

# Axel & Associates, Inc.

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MANAGEMENT CONSULTANTS

by electronic mail  
and U.S. mail

May 17, 2011

Mr. Michael Constantino  
Supervisor, Project Review  
Illinois Health Facilities  
and Services Review Board  
525 West Jefferson  
Springfield, IL 62761

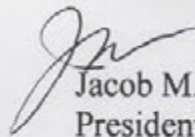
RE: Project 11-017  
Memorial Hospital-East

Dear Mr. Constantino:

In reviewing the above-referenced application, I noticed an error, which is being corrected with this filing. Specifically, the citation provided in Attachment 13 and again in Attachment 20f is incorrect. The correct citation, as noted in bold type on the enclosed two replacement pages, is Section 1100.510.c.7.

I apologize for this oversight.

Sincerely,

  
Jacob M. Axel  
President

enclosures (2)

cc G. Roate

identified 100 as the minimum number of Medical/Surgical beds for newly established hospitals located in a MSA. That criterion has since been replaced by the criterion identifying 100 as the Medical/Surgical bed minimum for newly established as well as existing hospitals located in a MSA. Similar to the lack of consistency with the obstetrics criterion, excluding Long Term Acute Care Hospitals (LTACHs) and Critical Access Hospitals (CAHs), there are 22 general hospitals having fewer than 100 medical/surgical beds that are located in Illinois MSAs, including three of the eight hospitals located in this project's Health Planning Area, F-01.

The basis for the 100-bed minimum dates back to the infancy of Illinois' CON program, and is still referenced in the IHFSRB's rules:

"Planning areas for acute care categories of service of medical-surgical/pediatrics, obstetrics and intensive care must contain a minimum population of 40,000. This population base would be sufficient to support a 100 bed hospital based upon a facility target occupancy of 80% and an inpatient day use rate of 725 days per 1,000 population." (Section 1100.510.c.7)

The most basic understanding of the delivery of hospital services since the inception of Illinois' CON program in the late 1970s-early 1980s acknowledges dramatic changes in utilization since the initial rules were developed. 2009 utilization data contained in the recently published "Illinois Hospitals Data Summary" developed by IDPH staff identified 5,783,730 medical-surgical/pediatrics, obstetrics and intensive care patient days of care provided through Illinois hospitals (6,149,847 patient days if "observation" days are included). A simple extrapolation from 2005 and 2010 population projections developed by the Illinois Department of Commerce and economic Opportunity (IDCEO) identifies a state-wide population of 13,198,279. The resultant

population base would be sufficient to support a 100 bed hospital based upon a facility target occupancy of 80% and an inpatient day use rate of 725 days per 1,000 population.” (Section 1100.510.c.7)

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In conclusion, while the co-applicants acknowledge that the proposed project is not consistent with Review Criterion 1110.530.f for the medical/surgical and obstetrics beds components of the project, the leaving of patient rooms at Memorial-Belleuille vacant, the cost associated with compliance, and the out-dated nature of the review criterion render compliance, as related to this project, to be imprudent.