

# McDermott Will & Emery

Boston Brussels Chicago Düsseldorf Frankfurt Houston London Los Angeles Miami  
Milan Munich New York Orange County Paris Rome Seoul Silicon Valley Washington, D.C.  
Strategic alliance with MWE China Law Offices (Shanghai)

Steven H. Hoefft, P.C.  
Attorney at Law  
shoefft@mwe.com  
+1 312 984 7737

September 3, 2013

**VIA FEDERAL EXPRESS**

Kathy J. Olson, Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

Re: Centegra Hospital – Huntley (Project # 10-090)

Dear Chair and Board Members:

Once again, the Illinois Health Facilities and Services Review Board (“Board”) has before it Centegra’s application to build a large hospital in Huntley, Illinois. The Board first denied the application, and then approved it despite the adverse impact the new Huntley hospital will have on neighboring hospitals.

Centegra’s application makes several critical assumptions about projected bed need and population in Planning Area A-10. Centegra assumed that Planning Area A-10 would need 104 more Medical-Surgical/Pediatric beds by mid-2018 and 27 more Obstetric beds by 2015. (Centegra Application Attachment 12, p.5, R. 105) Rather than rely on real population figures, Centegra assumed that the population in Area A-10 by 2015 would be 377,310. Centegra leveraged those assumptions to justify its quest for a new hospital and to minimize the effect the new hospital would have on neighboring hospitals.

Those key assumptions are wrong. The Department of Health and the Board just released the 2013 Inventory of Health Care Facilities and Services and Needs Determinations (“Inventory”), confirming that Centegra’s assumptions are wrong. (Exhibit A) The 2015 population in Area A-10 is projected to be 309,310, not the 377,310 projection relied upon by Centegra. (Inventory p. A-20) As a result, the projected bed need for Area A-10 falls far short of the bed need Centegra used to justify its application. Contrary to Centegra’s application, if the hospital in Huntley were built, it would result in an *excess* of 40 Medical-Surgical/Pediatric beds and an *excess* of 12 Obstetric beds in Planning Area A-10 by 2015. (Inventory pp. A-20 and B-15)

The adverse impact of Centegra’s erroneous assumptions on health care in Northern Illinois would be stark. Centegra claimed in its application that the population growth in Area A-10 would replace patients existing hospitals would lose to the new Huntley hospital. (See December 19, 2010 Market Assessment and Impact Study of Centegra Hospital – Huntley, Submitted by

**RECEIVED**

**SEP 04 2013**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

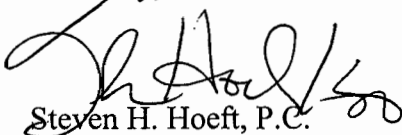
Centegra, pp. 2-7) The Inventory makes clear that growth will not occur to the levels erroneously projected by Centegra. As a result, if the new hospital in Huntley were built, it would create an excess of beds in Area A-10 (in violation of the Board's review criteria) and drain patients away from existing providers.

When Centegra's application was previously before the Board, objectors challenged Centegra's assumptions about population growth and bed need. (See May 24, 2011 Market Assessment and Impact Study, Submitted by Sherman Hospital, St. Alexius Medical Center, and Advocate Good Shepherd Hospital, pp. 10-12) Those challenges have been substantiated by the Board's Inventory.

The Board has changed its mind about Centegra's application before, and it must do so again. Centegra's application is based on projections about population growth and bed need that have been demonstrated to be false. The bed levels Centegra wants to add to Area A-10 are simply not needed in the quantities sought by Centegra. The patients who will abandon existing hospitals for the new Huntley hospital will not be adequately replaced by new arrivals to the area, because those people are not coming in the levels incorrectly projected by Centegra.

The fact is that Centegra's application is based on a population projection which overstates the expected population growth by more than 20 %. 1 out of 5 of the people whom Centegra predicted would move to Area A-10, and who Centegra argued would make up for the loss of patients existing hospitals would suffer, are not moving into Area A-10. The Board should not approve a new hospital which would create such a significant excess bed capacity.

Sincerely,



Steven H. Hoeft, P.C.

cc: Daniel Lawler, Aaron Shepley, Barnes & Thornburg  
Michael Martin, Dunn, Martin, Miller & Heathcock, Ltd.  
Diane Moshman, Illinois Attorney General Office  
Joe Ourth, Hal Morris, Elizabeth Thompson, Arnstein & Lehr



**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

8/14/2013

**INVENTORY OF HEALTH CARE  
FACILITIES AND SERVICES  
AND NEED DETERMINATIONS  
2013**

**HOSPITAL SERVICES**

**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

8/14/2013

**INVENTORY OF HOSPITAL SERVICES  
TABLE OF CONTENTS**

	<b>PLANNING AREAS MAPS FOR MEDICAL-SURGICAL/PEDIATRIC, OBSTETRICS/GYNECOLOGY AND INTENSIVE CARE CATEGORIES OF SERVICE</b>	<b>1 - 40</b>
<b>Section A.</b>	<b>MEDICAL-SURGICAL/PEDIATRICS</b>	<b>A - 1 - A - 51</b>
<b>Section B.</b>	<b>OBSTETRICS/GYNECOLOGY</b>	<b>B - 1 - B - 45</b>
<b>Section C.</b>	<b>INTENSIVE CARE</b>	<b>C - 1 - C - 45</b>
<b>Section D.</b>	<b>COMPREHENSIVE PHYSICAL REHABILITATION</b>	<b>D - 1 - D - 9</b>
<b>Section E.</b>	<b>ACUTE MENTAL ILLNESS</b>	<b>E - 1 - E - 13</b>
<b>Section F.</b>	<b>NEONATAL INTENSIVE CARE</b>	<b>F - 1 - F - 5</b>
<b>Section G.</b>	<b>LONG-TERM ACUTE CARE</b>	<b>G - 1 - G - 6</b>
<b>Section H.</b>	<b>OPEN HEART SURGERY</b>	<b>H - 1 - H - 7</b>
<b>Section I.</b>	<b>CARDIAC CATHETERIZATION</b>	<b>I - 1 - I - 9</b>
<b>Section J.</b>	<b>SELECTED ORGAN TRANSPLANTATION</b>	<b>J - 1 - J - 3</b>
<b>Section K.</b>	<b>KIDNEY TRANSPLANTATION</b>	<b>K - 1 - K - 3</b>

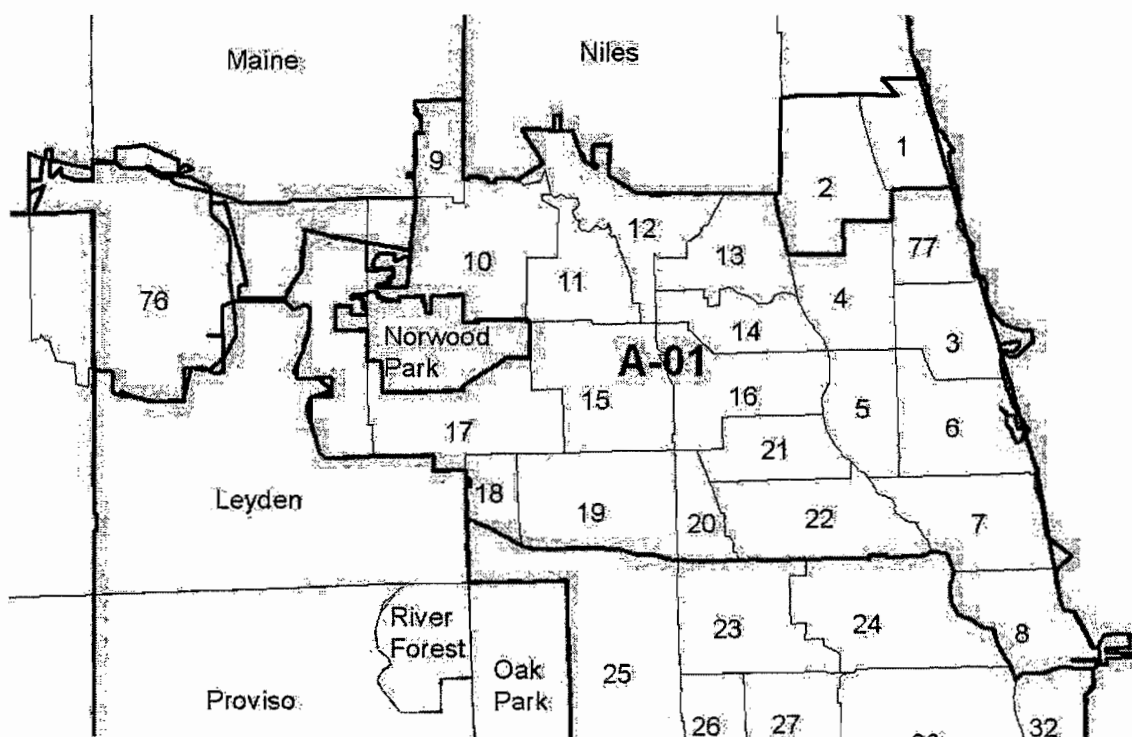
**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 1  
8/14/2013

40 planning areas have been designated by the Health Facilities and Services Review Board for the Medical-Surgical and Pediatric, Obstetric and Intensive Care categories of service. Detailed descriptions and maps of each of these planning areas are presented below:

- 1) **Region A** (comprised of Health Service Areas 6, 7, 8 and 9)
  - A) **Planning Area A-1:** City of Chicago Community Areas of Uptown (3), Lincoln Square (4), North Center (5), Lakeview (6), Lincoln Park (7), Near North Side (8), Edison Park (9), Norwood Park (10), Jefferson Park (11), Forest Glen (12), North Park (13), Albany Park (14), Portage Park (15), Irving Park (16), Dunning (17), Montclare (18), Belmont Cragin (19), Hermosa (20), Avondale (21), Logan Square (22), O'Hare (76) and Edgewater (77).

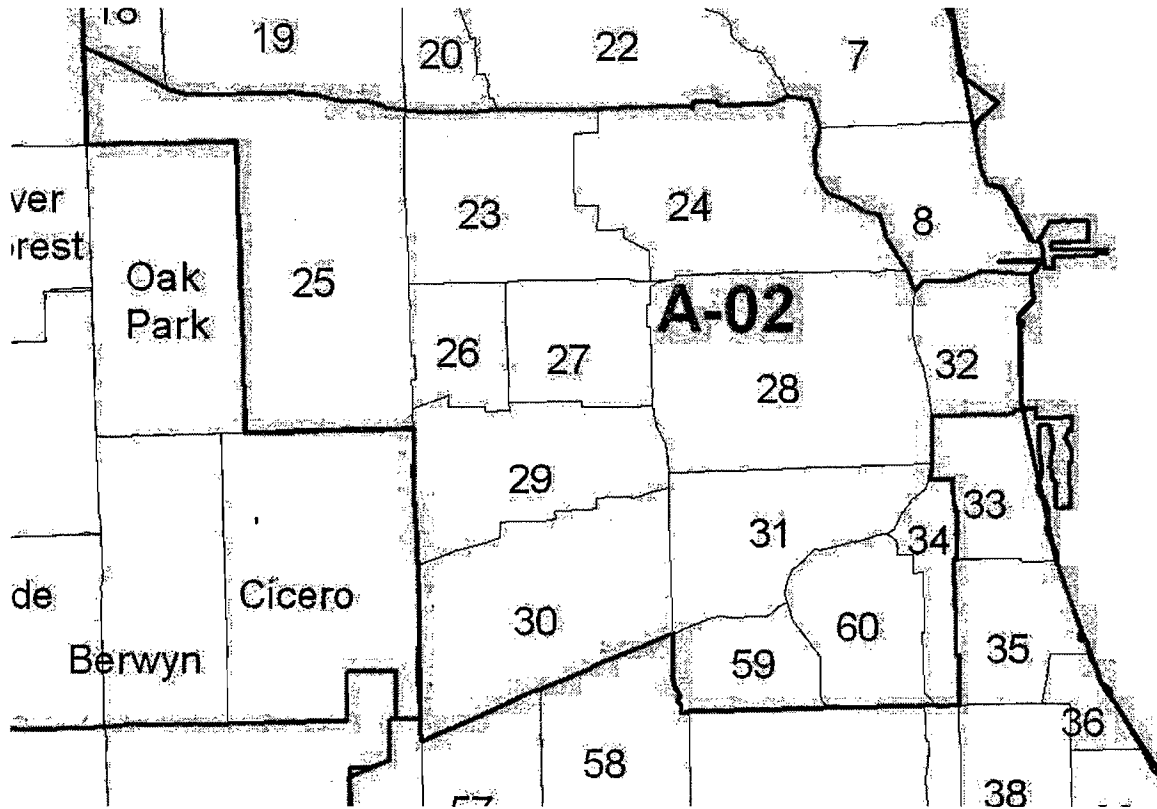


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

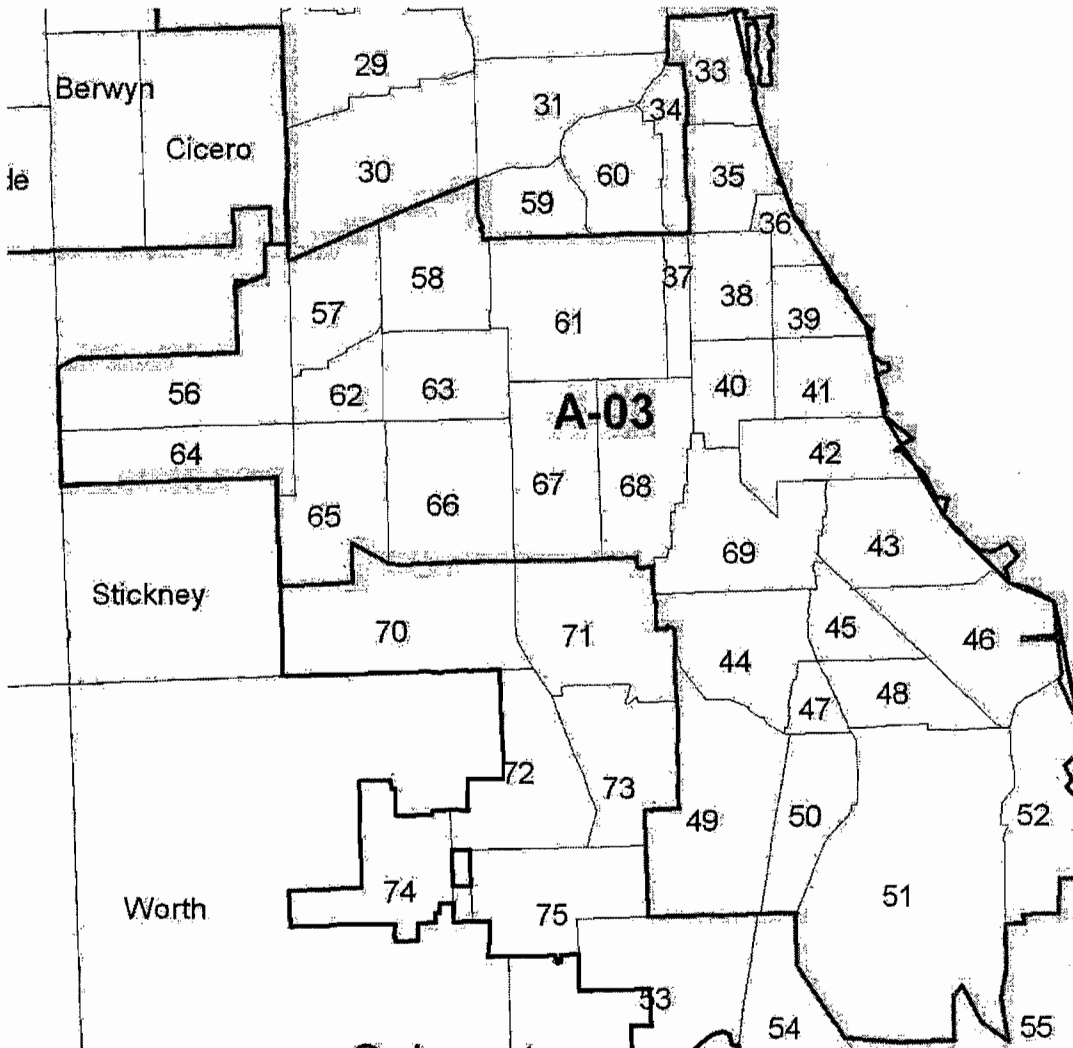
Page 2  
8/14/2013

- B) **Planning Area A-2:** City of Chicago Community Areas of Humboldt Park (23), West Town (24), Austin (25), West Garfield Park (26), East Garfield Park (27), Near West Side (28), North Lawndale (29), South Lawndale (30), Lower West Side (31), Loop (32), Armour Square (34), McKinley Park (59) and Bridgeport (60).



Inventory of Health Care Facilities and Services  
and Need Determinations

- C) **Planning Area A-3:** City of Chicago Community Areas of Near South Side (33), Douglas (35), Oakland (36), Fuller Park (37), Grand Boulevard (38), Kenwood (39), Washington Park (40), Hyde Park (41), Woodlawn (42), South Shore (43), Chatham (44), Avalon Park (45), South Chicago (46), Burnside (47), Calumet Heights (48), Roseland (49), Pullman (50), South Deering (51), East Side (52), Garfield Ridge (56), Archer Heights (57), Brighton Park (58), New City (61), West Elsdon (62), Gage Park (63), Clearing (64), West Lawn (65), Chicago Lawn (66), West Englewood (67), Englewood (68), and Greater Grand Crossing (69).



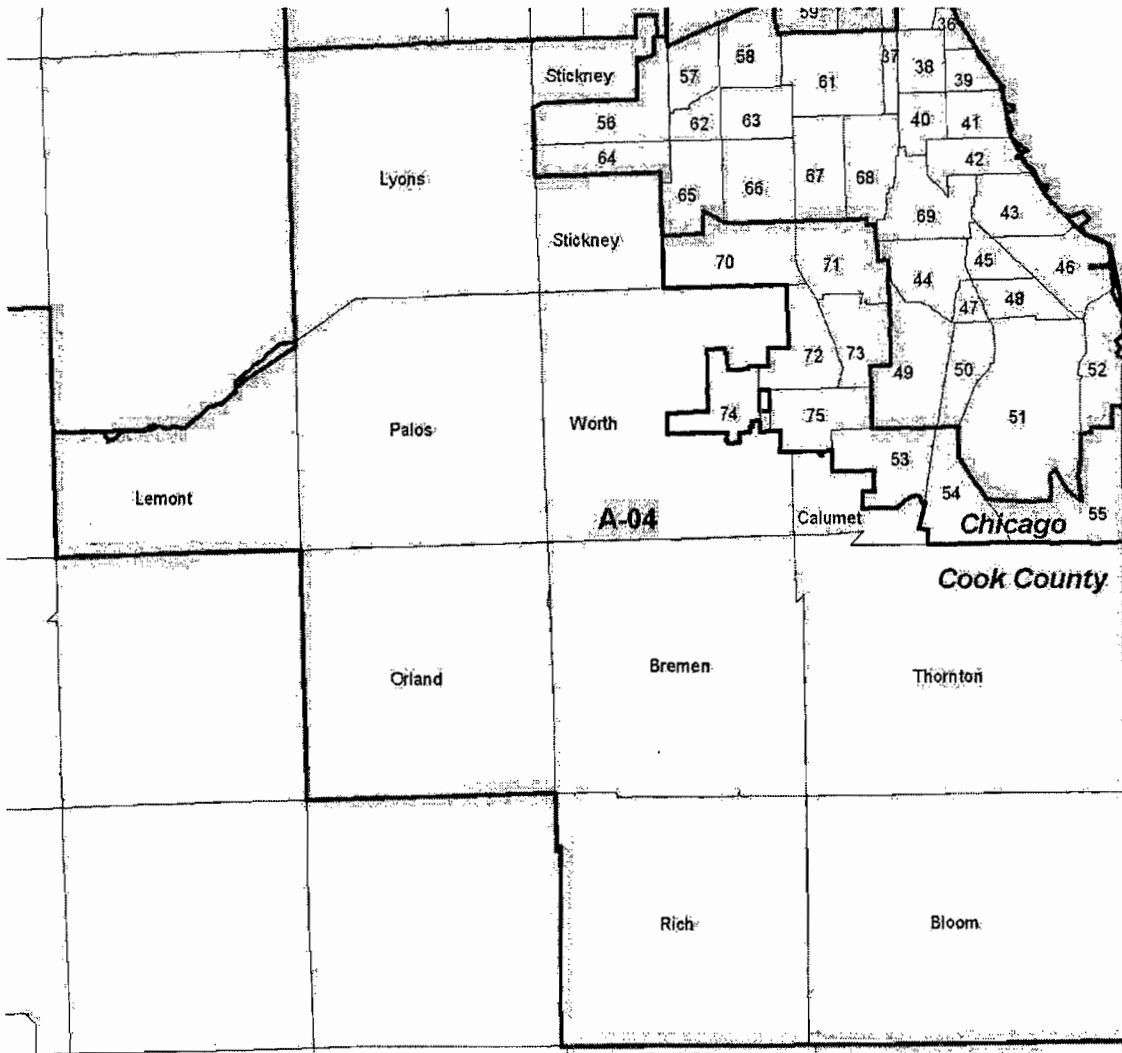


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 4  
8/14/2013

- D) **Planning Area A-4:** City of Chicago Community Areas of West Pullman (53), Riverdale (54), Hegewisch (55), Ashburn (70), Auburn Gresham (71), Beverly (72), Washington Heights (73), Mount Greenwood (74), and Morgan Park (75); Cook County Townships of Lemont, Stickney, Worth, Lyons, Palos, Calumet, Thornton, Bremen, Orland, Rich and Bloom.

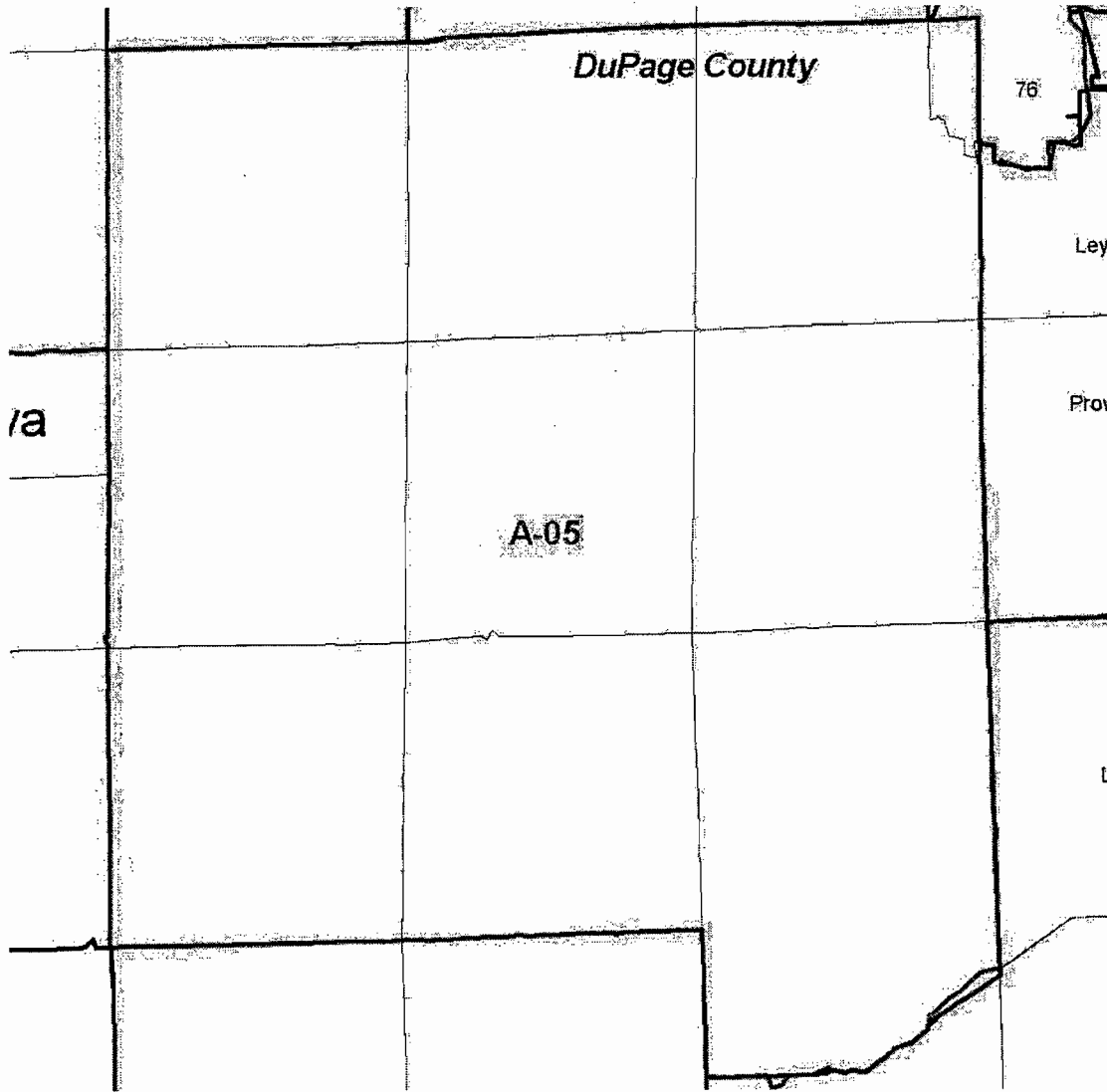


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 5  
8/14/2013

E) Planning Area A-5: DuPage County.

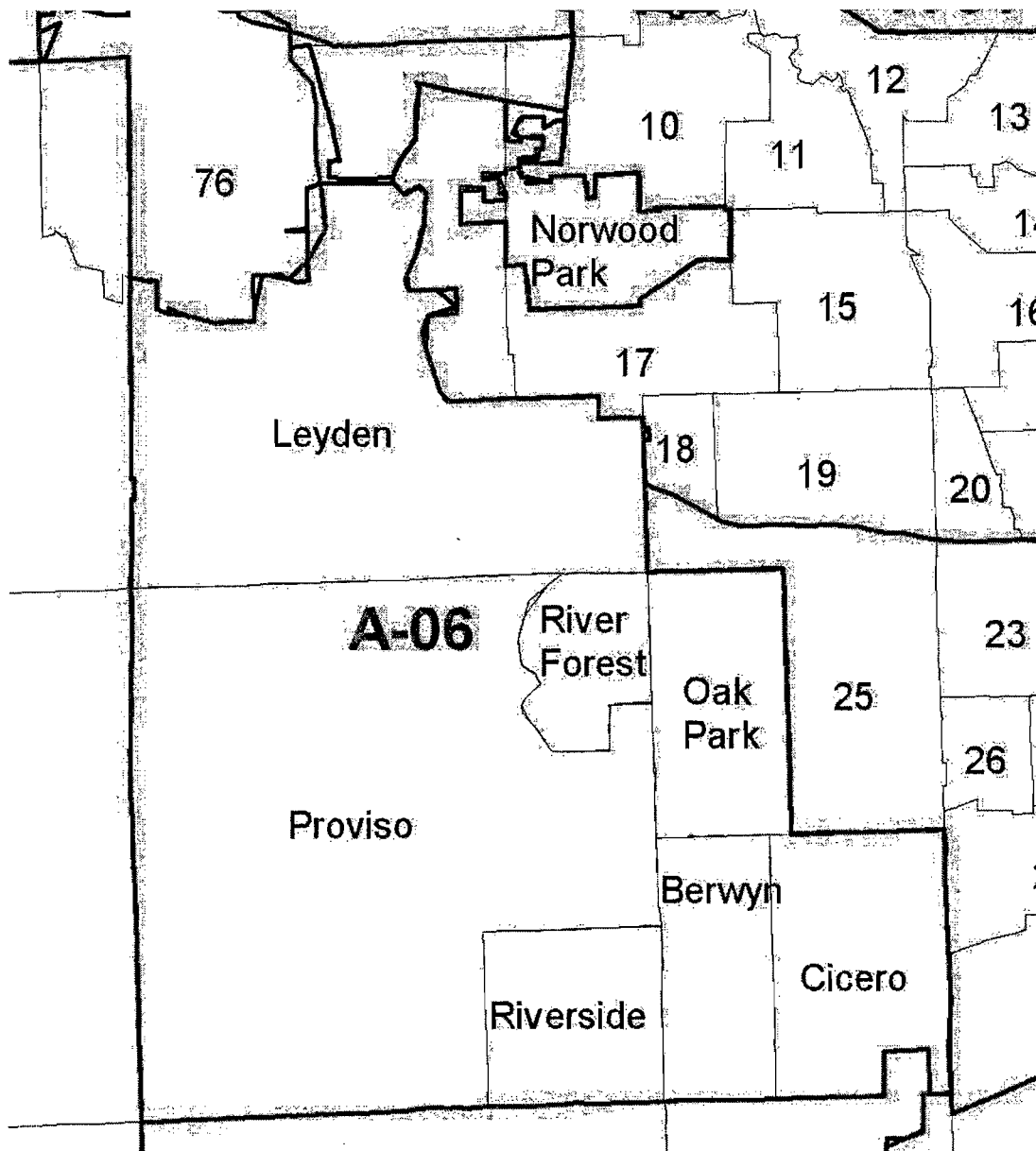


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 6  
8/14/2013

F) **Planning Area A-6:** Cook County Townships of River Forest, Oak Park, Cicero, Berwyn, Riverside, Proviso, Leyden and Norwood Park.

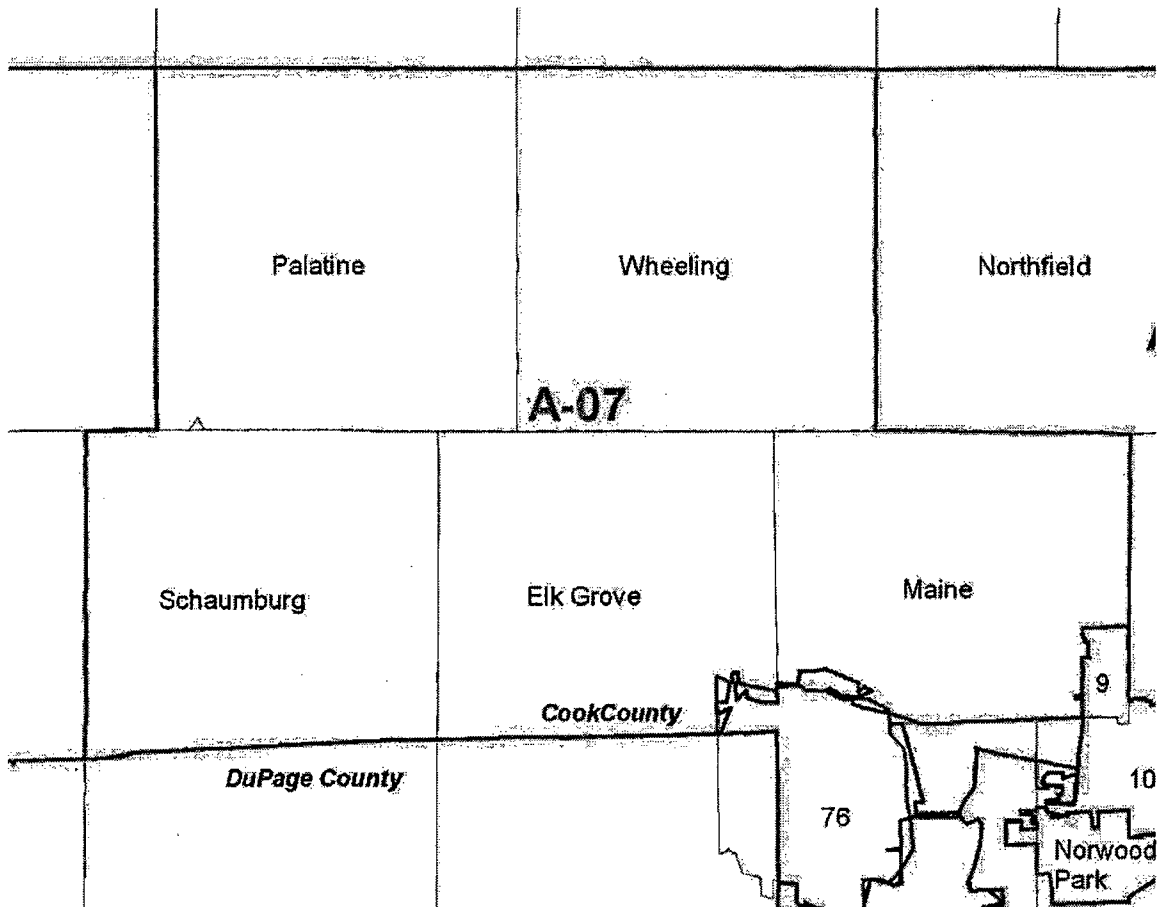


**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 7  
8/14/2013

G) **Planning Area A-7:** Cook County Townships of Maine, Elk Grove, Schaumburg, Palatine and Wheeling.

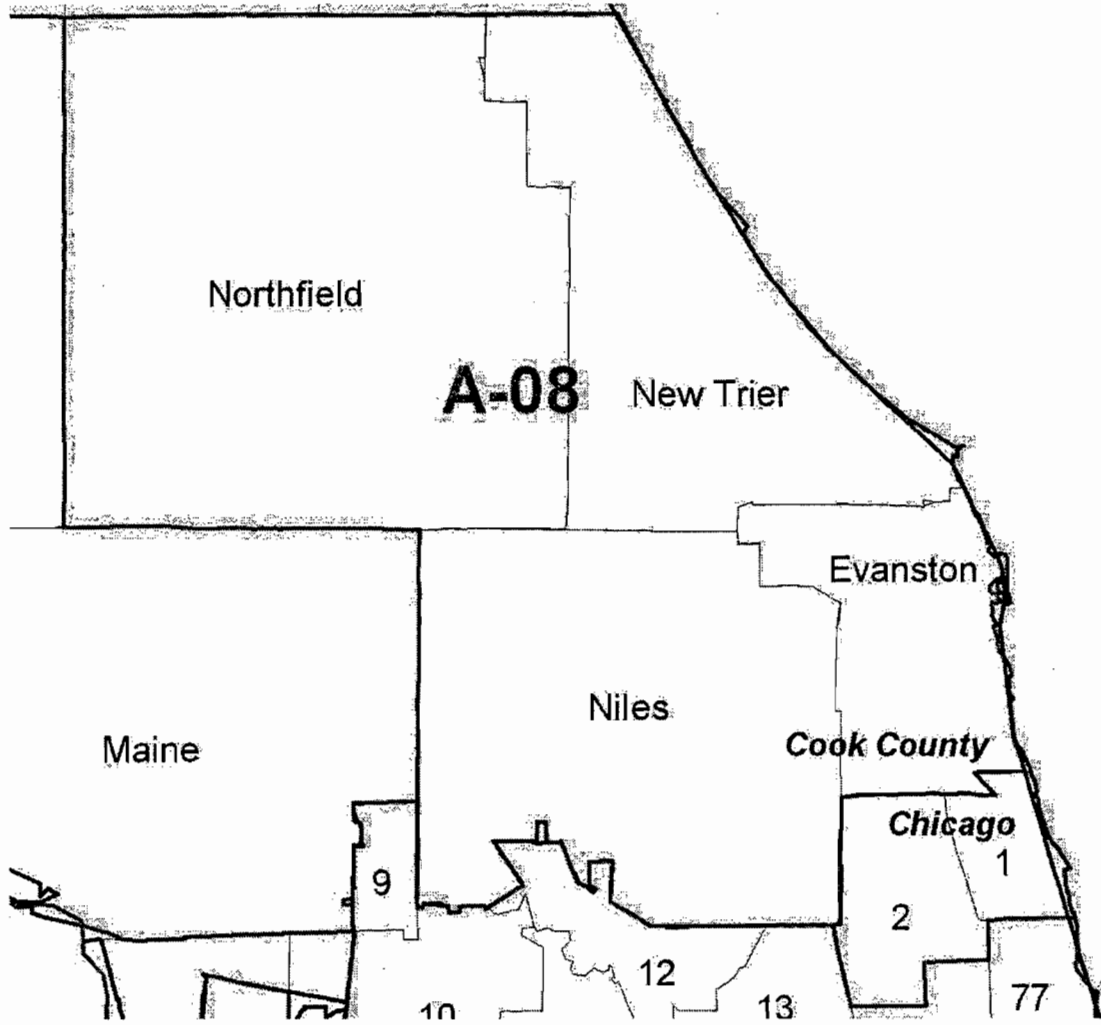


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 8  
8/14/2013

- H) **Planning Area A-8:** City of Chicago Community Areas of Rogers Park (1) and West Ridge (2); Cook County Townships of Northfield, New Trier, Niles and Evanston.

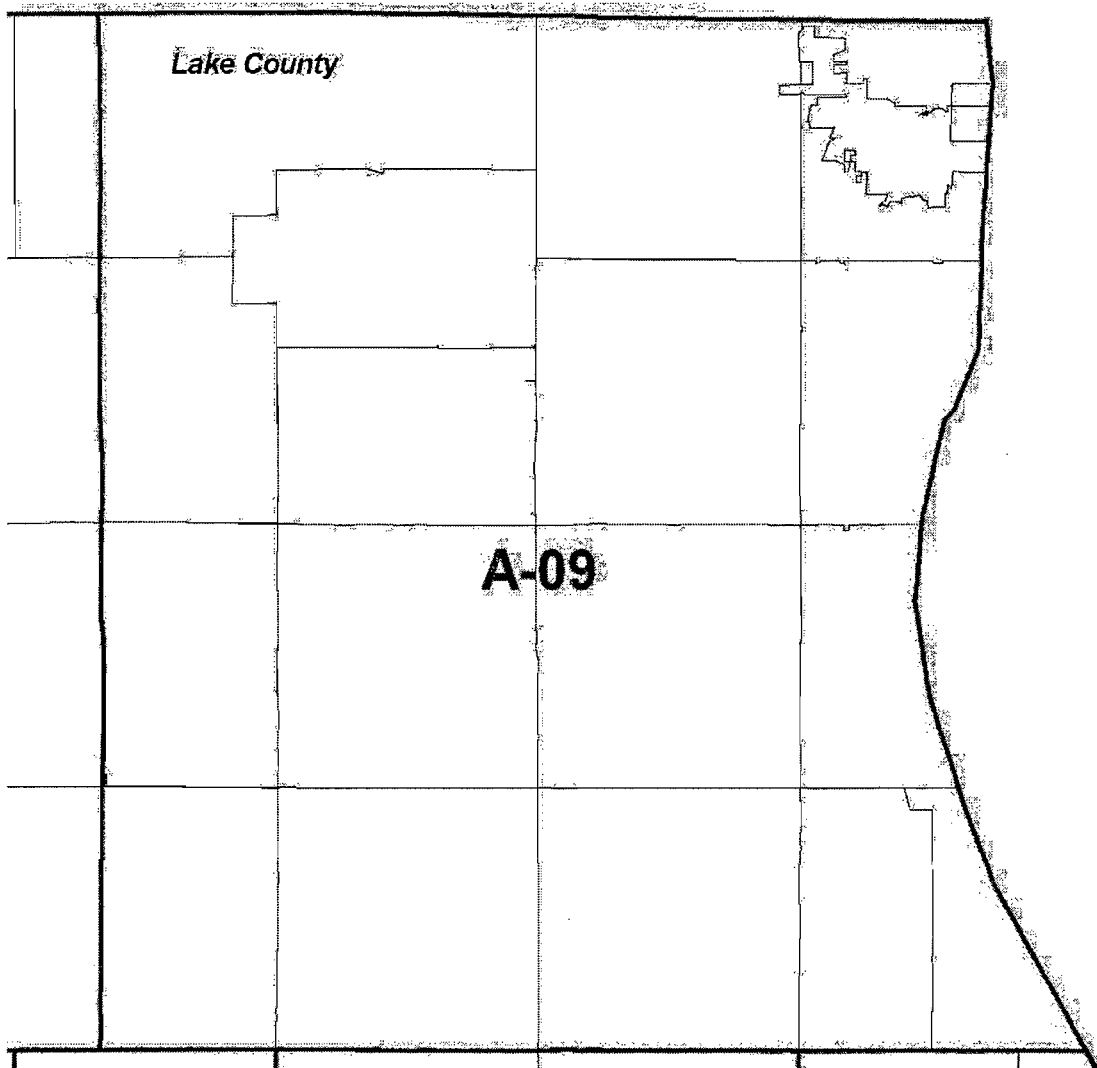


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 9  
8/14/2013

I) **Planning Area A-9: Lake County.**

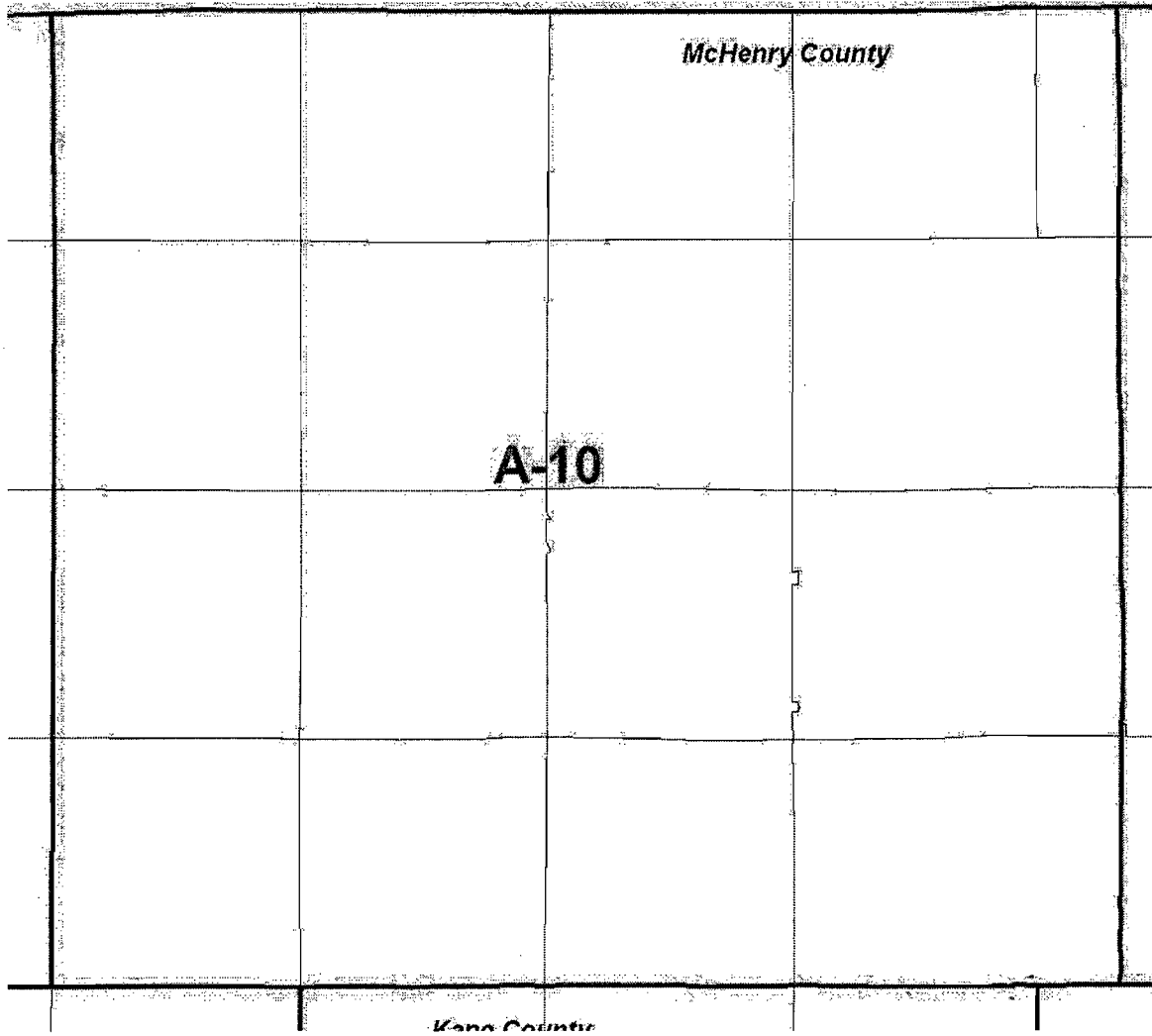


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 10  
8/14/2013

J) Planning Area A-10: McHenry County.



**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 11  
8/14/2013

K) **Planning Area A-11:** Cook County Townships of Barrington and Hanover; Kane County Townships of Hampshire, Rutland, Dundee, Burlington, Plato, Elgin, Virgil, Campton and St. Charles.

	<i>Kane County</i>			<i>Cook County</i>	
	Hampshire	Rutland	Dundee	Barrington	
	Burlington	Plato <b>A-11</b>	Elgin	Hanover	Sch
	Virgil	Campton	St. Charles		
	Kaneville		Geneva		

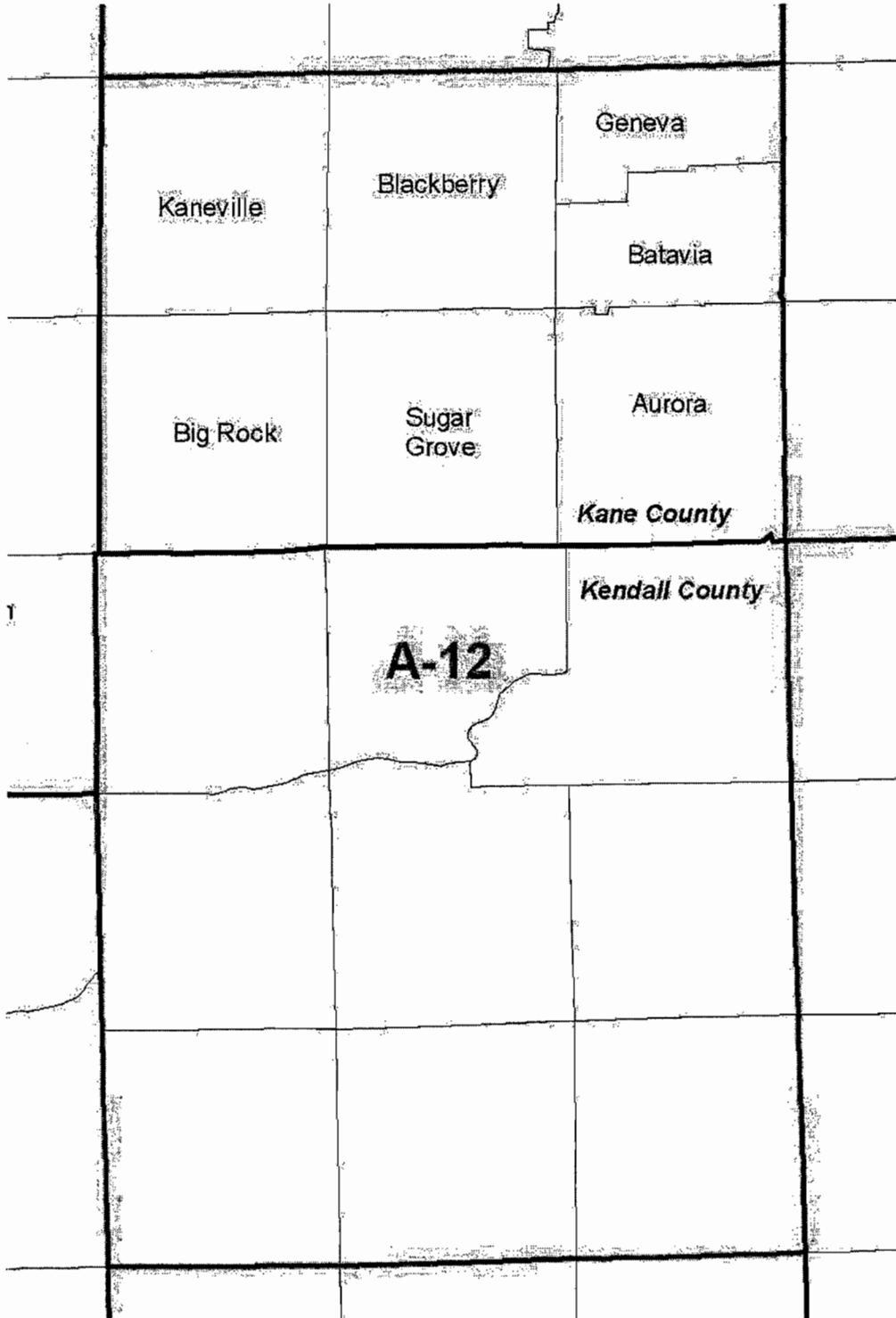


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 12  
8/14/2013

- L) **Planning Area A-12:** Kendall County; Kane County Townships of Kaneville, Black Berry, Aurora, Big Rock, Sugar Grove, Batavia and Geneva.

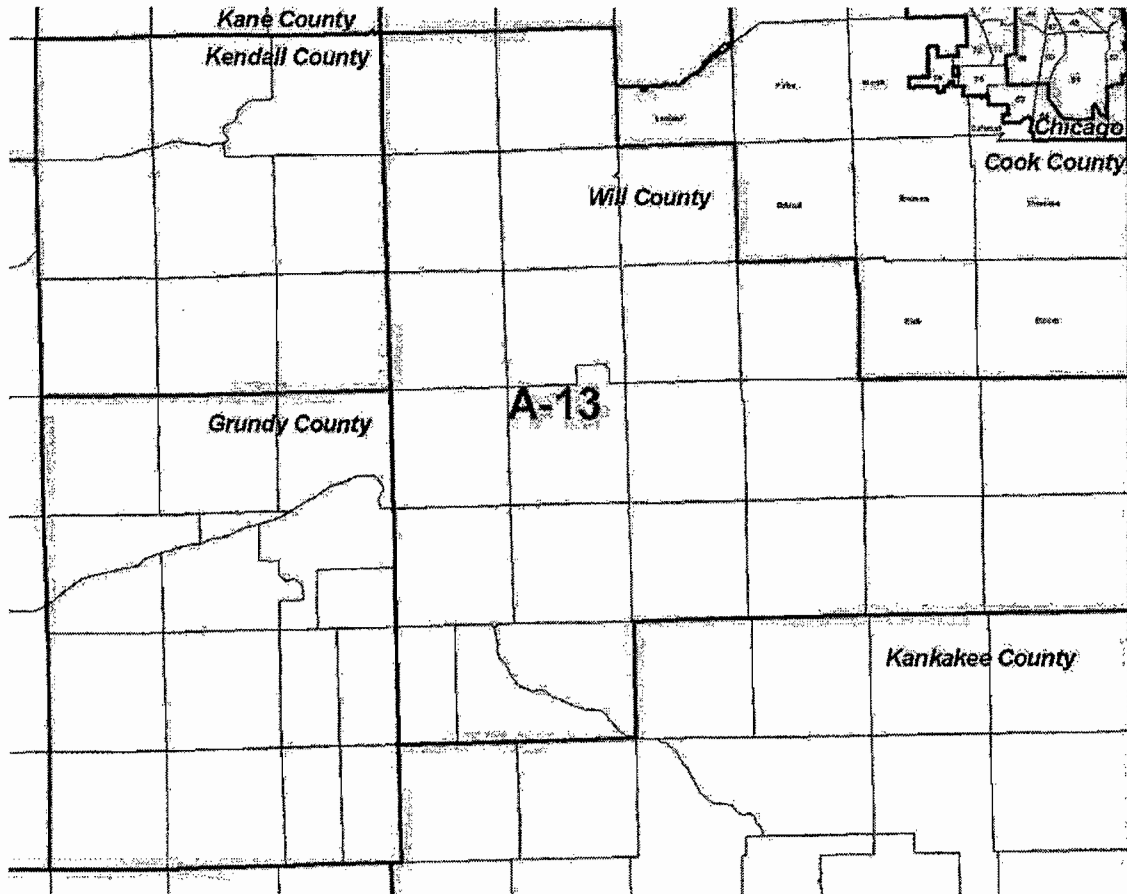


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 13  
8/14/2013

M) **Planning Area A-13: Grundy and Will Counties.**

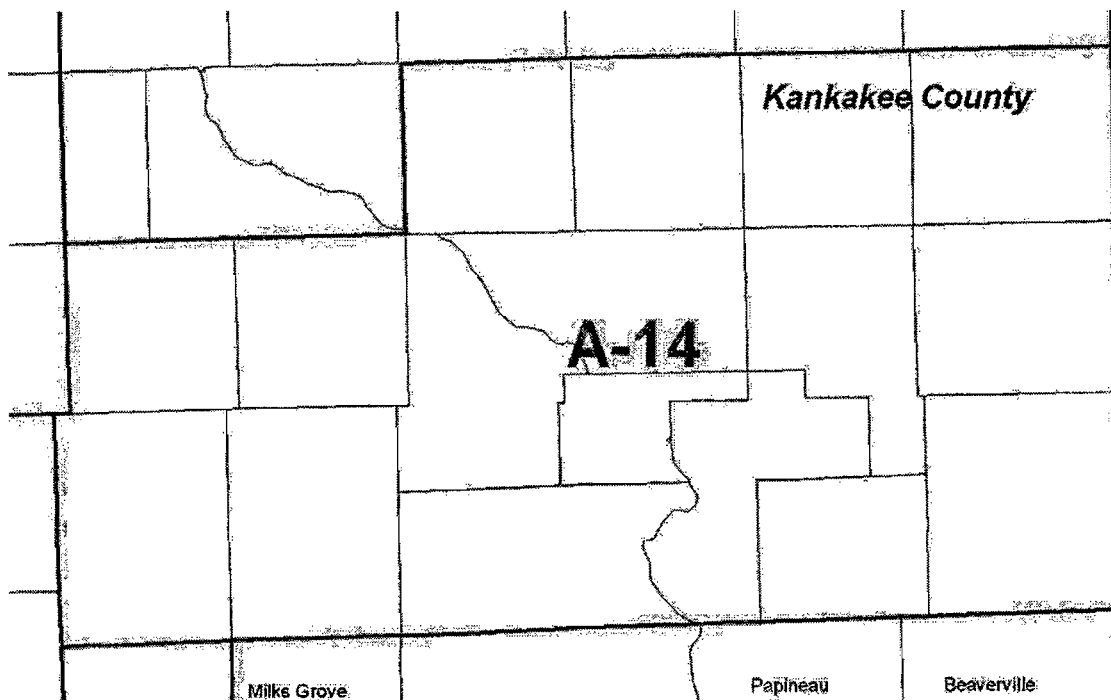


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 14  
8/14/2013

N) **Planning Area A-14: Kankakee County.**



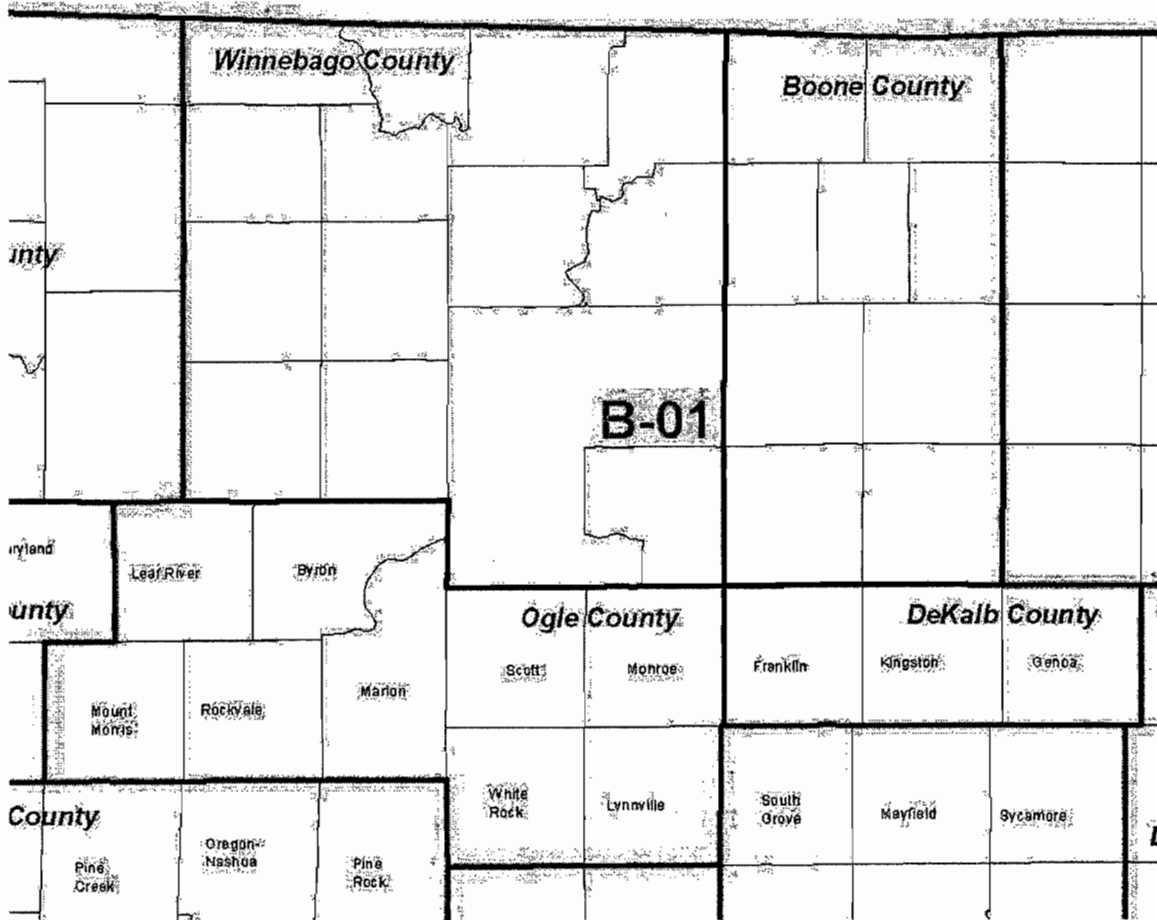
**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 15  
8/14/2013

2) **Region B** (comprised of Health Service Area 1)

A) **Planning Area B-1:** Boone and Winnebago Counties; DeKalb County Townships of Franklin, Kingston, and Genoa; Ogle County Townships of Monroe, White Rock, Lynnville, Scott, Marion, Byron, Rockvale, Leaf River and Mount Morris.

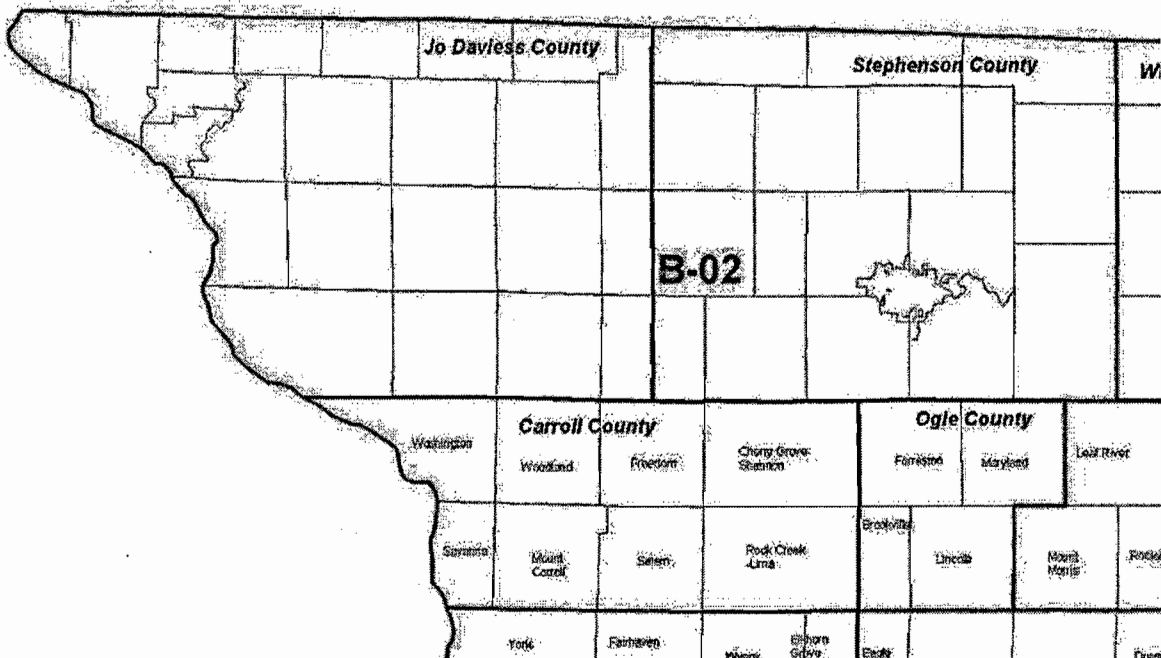


**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

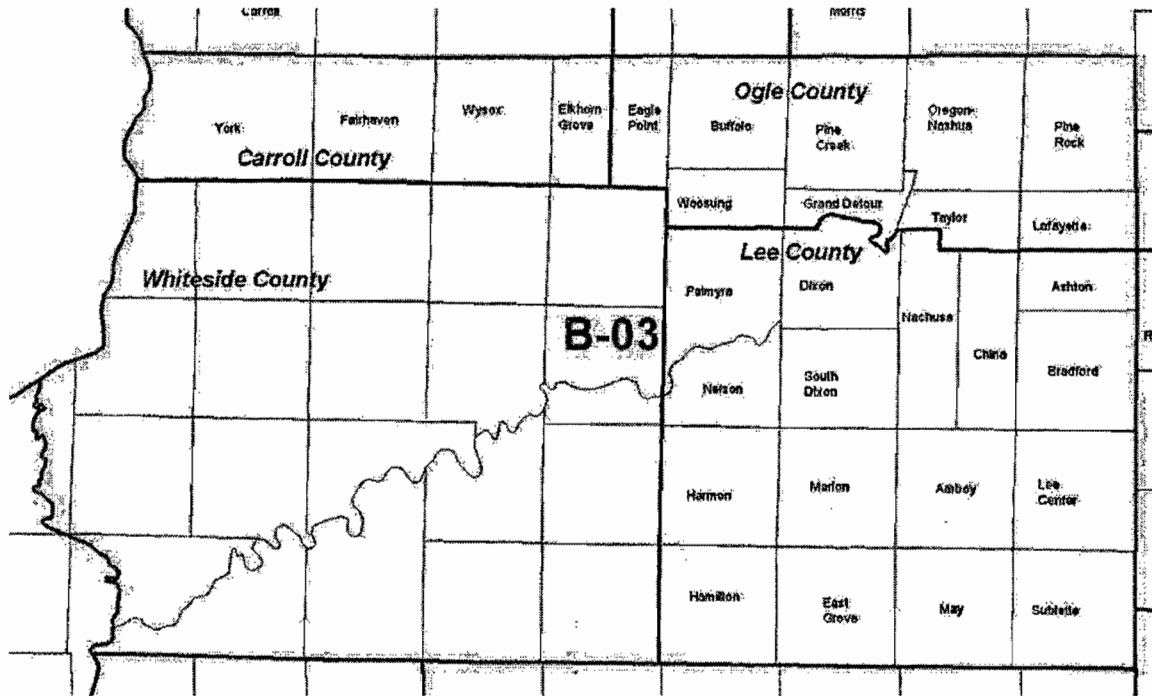
Page 16  
8/14/2013

- B) **Planning Area B-2:** Jo Daviess and Stephenson Counties; Ogle County Townships of Forrester, Maryland, Lincoln, and Brookville; Carroll County Townships of Washington, Savanna, Woodland, Mount Carroll, Freedom, Salem, Cherry Grove-Shannon and Rock Creek-Lima.



**Inventory of Health Care Facilities and Services  
and Need Determinations**

- C) **Planning Area B-3:** Whiteside County; Lee County Townships of Palmyra, Nelson, Harmon, Hamilton, Dixon, South Dixon, Marion, East Grove, Nachusa, China, Amboy, May, Ashton, Bradford, Lee Center, and Sublette; Carroll County Townships of York, Fairhaven, Wysox, and Elkhorn Grove; Ogle County Townships of Eagle Point, Buffalo, Pine Creek, Wausung, Grand Detour, Taylor, Lafayette, Ashton, Bradford, Lee Center, and Sublette.



**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 18  
8/14/2013

- D) **Planning Area B-4:** Lee County Townships of Reynolds, Alto, Viola, Willow Creek, Brooklyn, and Wyoming; DeKalb County Townships of Paw Paw, Victor, Somonauk, Sandwich, Shabbona, Clinton, Squaw Grove, Milan, Afton, Pierce, Malta, DeKalb, Cortland, Mayfield, South Grove and Sycamore; Ogle County Townships of Flagg and Dement.

	White Rock	Lynnvile	South Grove	<b>DeKalb County</b>		B
			Mayfield	Sycamore		
	<b>Ogle County</b>					
	Flagg	Dement	Malta	DeKalb	Cortland	
	<b>Lee County</b>		<b>B-04</b>			
	Reynolds	Alto	Milan	Afton	Pierce	K
	Viola	Willow Creek	Shabbona	Clinton	Squaw Grove	
	Brooklyn	Wyoming	Paw Paw	Victor	Somonauk	Sandwich

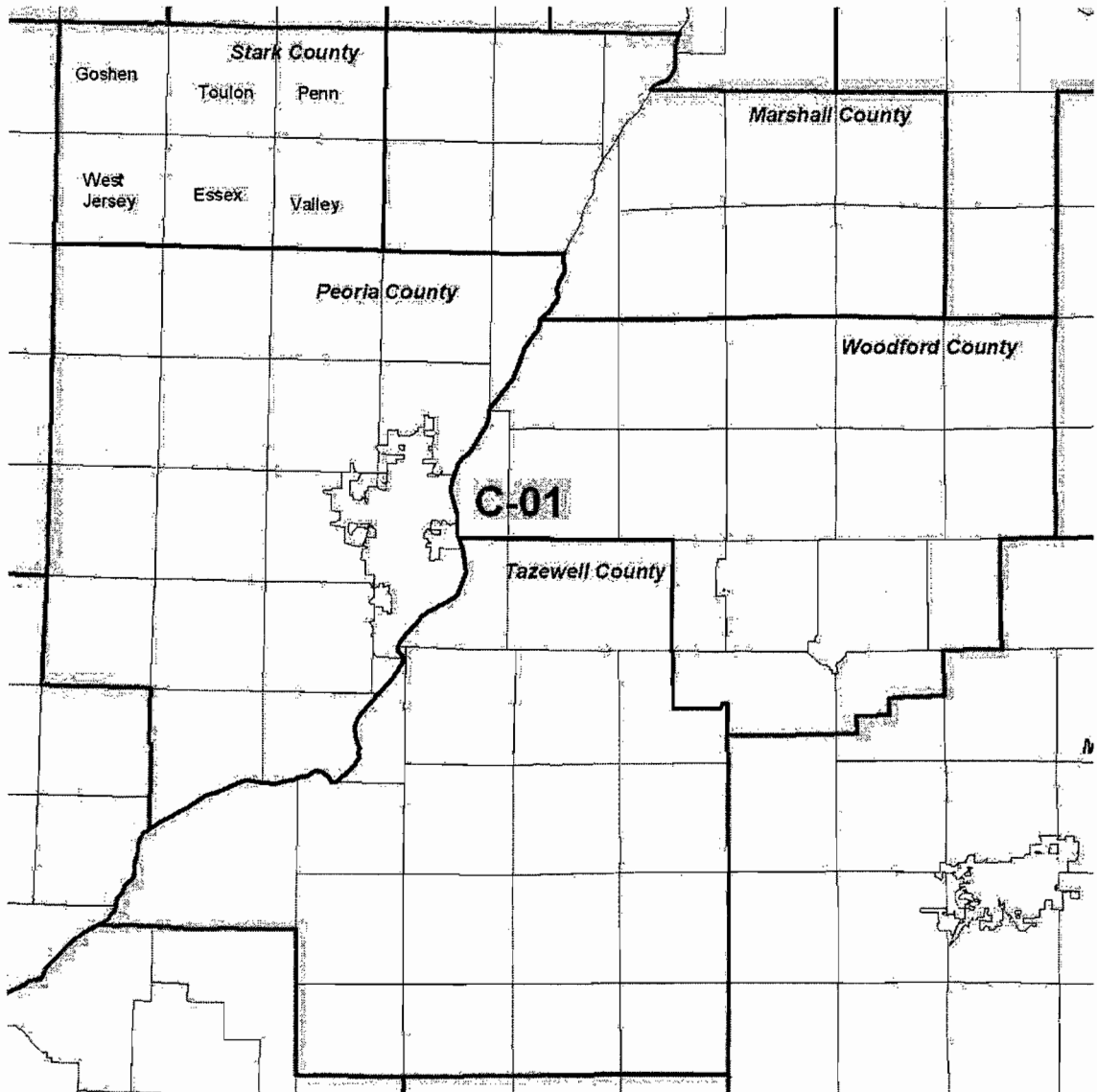
Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 19  
8/14/2013

3) **Region C** (comprised of Health Service Areas 2 and 10)

A) **Planning Area C-1:** Woodford, Peoria, Tazwell, and Marshall Counties; Stark County Townships of Goshen, Toulon, Penn, West Jersey, Essex, Valley and Essex.



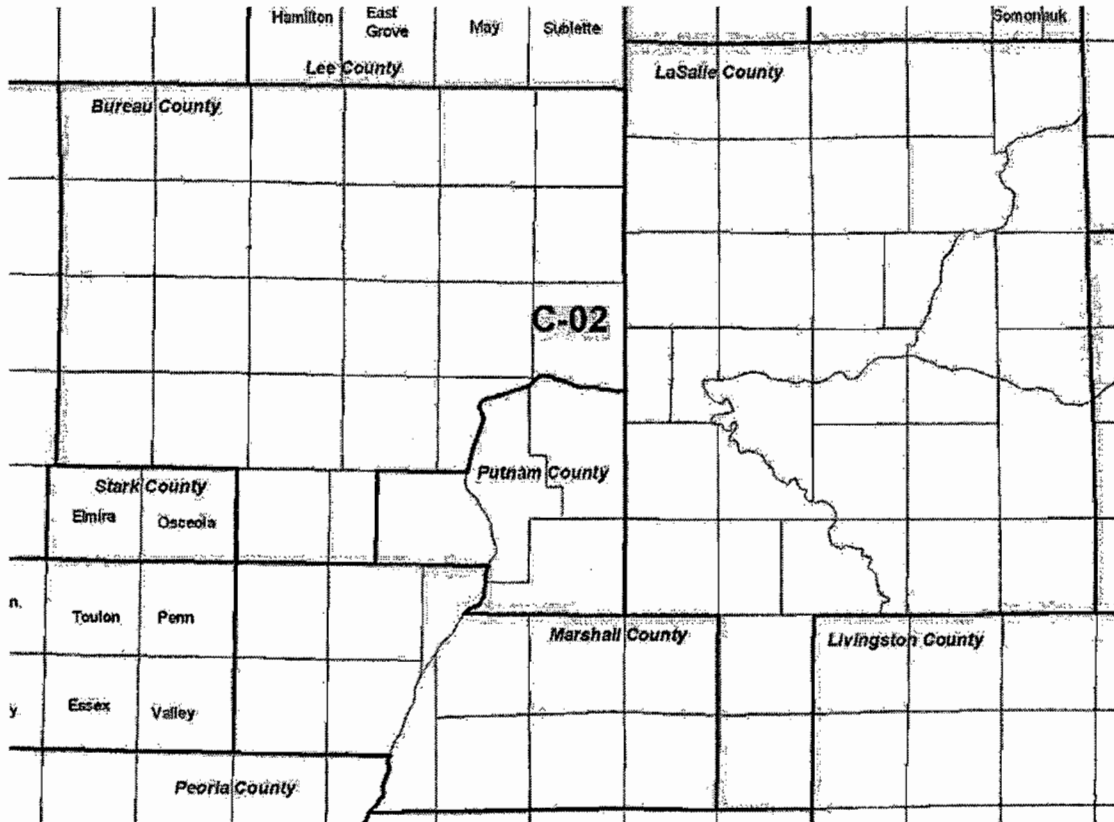


**Inventory of Health Care Facilities and Services  
and Need Determinations**

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 20  
8/14/2013

B) **Planning Area C-2:** LaSalle, Bureau, and Putnam Counties; Stark County Townships of Elmira and Osceola.

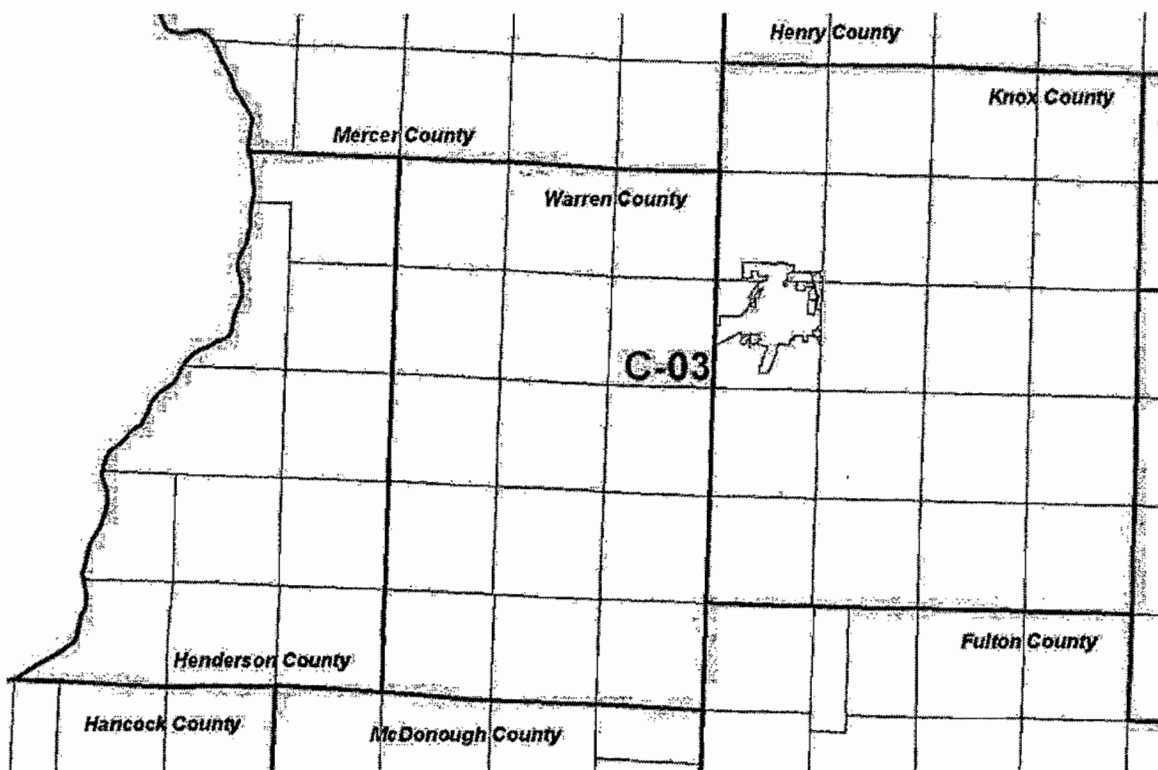


Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 21  
8/14/2013

C) Planning Area C-3: Henderson, Warren and Knox Counties.



Inventory of Health Care Facilities and Services  
and Need Determinations

Illinois Department of Public Health  
Illinois Health Facilities and Services Review Board

Page 22  
8/14/2013

D) **Planning Area C-4: McDonough and Fulton Counties.**

