



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: H-01	BOARD MEETING: January 27, 2015	PROJECT NO: 14-049	PROJECT COST: Original: \$0
FACILITY NAME: St. Mary's Hospital		CITY: Streator	
TYPE OF PROJECT: Substantive			HSA: II

DESCRIPTION: The applicant (St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis) is requesting to discontinue their 7-bed Obstetrics (OB) category of service. There is no cost to this project. **The completion date is January 27, 2014.**

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicant (St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis) is requesting to discontinue a 7-bed Obstetrics (OB) category of service, at its acute care hospital, in Streator. There is no cost to this project. **The completion date is January 27, 2014.**

WHY THE PROJECT IS BEFORE THE STATE BOARD:

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

PURPOSE OF THE PROJECT:

- The purpose of the proposed discontinuation stems from the applicant's decision to temporarily suspend its Obstetrics service earlier this year (2014). In July 2014, the applicant opted to temporarily suspend its Obstetrics service, due to low volume, and a declining need for Obstetrics in the service area. The applicant does not anticipate any increase in Obstetrics services in the foreseeable future, and has decided to discontinue the 7-bed unit in its entirety.

DISCONTINUATION:

- An applicant proposing to discontinue a category of service must provide:
 - The reason for the discontinuation;
 - The use of the physical plant and equipment after discontinuation occurs; and
 - The impact the proposed discontinuation will have on the facility's market area.
- The applicant is requesting approval to discontinue its 7-bed obstetrics category of service given the low volume of obstetrics patients over the past three years.
- The applicant notes OSF St. Elizabeth's Hospital, Ottawa, has a 12-bed Obstetrics unit that is not meeting the State prescribed operational standard for this category of service, and can absorb the patient population from the applicant's facility.
- All other categories of service will be maintained, including gynecological services, which will be provided through its employed physicians and medical staff.

COMPLIANCE:

- The applicants have had no adverse actions in the past three years and are in compliance with all of the State Board's reporting requirements.

PUBLIC HEARING/COMMENT

- A public hearing was offered on this project; however, no hearing was requested. State Board Staff have received no letters of opposition and no letters of support regarding this project.

FINANCIAL AND ECONOMIC FEASIBILITY:

- The proposed project will incur no costs.

CONCLUSION:

- There is a calculated excess of 19 obstetric beds in the C-02 planning area by CY 2015, and the proposed discontinuation will reduce this bed excess to 12. Given the current bed excess, and

the low census in the obstetric unit, it would appear that the proposed discontinuation is justified. **The applicants have met the requirements of 77 IAC Part 1110.130 – Discontinuation**



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STATE BOARD STAFF REPORT

St. Mary's Hospital
PROJECT #14-049

APPLICATION CHRONOLOGY	
Applicants	St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Services, Inc. Hospital Sisters Health System
Facility Name	St. Mary's Hospital
Location	Streator
Permit Holder	St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis
Operating Entity Licensed	St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis
Owner of Site	Hospital Sisters Health System
Application Received	September 25, 2014
Application Deemed Complete	September 30, 2014
Can Applicants Request Another Deferral?	Yes

I. The Proposed Project

The applicant (St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis) is requesting to discontinue their 7-bed Obstetrics category of service. There is no cost to this project. **The completion date is December 31, 2014.**

II. Summary of Findings

A. The State Board Staff finds the proposed project appears to be in conformance with the provisions of Part 1110.

B. Part 1120 is not applicable.

III. General Information

The applicant is St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis a Hospital Sisters Health System and Hospital Sisters Services Inc. St. Mary's Hospital is located at 111 Spring Street, Streator, Illinois, in the HSA 02 Service Area and Obstetrics Health Planning Area C-02. The operating entity licensee is St. Mary's Hospital of the Hospital Sisters of the Third Order of St. Francis and owner of the site is Hospital Sisters Health System.

HSA II consists of the Illinois Counties of Henderson, Warren, McDonough, Fulton, Knox, Stark, Peoria, Tazewell, Woodford, Marshall, Putnam, Bureau, and LaSalle counties

There are five hospitals located in the C-02 planning area: Illinois Valley Community Hospital, Peru (6 beds), OSF St. Elizabeth's Hospital, Ottawa (14 beds), Perry Memorial Hospital, Princeton (4 beds), St. Margaret's Hospital, Spring Valley (10 beds), and the applicants' facility, with 7 beds. The December 2014 Addendum to the Inventory of Health Care Facilities indicates a calculated excess of 19 obstetric beds in the C-01 planning area by CY 2015.

There is no land acquisition cost or start-up costs or operating deficit for this project. This is a substantive project subject to a Part 1110. Part 1120 review is not applicable because there is no cost to the project. Project obligation will occur after permit issuance

CY 2013 Hospital Profile information is attached at the end of this report.

IV. Support and Opposition Comments

A public hearing was offered on this project; however, no hearing was requested. The State Board Staff received no letters of opposition and no letters of support regarding this project.

V. Safety Net Impact Statement/Charity Care

A safety net impact statement was provided with a statement regarding the Charity Care/Medicaid services provided for the years 2011, 2012, and 2013. Its data is presented in Table One below

The applicant stated the following in regards to the safety net impact:

"The discontinuation of the Obstetrics beds should allow those facilities that provide this service, and are underutilized in this service, (there are many), an opportunity to fill more of their respective authorized obstetrics beds to assist in cross subsidizing services."

The applicant provided Safety Net/Charity Care information for St. Mary's Hospital, which is presented in Table One

TABLE ONE			
Safety Net Information per 96-0031			
St. Mary's Hospital, Streator			
	2011	2012	2013
Net Revenue	\$56,252,478	\$53,476,524	\$46,234,340
CHARITY CARE			
Charity (# of patients)	2011	2012	2013
Inpatient	263	226	260
Outpatient	2,366	1,743	2,118
Total	2,629	1,969	2,378
Charity (cost in dollars)	\$2,475,349	\$2,369,039	\$2,380,085
Inpatient	\$699,226	\$565,791	\$576,909
Outpatient	\$1,776,123	\$1,803,302	\$1,803,176

TABLE ONE			
Safety Net Information per 96-0031			
St. Mary's Hospital, Streator			
% of Charity Care to Net Revenue	4.4%	4.4%	5.14%
Total	\$2,475,349	\$2,369,093	\$2,380,085
MEDICAID			
Medicaid (# of patients)	2011	2012	2013
Inpatient	262	214	192
Outpatient	9,262	8,746	8,543
Total	9,524	8,960	8,735
Medicaid (revenue)			
Inpatient	\$777,436	\$1,915,079	\$386,272
Outpatient	\$3,545,910	\$2,474,631	\$3,989,172
Total	\$4,323,346	\$4,389,710	\$4,375,444
% of Medicaid to Net Revenue	7.68%	8.2%	9.46%

VI. Review Criterion 1110.130 - Discontinuation

The criterion states:

“a) The applicants must provide the following:

- 1) the reasons for the discontinuation;
- 2) the anticipated or actual date of discontinuation or the date the last person was or will be discharged or treated, as applicable;
- 3) the availability of other services or facilities in the planning area that are available and willing to assume the applicants' workload without conditions, limitations, or discrimination;
- 4) a closure plan indicating the process used to provide alternative services or facilities for the patients prior to or upon discontinuation; and
- 5) the anticipated use of the physical plant and equipment after discontinuation has occurred and the anticipated date of such use.”

b) Each application for discontinuation will be analyzed to determine:

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

- 1) Insufficient volume or demand for the service;

- 2) **Lack of sufficient staff to adequately provide the service;**
- 3) **The facility or the service is not economically feasible, and continuation impairs the facility's financial viability;**
- 4) **The facility or the service is not in compliance with licensing or certification standards.**

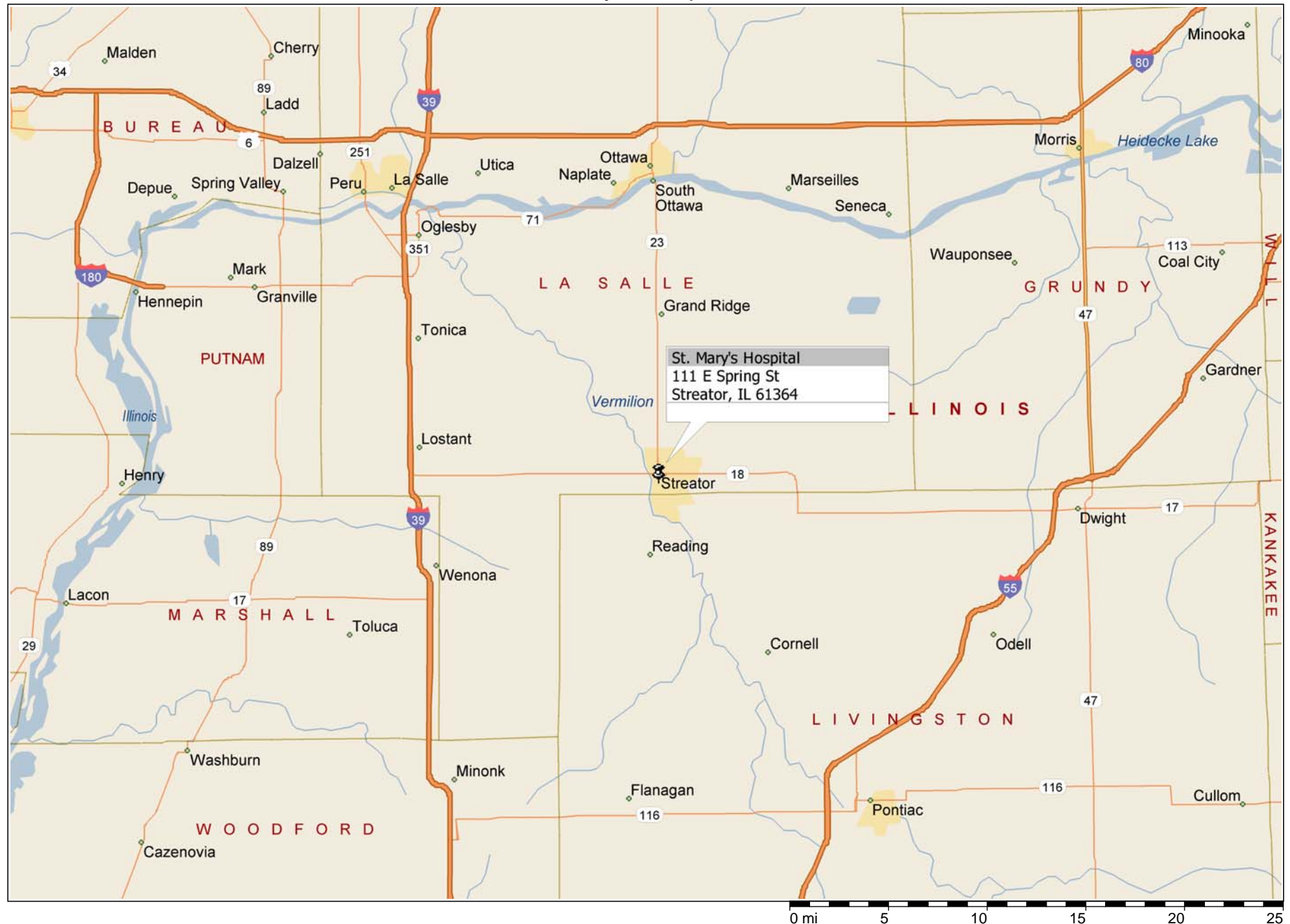
The applicants state the following in regards to this service

The applicants propose to discontinue the 7-bed obstetrics service located in St. Mary's Hospital, Streator. The applicant temporarily suspended this service in July 2014, and has decided to permanently discontinue, based on an historical decline in utilization, and a lack of Obstetrics need in the immediate service area. Board staff notes there is an excess of 19 Obstetric beds in Health Planning Area C-02. The applicant sent impact letters to the four acute care hospitals in the Obstetrics service area, and received letters of support from all four (application, p. 47-50), agreeing to accept patients from St. Mary's in varied capacities. Board Staff notes OSF St. Elizabeth's Hospital, Ottawa, the facility closest to the applicant facility, has agreed to accept all patients from St. Mary's Hospital, without restrictions, limitations, or discrimination. It appears that the discontinuation of this service will not have a negative impact on area facilities.

TABLE TWO Facilities Within a 45 Minute Travel Radius of St. Mary's Hospital, Streator					
Facility	City	Minutes	Beds	Utilization	Standard Met (75%)
OSF St. Elizabeth's Hospital	Ottawa	25	12	22.9%	No
OSF St. James Albrecht Medical Ctr.	Pontiac	30	4	31.8%	No
Illinois Valley Community Hospital	Peru	33	7	55.4%	No
St. Margaret's Hospital	Spring Valley	37	10	19.1%	No
Utilization data taken from CY 2013 Hospital Profile					

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE DISCONTINUATION REVIEW CRITERION (77 IAC 1110.130).

14-049 St Mary's Hospital - Streator



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<u>Ownership, Management and General Information</u>		<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	John Flanders	White	93.6%	Hispanic or Latino:	1.9%
ADMINSTRATOR PHONE	815-673-4500	Black	2.0%	Not Hispanic or Latino:	94.1%
OWNERSHIP:	Hospital Sisters Services, Inc.	American Indian	0.2%	Unknown:	3.9%
OPERATOR:	Hospital Sisters Services, Inc.	Asian	0.2%		
MANAGEMENT:	Church-Related	Hawaiian/ Pacific	0.0%	IDPH Number:	2659
CERTIFICATION:		Unknown	3.9%	HPA	C-02
FACILITY DESIGNATION:	General Hospital			HSA	2
ADDRESS	111 Spring Street	CITY:	Streator	COUNTY:	LaSalle County

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2013	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	79	50	21	1,326	5,087	892	4.5	16.4	20.7	32.8
0-14 Years				0	0					
15-44 Years				143	400					
45-64 Years				342	1,253					
65-74 Years				240	1,058					
75 Years +				601	2,376					
Pediatric	3	3	3	12	25	0	2.1	0.1	2.3	2.3
Intensive Care	8	8	8	309	1,132	130	4.1	3.5	43.2	43.2
Direct Admission				309	1,132					
Transfers				0	0					
Obstetric/Gynecology	7	7	7	209	585	53	3.1	1.7	25.0	25.0
Maternity				163	456					
Clean Gynecology				46	129					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	97			1,856	6,829	1,075	4.3	21.7	22.3	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	57.7%	10.3%	0.2%	16.9%	0.9%	14.0%	
	1071	192	3	314	16	260	1,856
Outpatients	35.4%	15.2%	0.4%	36.7%	8.5%	3.8%	
	19869	8543	223	20609	4746	2118	56,108
<u>Financial Year Reported:</u> 7/1/2012 to 6/30/2013 <u>Inpatient and Outpatient Net Revenue by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense
Inpatient Revenue (\$)	86.4%	3.2%	0.1%	6.9%	3.4%	100.0%	
	10,584,537	386,272	15,854	843,173	419,214	12,249,050	576,909
Outpatient Revenue (\$)	24.8%	11.7%	0.4%	58.9%	4.2%	100.0%	
	8,413,980	3,989,172	140,151	20,031,138	1,410,849	33,985,290	1,803,176
							Total Charity Care Expense 2,380,085
							Total Charity Care as % of Net Revenue 5.1%

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	168		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	167		Beds	7	0	Heart:	0
Birthing Rooms:	0		Patient Days	416	0	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		416	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	4					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0					Total:	0
C-Section Rooms:	1		Inpatient Studies		34,445		
CSections Performed:	50		Outpatient Studies		94,211		
			Studies Performed Under Contract		13,425		

Surgery and Operating Room Utilization

<u>Surgical Specialty</u>	<u>Operating Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	7	32	7	32	39	1.0	1.0
Dermatology	0	0	0	0	25	237	33	222	255	1.3	0.9
General	0	0	5	5	82	179	125	202	327	1.5	1.1
Gastroenterology	0	0	0	0	126	631	215	455	670	1.7	0.7
Neurology	0	0	0	0	4	42	8	36	44	2.0	0.9
OB/Gynecology	0	0	1	1	78	87	99	71	170	1.3	0.8
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	0	0	0	342	0	236	236	0.0	0.7
Orthopedic	0	0	0	0	131	422	455	536	991	3.5	1.3
Otolaryngology	0	0	0	0	1	6	1	7	8	1.0	1.2
Plastic Surgery	0	0	0	0	0	0	0	0	0	0.0	0.0
Podiatry	0	0	0	0	0	10	0	15	15	0.0	1.5
Thoracic	0	0	0	0	8	3	8	2	10	1.0	0.7
Urology	0	0	0	0	27	250	35	239	274	1.3	1.0
Totals	0	0	6	6	489	2241	986	2053	3039	2.0	0.9

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

4

Stage 2 Recovery Stations

12

Dedicated and Non-Dedicated Procedure Room Utilization

<u>Procedure Type</u>	<u>Procedure Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	2	2	100	608	131	442	573	1.3	0.7
Laser Eye Procedures	0	0	1	1	0	90	0	23	23	0.0	0.3
Pain Management	0	0	1	1	0	206	0	52	52	0.0	0.3
Cystoscopy	0	0	1	1	23	131	24	135	159	1.0	1.0

Multipurpose Non-Dedicated Rooms

Orthopedics	0	0	1	1	3	28	9	40	49	3.0	1.4
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Emergency/Trauma Care

Certified Trauma Center	No
Level of Trauma Service	Level 1
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	Not Answered
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Basic
Number of Emergency Room Stations	8
Persons Treated by Emergency Services:	12,174
Patients Admitted from Emergency:	1,421
Total ED Visits (Emergency+Trauma):	12,174

Free-Standing Emergency Center

Beds in Free-Standing Centers	0
Patient Visits in Free-Standing Centers	0
Hospital Admissions from Free-Standing Center	0

Outpatient Service Data

Total Outpatient Visits	56,108
Outpatient Visits at the Hospital/ Campus:	44,723
Outpatient Visits Offsite/off campus	11,385

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	0
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	0
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	0
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	0
EP Catheterizations (15+)	0

Cardiac Surgery Data

Total Cardiac Surgery Cases:	0
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	0
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	0

Diagnostic/Interventional Equipment**Examinations****Therapeutic Equipment****Therapies/ Treatments****Owned Contract****Inpatient****Outpt****Contract****Owned Contract**

General Radiography/Fluoroscopy	11	0	3,064	9,967	0	Lithotripsy	0	24	0
Nuclear Medicine	1	0	61	1,197	0	Linear Accelerator	0	0	0
Mammography	1	0	0	3,321	0	Image Guided Rad Therapy			0
Ultrasound	4	0	837	5,351	0	Intensity Modulated Rad Thrp			0
Angiography	1	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			0	8	0	Proton Beam Therapy	0	0	0
Interventional Angiography			0	3	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	1	0	46	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	1	0	796	3,483	0				
Magnetic Resonance Imaging	1	0	25	987	0				