purchased from Pinckneyville Community Hospital by VNA-TIP Hospice. VNA-TIP will occupy the building on the north side of the square that formerly housed the hospital's business office. The business office is moving into the basement of the Family Medical Center. The sale and move will be completed on April 14.

After several months of negotiation, VNA-TIP will pay \$100,000 for the Home Health and Hospice departments. They have agreed to keep the name Luke Memorial Hospice and to retain the staff, as well as maintain a local base of operations.

The new location on the square may be a bit small and a different local location is a possibility in the future.

Hospital Administrator Tom Hudgins said that funds raised on behalf of Luke Memorial Hospice to support those in need of hospice services will continue to be available for that purpose. VNA-TIP will be able to access those funds on behalf of clients in need.

PCH continues to try to divest itself of departments that steadily lose money. The Hospital's Board of Directors heard Monday that the certificate of need to close the Skilled Care Unit is complete. A hearing before the Illinois Health Facilities Planning Board is scheduled for May 20 in Chicago.

If the certificate of need is ap-

proved, the target date for closing Skilled Care will be July 25. That allows PCH to give 60 days notice to the families of patients.

"We will help families identify another place and work with them on the transfer," said Hudgins.

The certificate of need for a new hospital is currently on track to be filed in July, with a possible hearing date in December.

The architects will be in Pinckneyville this week and again on April 21 and 22 for the second and third meetings to plan the schematics for the proposed new hospital. Hudgins said he expects the schematics to be complete when the architects return at the end of the month.

The hospital completed the sale of land for the proposed new facility on April 4. PCH paid \$10,000 per acre for a little over 33 acres just east of town off White Walnut Road.

As soon as the weather permits, surveyors will complete the topographical survey of the land so that the architects may determine exactly where the new building should sit on the site.

In other business, the board:
*approved the 2009 budget.
The new fiscal year begins on May 1. With the changes in Home Health, Hospice and Skilled Care, a surplus is projected for the upcoming fiscal year. Operating revenue of \$20,325,065 and operating expenses of \$20,008,822 are projected. The budget date had a

target closing date of September for the Skilled Care Unit. Closing earlier should have a positive impact on the bottom line for next year. PCH has had an operating loss of \$1,439,528 and a net loss of \$918,885 for the first 10 months of fiscal year 2008.

*approved the refinancing of the 1995 general obligation bonds to lower the interest rate by 2.7 percent. Griffin, Kubik, Stephens and Thompson, the firm selected to help PCH with the bond issues for a new hospital, handled the re-financing. The lower interest rate will save tax payers approximately \$7,100 per year over the next eight years. The hospital's tax levy for bonds should decrease by one or one-and-a-half cents per \$100 of EAV.

Mayor Holder Outlines Grim Financial Future For The City

Pinckneyville, Ill.

Mayor Joe Holder told the council and audience that the city loses well over \$1 million each year. The cash reserves, which have covered the shortfall in the past are gone. He predicted that the city would have adequate operating capital through December.

There is approximately \$346,823 in unrestricted funds left for this fiscal year. November 1 will mark the first half of this fiscal year.

"We all know what we have to do," said Holder. He added that each department will have to do whatever is necessary to balance their budgets.

For example, the city levied \$12,265 for the City Park last year, but spent \$141,094. The police department levy was \$15,450, but expenditures were \$533,419. Likewise, the street department received \$15,956 through the levy and \$80,000 through motor fuel tax funds, but spent \$343,745. The Fire Department spent \$135,372 and received only \$15,459 through the levy.

Holder stressed that the current council did not create the budget problems. The budget was set before they took office.

One of the main problems is that rev-

enue is lagging behind last year and the previous year. Sales tax revenue is down about 20 percent this year. Medical expenses are up roughly 15 percent for the year so far.

Treasurer Rick Reese said that the city has received about 60 percent of the real estate tax revenue for this year. The city also receives income tax revenue from the state and less than \$4,000 in rental fees.

He pointed out Pinckneyville receives \$340,000 each year in sales tax revenue. Du Quoin and Sparta bring in that amount of more per month.

Holder also said that the city has had several people retire, but has not seen the savings yet because vacations and sick time are being paid now.

In other business, the council: •agreed to pay up to \$5,000 to have brush cleared from city property west of town. Mayor Holder said that a potential business has requested that the brush be cleared so they may view the land in order to create a business proposal. Holder said he could not disclose the name or nature of the business, but did say that the business would not compete with any business currently operating in the city. The land to be cleared was the

site for the proposed shopping center, which which fell through. TIF funds will be used for the brush-clearing project.

•adopted an animal control ordinance which outlaws keeping wild or domesticated animals and/or fowl in the city limits except dogs, cats, small caged birds and aquatic or amphibious animals.

Youth involved in 4-H and other animal projects may get permission from the city to maintain their animals and fowl, as well as livestock or horse farm operations and animals in fenced pastures that existed prior to the adoption of the new ordinance. The ordinance prohibits cruelty to animals, animals that disturb the peace and animals that are a nuisance. All animals are to be kept under restraint, either by leash or by being kept in an enclosure or under the control of a responsible person. The fine for animals running at large has increased to \$20 for the first offense, \$30 for the second offense within a 12-month period and \$50 for the third and all subsequent impoundments of the same animal within a 12-month period.

•agreed to apply for a grant from the U.S. Department of Justice for a new police car and in-car camera. The grant is 75/25. The city's share would be \$7,000.

City braces for more lean times

Natural gas prices expected to rise

By KATHY KOPSHYVER
democrat@hcis.net

City Treasurer Rick Reese said Pinckneyville is currently in the black. If the city repays a \$150,000 tax anticipation warrant that would leave them with \$325,000 in the bank, which is about \$85,000 ahead of where they were last year.

However, the news that the tax cycle may be delayed by three or four months has given the council pause.

If they repay the tax anticipation warrant and do not receive any real estate tax revenue until December or January, they aren't sure that they would have enough to purchase natural gas this winter.

Gas rates have risen and there is no budget surplus to tide the city over until utility bills are paid. "There are skinny times ahead," said Mayor Joe Holder.

Reese also mentioned there are bond payments of \$84,000 and \$189,000 due in October and December, respectively.

He has set aside \$65,000 per month this fiscal year for bond payments. The city has also received

grant funds for sewer inspection and a \$40,000 grant for swimming pool improvements.

Despite the financial uncertainty, the council did not refuse to supply \$22,000 in matching funds for several grants to build a new T-hangar at the Pinckneyville-Du Quoin Airport. The City of Du Quoin would also supply \$22,000.

Robert Haines made the request on behalf of the Pinckneyville-Du Quoin Airport Board of Directors. He was told a decision would not be reached until the city had more information about when the monies would be needed and in what increments.

Haines said the total cost of the project is \$907,000. The bulk of the funding is federal. However, an IDOT grant for \$100,000 would be used to resurface the parking lot.

State funds would not be used as matching funds for the federal grant because the state cannot legally engage in commerce. In order to receive the grant, the cities must agree to the project before the end of 2008.

The T-Hangar could be expected to provide \$8,000 per year in income to the airport, provided it maintains 80 percent occupancy.

The airport currently receives

See COUNCIL, Page A3

Report: Poverty a threat to region

BY BECKY MALKOVICH
THE SOUTHERN

Eight of 22 Illinois counties named to a poverty warning list are in Southern Illinois, according to a report issued today by Heartland Alliance's Mid-America Institute on Poverty, while eight other area counties made the report's poverty watch list.

The 2008 Report on Illinois Poverty is the result of a comprehensive evaluation of poverty indicators and shows that statewide, the number

of citizens living in poverty grew by 19 percent in the past five years and now totals more than 1.53 million Illinoisans.

The report also showed an increase in poverty in 74 of the state's 102 counties.

Area counties making the poverty warning list include Alexander, Franklin, Gallatin, Jefferson, Perry, Randolph, Saline and Union.

Of the 44 counties on the poverty watch list, eight are in Southern Illinois: Hamilton, Hardin, Johnson, Massac, Pope, Pulaski, Washington and Williamson.

Of the counties in the southernmost region of the state, only Jackson County managed to avoid an appearance on either list.

The lists were compiled from an analysis of four factors reflecting a county's susceptibility to pronounced poverty: High school graduation

SEE **POVERTY** / PAGE 3A

DETAILS

- The number of Illinois properties in foreclosure nearly doubled from 2005 to 2007.
 - Illinois ranks last among all states for school breakfast participation.
 - Medical-related bankruptcies jumped 2,200 percent from the early 1980s to the early 2000s.
 - 1.5 million people in Illinois, including 543,000 children, are considered poor.
- SOURCE: 2008 Report on Illinois Poverty

POVERTY: Threatens most counties in region

FROM PAGE 1

rates, unemployment rates, teen birth rates and poverty rates.

Key indicators for the counties on the poverty warning list signaled poverty trends "that are the most alarming in the state," while the Illinois counties on the watch list have poverty indicators that "need to be monitored closely," a press release from the Heartland Alliance said.

Declining incomes and skyrocketing costs play a role in the state's poverty, the release said.

Illinoisans have less purchasing power to pay for their needs after average weekly wages fell in seven of 11 job sectors from 2001 to 2007, the report said, while during the same time period the cost of gasoline went up by 92.7 percent; energy by 60 percent and medical care by 31.2 percent.

Many of the state's citizens are also caught in a debt/asset trap, the report said, with 15.4 percent of Illinois households

having a zero or negative net worth, or owing more in debt than they own in assets.

The state's regressive tax system, when both state and local taxes are taken into account, leaves the state's poorest families with an effective tax rate nearly triple the share assessed on the top 1 percent of households, the report said.

Also contributing to poverty in the state, the report said, is a failure to connect supports such as Temporary Assistance for Needy Families to those who need them.

Increasing the TANF cash assistance grant by 15 percent is one recommendation offered in the report to help alleviate poverty. Increasing the Illinois Earned Income Tax Credit, currently one of the lowest in the nation, could also help with the problem.

Also, because of the proliferation of payday lenders in the state — one payday lending license for every 160 poor families — the report recommends improving the Payday Loan Reform Act to

"strengthen provisions that protect Illinois families from abusive predatory lending practices that can lead them down the path to financial ruin."

The report also recommends the establishment of a Commission on the Elimination of Poverty in Illinois. The commission would be charged with coming up with a plan to cut the number of people living in poverty in half by 2015.

The report was presented to state legislators at the eighth annual briefing of the Illinois Poverty Summit, a bipartisan group that analyzes poverty trends in Illinois. The report, which includes individual county poverty indicators, can be found at www.heartlandalliance.org.

bedkymalk@gmail.com / 927-5633

12/5/2009

Pinckneyville's Christmas Wish

Town Hopes to Find Tenant for Empty 'TUMS', Now Costing It \$380,000 a Year

BY JOHN H. CROESSMAN
MANAGING EDITOR

PINCKNEYVILLE

The City of Pinckneyville has a short Christmas list--find a viable tenant for the Technicolor Universal Media Services (TUMS) complex east of the city.

Getting that done would make for a Happy New Year for us all us.

As it stands now, the City of Pinckneyville has the dubious distinction of being saddled with a \$226,428.84 tax bill on the property.

And, as the first of two installment deadlines came to pass on December 12th, the first of those two installments had not been made.

The city inherited the tax bill when it agreed to accept the building to satisfy con-

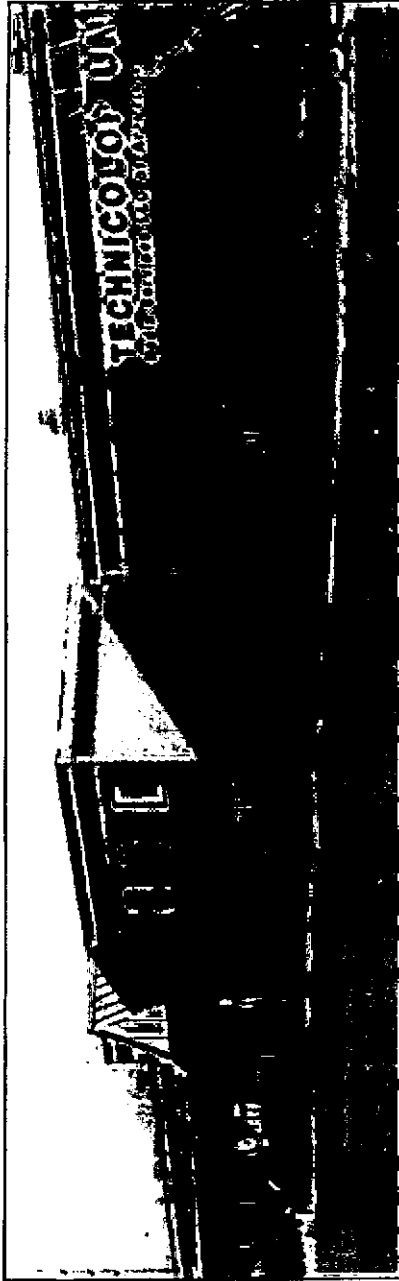
tractual agreements with the California-based DVD and CD replicator.

All thought the City of Pinckneyville could turn the magnificent manufacturing center in the first year after its announced closure in January of 2008. That hasn't happened, although there is dialogue with at least two interested groups of investors.

In fact, the building was shown again less than 10 days ago.

But, as curiosity seekers come and go--impressed by the beautiful training auditorium, offices, and cavernous warehousing square footage--the tab keeps climbing.

The \$226,428.84 tax bill alone is enough to cause most municipal ships to list. But, on top of that, Pinckneyville is paying \$945 a week



JOHN H. CROESSMAN/FILE PHOTO

The Technicolor Universal Media building east of Pinckneyville.

(\$3,780 a month) for security in the building, another \$1,700 a month to insure the building and upwards of \$100,000 a year to keep the building at a less-than-toasty 55 degrees during the winter months. The reason for that is because much of the building has drop ceilings and to keep the fire protection system above those ceilings from freezing, you have to keep the temperature at least 55 degrees in the offices.

The electric costs to keep the security system armed and enough lights on for security personnel to walk around wasn't immediately known. So, between the tax bill, the \$45,360 for security, the \$20,000 for insurance and the \$100,000 for heat, realizing the town's Christmas wish becomes very important.

But, the City of Pinckneyville isn't alone. The still-beautiful and huge Consolidation Coal Co. central shop--owned by a Missouri investor who had hoped to use it for aerospace training--sits empty with a \$9,000 tax bill hanging over its head.

The Bridal Originals factory building on Rt. 51 south of Du Quoin sits empty. The list carries over into an array of smaller properties that were all part of Perry County's industrial past.

So, this leads up to the most sincerest of wishes that something will change as new administrations take hold and America changes to a mindset that the only real reason for a recession is the talked-about belief there is or will be one.

Courage will be the cure for our nation's Medicare ills

BY MIKE LEAVITT
MCCLEATCHY-TRIBUNE NEWS

Medicare has done a great deal of good since its enactment 43 years ago this week. It currently provides health care for 44 million seniors. But bipartisan action is needed if we are to keep our commitment to seniors without breaking the bank or the financial backs of American workers.

For the second year in a row, Medicare spending has triggered a statutory alarm requiring Congress to act to keep the program solvent. Yet some members of Congress still refuse to face the facts about the trouble we are facing.

Three things are combining to create a "perfect storm" of financial liability headed right for our children and grandchildren: rising health-care costs per beneficiary, many more beneficiaries, and fewer workers per beneficiary.

In 1970, the average cost per Medicare beneficiary was under \$2,000 in today's dollars. Now it's

over \$10,000. Meanwhile, the number of Medicare beneficiaries has doubled. Put these two things together, and you can see why the overall cost of Medicare has risen from about \$40 billion in 1970 to \$467 billion today. That's more than a tenfold increase — after accounting for inflation.

Medicare costs have risen even faster than overall health-care costs — much faster, in fact. From 1970 to today, overall health-care costs have doubled as a percentage of the gross domestic product, while Medicare costs have quadrupled as a percentage of GDP.

The problem only gets worse in the future, as baby boomers retire. The household healthcare spending will nearly double in the next 20 years from 23 percent of total compensation to 41 percent. In the same 20 years, Medicare's share of federal spending will also nearly double, from 13 percent to more than 23 percent. In just the next 10 years, we will be spending more each year on Medicare than we now spend on

national defense.

Now comes the final component of the storm — fewer workers to pay for each beneficiary. In 1970, there were more than four workers for each Medicare beneficiary. Now there are slightly under four. In 20 years, there will be just two and a half.

So what can we do? First, we must replace volume of care with value of care as Medicare's best rewarding virtue. That means rewarding physicians for providing high-quality care. Instead of just paying them for more and more care. Right now, the system actually rewards low-quality care, since low-quality care often results in a need for more care.

Second, we need to make Medicare Parts A and B operate more like the Medicare Part D prescription drug benefit. Part D uses competition, quality and cost transparency, and consumer choice to keep costs almost 40 percent below original estimates for the benefit. We need to adopt similar competition-based reforms for the rest of Medicare.

Third, every generation needs to do its share. My 30-year-old son and his wife are struggling to buy a home and raise a family, but he's also paying taxes to subsidize my parents' Medicare coverage, who incidentally make substantially more money than he does. On the other hand, my parents have done their time and paid into the system, and they have a reasonable expectation that the government is morally obligated to fulfill.

Both generations could make good arguments on their own behalf. The problem is, both would be right. But what's not right is to push these difficulties off onto future generations by failing to resolve the problem. Doing nothing now will only limit the options available in the future, making the problem harder and harder to solve.

In February, the president sent Congress legislation that addresses a few of Medicare's ills, but Congress ignored the proposal and just last week voted to ignore the very law that requires it to address Medicare

solvency. This can't go on. In fiscal 2019 — just 10 years from now — the Medicare Hospital Insurance Trust Fund will become insolvent, and there is no backup plan in the law to ensure that hospitals continue to be paid when the fund is depleted. If Congress does not act soon, its only choices later will be to raise taxes, cut benefits and slash payments to providers.

Every generation of Americans has overcome challenges to secure our nation's role as the world's economic leader. The challenge for today's generation is to find a way to keep our promises to seniors without overburdening the young. Meeting that challenge will require change, and change will require courage.

In a global market, there are three ways to approach change. You can fight it and fail; you can accept it and survive; or you can lead it and prosper. We are the United States of America; let us lead.

MIKE LEAVITT is secretary of the Department of Health and Human Services.

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 22 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Attention....
Dale Galassie
ACTING CHAIR

Dear VOTING AND NON_VOTING MEMBERS

I, SHIRLEY WELSCHE, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Shirley Welsch

3-19-2010

Date



Shirley Welsch
407 S Walnut St
Pinckneyville, IL 62274

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

Attention....
Dale Galassie
ACTING CHAIR

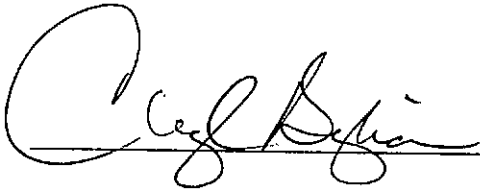
RECEIVED

MAR 22 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear VOTING AND NON_VOTING MEMBERS

I, CHERYL BIGHAM, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.



3-18-10

Date

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 22 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Attention....
Dale Galassie
ACTING CHAIR

Dear VOTING AND NON_VOTING MEMBERS

I, JUDY A. OPP, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Judy A. Opp

3-17-10

Date

 **Samuel & Judy Opp**
107 W Kaskaskia St.
Pinckneyville, IL 62274

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 22 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Attention....
Dale Galassie
ACTING CHAIR

Dear VOTING AND NON_VOTING MEMBERS

I, SAMUEL V. OPP, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Samuel V. Opp

3-17-10

Date

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

Attention....
Dale Galassie
ACTING CHAIR

RECEIVED

MAR 22 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear VOTING AND NON_VOTING MEMBERS

I, George Gifford, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

George Gifford

3-22-2010

Date

George Gifford
4603 Zenith Rd
Pinckneyville, Ill 62274

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 22 2010

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Attention....
Dale Galassie
ACTING CHAIR

Dear VOTING AND NON_VOTING MEMBERS

I, Dehlila Gifford, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Dehlila Gifford

March 17-2010
Date

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 23 2010

Attention....
Dale Galassie
ACTING CHAIR

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear VOTING AND NON_VOTING MEMBERS

I, LOW D. DAVIS, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Low D. Davis

3-17-10

Date

Low Davis
411 S. Walnut
Pinckneyville, Ill.
62274

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 23 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Attention....
Dale Galassie
ACTING CHAIR

Dear VOTING AND NON_VOTING MEMBERS

I, Shlonda A. Davis, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Shlonda A. Davis

3-19-10

Date

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 23 2010

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Attention....
Dale Galassie
ACTING CHAIR

Dear VOTING AND NON_VOTING MEMBERS

I, Alberta McCollum, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Alberta McCollum

3-19-10

Date

Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 23 2010

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Attention....
Dale Galassie
ACTING CHAIR

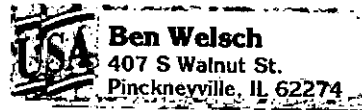
Dear VOTING AND NON_VOTING MEMBERS

I, Sylvester B. Welsch, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Sylvester B. Welsch

3-21-10

Date



Illinois Health Facilities and Services Board
525 West Jefferson Street-2nd Floor
Springfield, IL. 62761

RECEIVED

MAR 24 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Attention....
Dale Galassie
ACTING CHAIR

Dear VOTING AND NON_VOTING MEMBERS

I, ALDA FRED, am NOT in favor of building a new replacement hospital for the Pinckneyville Community Hospital located in Pinckneyville, IL. Project # 09-068. A New Replacement Hospital is not needed and thus a new one CANNOT bring in enough revenue to re-pay a 40 Million dollar loan. Please DENY the Certificate of need on project # 09-068.

Alda Fred

3/22/10

Date

501 Coffman Street
Pinckneyville, Illinois 62274-1509
April 1, 2010

Mr. Dale Galassie, Acting Chairman
Dr. James J. Burden, Member
Mr. John Hayes, Member
Ms Courtney R. Avery, Member
Mr. David Penn, Member
Mr. Justice Alan Greimanm Member
Mr. Mike Constantino, Supervisor, Project Review Section
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62762

RECEIVED

MAR 29 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear Chairman, Member and Supervisor:

PROJECT: 09-068
Pinckneyville Community Hospital

I sent the enclosed letter to the Pinckneyville Community Hospital in a final effort to try and persuade the Pinckneyville Community Hospital Board of Directors to abandon their application for a CERTIFICATE OF NEED to construct a \$46,,624,405 hospital complex and instead to consider renovation of the present facility. I have outlined a suggested PLAN for such a renovation, The reasons why I believe it is it is in the Hospital Districts best interest to renovate the existing facility rather than to build a new hospital complex are as follows:

1. The present hospital which consists of two buildings – one constructed in 1965 and the other constructed in 1976 - is structurally sound and modern. It is favorably comparable to other Critical Access Hospitals and rural District hospitals in Southern Illinois;
2. The 1976 building was approved by the Hospital Facilities Planning Board and meets both hospital and long term nursing home standards;
3. In a recent survey by the Illinois Department of Public Health there was only one recommendation;
4. The hospital is conveniently located near the intersection of two State highways and is easily accessible to the citizens of the Hospital District, the majority of whom live within ten blocks of the hospital; access is important as over 75% of the admissions are patients over the age of sixty-two;
5. In two separate surveys where every family had an opportunity to express their opinion, 91% wanted to modernize the existing, conveniently located facility;
6. There is additional parking available at a cost of \$90,000 which will meet future needs. The hospital discontinued its Skilled Nursing Facility with its 40 residents further reducing need for parking;
7. With the discontinuance of the Skilled Nursing Facility and its beds, the two buildings provide much design flexibility to renovate the facility as is illustrated in my proposed PLAN; or other plans;

8. The monthly payments of \$166,666.67 of which Medicare will pay 53%. will present a hardship in the Fall months when the patient census is historically low. Medicare, as a program, is paying out more than it is taking in, must be revised by Congress.
9. The twenty year \$40 million dollar loan must be included in the patient charge structure resulting in higher charges for services and premiums to patients and to governmental employers. In Perry County health care costs increased from a budgeted \$700,000 to an actual cost of \$1,000,000 necessitating a 13% increase in real estate taxes in one year. The County had to take a tax anticipation loan in the first month of the new fiscal year to meet health care costs.
10. These higher charges and health care premiums will make the hospital less competitive with other Critical Access, District hospitals and non-profit hospitals in surrounding communities. Marshall Browning hospital in neighboring community renovated their facility at a cost of \$10 million; Sparta District Hospital renovated their facility's emergency room at a cost of \$1.5 million while neither St. Josephs in Murphysboro or Washington County Hospital had no renovation programs. All had building programs about the same time;
11. Real estate tax payers in Perry County will see higher county government health care costs; school districts will see higher health care costs as well as city and towns will see higher health care costs for their employees so will area hospitals. Businesses and individuals with health care policies will see higher premiums and health care costs.
12. The use of over \$6 million of hospital funds as a down payment on the loan will result in less interest income and less flexibility to meet contingencies. The recently enacted Health Care Reform will result in an influx of many patients who have relied on emergency room care in the past will now need preventive care. The federal government, at the same time will be trying to control costs because it provided health care to an additional 32 million people. The hospital will be hard pressed to meet these financial constraints.
13. Economic Conditions. The unemployment level in Perry County has grown from 12.2% in 2009 to 14.8% in 2010 which is among the highest in Southern Illinois and among the highest county levels in Illinois. This high level doesn't include the employees who have stopped looking for work due to discouragement, disability, lack of new skills or age.
14. Long term unemployment. In 2002 there were 800 employees working in a Pinckneyville manufacturing plant packaging records, in 2007 the plant closed. In 2009 the plant was sold to a manufacturer who planned to employ 16. There are hopes that the new owner can lease a part of the large, almost new building. Based on the previous experience with the end of coal mining in Perry County when it took thirteen years to reduce unemployment levels to below 10%, it looks like it will take an equally long time before unemployment levels are reduced to below ten percent.
15. Poverty. Perry County and a number of other Southern Illinois counties were listed on the States' annual poverty warning list. This list had a number of measurements including poverty. At the Pinckneyville high school the low-income population increased from 12% five years ago to 28% now. Southern

Illinois wages are 65% of state-wide wages. Parts of Southern Illinois are included in the Mississippi Valley Federal poverty area.

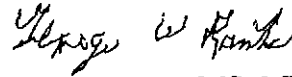
16. School Issues. The Pinckneyville high school was required to correct a number of building problems and their board voted to replace the high school which was built in the 1930s. This will add to the local real estate taxes.
17. The City of Pinckneyville which does not have a Wal-Mart Super store or a new car dealership or even a used car dealership receives only 1/12th of the sales tax that competing neighboring cities of Du Quoin and Sparta receive so it is more dependent on the real estate tax.
18. By-Pass. A by-pass around Pinckneyville is in the advanced planning stages. The full impact of this by-pass is not known, it could hurt a number of businesses such as the grocery stores, the liquor stores, fast food and convenience stores which are located on the present highways which go through the city at the present time.
19. County Government. The county has had a difficult adjustment period since the closure of the coal mining operations. They have to watch their budgets carefully and frequently has to issue tax anticipation warrants.
20. Hospital Issues – Physician Recruitment. For at least ten years, the hospital has almost continually been recruiting replacement physicians. There used to be long term physicians and one surgeon and now there are two long term physicians and one recently employed physician and a surgeon who travels from thirty miles away. Some of the recent recruits are only willing to work from 9 AM to 5 PM with no hospital rounds. This would present many problems in a small, closely knit community where physician-family relationships are close. It also presents possible dissension with present physicians who have to do the hospital rounds and work extra hours.
21. Resignation of Dr. Robert Davidson in 2009. The resignation of Dr. Davidson, a senior physician with twenty years of experience at the Pinckneyville Community hospital has had a serious effect on medical/surgical and swing bed admissions particularly in the years 2008 and 2009. In 2007 there were 657 admissions with Dr. Davidson admitting 242 patients or 36.8% of all patients. In 2008 there were 544 admissions of which he admitted 141 or 36.8%. In 2008 there were 544 admissions of which he admitted 141 or 25.92% or a decrease of 101 medical/surgical patient admissions between the two years. The statistics for Swing Bed admissions were similar to the Medical/Surgical unit. There were 216 admissions in 2007 of which Dr. Davidson admitted 84 or 38.90%, in 2008 there were 147 admissions of which Dr. Davidson admitted 70 or 47.62%. This was a decrease of 69 admissions between the two years. The full impact of his resignation will be felt for many years. He is now admitting his patients to the Washington County hospital in nearby Nashville. The two senior physicians at Pinckneyville Community hospital are seeing his patients who prefer to be admitted to Pinckneyville Community hospital.
22. Recent Physicians. The acceptance of a new physician is a slow process which seems to take about five years. Patients will only go to the new physician if yrtr is no one else available. It is of interest that Dr. Ghani who replaced Dr. Pineda and was employed for two years only admitted one swing bed patient in 2007 out

of 216 admissions for a .04% admission rate; in 2008, she admitted 11 swing bed patients out of 147 for a .0748% admission rate. In the same period of time, at the end of her two year contract, she admitted 40 medical/surgical patients while Dr. Pineda admitted 87 before his resignation in the same period of time. Dr. Ghani's replacement Dr. Bilal isn't admitting many patients. Her office appointment is at the 50% level despite heavy print media promotion by administration. Some days, the two physicians' assistants have no scheduled office appointments despite years of experience.

23. Growth Potential. Based on letters received from almost all the surrounding hospitals, their administrators expect no impact from the construction of a new hospital complex. The only growth the hospital can expect is from attending physicians on the staff of the Pinckneyville Community Hospital.
24. DETAILED INFRASTRUCTURE ANALYSIS. This report by Gresham, Smith and Partners is the basis for the hospital's desire to build a new \$46,624,405 dollar complex. It was prepared in April 1, 2003 or seven years ago and reviews all the systems and building equipment used at that time. NO REPLACEMENT COST ESTIMATES WERE PROVIDED. The following is a description of equipment and systems required if "renovation occurs in the future":
 25. Installation of anti-scald mixing valves if renovation occurs in the future.
 26. Renovation would require the complete replacement of oxygen piping.
 27. Renovation or addition will require the installation of a medical air system complete with alarms to comply with current codes.
 28. Installation of a master oxygen alarm system required by current codes and protection against weather.
 29. Renovation or expansion will require the replacement of the vacuum pumps with new pumps capable of drawing a minimum of 19" vacuum.
 30. The installation of additional outlets and the replacement of the medical gas piping to support the additional outlets will be required with renovation or addition.
 31. Installation of conforming hose connections in the stairs, roof outlets, and be providing 100 PSI at the roof outlet of the facility is renovated. Fire pumps to provide required pressure.
 32. Renovation will require revision of the electrical service to reduce the number of disconnects.
 33. If the hospital is renovated the replacement of the existing electrical services with a larger capacity service should be anticipated.
 34. The present emergency power is adequate for the present configuration, but not capable of serving additional electrical demands.
 35. Renovation of the facility will require the creation of the independent emergency power branches.
 36. Most likely the replacement of the entire emergency power system will be required.
 37. The Nurse Call systems are outdated and will require replacement if the patient care areas are renovated to ensure reliable service.
 38. The installation of a Lightning Protection System is not required by code but is recommended due to the location, height and critical nature of the hospital.

39. CONCLUSION. This report was submitted 11/19/2009 to the Illinois Health Facilities and Services Review Board. There were other suggestions but not required. A Master Plan should be developed, budgeted and prioritized. The hospital decided not to use their depreciation funds for system and equipment replacement, but to accumulate money for a new \$46 million dollar hospital complex.

Sincerely yours,

A handwritten signature in cursive script that reads "George W. Ranta".

George W. Ranta MS MPA

Shotton, John:

501 Coffman Street
Pinckneyville, IL 62274-1509
April 1, 2010

Mr, John Shotton, Chairman
Board of Directors
Pinckneyville Community Hospital
101 North Walnut Street
Pinckneyville, Illinois 62274

Dear t Mr. Shotton:

In the event the Illinois Health Facilities and Services Review Board does not approve the Hospital's Certificate of Need for a new \$46,624,405 hospital complex, I would like to outline an alternative plan which would only require renovation of the existing hospital and not require any new construction. This would allow you to move forward in a cost effective manner.

The PLAN would be centered around the use of the 1976 building which is one of the newest hospital buildings in Southern Illinois and has a strong, reinforced concrete foundation. This building measures approximately 198' x 76' or 15,048 gross square feet. The ground floor was planned to meet the needs of a 55 bed hospital and a 44 bed skilled nursing facility as provided by Medicare regulations. Now that the Skilled Care Nursing Facility no longer exists, there is excess space in the area. The ground floor of the building is now under utilized. The kitchen and cafeteria were designed to provide meals for 99 patients, residents, visitors and staff. whereas now there will only be 25 Critical Access patients, visitors and staff. The same reduction of space needs applies to other areas of the ground floor. Therefore, I propose the following:

Relocate the kitchen and cafeteria to its former location in the 1965 building, namely, where the present laboratory and patient diagnostic room is located in the 1965 building. This location previously provided meals for the 55 bed hospital patients, visitors and employees. It should be sufficient for the 25 bed Critical Access Hospital patients, visitors and staff. A major portion of the space created would be used for diagnostic radiology, nuclear medicine, CAT scan and related services. It would be designed to provide the same number of square feet as in the proposed new hospital complex. The current diagnostic radiology service area would become the Specialty Clinic services area and the Rehab area.

The present Emergency Room in the 1965 building would be relocated to the 1976 building where the Specialty Clinic and Rehab is now located with additional space from the former Skilled Care Dining area and from the current Specialty Clinic procedure room for an admission area serving both the Emergency Room and the Laboratory. It is to have the same square feet as in the proposed new hospital. The emergency room ramp shall be widened to allow easy access. (The alley or former Perry Street has been discontinued.) Patients in the Emergency Room will have immediate access to the elevator which is located near the entrance of the building. They can then be moved to

the Medical/Surgical unit on the first floor when necessary or transported by helicopter if required. A suitable helicopter landing area can be obtained by extending any one of four elevators to the roof as suggested by the State helicopter service.

The laboratory and the patient draw area would be relocated to the 1976 building into the Conference Room/Board Room and the Classroom. The Conference/Board Room currently serves as a waiting room for a few Specialty Clinic patients, Board meetings and some staff meetings. The Classroom has the Practical Nurse program and the CNA Program which usually numbers about 12 to 15 students. Provision was made in the 1976 building for an adjacent elevator. A elevator would be installed which would provide rapid access to the first floor Medical/Surgical Nursing unit by laboratory personnel. The Conference Room/Board Room and the Classroom would be relocated to the second floor of the 1965 building.

The Laundry and Linen Room shall remain at their present location where they formerly provided services to 99 hospital patients and Skilled Care residents.

The Central Service Department shall remain at their present location with additional space from the former Emergency Room if needed.

The Medical/Surgical floor shall be renovated by having mostly private rooms except for the coronary and intensive care rooms. All equipment and system requirements are to be followed.

The Pharmacy can be relocated to the second or third floor of the 1965 building according to space requirements.

Renovation of the administrative and medical records area in the 1965 building shall be as follows: The administrator's office and the accounting department shall be relocated to the second floor and the present space enlarged for the patient insurance offices.

In the medical records department all files of deceased patients are to be removed and placed into storage and active files placed into the room across the corridor and the quality control personnel moved in with medical records personnel.

One day surgery shall be located in the former delivery room. Sleep studies shall be located in this area.

This outlined PLAN would not be costly to implement as in many instances it involves moving furniture, in other instances it involves erecting walls and extending electrical conduits and oxygen and other gas lines. The most expensive items would be a new elevator for the Laboratory Department; the renovation of the Radiology Department - this department would require new electrical connections for X-Ray and CAT equipment as well as lead shielding of the walls; extension of the sprinkler system to the

second and third floor and the purchase of a house with additional land for parking (\$90,000) and grading and paving of the area,

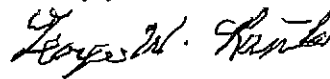
The PLAN should follow all the space plans proposed for the new complex.

I imagine the hospital architect will find fault with my PLAN which does not require any new buildings or structural changes and provides a cost effective renovation to meet 2010 hospital standards

The hospital shall prepare a Master Plan of the Systems and Equipment which requires short-term and long-term replacement especially those that pertain to life/safety and those required by the State of Illinois which are designed to meet restoration standards. A major part of the funding can come from the accumulated equipment and building funded depreciation account.

Some of the work on the work on the project can be done by the maintenance department; the equipment manufacturers representatives; or the contractor.

Sincerely yours,



George W. Ranta MS MPA

Cc: Illinois Health Facilities and
Services Review Board

March 29, 2010

RECEIVED

MAR 29 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

DALE GALASSIE, ACTING CHAIR
IL. Dept. of Public Health
535 West Jefferson St.
Springfield, IL. 62761

Dear Sir and Voting Members;

My name is Shirley Welsch, Pinckneyville, IL. and I am once again sending you my comments on the Certificate of Need for the Pinckneyville Hospital , Project;09-068.

I want to summarize my comments as to why the Hospital District DOES NOT need a New Hospital and an 40 Million Debt or maybe more.

1. Our current hospital is now a 25 Bed critical access Hospital ... the same as the new one will be if built. The current building is in good repair located in downtown, plenty of parking now that the hospital board closed down Skilled Care Unit and dismissed 60 employees. The Medical Clinic and the Southern Illinois Rehabilitating Buildings (owned and operated by Hospital) are in the next block thus providing easy access to patients. The current hospital is accessible from all major highways coming into town.

2. I have a copy of the application for the C.O.N. and the figures and drawing for the new Hospital. Several things are a great concern to me. A. LOCATION... 2 miles from downtown, off Highway 154 East, with turn lane to the left. Each morning & evening.. this highway has... Grade school and High Schools buses plus teachers and students traveling this road. Also many employees and prison guards using the road to the Pinckneyville Prison(3 shifts). Then there is a manufacturing plant employees (3 shifts) going to the area. Plus students going to- from Rend Lake College, Ina, IL. and other local traffic. As you can see.. this is a major highway and will present a huge problem to Senior citizens trying to see their doctors and go to the hospital for test and etc.

3. Another problem.. Is the enormous debt of 40 Million or more. The Hospital recently put in the local newspaper that the Net income for 2009 was \$89,000, plus. How does the Hospital Board members think a new building will generate enough extra money to pay the Principal and interest? WILL OUR NEW HOSPITAL...end up like the Galena Hospital and be for sale after 2 years because of financial trouble? The Hospital CEO said at the public hearing that the Hospital board had already spent over 2 Million on pre-planning and etc. concerning the new Hospital..WHAT A WASTE.

4. A recent published state report shows our county(Perry) unemployment at 14% +. How can we the people handle any more taxes and debt if the new Hospital goes Belly Up after a few years?

page 2

5. I believe that at least 2/3 of the general public and voters in Pinckneyville do not think a new hospital is needed and are shocked that a board of seven people could put the community in a 40 million debt without a vote of the people. The current CEO, Board members and Senior citizens (me included) will not be around to see the 40 Million debt retired in 20 years and this debt and loan should not be left to the younger generation.

6. Last of all I am sure you and the board have many papers to review and decipher in the next week or so. I would ask that you not be mis-lead concerning the STATUS of Financial reports from the Pinckneyville Hospital like the Galena Hospital board was.

I am therefore asking that your board DENY the Certificate of Need for the Pinckneyville New Hospital... Project # 09-068.

Sincerely,



407 S. Walnut
Pinckneyville, IL. 62274

RECEIVED

MAR 29 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

ILLINOIS DEPT. OF PUBLIC HEALTH
Office of Health Systems Development
525 West Jefferson 2nd Floor
Springfield, Illinois, 62761

FAX TRANSMITTAL FORM

TO:

FROM:

Name: George Roate
Company Name: Il. Dept. of Health
Phone Number: (217) 782-3516
Fax Number: (217) 785-4111

Name: Shirley Welsh
Date Sent: 3-29-2010
Time Sent: 3:30 PM
Number of Pages including Cover Page: 3

Message: Hi George;

Would you please forward this letter on to Mr. Galassie.

Thanks,

Shirley Welsh

Constantino:

501 Coffman Street
Pinckneyville, IL 62274
January 31, 2010

Mr. Mike Constantino, Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street (2nd Floor)
Springfield, IL 62761

Dear Supervisor Constantino:

PROJECT; 09-068
Pinckneyville Community Hospital

As a concerned citizen, I have reviewed the voluminous application of the Pinckneyville Community Hospital for a Certificate of Need (CON) to construct a new \$46,624,405 dollar complex two miles east of the City of Pinckneyville. While I do not have the resources to employ consultants, engineers, attorneys and staff, I feel that I can contribute to your review of the project and to the Illinois Health Facilities & Services Review Board's understanding of this major project.

My understanding is that Pinckneyville Community Hospital should have a goal of sixty percent (60%) occupancy standard by 2014. (SECTION VII – CATEGORY OF SERVICE - REVIEW CRITERIA) (Page 134) I feel that goal will be difficult to achieve. The Medical/Surgical admissions from 1999 to 2008 showed little or no growth despite intensive television and print media advertising. This is shown on ATTACHMENT 14, page 129. The severity of the problem is illustrated in the years 2007 and 2008 by the Medical/Surgical admissions by Dr. Robert Davidson, a twenty year senior physician at the hospital. In 2007 there were 657 admissions with Dr. Davidson admitting 242 patients or 36.8% of all patients. In 2008 there were 544 admissions of which he admitted 141 or 25.92% or a decrease of 101 Medical/Surgical. hospital patients. There was a decrease of admissions of 113 between the two years of which Dr. Davidson contributed 101 or almost all. Dr. Davidson resigned from the staff of the hospital in 2009. The full impact of his resignation will be felt for many years. He is now admitting his patients at the Washington County hospital in neighboring Nashville, Illinois. This data is shown on pages 144-164.

The statistics for Swing Beds admissions were similar to the Medical/Surgical unit. There were 216 admissions in 2007 of which Dr. Davidson admitted 84 or 38.89%; in 2008 there were 147 admissions of which Dr. Davidson admitted 70 or 47.62%. This was a decrease of 69 admissions between the two years. .

It is of interest that Dr. Ghani who replaced Dr. Pineda and was employed for two years only admitted one Swing Bed patient in 2007 out of 216 admissions for a .04% admission rate; in 2008, she admitted 11 Swing Bed patients out of 147 for a .0748% admission rate. Her low admission rate illustrates the difficulty for a new physician to establish a reputation among the citizens; they only go to the new doctor if the established physicians are not available. In the same period of time, at the end of her two year contract, she admitted 40 Medical/Surgical patients while Dr. Pineda admitted 87 Medical/Surgical patients before his resignation in the same period of time. Dr. Ghani's replacement, Dr. Salva Bilal, is 'disappointing' to some hospital board members because she isn't admitting many patients. Her office appointments are at the 50% level despite

heavy print media promotion by administration. Some days, the two physicians' assistants have no scheduled appointments despite years of experience.

In reviewing the Medical/Surgical patient days of care from 2001, the following trend is apparent: There were 3428 days for an average of 9.39 patients per day; in 2002 there were 5193 days for an average of 14.25 patients per day; in 2003, there were 4794 patient days for an average of 13.13 patients per day; in 2004, there 4593 patient days for an average of 12.58 patients per day; in 2005 there were 3806 patient days for an average of 10.43 patients per day in 2006 there were 3282 patient days for an average of 8.99 patient days; in 2007 there were 2430 patient days for an average of 6.66 patient days; and finally 2008 with 1775 patient days for an average of 4.86 patients per day

In a review of Medical/Surgical and Swing beds total patient days in comparison to the 60% guide lines or 15 patients, we find the following: In 2001 there were 5601 patient days or an average occupancy of 15.345 or 61.38%, meeting guide lines; in 2002, there were 7640 patient days or an average occupancy of 20.93 patients or 83.72% occupancy rate exceeding the 60% rate; in 2003, there were 7887 patient days or an average of 21.61 or 86.64[^], again meeting the 60% rate; in 2004, there were 7572 patient days or an average of 20.745 patients or a 82.98%; in 2005, there were 6975 patient days or an average occupancy of 19.1096 or a 76.438%, exceeding the 60% rate; in 2006, there were 6173 patient days or an average occupancy of 16.91 patients or a 67.64%; in 2007, we see a drop to below the target 60% level when there were 4884 patient days or an average of 13.38 patients or a 53.52%; in 2008, there was a further decline to 3928 patient days or an average occupancy of 10.76 or a 43.04% below the 60% threshold. .

The downward trend will be very difficult to reverse as it has been going on for a decade. The reason, I believe, in addition to the resignation of Dr. Davidson, is the availability and popularity of the Mason Woods sheltered care facility where the health of senior citizens is closely monitored on a daily basis; the Federal Drug benefit which provides lower cost medications which allows physicians to prescribe costly new medications and the increased awareness of physicians of the costs associated with hospitalization and make them seek alternative solutions. This is not likely to change.

The emergency room visits have remained essentially flat since 1999 despite some patients losing their health insurance.

The last four years has seen a significant increase in laboratory tests which shows increased home care of patients by physicians rather than hospitalization which is reflected in fewer Medical/Surgical admissions in the same period of time.

Surgery – in-patient cases has declined significantly primarily due to the surgeon desiring to retire and cut back his work and the cost of anesthesia coverage by administration with patients being referred to Memorial Hospital of Carbondale. The surgeon has recently retired and coverage for minor surgery is being provided by surgeons at Memorial Hospital of Carbondale.

Out-patient surgery is essentially flat and will remain that way in our small Hospital District.

I continue with the utilization statistics on page 129 for the years 2005 to 2008 for diagnostic exams for Computerized Tomography. We see a drop from 2006 examinations to 1680 examinations or a drop of 322 cases. In 2007, there were 1,948 examinations, in 2008 there were 1680 or a decrease of 268 cases or decrease of 13.75%. Fluoroscopy/Radiography is flat recently but dropped from 6088 in 2005 to 5346 in 2008

or a drop of 742 examinations or a drop of 12.19%. Mammography is flat; MRI is flat; Nuclear Medicine is down 1080 examination to 756 or a decrease of 324 cases, a significant drop. In 2006, there were 1200 medical examinations, in 2008 there were 750 or a decrease of 450 examinations or a decrease of 37.31%. Ultrasound is flat.

My conclusion from this statistical utilization data is that the hospital can expect very difficult financial conditions in the immediate future because of the resignation of Dr. Robert Davidson who is seeing and referring his patients to the Washington County hospital in nearby Nashville, Illinois. It will be difficult to replace him and his admissions and much will depend on the acceptance of his replacement. It could take four or five years before it will reach 2005 levels. The 2008 statistics do not reflect the full impact of his decreased Medical/Surgical and Swing Bed admissions which occurred prior to his resignation in 2009. In addition, the rapid turnover of physicians and the delays in recruiting replacement physicians is harming the patient days of care and admissions which are lower than they have been since at least 2001. There will be financial consequence because of the lower number of tests performed and the need to provide required staffing in the nursing department on a twenty-four hour basis despite a low patient population.

I believe a sincere effort should be made by a neutral intermediary such as a nurse from the VNA/TIP to meet with Dr. Davidson and discuss his reasons for leaving Pinckneyville hospital and seeing his patients in Washington county hospital because his admissions diminished over a period of a number of years and it is time consuming to travel 40 miles per day. He might not return but it would be helpful to find out if there are correctable problems at Pinckneyville Community hospital which could be resolved. His decreased admissions/services occurred at the same time that the hospital board/administration was planning the closure of the Skilled Care unit.

Based on letters received from almost all of the surrounding hospitals, their administrators expect no impact from the construction of a new hospital complex. The only growth the hospital can expect is from attending physicians on the staff of the Pinckneyville Community Hospital. The only population growth that has occurred in the last eighty years has been through annexation. Administration has been told repeatedly by Medical Staff representatives that it is not the lack of physicians in the community, but the lack of patients and this can come only through population growth in our small city with a population of 3,300 residents and 2,200 inmates at the correctional facility which has their own health care system.

Note: The statistics do not show the expected impact of the closure of the Skilled Care Unit which occurred in September 2008. The 40 residents were in very fragile health and required transfers to the hospital; laboratory tests; radiological examinations, surgery, nuclear medicine examinations and other hospital services.

The second part of my response pertains to Permit Application Form, Section II, Criterion 110.130, discontinuance, pages 58 -103.

The DETAILED INFRASTRUCTURE ANALYSIS page 60-70 provides much information about the present facility. The firm Gresham, Smith and Partners is to be commended for their attention to details. .

MECHANICAL

COOLING

HOSPITAL

1. Relocation of the chiller to separate it from the other systems in the powerhouse is anticipated to be required if the facility undergoes major renovation. NO COST ESTIMATES WERE PROVIDED.
2. Relocation of the cooling tower away from the operable windows of the facility. NO COST ESTIMATES WERE PROVIDED.
3. Packaged room cooling units which have exceeded their useful 15 year life. NO COST ESTIMATES WERE PROVIDED. A 3-5 year replacement Master Plan could be developed. NO ANNUAL COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Installation of dedicated heating and cooling units in the basement of the Medical Annex building to eliminate hot and cold spots and to include the five split system residential units tied to the residential furnaces in the Master Plan for future replacement in 7 to 12 years. NO COST ESTIMATES WERE PROVIDED.

SIR FACILITY

1. The building has a five split system residential condensing units tied to the residential furnaces. Estimated life: 5 to 7 years. It should be included in Master Plan for replacement in 5 to 7 years.

HEATING

HOSPITAL

1. 1964 Unit with 70 boiler horsepower, with burner replaced in 1994. To be included in Master Plan for replacement in 3 to 5 years. NO COST ESTIMATES WERE PROVIDED.
2. 1976 Unit with 70 boiler horsepower/. Major replacement or overhaul recommended in two years. NO COST ESTIMATES WERE PROVIDED.
3. 1994 Unit with 30 boiler horsepower. Could provide 15 to 25 years of continued service. To be included in Master Plan.
4. Installation of dual fuel capacity. Recommended. NO COST ESTIMATES WERE PROVIDED.
5. Installation of high and low combustion air intakes as required by current codes. NO COST ESTIMATES WERE PROVIDED.
6. Relocation of elevator machinery and separation of electrical and mechanical equipment as recommended. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Five residential furnaces. Twelve to 15 year life expected.; It is to be included in the Master Plan.

SIR VACILITY

1. Four residential furnaces. Installed in 1994; expected life 18 years with an additional life 8 to 12 years. The furnaces are to be included in Master Plan.

AIR DISTRIBUTION

HOSPITAL

1. The 100% outdoor air unit with preheat coil, cooling coil and final filters. The obsolete unit should be replaced. NO COST ESTIMATES WERE PROVIDED.
2. Installation of high efficiency filtration as required. NO COST ESTIMATES WERE PROVIDED.
3. Replacement of supply ductwork to meet current standards. NO COST ESTIMATES WERE PROVIDED.
4. Relocate outdoor air intakes as required by current codes and the air returns to meet current code; life expectancy 3 to 5 years; and the replacement of the air system to current codes. NO COST ESTIMATES WERE NOT PROVIDED.
- 5.. Original Hospital. Replacement of the fan coil units with the recommended units to meet non-patient needs. NO COST ESTIMATES WERE PROVIDED. .
6. Relocation and replacement of dryer exhausts as required. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Air distribution is provided by residential type furnaces. with a useful life expectancy of 18 years. The equipment should be added to the Master Plan.

**** SIR FACILITY

1. Air distribution is provided by residential type furnaces which were installed in 1994 with a useful life of 18 years. The furnaces should be added to the Master Plan.

PLUMBING/FIRE PROTECTION

WASTE AND VENT

HOSPITAL

1. The waste and vent system in the 1965 hospital should be replaced. NO COST ESTIMATES WERE PROVIDED.
2. The Hg piping system should be replaced in the 1976 building addition. NO COST ESTIMATES WERE PREPARED.

MEDICAL ANNEX BUILDING

1. The PVC piping is in good condition.

SIR FACILITY

1. The piping is at maximum capacity.

DOMESTIC WATER

HOSPITAL

1. There are two separate services, one for the original building and for the newer building and backflow preventers might be required on each service. NO COST ESTIMATES WERE PREPARED.
2. The galvanized piping in the original building will require repair or replacement in the next one to five years. NO COST ESTIMATES WERE PROVIDED.
3. The hospital's domestic hot water system should be upgraded from 120 degrees if remodeling occurs to control water born microbes. NO ESTIMATES WERE PROVIDED.
Installation of anti-scald mixing valves are required if renovation occurs. in the future. NO ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. Installation of a circulating system for temperature maintenance. NO COST ESTIMATES WERE PROVIDED.

SIR FACILITY

1. Installation of a circulating system for temperature maintenance. NO COST ESTIMATES WERE PROVIDED.

MEDICAL GASES

HOSPITAL

- Renovation would require the complete replacement of oxygen piping. NO COST ESTIMATES WERE PROVIDED.
2. Renovation or addition will require the installation of a medical air system complete with alarms to comply with current codes. NO COST ESTIMATES WERE PROVIDED.
 3. Installation of a master oxygen alarm system required by current codes and protection against weather. NO COST ESTIMATES WERE PROVIDED.
 4. Renovation or expansion will require the replacement of the vacuum pumps with new pumps capable of drawing a minimum of 19" vacuum, NO COST ESTIMATES WERE PROVIDED.
 5. The installation of additional outlets and the replacement of the medical gas piping to support the additional outlets will be required with renovation or addition. NO COST ESTIMATES WERE PROVIDED.

FIRE PROTECTION

HOSPITAL

1. Installation of a complete sprinkler system is recommended. NO COST ESTIMATES WERE PROVIDED.
2. Installation of roof outlets for standpipes in 1964 construction with roof outlets; elimination of cabinets. NO COST ESTIMATES WERE PROVIDED.
3. Installation of conforming hose connections in the stairs, roof outlets, and be capable of providing 100 PSI at the roof outlet if the facility is renovated. Fire pumps to provide required pressure. NO COST ESTIMATES WERE PROVIDED.
4. Installation of quick sprinkler heads may be required in the 1976 addition. NO COST ESTIMATES WERE PROVIDED.

SIR FACILITY

1. Renovation may require the installation of a sprinkler system. NO COST ESTIMATES WERE PROVIDED.

ELECTRICAL

NORMAL POWER
HOSPITAL

1. Renovation will require revision of the electrical service to reduce the number of disconnects. NO COST ESTIMATES WERE PROVIDED.
2. If the hospital is renovated the replacement of the existing electrical services with a larger capacity service should be anticipated. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

SIR FACILITY

EMERGENCY POWER
HOSPITAL

1. The present emergency power is adequate for the present configuration, but not capable of serving additional electrical demands. NO COST ESTIMATES WERE PROVIDED.
1. Renovation of the facility will require the creation of the independent emergency power branches. NO COST ESTIMATES WERE PROVIDED. Most likely the replacement of the entire emergency power system will be required. NO COST ESTIMATES WERE PROVIDED.

MEDICAL ANNEX BUILDING

1. The installation of a battery controller and power to open in the event of a utility power outage should be planned. NO COST ESTIMATES WERE PROVIDED.

TELECOMMUNICATIONS
HOSPITAL

1. The replacement of the system should be explored to ensure that continued service can be provided. NO COST ESTIMATES WERE PROVIDED.

NURSE CALL
HOSPITAL

1. The Nurse Call systems are outdated and will require replacement if the patient care areas are renovated to ensure reliable service. NO COST ESTIMATES WERE PROVIDED.

LIGHTNING PROTECTION
HOSPITAL

1. The installation of a Lightning Protection System is not required by code but is recommended due to the location, height and critical nature of the hospital. NO COST ESTIMATES WERE PROVIDED.

.....

COMMENTS ON THE DETAILED INFRASTRUCTURE ANALYSIS BY GEORGE
W. RANTA:

The report was prepared by GRESHAM, SMITH AND PARTNERS, Master Plan Section on April 1, 2003 is ATTACHMENT-9, pages 60-70 Submitted 11/19/2009. THE REPORT IS ALMOST SEVEN YEARS OLD.

This document represents one of the major reasons for the discontinuance of the present facility and the construction of a new \$46,624,405 dollar hospital complex 2 miles east of the City of Pinckneyville. Because of the age of the document it does not reflect its current status. There are many recommendations that replacement or repair take place in a defined period of years, such as, for example 5 to 8 years and there is no supplemental reports provided to show that this occurred. There is no way to know the current status of the buildings. The report should have been updated or a new report prepared before being presented to the Illinois Health Facilities and Services Review Board for its staff evaluation of the systems and equipment discussed. This is not the fault of GRESHAM, SNITH AND PARTNERS as they were probably not asked to provide such information.

I feel that the Pinckneyville Community Hospital Board of Directors needed cost information in order to properly evaluate the alternatives available in such a large project in a small city with a residential population of 3300 and 2200 inmates in a correctional facility with their own health services. An example of such information being provided is the local high school; where their architect provided such information about the different building needs with cost projections so that informed decisions can be made based on cost comparisons. This comparative evaluation was not done at Pinckneyville Community Hospital.

Each of the pieces of equipment and systems required at the present site will also be required at the proposed site, so it should not be difficult to determine systems and equipment costs. Additionally, the life expectancy of the systems and the equipment will be the same. At the present site the equipment replacement requirements of the Medical Annex Building and the SIR Facility are not significant so they can be placed on the Master Plan replacement schedule

There are several examples of cost effective renovations, one of which is Herrin Hospital which had a larger, older hospital requiring renovation. This was done in two steps, one being the emergency services and the second one being the remainder of the hospital. The cost for each was, if memory serves me correctly, \$9 million dollars or a total of \$18 million dollars for renovation, well below \$46,624,405 dollars.

The second major renovation was in Hamilton County, where a District Hospital like ours required renovation in every department at a cost of \$27,000,000.

A twenty year loan of \$40,000,000 requires repayment of \$2 million annually or \$166,666.66 monthly which will cause the hospital to have some of the highest charges in Southern Illinois for health care services.

I have proposed a 30' x 180' three level attached addition south of the existing original building which would meet all current building requirements and would provide fifty to one hundred percent more space to the departments located on the three floors plus the renovation of the emergency room,. The systems and equipment that has been recommended would be utilized.

THE HOSPITAL BOARD CHOSE TO IGNORE THE FOLLOWING
SINCE 2003:

* Rising COSTS from \$21 million dollars, then to \$22 million, then to \$31 million and now to the current construction costs are \$33,697,000 which includes much new equipment, however, for the first time, mention is made of other costs such as architectural costs, financing costs and moving costs bringing the total to \$46,624,405.

*Loss of 800 well paying JOBS since 2002 when the MUMS factory started losing employees and closed in 2007 which will be replaced by 16 employees in 2010.

*Having an UNEMPLOYMENT RATE OF 12.7% one of the highest rates in the State of Illinois.

*Seeing that Perry County's budgeted health care COSTS rose from \$700,000 to actual \$1,000,000.

*Seeing that Perry County had to increase its real estate TAX by 13% largely because of health care cost increases and recently to issue tax anticipation loans and to have a long published list of delinquent taxes.

*Noticing that many Southern Illinois hospitals had to request FUNDS from a relief fund to which hospitals contributed; this included a large Regional hospital located in Marion near two Interstate Highways which required \$1,000,000, the largest amount in Southern Illinois.

*Recognizing that competing area hospitals located in DuQuoin, Sparta, Nashville and Murphysboro were fiscally conservative by LIMITING their EXPENDITURES to renovation projects only such as the expenditure of \$1.5 million at Sparta Community Hospital for the renovation of their emergency room, and to Marshall-Browning in DuQuoin which renovated their emergency room and constructed hospital facilities for a total of \$7.6 million, while the other two hospitals didn't have any renovation projects.

*Was aware that the only REGIONAL HOSPITALS located near two Interstate highways had built or were building new hospital facilities. They were located in Mt. Vernon and Marion.

^They ignored the fact that the critical access hospitals, the District hospitals and the other small hospitals were only RENOVATING their hospitals in Southern Illinois and not building new facilities.

*Recognized the fact that WAGES in Southern Illinois were 65% of the wages in Illinois

*Knew that the RECESSION in Perry County might last as long as thirteen years based on past experience when the coal mines closed due to environmental concerns about the environment.

*Were aware that the MEDICARE program on which they were relying for 50% of their future building funding will be paying out more than it is taking in by 2014 only four years away and it will require major revisions due to cost of the program.

*Knew that the State MEDICAID program was in serious trouble and is in arrears and in heavy debt.

Recognizes the fact that the nation's CREDIT CARD business which financed over 50% of their debt due to health care is being restructured with higher fees and less availability.

*Knows that hospital's bad debts are increasing because of the recession.

*Is aware that nationally hospitals are seriously cutting back on all construction projects; financing purchases and having serious collection problems and closing some hospital facilities.

*Knows that the United States is in a deep recession with continuing job losses which could continue for many years.

*Is aware that a number of small hospitals in Southern Illinois have closed due to the lack of community support and sufficient physicians to serve the patients.

*Knew that the full impact of the closure of the Skilled Care Unit with its 40 residents has not been felt due to lower admissions and less use of laboratory and other services.

*Knew that the full impact of Dr. Davidson's resignation has not been felt in significantly lower admissions and lower use of hospital services.

*Didn't know how many years it would take for Dr. Salva Bilal before her medical practice levels reached 100% from the present 50%.

*Didn't know if the hospital could recruit another physician and how long it would take for the doctor to come and whether he/she would be accepted by the community.

*Didn't know what the community's reaction will be to higher charges and increased taxes to finance the hospital's \$46,624,405 dollar construction program.

*Did not know what Dr. Dr. Robert Davidson's reaction would be to the planned closure of the Skilled Care Unit where he had many patients who were under his care for over a decade. He might have been very upset.

*Didn't know what the reaction of Dr. Davidson would be when all the patients, their families, visitors and Skilled Care staff were sobbing for weeks/

*Didn't know what Dr. Davidson's reaction would be when his second floor patients were quickly moved to third floor when vacancies occurred so that administration could quickly create more "administrative" space so that the 1965 building would appear to be "inefficient" compared to the new design. Dr. Davidson was a caring physician.

ATTACHMENT-12 ALTERNATIVES
12/19/2009

My conclusion is that there were a number of inaccurate statements in this Alternatives Evaluation Matrix.

- 3) Modernize Existing
- 4) Master Plan analysis concluded this was nearly impossible – if possible, access constrained during renovation.
- 5) This was repeatedly contradicted in the Detailed Infrastructure Analysis by GRESHAM, SMITH AND PARTNERS ATTACHMENT-9 REASONS FOR DISCONTINUANCE, PAGES 60 – 70. There are repeated statements throughout the document as to what would be required “if the facility undergoes major renovation”. Nowhere in the document are there statements recommending a new facility.
- 6) Access would not be constrained during renovation. The Emergency Room could be temporarily be relocated to the area used by the Specialty Clinic in the 1976 building with these services temporarily using the former patient rooms on the second floor of the 1965 building. The 1976 building has a sloping rear entrance which is handicap accessible and is near the present ambulance and patient entrance. Use of this entrance would be only a minor inconvenience.
- 7) The second possibility, as I have previously discussed is the construction of a 30’ x 180’ three level addition south of the 1965 original hospital which would meet all hospital codes. This would allow ground floor services to be moved temporarily during renovations to the emergency room and other services.
- 8) The Herrin Hospital, a much older hospital located in a congested area underwent a similar renovation in two stages costing less than one half the cost of the proposed new hospital complex and met all the construction codes.
- 9) The Master Plan conclusion was probably a policy decision by administration and the hospital board.

- 4) Phased On-Site Replacement. Current site is land-locked; adjacent sites are not available...access is constrained today and over time.
- 5) This is not an accurate description of the current and future situation. The previous boards of directors have purchased five homes when they became available to improve parking and one large estate which provided a large parking lot to meet hospital demands. The owner of one large and one small house has discussed its sale for \$100,000; that space together with hospital space in back of it is equal to the space currently occupied by the 1965 hospital. With the closing of the hospital's Skilled Care Unit and its 40 beds and its former 40-50 employees, visitors there is more than sufficient parking spaces available. If the parking area was properly designed more spaces could become available, furthermore, there is a large estate owned by a retired senior hospital physician which might become available plus there is the option of a parking garage for employees. (The available house is now priced at \$90,000.) It must be remembered that the current site has been used for a hospital since 1951 or almost 60 years, and in two large surveys, 90% of the districts families who responded to the survey wanted the present conveniently located hospital to be modernized and remain where it is located. The proposed new location was a decision by a three person committee and approved by the board of directors with no community input. The present site is convenient to senior citizens who represent over 70% of all admissions as well as being major users of laboratory and other out-patient services; they also live within a ten block area of the hospital.
- 6) Quality would suffer if the hospital were relocated to a site two miles from the center of the community.

5) Merger / JV

No local hospital provider is available...Pinckneyville is an essential community provider, the existing hospital provides access. This is an over simplification of reality. There was at least a five year joint discussion with the Marshall Browning and Pinckneyville boards of directors and administration about a possible merger as it was mutually determined that only one 25 bed Critical Access Hospital was needed in a county with a population of 22,000. Site studies were discussed, The talks broke down when the Pinckneyville board insisted on a site located 2 miles from the center of Pinckneyville despite DuQuoin being a more populous city. It must be remembered that a city of 3300 plus 2200 correctional facility inmates with their own health care system is fortunate in having one hospital and not two. The decision by the Pinckneyville board meant continuing higher health care costs for residents of Perry County than would have been possible otherwise. (See letter from William J. Huff, Chief Executive Officer Marshall Browning Hospital regarding duplication on pages 96-97.

Quality: Unknown, there is no local merger / JV partner. Answer not applicable.

6) Replace on New Site

Access improved through adequate parking and single level facility with multiple entrances.

The present, conveniently located facility near the intersection of two state highways is multi-level with three entrances and four exits. There are three elevators with provision for a fourth elevator. In my 22 years as administrator, I never received a complaint about lack of access.

Quality. Quality improves with new facilities and a healing environment embracing privacy and contemporary health care surroundings. This is debatable as some of the best hospitals in the nation have older buildings. Compassionate care with knowledgeable nurses, technicians and physicians are equally important. The Skilled Care residents were in small rooms in the original 1965 building, yet it was consistently rated as the best in the state.

Preferred Alternative: Replacement hospital on new site improves access.

Many of the elderly require laboratory and other tests on a routine basis and it is easy for them to access the present hospital when it is less than ten blocks from their home. The present patient rooms are large with big windows, controllable air and heating units, large television screens and modern beds. Patients have always been pleased with their surroundings.

Quality improves with replacement facilities. This is not provable.

End of page 115.

- 3) Modernizing Existing Continued.
- 4) Financial Benefits/ROI None – Investment in existing plant only repairs: current deficiencies. Response: By following recommendations of the Detailed Infrastructure Analysis prepared by Gresham, Smith and Partners on pages 60-70, the present hospital can provide the same level regarding systems and equipment as the proposed hospital.
- 5) Project Cost. Approximately \$51.0 project cost, assuming a 4-year phased project with a 20% premium over new construction due to complex construction if modernization could be achieved. Response: These estimates are hard to believe as similar sized or larger hospitals have renovated their buildings at a fraction of this cost. They include Marshall Browning hospital which renovated their 1970s hospital at a cost of \$7.6 million and Sparta Community Hospital which renovated their emergency room at a cost of \$1.5 million or Herrin Hospital

which renovated their old, large hospital at a cost of about \$18 million, It was done in two phases.

Phased On-site Replacement Continued

No-On site replacement is not feasible. Response: It is possible but not suggested by building on the land of the owner willing to sell and hospital owned property.

5) Merger / JV Continued. Marshall Browning has completed their renovation and the time has passed to gain the benefits of a merger

6) Replace on New Site

Highest...New facilities provide for contemporary operations and market growth. Response: This might be true in a large city setting where there are no defined borders, but in small cities there is community pride and cohesion and a desire to use their local facilities. Every one of the responding administrators stated that that a new hospital would not have any impact on them.. Additionally, Pinckneyville Community hospital has seen decreased admissions in the last two years despite heavy print and television advertising.

\$46.6 million project cost based on current estimates, Response: This is the third highest cost for a hospital in Southern Illinois in a community with a population of 3300 plus 2200 inmates in a correctional facility. The other two are Regional Hospitals located on or near two Interstate highways.

Preferred Alternative

Financial benefits: Short and long term, highest with replacement facility. Response: The impact of increased health care costs and increased real estate taxes will create a hardship for a city struggling with high unemployment and little likelihood of attracting growth industries for years to come.

Project Cost: Replacement hospital on a new campus is considered the least costly and most effective alternative. Response: If charges are higher than competition this will be an important factor in the coming decades.

ATTACMENT 22 SERVICE RESTRICTIONS EXHIBIT 4

Pages 181-199

This series of letters reflects the community leaders views and those who are members of the Chamber of Commerce, but they do not reflect the views of the typical citizen and former patients or the views of the hospital's Medical staff, Nursing, staff or support staff.. The typical citizen is concerned about the financing of a new \$46.6 million dollar facility and the fear of losing it in a city of 3300 plus a correctional facility with its own health care system. They showed this concern in two separate surveys where each family in the Hospital District was given an opportunity to express their

views. The views of these citizens were not included although they were provided to administration.

The suggestions of the Pinckneyville Ambulance service were a part of the plan which I submitted to the hospital board. This included extending the surgery elevator to the roof of the present building as was recommended by the State; modernizing the present emergency room by enlarging it to allow more patients and provide privacy. This was the course of action that was taken at the Sparta Community hospital when they remodeled their hospital; the same first step also occurred at Marshall Browning Hospital in Du Quoin when they completely remodeled their facility at a cost of \$7.6 million. This did not require a CON – Certificate of Need.

CATEGORY OF SEVICE ATTACHMENT – 24, page 210

Annual Occupancy based on 25 Medical/Surgical Beds:

In the Utilization Year 2006 without Swing Beds it was 31.7%; with Swing Beds it was 67.6%., meeting 60% guide lines.

In the Utilization Year 2007 without Swing Beds it was 26.9% with Swing Beds it was 53.5%, not meeting 60% guide lines.

In the Utilization Year 2008 without Swing Beds it was 23.6%. With Swing Beds it was 43.1% , again not meeting the 60% guide lines.

This illustrates the fact that the prospect of having a new \$46.6 million dollar hospital didn't prevent a decline in utilization.

END OF BOOK #1

In pages 230-302 there were numerous references to ATTACHMENT-9 REASONS FOR DISCONTINUANCE. (Pages 60-70 entitled DETAILED INFRASTRUCTURE ANALYSIS prepared by GERSHAM, SMITH AND PARTNERS, DATED April 1, 2003. I previously stated that this report is almost seven years old without any updates regarding the replacement of any of the systems or equipment determined to have exceeded their expected life span. There are no comparative cost estimates to make an informed decision by the hospital board.. In numerous parts of the report "renovation" is mentioned and nowhere in the report is there a recommendation to build a new facility. The hospital's very experienced maintenance supervisor who has served two hospitals can extend the life of numerous systems and equipment beyond their normal life expectancy, additionally a revised Master Plan can provide for systemic replacement. The hospital can also construct only a new Emergency Room because of the difficult economy like Sparta Community did for a cost of \$1.5 Million and what Marshall Browning hospital in Du Quoin did initially and then later constructed a new addition at a total cost of \$7.6 million rather than spending \$46.6 million as Pinckneyville Community Hospital is proposing in the least populous hospital service area.

The future growth in volume is questionable because of the sharp decrease that occurred in the years 2007 and 2008, when a 20 year senior physician reduced and then resigned from serving his patients in Pinckneyville Community hospital and started to admit and use the services of Washington County hospital in nearby Nashville, Illinois. The impact of his thousands of patients and thier families will not be known for many years.

The newly employed physicians at the rural health clinic require an extended period of time before they gain full acceptance some times as long as five or more years. The present newly employed physician who started her employment in September 2009, Dr. Salva Bilal, who took over the patients of the preceding physician who was under a two year contract. Dr; Bilal, will soon begin a three month pregnancy leave and has only achieved a fifty percent (50%) office appointment level after five months of extended print media advertising. The two physician's assistants, one of whom has been employed for ten years, often have no appointments.

The hospital's long time surgeon has retired and his retirement is not reflected in the statistics. The service is covered by surgeons from Memorial Hospital of Carbondale about 30 miles away. It is not known if patients would prefer to be admitted or seen by physicians and surgeons in Carbondale who would provide the monitoring of their continuing care.

The senior remaining physician has stated that he will retire at the end of his next contract period. This retirement would continue to put the hospital at risk. There would be no native American physicians on the hospital medical staff. .

From this discussion, it can be seen that physician recruitment, retention and acceptance is a lengthy and tedious process and can have major financial consequences or the closing of a small rural hospital as has happened in some Southern Illinois communities. Please review the statistics on page 233 particularly the years 2007 and

2008 and how they relate to a declining use of the hospital and its services while being mindful of Perry County's economy. This concludes my review of pages 230-302

In its lengthy review of ATTACHMENT -75 FINANCIAL as prepared by our hospital, McGladrey & Pullen pages 310-461 has frequently provided cautionary notes regarding Health Care Reform and changing Medicare and other requirements often in a contradictory manner, which can materially affect financial forecasts and finances.

According to ATTACHMENT-62, page 232 PROJECT SERVICES UTILIZATION, EXHIBIT 1 (Bed Projections), Population Estimates show an increase in the 65+ age group of in the population or an increase of 16.09% while the 15-44 group changes only 87 or 0.92%, and the 45-64 group declines by -58 or -0.91%. This means that a dwindling number of the working age population is supporting the 65 age group through increased real estate taxes as many of the elderly have senior citizen benefits provided by State legislation, therefore, the impact of Medicare and governmental changes and regulations will be much greater.

Please refer to page 312, ending paragraph of McGladrey & Pullen, letter which is quoted below:

"Legislation and regulation at all levels of government have affected and may continue to affect the revenue and expenses of the Hospital. Health care reform is a subject great national debate, This debate may lead to a variety of changes giving an affect on the short-term and long-term operations and financial results of health care organizations. The scope of the elements under debate is far-reaching and comprehensive. While the President and congressional leaders are committed to enacting health care reform, this commitment will require a significant amount of consensus. Consequentially, the composition of what will ultimately be enacted is unknown. The financial forecast has been made considering legislation currently in effect. If new legislation related to the Hospital's services is subsequently enacted, this legislation could have a material effect on future operations."

In addition to the cautionary advice from McGladrey & Pullen regarding Health Care Reform and the debate over continuing escalation of costs and their warning that there could be many changes in regulations that could materially affect the hospital's revenue, the Illinois Health Facilities & Services Review Board should consider the following: There are only three primary care physicians on the staff of the Hospital, one of who will be going on a three month maternity leave in March which will leave only two to handle disasters or multiple accident victims which happens in rural communities:

That the recruitment of replacement physicians is a time consuming process often lasting one year;

That the acceptance of a newly recruited physician is a slow process taking six or more months before the appointment level is 50% and even then, as shown by Dr. Ghani who resigned at the end of her two year appointment period, only reached marginal Medical/Surgical and Swing Bed levels;

That the full impact of Dr. Robert Davidson's resignation has not been felt. Dr. Davidson admitted 242 Medical/Surgical patients or 36.8% of all patients; he admitted 216 Swing Bed patients or 38.89%. In 2008, Dr. Davidson admitted 70 or 47.62%. His impact would be the same on other services such as laboratory which has been forced to make major staffing reductions;

0 That there is a strong possibility that the remaining senior physician will retire at the end of his second appointment;

That the continuing growth of the 65+ age group at the rate of 16.03% or 664 patients in Perry County will mean more regulations to reduce national costs. This will probably occur on a bi-partisan basis;

That the current health care costs increases are unsustainable in Perry County, where the budgeted costs increased from \$700,000 to \$1,000,000 actual; this resulted in a 13% increase in the real estate tax.

That this meant a long list of delinquent taxpayers who will be losing their property if taxes are not paid;

That the county had to borrow money in January, at the beginning of their fiscal year, on a tax anticipation warrant. The first installment on taxes isn't due until July;

That governmental employees are the largest employer group so that the tax burden will fall on every governmental unit as well as every employee; the increased charges will fall on every business owner as well as the self employed;

That the unemployment rate in Perry County is 12.7%, one of the highest in the state;

That Perry County, as well as some surrounding counties are listed on the Poverty Warning list;

That wages in Southern Illinois are 65% of State-wide wages;

That Pinckneyville's high school built in 1933 is in the process of being rebuilt through a bond issue which requires repayment;

That Pinckneyville started losing a major industrial plant which employed 800 in 2002, finally closing in 2007 with a replacement manufacturer employing only 16;

That there is a major highway bi-pass in the advanced planning stages whose impact on the commerce in Pinckneyville is unknown;

That the sales tax revenue for Pinckneyville is 1/12 of that which surrounding cities of Sparta and Du Quoin receive because it doesn't have a new car dealership; because it doesn't have a Wal-Mart or a large shopping center;

That the only growth in population in Pinckneyville according to "old-timers" in the last eighty years has been through annexation;

That the Pinckneyville Community Hospitals service area is the smallest of any of the surrounding hospitals;

That despite heavy media advertising it has not had any affect on Medical/Surgical admissions; Swing Bed Admission; physician recruitment; specialty services;

That competing hospitals do not expect any impact by the construction of a new facility'

That there will be monthly payments on the 40 million dollar loan of \$166,666.67 of which Medicare will reimburse 53% if everything goes as planned; this will be passed on to the consumers of health care services.

I believe there are other options which will serve the needs of the Hospital District during these difficult recession times which I will describe below:

Relocate the Emergency Room to the space now occupied By the Specialty clinics and heart monitoring and patient rehabilitation/ This location will provide convenient temporary access through a ramp with a short distance from the existing emergency room

entrance; it has waiting rooms to meet with family members and to gather information; construction can begin immediately as it does not require a Certificate of Need; The Specialty clinics and other services can be relocated to the second floor of the 1965 building where there are now recently relocated administrative offices. Once this renovation has occurred, the emergency room can be returned to its former location.

The building of a new emergency room was the first priority of both Sparta Hospital and Marshall Browning Hospital which was accomplished by an expenditure of \$1.5 million dollars each.

The next priority could be, for example, minor renovations to the 1976 building such as converting many of the semi-private rooms to private rooms to ensure privacy, installing a two-way nurses call system and other suggested up-grades. This type of renovation was accomplished by the maintenance staff at Memorial Hospital of Carbondale, a larger Regional Hospital; it also included the reinforcement of interior walls;

The next phase would be a two level 30' x 180' matching brick addition to the South of the 1965 building which would be self contained during construction and would meet all codes. This addition would provide 50% to 100% more space to a number of departments and services so that they will meet recommendations.

Other priorities: Extending the surgical elevator to the roof of the 1965 building as recommended by the State; replacing iron pipes; installing recommended sprinklers and oxygen systems;

The maintenance supervisor shall review the system improvements required by State agencies and have these be included in the construction contract. He shall prepare a multi-year replacement plan for other less urgent systems and equipment replacement; replacement of systems and equipment was neglected by current administrations/boards of directors and prior administrations/boards of directors for a number of years;

Based on construction renovations in Southern Illinois, these costs should be reasonable. For example, Herrin Hospital, located in a much larger community with a compact residential and business area completed their renovation in two stages with each stage costing \$9 million or a total of \$18 million. Marshall Browning completed their 1970s renovation and new construction project at a cost of \$7.6 million.

The only new construction of a hospital in Southern Illinois was in Marion and the current building in Mt. Vernon where both facilities are located near the intersection of two Interstate Highways. Both hospitals are large Regional Hospital serving growing populations. The Marion facility is experiencing financial problems requiring funding of \$1 million dollars from a mutual aid fund.

Rural small hospitals in Southern Illinois have always made conservative renovation decisions as seen in the numerous projects.

The auditor has stated in his review of the hospital's projections that no provision was made for possible legislative changes which reflect on health care. Health care represents 1/6 of the nations economy and the only sector that is growing. With Medicare and Medicaid in a fragile condition it is unrealistic not to expect major changes. Already there have been proposals for a bi-partisan commission to come up with a plan; it received 53 votes. With a growth of the baby-boomers, costs will have to rise, additionally, the health care outcome compare unfavorably with almost all major foreign countries;

The hospital is currently experiencing financial stress, being unable to further reduce employment level according to discussion at board meetings and having to look at other sources for further reductions. This search will be limited as big ticket items such as heat, light and power are required; medical supplies are necessary, etc. Major staffing reductions have been made in laboratory staffing as well as in other areas. All of this is happening BEFORE construction begins with all its delays and changes.

In conclusion, I believe as do the vast majority of the ordinary citizens believe, that the present, conveniently located hospital meets the medical needs of the community at an affordable cost. We are a small city of 3300 with 2200 correctional facility employees with their own health system and are fortunate to have a hospital.

We would like to suggest that Illinois Health Facilities & Services Review Board deny a Certificate of Need (CON) for the Pinckneyville Community Hospital to build a \$46,624,405 hospital complex and seek a lower cost solution such as the renovation of the existing facility.

Respectfully yours,

George W. Ranta, MS MPA

Note: One or two million would go a long way in purchasing replacement building systems and equipment. GR

Galassie:

501 Coffman Street
Pinckneyville, IL 62274-1509
April 1, 2010

Mr. Dale Galassie, Acting Chairman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62751

Dear Acting Chairman Galassie:

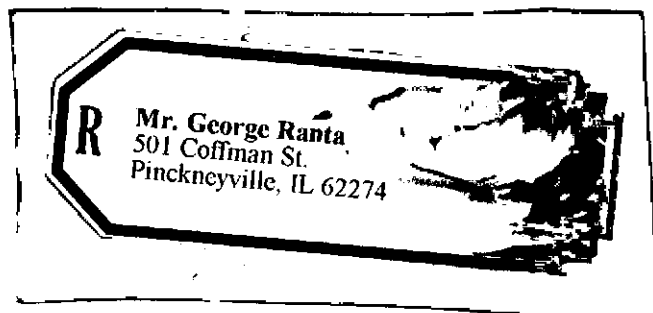
PROJECT: 09-068
Pinckneyville Community Hospital

I am submitting a copy of my response to the application for a Certificate of Need by Pinckneyville Community Hospital to build a new hospital complex at a cost of \$46,624,405 which I sent to Mr. Mike Constantino, Supervisor, Project Review Section on January 31, 2010. I feel that it will provide more details about my reasoning.

I continue to believe that there is a much lower cost alternative, namely, the renovation of the existing, structurally sound, conveniently located hospital. I believe that the building systems and equipment which are obsolete or outdated can be replaced as necessary by contractors, hospital maintenance personnel, and manufacturer's technicians at a reasonable cost. I believe that my latest proposal which does not require any new major new building construction, but rather the relocation of the different services utilizing the ground floor of the 1976 building more effectively will meet the needs of the hospital district for many decades in a cost effective manner and save tens of millions of dollars.

Sincerely yours,

George W. Ranta, MS MPA



MAR 31 2010

March 30, 2010
To Whom It May Concern:

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

HFPB Project Number 09-068

I am writing to express my strong opposition to building a new hospital in Pinckneyville, IL. I feel that it is not in the best interest of the residents of our community for several reasons.

According to your website, the Health Facilities Planning Act "promotes the development of a comprehensive health care delivery system that assures the availability of quality facilities, related services, and equipment to the public, while simultaneously addressing the issues of community need, accessibility and financing." I do not feel that the local hospital board has justified that a new hospital is financially and economically feasible. The hospital board of directors says that the debt the hospital would incur to build would be retired from revenue created by the use of the new facility. How do they think that the new facility would generate more revenue? The board is not adding any new services, such as obstetrics or a skilled care unit. I feel that a facility is only as good as the staff that it employs. You can build the biggest, most up-to-date facility with the most technologically advanced equipment and still not be able to provide quality healthcare because of the low caliber doctors, nurses, and staff that it employs. The current chief of staff physician at the hospital provides some of the poorest care that I've seen, and he has been employed there for some 30 years.


For example, I moved back to my hometown in 2001 after graduating from the University of Illinois and have not utilized the hospital or doctors since I was 18 (I am now 37). Every decent doctor that I would have even considered seeing has left within just a few years of arriving in Pinckneyville. My husband and I, along with our two children, have found better health care at Sparta Community Hospital, which is one of 3 hospitals within 20 miles of Pinckneyville. If I have a choice between high quality health care or health care in my hometown, I choose QUALITY. If you look at the employment record of the doctors that have signed an employment contract at the hospital in the last 15 years, you will see that none of them have stayed for more than a few years. I just don't feel that building a new hospital is going to attract enough new patients to provide the needed revenue to retire \$46,000,000 of debt.

The (several) studies that have been conducted have shown that "the current facility is outdated and would cost more to rehabilitate than to build a new one." Maybe the hospital board should consider scaling back the services it offers. Maybe this would enable them to continue using the current facility. The current hospital census is only 7 patients per day. I don't feel that this number necessitates a brand new \$46,000,000 hospital. In comparison, the patient census per day is 9.7 at Marshall Browning Hospital in DuQuoin, IL (only 20 miles from Pinckneyville). The Marshall Browning Hospital is not asking for a new hospital, nor do they need one.

The hospital board's plan for financing is another issue. They have applied for the HUD 242 plan, which offers very attractive financing rates. They are also eligible for Build America funds, meaning they could receive a direct federal subsidy payment from the treasury department, which is funded by American tax dollars. Do you, as taxpayers, want to see your tax dollars funding a hospital with a patient census of 7 per day? I feel that there are other projects that would benefit more people. This would be a huge waste of taxpayer money!

Please consider all these factors cautiously when deciding whether to issue a certificate of need for Pinckneyville Community Hospital. Thank you!

Sincerely,


Jennifer Robb

[Click here and type address]

facsimile transmittal

To: Health Facilities Planning Board **Fax:** 1-217-785-4111

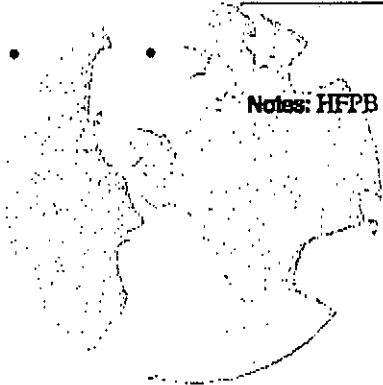
From: Jennifer Robb **Date:** 3/31/2010

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Notes: HFPB Project Number 09-068



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