



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-05	BOARD MEETING: March 10, 2015	PROJECT NO: 14-060	PROJECT COST: Original: \$3,285,742
FACILITY NAME: Illini Community Hospital		CITY: Pittsfield	
TYPE OF PROJECT: Substantive			HSA: III

PROJECT DESCRIPTION: The applicants (Blessing Corporate Services, Inc and BlessingCare Services d/b/a Illini Community Hospital) are proposing the establishment of a 10 bed acute mental illness category of service in Pittsfield, Illinois at a cost of \$3,285,742. The anticipated completion date is December 31, 2016.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants are proposing the establishment of a 10 bed acute mental illness category of service in Pittsfield, Illinois at a cost of \$3,285,742. The anticipated completion date is December 31, 2016.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project proposes to establish a health care category of service as defined by the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

PURPOSE OF THE PROJECT:

- The purpose of the proposed project is to establish an Acute Mental Illness Category of Service at Illini Community Hospital in Pittsfield, Illinois. The goal is to improve access on the western side of HSA 3 for necessary acute mental health services, especially the geriatric population.

NEED FOR THE PROJECT:

- There is a calculated excess of 88 acute mental illness beds in the HSA III Acute Mental illness planning area. The State Board has calculated a need for 144 AMI beds in the HSA 3 AMI planning area by CY 2015. There are currently 232 AMI beds in this planning area resulting in a **calculated excess of 88 acute mental illness beds (232 AMI beds – 144 AMI beds = 88 excess beds)**. There are five facilities that provide AMI services in the HSA III AMI planning area. The applicants stated that of the 232 acute mental illness beds in this planning area 113 are dedicated to children and adolescents. (Lincoln Behavioral Health (97)) and Blessing Hospital (16 of 41 AMI beds dedicated to children and adolescents). In 2014 St. John's Hospital stated that they will provide AMI service to individuals 60 and over only.
- The applicants provided a letter from Dr. Vritikapa, M.D **which** *“stated that with telepsychiatry and with the referrals received while on call as well as with my own practice needs, the proposed 10 bed unit will achieve 85% occupancy.”* In addition the applicants provided an alternative need methodology. The applicants based their need for these 10 beds upon the US Census 2010 population for the six counties in Illinois (Adams, Brown, Calhoun, Greene, Hancock, Pike, Scott) and the four counties in Missouri (Lincoln, Marion, Pike, and Ralls) projected the number of patients by age cohort using a national use rate. The applicants did not consider the 18-44 age group when estimating the number of patients to be cared for annually at the proposed unit.
- The applicants estimated that 10% of the patients will come from the 45-64 years age cohort and 80-85% of the patients will come from the 65 and over age cohort for the 10 bed unit. Based upon this methodology the applicants are projecting 2,995-3,159 patient days by the second year after project completion.

Executive Summary TABLE ONE							
Alternative need for Beds							
Patients	2010	National Use Rate	Projected Case volume 2017		Average Length of Stay	Days	Projected number of beds
Age Group				Yearly		2010	
18-44	78,910	0.000402	32	384	7.1	2,726	8
45-64	66,385	0.000396	27	324	8.1	2,625	8
65+	38,263	0.00537	21	252	13.5	3,402	10
Total	183,558		80			8,753	26

- There are five facilities in the HSA III AMI planning area that provide AMI service. None of these facilities are currently at the target occupancy of 85%. Passavant Area Hospital which is approximately 38 minutes from the proposed project was approved for a 10 bed AMI unit at the January 27, 2015 State Board Meeting.

Executive Summary TABLE TWO				
Name	City	AMI	Time Minutes	Utilization
Passavant Area Hospital ⁽¹⁾	Jacksonville	10	38	0.00%
Blessing Hospital @ 11th Street	Quincy	41	59	83.00%
Lincoln Prairie Behavioral Center	Springfield	97	63	62.30%
Memorial Medical Center	Springfield	44	71	71.50%
St. John's Hospital	Springfield	40	71	54.90%
Total Beds		232		

1. Passavant Area Hospital was approved for a 10 bed acute mental illness service January 27, 2015 as Permit #14-054

PUBLIC HEARING/COMMENT

- A public hearing was offered in regard to the proposed project, but none was requested. No letters of opposition were received by the Board Staff. Letters of support were received by the State Board Staff from the following:
 - Maureen A. Kahn – President CEO Blessing Hospital
 - Valentina Vrtikapa, MD - Geriatric Psychiatrist
 - Lynn Niewohner – Director West Central Illinois Area on Aging
 - Roxie Oliver – Executive Director Mental Health Centers of Western Illinois
 - Lee W. Johnson, Psychiatrist
 - Lanny E. Stiles, Psychiatrist

- Ronald G. St. Hill, Psychiatrist
- Erin B. Humphrey, Psychiatrist
- Salvador I Sanchez-Zuniga, Psychiatrist
- Bashar M. Alzein, Medical Director, Illini Community Hospital
- Diana Feigl, Associate Director Cass County Mental Health Association
- Rubi Hoots, Administrator Liberty Village of Pittsfield
- Trenton Chockley, Executive Director – Schuyler County Mental Health Association
- Michael Rein, Executive Director – Transitions of Western Illinois
- Pat Schou, Executive Director – Executive Director, Illinois Critical Access Hospital Network

CONCLUSION:

- The Illinois Department of Public Health considers Illini Community Hospital a **necessary provider of services** in the HSA III service area which includes the Illinois Counties of Adams, Brown, Calhoun, Greene, Hancock, Pike and Scott. All six counties are considered health professional shortage areas for mental health. While the applicants did not meet certain criteria as listed below historically the State Board has viewed critical access hospitals as necessary and have approved these types of projects even though all criteria were not successfully addressed. The applicants addressed a total of 19 criteria and failed to meet the following:

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance:
Criterion 1110.234 (a) Size of the Project	The applicants exceed the State Board Size Standard for AMI beds by 120.9 GSF per bed or 1,209 GSF.
Criterion 1110.730 (c) (1) –Planning Area Need	There is a calculated excess of 88 acute mental illness beds in the HSA III Acute Mental Illness Planning Area
Criterion 1110.730 (d) (1)	There are five hospitals in the planning area providing AMI services. None of the five facilities are at target occupancy.
Criterion 1120.140 (c) Reasonableness of Project Costs	The applicants are proposing a modernization cost of \$462.78 per GSF. This appears HIGH when compared to the State Board Standard of \$317.43 per GSF. The applicants stated the following: <i>“The mechanical cost on the estimate was \$593,000. The Air handler is a big part of the cost. We are also filling in the old elevator shaft to capture more usable square footage. The low floor to floor heights makes getting the ductwork in the plenum more of a challenge as well. The existing metal building portion is upgraded as well to be used as occupied space</i>

State Board Standards Not Met

Criteria	Reasons for Non-Compliance:
	<i>rather than storage. We are working within the geometries of the existing building. This may also be in part due to the smaller number of beds. There is a certain amount of support space that is required regardless of the number of beds.”</i>

STATE BOARD STAFF REPORT
Project #14-060
Illini Community Hospital

APPLICATION CHRONOLOGY	
Applicants(s)	Blessing Corporate Services, Inc. BlessingCare Corporation d/b/a Illini Community Hospital
Facility Name	Illini Community Hospital
Location	640 West Washington, Pittsfield, Illinois
Permit Holder	BlessingCare Corporation d/b/a Illini Community Hospital
Operating Entity	BlessingCare Corporation d/b/a Illini Community Hospital
Owner of Site	BlessingCare Corporation
Application Received	December 8, 2014
Application Deemed Complete	December 12, 2014
Review Period Ends	February 10, 2015
Review Period Extended by the State Board Staff?	No
Can the applicants request a deferral?	Yes

I. Project Description

The applicants are proposing the establishment of a 10 bed acute mental illness category of service in Pittsfield, Illinois at a cost of \$3,285,742. The anticipated completion date is December 31, 2016.

II. Summary of Findings

- A. The State Board Staff finds the proposed project **DOES NOT** appear to be in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project **DOES NOT** appear to be in conformance with the provisions of Part 1120.

III. General Information

The applicants are Blessing Corporate Services, Inc. and BlessingCare Corporation d/b/a Illini Community Hospital. Blessing Corporate Services is the parent organization of Blessing Hospital in Quincy, Illinois, a not-for-profit acute care hospital that provides inpatient, outpatient and emergency care services for residents of Western Illinois and Northeastern Missouri. In addition Blessing Corporate Services is the parent of BlessingCare Corporation d/b/a Illini Community Hospital in Pittsfield, Illinois, a 25 bed not-for-profit acute care hospital that provides inpatient, outpatient and emergency care services for residents of Western Illinois.

IV. Critical Access Hospital

Illini Community Hospital is a Medicare certified critical access hospitals (CAH) and in that capacity is recognized as a safety net and necessary provider of services for its community. Illini Community Hospital was approved as a necessary provider critical access hospital in September 2000 and grandfathered as a necessary provider when the rules changed 1/1/2006. Since Illini is CAH, they can have a 10 bed inpatient psychiatric unit in addition to the 25 beds. The Medicare/federal CAH program allows for CAHs to have an inpatient geriatric service for up to 10 beds and encourages CAHs to consider providing this needed service. Critical Access Hospitals are certified under a different set of Medicare Conditions of Participation that are more flexible than the acute care hospital conditions of participation. Critical Access Hospitals must be located in rural areas and must meet one of the following criteria:

- They must be over 35 miles from another hospital, or
- They must be 15 miles from another hospital in mountainous terrain or areas with only secondary roads.

State Board Staff notes: Under previous law, beds in distinct-part skilled nursing facility units do not count toward the CAH bed limit. Beds in distinct-part psychiatric or rehabilitation units operated by an entity seeking to become a CAH do count toward the bed limit. This provision, though, allows CAHs to establish psychiatric and rehabilitation distinct part units and is effective for cost reporting periods beginning on or after October 1, 2004. However, such distinct part units must meet the requirements (including conditions of participation) that would apply if they were established in an acute care hospital. **Beds in these distinct part units are excluded from the bed count.** Services provided in these distinct part units will be under the applicable payment system for those units.

Illini Community Hospital is located in the Acute Mental Illness Health Service Area III. HSA III includes the Illinois Counties of Adams, Brown, Calhoun, Cass, Christian, Greene, Hancock, Jersey, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, and Scott. This is a substantive project subject to Part 1110 and 1120 review.

V. Detailed Project Description

The applicants are proposing to establish a 10 bed acute mental illness category of service. To establish the 10 bed unit the applicants are proposing to renovate the second floor (medical/surgical floor) of the hospital. The project will be modernization of 6,809 square feet. The project is to create an older/geriatric psych service. The unit will be located in renovated space of the 1957 building, 1940 building, and 1985 addition. Patient rooms are within the 1957 building. There are 10 patient beds (three private patient rooms, one seclusion patient room and three semi-private patient rooms). The unit will be secured at doors just east of the elevator. Waiting, Office, Staff Lounge, and Staff Toilet are outside the secured doors. The Office, Waiting, and Toilet fall within the 1940

building. Group Activity rooms, Consult/Exam, Seclusion area, Mechanical, and Housekeeping are located in the 1985 addition.

VI. Project Costs and Sources of Funds

The applicants are proposing to fund the project with cash of \$285,742 and a bond issue of \$3,000,000.

TABLE ONE	
Project Costs and Sources of Funds	
Use of Funds	
Modernization	\$2,319,385
Contingencies	\$231,939
Architectural/Engineering Fees	\$239,500
Consulting Fees	\$49,800
Moveable Equipment	\$313,118
Bond Issuance Expense	\$90,000
Net Interest Expense	\$42,000
Total	\$3,285,742
Sources of Funds	
Cash	\$285,742
Bond Issue	\$3,000,000
Total	\$3,285,742

VII. Section 1110.230 - Purpose of the Project, Safety Net Impact, and Alternatives

A) Criterion 1110.230 (a) – Purpose of the Project

The applicants must provide a narrative of the purpose of this project.

The purpose of the proposed project is to establish an Acute Mental Illness Category of Service at Illini Community Hospital in Pittsfield, Illinois. The goal is to improve access on the western side of HSA 3 for necessary acute mental health services, especially the geriatric population. The Primary Service Area for the proposed project is Adams and Pike Counties in Illinois and parts of Marion, Ralls, and Pike Counties in Missouri. There are three hospitals located in the primary area - Illini Community Hospital in Pittsfield, Blessing Hospital in Quincy, and Hannibal Regional Hospital across the river in Missouri. The Missouri market being proposed has no psych services for over 100 miles. This project is intended to address the insufficient access to inpatient mental health beds for older adults in western HSA 3 and adjacent Missouri counties. Blessing Hospital is on the far western border of HSA 3 while Springfield is on the far eastern border 120 miles away. These two locations provide acute mental health beds for the region and are 50

minutes and 75 minutes drive time from Illini Community Hospital. The Illinois Department of Public Health publication *Suicide and Older Adults* indicates the highest rate of suicide in the nation is among persons 65 years of age and older. The rate of death by suicide in late life is 6.6 times greater among males than females. The report indicates these numbers are similar for Illinois. The suicide rate for persons 70 years and older is 2.0 times the rate for 15-19 year olds. The older attempt and complete suicide more than any other age group.

Risk factors include:

- Access to lethal methods
- Debilitating physical health problems
- Depression
- Divorced or widowed
- Family discord
- Major changes in social roles
- Perceived poor health
- Prior suicide attempts
- Recent death of a loved one
- Social isolation and loneliness; socially dependent
- Substance abuse
- Uncontrollable pain or the fear of a prolonged illness

"Depression is one of the leading risk factors of older adult suicide," according to this report. Often times, their depression is undiagnosed and/or untreated. The report indicates 20% of older adults experience undiagnosed depression. When older adults have doctor visits, they often describe physical ailments that are the result of depression, such as poor appetite, changes in sleeping patterns, and pain not associated with a physical problem that can lead to misdiagnosis. At the same time, these older adults may be receiving treatment for heart disease, diabetes, Parkinson's disease, respiratory disease, and arthritis, each of which can be accompanied by depression. If depression is untreated, it can delay or prevent full recovery. One of the recommended strategies for the community is to provide effective clinical care for mental, physical, and substance disorders. Through the development of a dedicated older adult geriatric service, Illini Community Hospital plans to address this need by establishing a 10-bed unit to meet the needs of these citizens. The goal is to establish a 10-bed unit and offer an inpatient service to those residents in need. A Board Certified Geriatric Psychiatrist, on the staff of Blessing Physician Services, will help lead the clinical program development.

B) Criterion 1110.230 (b) – Safety Net Impact

This is a substantive project a safety net impact statement is required.

TABLE TWO			
Safety Net Impact			
	2011	2012	2013
Net Patient Revenue	\$22,759,571	\$20,709,070	\$21,132,800
Charity Care			

TABLE TWO			
Safety Net Impact			
	2011	2012	2013
Inpatients	15	6	8
Outpatients	182	476	1,170
Total	197	482	1,178
Charity Care			
Inpatients	\$49,116	\$75,824	\$45,767
Outpatients	\$265,463	\$419,242	\$571,663
Total	\$314,579	\$495,066	\$617,430
% of Charity Care to Net Revenue	1.38%	2.39%	2.92%
Medicaid			
Inpatients	40	40	21
Outpatients	2,772	3,252	4,094
Total	2,812	3,292	4,115
Medicaid			
Inpatients	\$72,241	\$115,688	\$141,528
Outpatients	\$1,394,973	\$3,159,143	\$2,276,316
Total	\$1,467,214	\$3,274,831	\$2,417,844
% of Medicaid to Net Revenue	6.45%	15.81%	11.44%

C. Criterion 1110.230 (c) –Alternatives to Proposed Project

There were two alternatives considered:

1. Do nothing:

Today residents in the proposed market area have access to Blessing Hospital which is 50 minutes away for adult acute mental health needs or at a Springfield Hospital (St.John’s Hospital and Memorial Medical Center) which is an hour and 15 minutes away. There is a void in the western half of HSA 3 for an older adult/geriatric program designed to meet the specific and unique needs of this population. The closest facility being Blessing Hospital (part of the same system as Illini) does not provide this program. Residents needing this service are treated in one of three ways - none of which are optimal to meeting their needs; in the mixed adult unit which combines young adults with older adults with many more co morbid conditions; mixed on a medical surgical floor or transferred 100+ miles to a designated unit. Blessing Hospital admits few geriatric patients in the adult psych units due to the lack of compatibility. The western part of HSA needs to be able to provide this service to residents. In addition there are no adult acute mental illness inpatient beds for over 100 miles in all directions in Missouri. The Board identified this and to do nothing was not an option. They chose not to ignore this need. The 25 adult care beds at Blessing Hospital are at 100% occupancy.

2. The second option was to modify existing med/surg floor space into a 10-bed geriatric psych unit. The space would require modernization and design to bring the unit to current

mental health standards for patient safety of psychiatric patients. The med/surg area also had a large adjacent storage that is proposed to be renovated to create support space for the program. Illini Hospital is part of the Blessing Health System based in Quincy, Illinois who has a dedicated mission to providing adult and adolescent mental health service to area residents. Quincy is located 41 miles from Pittsfield. The proposed 10-bed unit would meet the criteria for the minimum size unit as well as treatment and counseling needed to support the older adult/geriatric service. Doing nothing was ruled out due to the needs of area residents. The total project cost for alternative #1 was not in dollars, but lost opportunity to meet the area resident's needs. The total project cost for alternative #2 is proposed to be \$3,285,741.50. Letters of support from several area agencies and providers emphasize the value of quality care that can be provided if a unit is established.

VIII. Section 1110.234 - Size of Project, Utilization, Assurance

A) Criterion 1110.234 (a) – Size of Project

The size of the project must be in conformance with the State Board Standards published in Section 1110 Appendix B.

The applicants are proposing 6,809 GSF of modernized space for this 10 bed unit or 680.9 GSF per room. The State Board standard is 440-560 GSF per room. The applicants have exceeded the State Board Standard by 120.9 GSF per bed or 1,209 GSF.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 IAC 1110.234 (a))

B) Criterion 1110.234 (b) – Projected Utilization

The applicants must provide documentation that they will be at target occupancy of 85% by the second year after project completion.

The applicants are projecting 2,995 patient days in the first year of operation and 3,159 patient days in the second year after project completion. The applicants will be at target occupancy if the patient days materialize.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 IAC 1110.234 (b))

C) Criterion 1110.234 (e) – Assurances

The applicants must attest that by the second year after project completion that they will be at the target occupancy of 85%.

The applicants provided the necessary attestation as required by this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.234 (e))

IX. Section 1110.730 - Acute Mental Illness

A) Criterion 1110.730 (b) (1) (3) - Background of Applicant

An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background and character to adequately provide a proper standard of health care service for the community. [20 ILCS 3960/6]

The applicants have attested that Blessing Care Corporation d/b/a Illini Community Hospital has no adverse actions taken against it, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility or against any healthcare facilities owned or generated by the applicant, directly or indirectly, within three years preceding the filing of the application. Illini Hospital is wholly owned by Blessing Corporate Services (BCS) a not-for-profit corporation in good standing with the State of Illinois. The applicants have given permission for the State Board and the Department of Public Health to access any documents or records to verify the information provided in the application for permit. Illini Hospital is accredited by The Joint Commission Critical Access Hospital Accreditation Program. The facility is not located in a flood plain and is in compliance with Executive Order 5 (2006) and the site is in compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.).

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION BACKGROUND OF APPLICANTS (77 IAC 1110.730 (b) (1) (3))

B) Criterion 1110.730 (c) - Planning Area Need

The applicant shall document that the number of beds to be established or added is necessary to serve the planning area's population.

- (c) (1) – Planning Area Need
- (c) (2) - Service to Planning Area Residents
- (c) (3) - Service Demand – Establishment of AMI
- (c) (5) -Service Accessibility

There is an excess of 88 acute mental illness beds in the HSA 03 Acute Mental Illness Planning Area. The proposed project to establish an Acute Mental Illness Category of Service at Illini Community Hospital is necessary to serve the area residents living in the western part of HSA 3 Acute Mental Illness Planning Area and contiguous Missouri counties who have no acute mental health services for over 100 miles. The primary counties to be served by this project are Adams, Pike, Calhoun, and Greene in Illinois and Marion, Pike, Lincoln, and Ralls counties in Missouri. The purpose of the unit is to provide a dedicated older adult/geriatric unit that is closer to where patients reside. The proposed project is intended to address the lack of a dedicated older adult/geriatric psych service in the immediate service area. The majority of Acute Mental Illness beds in the

HSA 03 Acute Mental Illness Planning Area are located in Springfield, Illinois (181 beds). Of the 222 Acute Mental Illness beds 97 at Lincoln Prairie Behavioral Hospital and 16 at Blessing Hospital a total of 113 AMI Beds (51%) are dedicated to adolescents.

Blessing Hospital in Quincy has 25 adult acute mental illness beds dedicated to adults that are currently operating at 100% occupancy.

The applicants determined demand for this project based upon the high occupancy at Blessing Hospital in Quincy and the lack of available AMI beds in the western part of the HSA 03 AMI planning area. Patient Origin information was provided and it appears that the proposed project will provide service to planning area residents.

There is no absence of service in the planning area as evidenced by the calculated excess beds in the planning area, and no evidence has been provided that indicates access limitations due to payor status. In addition the State Board Staff can find no evidence of restrictive admission policies of existing providers in the planning area. However the **four counties in Illinois identified as the primary service area** are health professional shortage areas for mental health as determined by US Department of Health and Human Services Health Resource and Services Administration.

There is a calculated excess of 88 AMI beds in the HSA 03 Planning Area; therefore the applicants have not successfully addressed this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT TO BE IN CONFORMANCE WITH CRITERION PLANNING AREA NEED (77 IAC 1110.730 (c) (1) (2) (3) (5))

C) Criterion 1110.730 (d) - Unnecessary Duplication/Maldistribution

- 1) The applicant shall document that the project will not result in an unnecessary duplication.**
- 2) The applicant shall document that the project will not result in maldistribution of services.**
- 3) The applicant shall document that, within 24 months after project completion, the proposed project:**

There are five facilities providing acute mental illness services in the HSA III acute mental illness planning area. None of the facilities are at target occupancy of 85%. There are 232 acute mental illness beds in this planning area. Of these 232 beds, 113 are dedicated to adolescents; 119 dedicated to geriatric patients. It does not appear to be maldistribution of service as the ratio of beds per population is not 1.5x the State of Illinois average. According to the applicants, it does not appear the proposed project will impact other providers in the planning area because of the lack of acute mental illness services in the western part of this planning area.

TABLE THREE				
Facilities with AMI Service in the HSA III AMI Planning Area				
Name	City	AMI	Time Minutes	Utilization
Passavant Area Hospital ⁽¹⁾	Jacksonville	10	38	0.00%
Blessing Hospital @ 11th Street	Quincy	41	59	83.00%
Lincoln Prairie Behavioral Center	Springfield	97	63	62.30%
Memorial Medical Center	Springfield	44	71	71.50%
St. John's Hospital	Springfield	40	71	54.90%
		232		
1. Passavant Area Hospital was approved for a 10 bed acute mental illness service January 27, 2015 as Permit #14-054				

D) Criterion 1110.730 (e) - Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and Joint Commission staffing requirements can be met.

Illini Community Hospital will have a contract with Blessing Physician Services to provide a Board Certified Geriatric Physician to be available for the unit. The Hospital has had a second interview with a trained/experienced advance practice nurse in psychiatry. Nursing staff will be recruited by Illini and/or current staff will be trained at the Blessing Hospital psych unit. The Blessing Health system HR department will facilitate recruitment. The System already has 8 psychiatrists, and clinical staff supporting AMI. License standards for the Joint Commission will be met.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING AVAILABILITY (77 IAC 1110.730 (e))

E) Criterion 1110.730 (f) - Performance Requirements – Bed Capacity Minimums

- 1) **The minimum unit size for a new AMI unit within an MSA is 20 beds.**
- 2) **The minimum unit size for a new AMI unit outside an MSA is 10 beds.**

Illini Community Hospital is not located in an MSA; therefore the 10 bed AMI unit meets this requirement.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PERFORMANCE REQUIREMENTS – BED CAPACITY MINIMUMS (77 IAC 1110.730 (f))

F) Criterion 1110.730 (g) - Assurances

The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal.

The applicants have provided the necessary attestation that they will achieve and maintain the 85% target occupancy standard for AMI service.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.730 (g))

FINANCIAL

A) Criterion 1120.120 – Availability of Funds

The applicants must provide evidence that sufficient funds are available to fund the project.

The applicants are funding the project with cash of \$285,742 and a bond issue of \$3 million. Moody’s Investors Service has affirmed **A3** rating on Blessing Hospital's outstanding debt issued by the City of Quincy, Illinois. A review of the audited financial statement indicates sufficient cash is available to fund the cash portion of the project.

TABLE FOUR		
Audited Financial Statement		
Blessing Health Services		
	2013	2012
Cash	\$77,729,843	\$76,175,505
Total Current Assets	\$272,231,940	\$264,331,620
PPE	\$151,751,707	\$128,707,600
Total Assets	\$470,745,783	\$434,743,524
Current Liabilities	\$68,652,657	\$65,193,707
LTD	\$86,366,573	\$89,867,073
Total Liabilities	\$207,733,021	\$240,032,256
Net Patient Service Revenue	\$343,720,321	\$332,395,738
Total Revenue	\$346,757,776	\$338,215,177
Expenses	\$327,326,382	\$318,599,705
Operating Income	\$19,431,394	\$19,615,472
% Operating Income/Total Revenue	5.60%	5.80%
Increase in Net Assets	\$69,069,779	\$17,481,841

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)

B) Criterion 1120.130 – Financial Viability

If an applicant has an A or better bond rating or is funding the project from internal sources the applicant qualifies for the financial waiver.

The applicants have an A3 bond rating therefore they qualify for the financial waiver.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.120)

A) Criterion 1120.140 (a) - Reasonableness of Financing Arrangements

B) Criterion 1120.140 (b) – Terms of Debt Financing

The applicants must provide documentation that the financing arrangements and terms of the financing are reasonable.

The applicants are funding the project with \$3 million in bonds. The bonds are variable rate 20 year bond secured by the property and gross revenue.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 IAC 1120.140(a) (b)).

C) Criterion 1120.140 (c) – Reasonableness of Project Costs

The cost of the project must be reasonable and in compliance with State Board Standards.

Modernization and Contingency Costs - These costs are \$2,551,324 or \$462.78. This appears **HIGH** when compared to the State Board Standard of \$274.85

Cost Figure (From RS MEANS)	355
Inflation	3.00%
Number of Years to inflate	1
Adjusted Costs	\$365.65
Modernization 70%	\$255.96
Mix Adjustment (1.0738)	\$274.85

Contingency Costs – These costs are \$231,939 and are 10% of modernization costs. This appears reasonable when compared to the State Board Standard of 10-15%.

Architectural and Engineering Fees – These costs \$239,500 and are 9.28% of modernization and contingency costs. This appears reasonable when compared to the State Board Standard of 7.02-10.54%.

Consulting Fees – These costs are \$49,800. The State Board does not have a standard for these costs.

Movable of Other Equipment – These costs are \$313,818. The State Board does not have a standard for these costs.

Bond Issuance Expense – These costs are \$90,000. The State Board does not have a standard for these costs.

Net Interest Expense During Construction- these costs are \$42,000. The State Board does not have a standard for these costs.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140 (c))

D) Criterion 1120.140 (d) – Direct Project Costs

The applicants must provide documentation of the direct project costs of the proposed project.

The applicants are projecting \$569.53 of direct project costs by equivalent patient day by the second year after project completion. This appears reasonable when compared to the previously approved projects.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION DIRECT PROJECT COSTS (77 IAC 1120.140 (d))

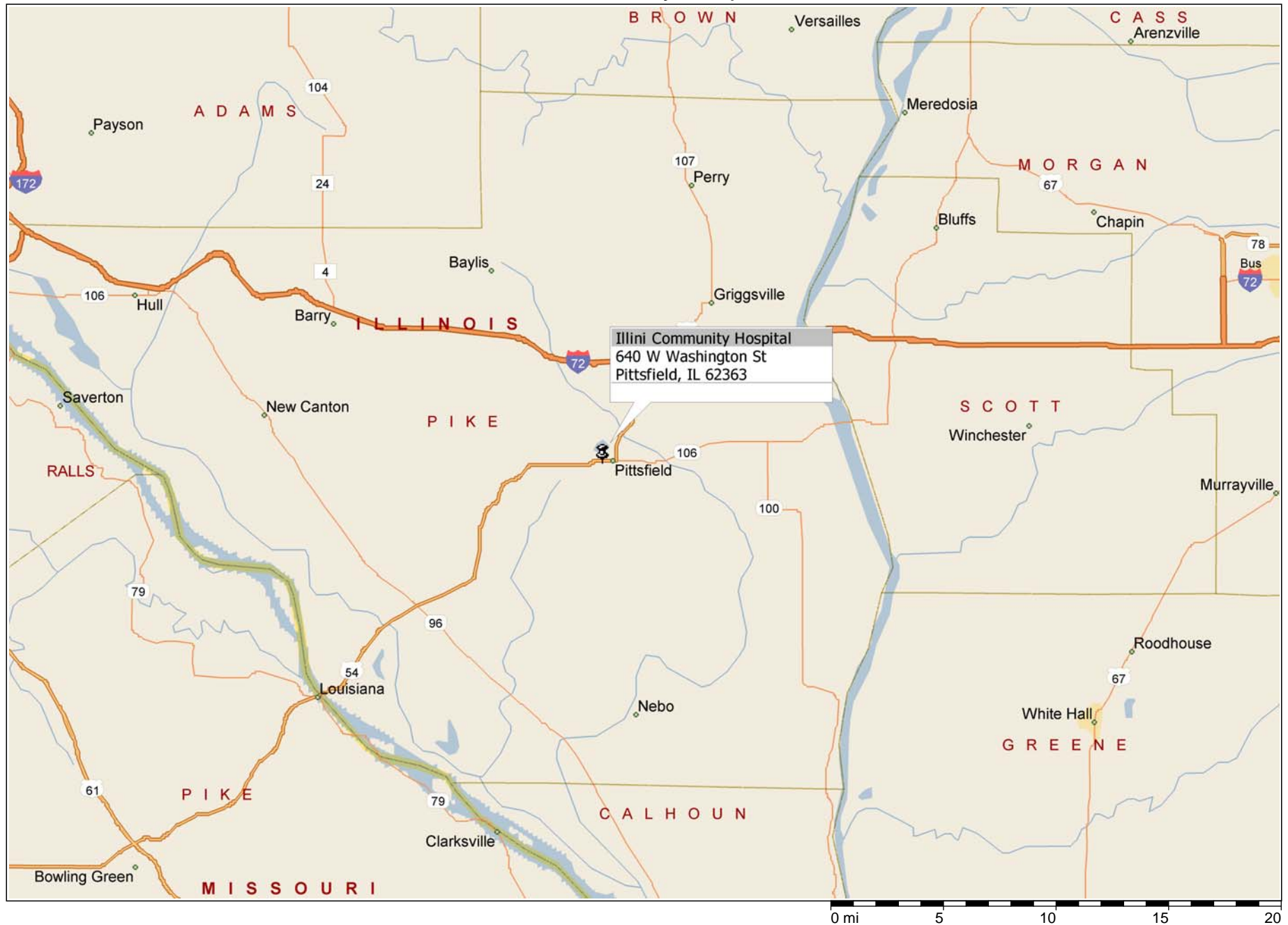
E) Criterion 1120.140 (e) – Total Effect of the Project on Capital Costs

The applicants must provide documentation of the effect of the project on capital costs.

The applicants are projecting capital costs of \$243.79 per equivalent patient day by the second year after project completion. This appears reasonable when compared to the previously approved projects.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.140 (e))

14-060 - Illini Community Hospital - Pittsfield



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<u>Ownership, Management and General Information</u>		<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Kathy Hull	White	99.4%	Hispanic or Latino:	0.0%
ADMINSTRATOR PHONE	217-285-2113, Ext. 3803	Black	0.3%	Not Hispanic or Latino:	99.7%
OWNERSHIP:	BlessingCare Corporation dba Illini Community Hosp	American Indian	0.0%	Unknown:	0.3%
OPERATOR:	BlessingCare Corporation dba Illini Community Hosp	Asian	0.0%		
MANAGEMENT:	Other Not For Profit (specify below)	Hawaiian/ Pacific	0.0%	IDPH Number:	5132
CERTIFICATION:	Critical Access Hospital	Unknown	0.3%	HPA	E-04
FACILITY DESIGNATION:	General Hospital			HSA	3
ADDRESS	640 West Washington	CITY:	Pittsfield	COUNTY:	Pike County

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	<u>Authorized CON Beds 12/31/2013</u>	<u>Peak Beds Setup and Staffed</u>	<u>Peak Census</u>	<u>Admissions</u>	<u>Inpatient Days</u>	<u>Observation Days</u>	<u>Average Length of Stay</u>	<u>Average Daily Census</u>	<u>CON Occupancy Rate %</u>	<u>Staffed Bed Occupancy Rate %</u>
Medical/Surgical	19	10	10	311	1,197	149	4.3	3.7	19.4	36.9
0-14 Years				1	1					
15-44 Years				20	56					
45-64 Years				47	168					
65-74 Years				57	183					
75 Years +				186	789					
Pediatric	2	1	1	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	4	1	1	0	0	0	0.0	0.0	0.0	0.0
Direct Admission				0	0					
Transfers				0	0					
Obstetric/Gynecology	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Maternity				0	0					
Clean Gynecology				0	0					
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	25			311	1,197	149	4.3	3.7	14.8	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>							
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Public</u>	<u>Private Insurance</u>	<u>Private Pay</u>	<u>Charity Care</u>	<u>Totals</u>
Inpatients	83.9%	6.8%	0.6%	5.5%	0.6%	2.6%	311
	261	21	2	17	2	8	
Outpatients	43.4%	19.0%	0.5%	27.8%	3.9%	5.4%	21,591
	9363	4094	117	6006	841	1170	

<u>Financial Year Reported:</u>	10/1/2012 to	9/30/2013	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>					<u>Charity Care Expense</u>	<u>Total Charity Care Expense</u>
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Public</u>	<u>Private Insurance</u>	<u>Private Pay</u>	<u>Totals</u>			
Inpatient Revenue (\$)	82.8%	5.2%	1.1%	10.9%	0.0%	100.0%		617,430	
	2,238,420	141,528	28,770	294,593	0	2,703,311	45,767		
Outpatient Revenue (\$)	39.6%	12.4%	0.3%	47.6%	0.2%	100.0%			
	7,299,045	2,276,316	51,860	8,765,086	37,182	18,429,489	571,663	2.9%	

<u>Birthing Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	0		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	0		Beds	0	0	Heart:	0
Birthing Rooms:	0		Patient Days	0	0	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		0	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	0					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0					Total:	0
C-Section Rooms:	0				4,795		
CSections Performed:	0				55,591		
					0		

Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case			
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient		
Cardiovascular	0	0	0	0	0	0	0	0	0	0.0	0.0		
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0		
General	0	0	2	2	0	36	0	103	103	0.0	2.9		
Gastroenterology	0	0	1	1	2	228	5	530	535	2.5	2.3		
Neurology	0	0	0	0	0	0	0	0	0	0.0	0.0		
OB/Gynecology	0	0	0	0	0	5	0	10	10	0.0	2.0		
Oral/Maxillofacial	0	0	0	0	0	4	0	20	20	0.0	5.0		
Ophthalmology	0	0	0	0	0	142	0	355	355	0.0	2.5		
Orthopedic	0	0	0	0	0	2	0	8	8	0.0	4.0		
Otolaryngology	0	0	0	0	0	0	0	0	0	0.0	0.0		
Plastic Surgery	0	0	0	0	0	1	0	8	8	0.0	8.0		
Podiatry	0	0	0	0	0	5	0	13	13	0.0	2.6		
Thoracic	0	0	0	0	0	0	0	0	0	0.0	0.0		
Urology	0	0	0	0	0	0	0	0	0	0.0	0.0		
Totals	0	0	3	3	2	423	5	1047	1052	2.5	2.5		
SURGICAL RECOVERY STATIONS			Stage 1 Recovery Stations			0			Stage 2 Recovery Stations			0	

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	0	0	0	0	0	0	0	0.0	0.0
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	1	1	0	36	0	90	90	0.0	2.5
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0
Multipurpose Non-Dedicated Rooms											
	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
	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	Level 2
	Not Answered
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	0
Persons Treated by Emergency Services:	6,684
Patients Admitted from Emergency:	211
Total ED Visits (Emergency+Trauma):	6,684

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	21,591
Outpatient Visits at the Hospital/ Campus:	21,591
Outpatient Visits Offsite/off campus	0

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	Owned	Contract	

General Radiography/Fluoroscopy	2	0	262	4,990	0	Lithotripsy	0	0	0
Nuclear Medicine	1	0	3	163	0	Linear Accelerator	0	0	0
Mammography	1	0	0	667	0	Image Guided Rad Therapy			0
Ultrasound	1	1	56	744	373	Intensity Modulated Rad Thrp			0
Angiography	0	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			0	0	0	Proton Beam Therapy	0	0	0
Interventional Angiography			0	0	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	0	0	0	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	1	0	165	2,367	0				
Magnetic Resonance Imaging	0	1	0	0	334				