



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:	BOARD MEETING:	PROJECT NO: 15-018	PROJECT COST: Original: \$0
FACILITY NAME: Gateway Regional Medical Center		CITY: Granite City	
TYPE OF PROJECT: Substantive			HSA: XI

DESCRIPTION: The applicants (Granite City Hospital Company, LLC, and Community Health Systems, Inc.) are requesting to discontinue their 5-bed Pediatrics (PEDS) category of service. There is no cost to this project. **The completion date is June 30, 2015.**

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants (Granite City Hospital Company, LLC, and Community Health Systems, Inc.) are requesting to discontinue a 5-bed Pediatrics (PEDS) category of service, at its acute care hospital, in Granite City. There is no cost to this project. **The completion date is June 30, 2015.**

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 lack of utilization for the last three years. Gateway Regional Medical Center does have an Obstetrics service, an Acute Mental Illness service that treats patients under 14 years of age, and pediatricians on staff. Regardless, the applicants report having no pediatric patients admitted in the last three years. The applicants state the existence of children's specialty hospitals in St. Louis (18 miles away), as the probable cause for the lack of pediatric admissions at the hospital. The vacated space will be used for expanded medical-surgical inpatient treatment, but no additional beds will added to the existing bed complement.

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 applicants are requesting approval to discontinue its 5-bed Pediatrics category of service given the complete lack of utilization over the past three years.
- The applicants note existing Children's specialty hospitals in the St. Louis area as the reason for the lack of utilization.
- The applicants will continue to care for children on an outpatient basis as necessary, and will occasionally admit patients under 15 years of age to its medical surgical unit for a limited stay, based on acuity levels.

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 468 medical/surgical/pediatrics beds in the F-01 planning area by CY 2015, and the proposed discontinuation will reduce this bed excess to 463. Given the current bed excess, and the lack of utilization of the pediatrics beds in the last three years, 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
Gateway Regional Medical Center
PROJECT #15-018

Applicants	Community Health Systems, Inc. Granite City Hospital Company d/b/a Gateway Regional Medical Center
Facility Name	Gateway Regional Medical Center
Location	Granite City
Application Received	March 19, 2015
Application Deemed Complete	March 31, 2015
Can Applicants Request Another Deferral?	Yes

I. The Proposed Project

The applicants (Community Health Systems, Inc., and Granite City Hospital Company d/b/a Gateway Regional Medical Center) are requesting to discontinue their 5-bed Pediatrics category of service. There is no cost to this project. **The completion date is June 30, 2015.**

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 applicants are Community Health Systems, Inc., and Granite City Hospital Company d/b/a Gateway Regional Medical Center. Gateway Regional Medical Center is located at 2100 Madison Avenue, Granite City, Illinois, in the HSA 11 Service Area and Planning Area F-01. The operating entity licensee and Site Owner is Granite City Hospital Company, LLC, d/b/a Gateway Regional Medical Center.

HSA XI consists of the Illinois Counties of Clinton, Madison, Monroe, and St. Clair.

There are ten hospitals located in the F-01 planning area: Alton Memorial Hospital, Alton, Anderson Hospital, Maryville, Gateway Regional Medical Center, Granite City, Memorial Hospital, Belleville, Memorial Hospital-East, Shiloh, Saint Anthony's Hospital, Alton, St. Elizabeth's Hospital, Belleville, St. Joseph's Hospital, Highland, St. Joseph's Hospital, Breese, and Touchette Regional Hospital, Centreville. Of the ten hospitals listed above, eight have pediatrics service. They are: Alton Memorial Hospital (4 beds), Gateway Regional medical

center, (5 beds), Memorial Hospital Belleville (14 beds), Saint Anthony's Hospital (5 beds), St. Elizabeth's Hospital (14beds), St. Joseph's Breese (6 beds), and Touchette Regional Hospital (8 beds). The April 2015 Update to the Inventory of Health Care Facilities indicate a calculated excess of 468 medical/surgical/pediatrics beds in the F-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			
Gateway Regional Medical Center, Granite City			
	2011	2012	2013
Net Revenue	\$91,988,762	\$89,195,659	\$100,579,862
Amount of Charity Care (Charges)	\$19,484,009	\$27,137,241	\$30,834,688
Cost of Charity Care	\$2,078,944	\$2,895,544	\$3,290,061
CHARITY CARE			
Charity (# of patients)	2011	2012	2013
Inpatient	466	641	548
Outpatient	752	1,097	1,013
Total	1,218	1,738	1,561

TABLE ONE			
Safety Net Information per 96-0031			
Gateway Regional Medical Center, Granite City			
Charity (cost in dollars)			
Inpatient	\$1,597,918	\$2,224,137	\$2,483,972
Outpatient	\$481,026	\$671,406	\$806,089
Total	\$2,078,944	\$2,895,544	\$3,290,061
MEDICAID			
Medicaid (# of patients)	2011	2012	2013
Inpatient	2,104	1,999	1,633
Outpatient	20,587	20,476	19,623
Total	22,601	22,475	21,256
Medicaid (revenue)			
Inpatient	\$89,905,111	\$74,755,465	\$100,032,066
Outpatient	\$66,302,814	\$47,681,091	\$78,579,366
Total	\$155,807,925	\$122,436,556	\$178,611,432

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 5-bed pediatrics service located in Gateway Regional Medical Center, Granite City. The applicants note having served no pediatric inpatients in the last three years, and attributes this to the presence of Children's specialty hospitals located in the metro St. Louis area. Board staff notes there is an excess of 468 Medical/Surgical/Pediatric beds in Health Planning Area F-01. The applicants sent impact letters to eight acute care hospitals in the Medical/Surgical/Pediatrics service area, and received a letter from Community Memorial Hospital, in Staunton, inquiring if the discontinuation would affect the Kettler Adolescent Psych Unit. It appears that the discontinuation of this service will not have a negative impact on area facilities (see below).

TABLE TWO Facilities Within a 45 Minute Travel Radius of Gateway Regional Medical Center, Granite City					
Facility	City	Minutes	Med/Surg/ Pediatrics Beds	Utilization	State Standard Met
Anderson Hospital	Maryville	18	98/0	51.3%	No
Touchette Regional Hospital	East St. Louis	21	66/8	21.1%/0.0%	No
St. Elizabeth's Hospital* (14-043)	O'Fallon	23	100/0	0.0%	No
Memorial Hospital	Belleville	24	175/14	89%/1.7%	No
Memorial Hospital-East* (11-017)	Shiloh	25	72	0.0%	No
Alton Memorial Hospital	Alton	25	117/4	48%/0.4%	No
Saint Anthony's Hospital	Alton	28	101/5	24.2%/0.0%	No
St Elizabeth's Hospital	Belleville	29	202/14	36.8%/0.0%	No
St. Joseph's Hospital^	Highland	34	25	34.2%	No
Community Memorial Hospital^	Staunton	42	21	5.8%	No
Utilization data taken from CY 2013 Hospital Profile *recently approved (see project number) No data reported ^Critical Access Hospital					

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

15-018 Gateway Regional Medical Center - Granite City



<u>Ownership, Management and General Information</u>			<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Ronald W. Leazer		White	81.2%	Hispanic or Latino:	5.1%
ADMINSTRATOR PHONE	618-798-3990		Black	16.8%	Not Hispanic or Latino:	94.5%
OWNERSHIP:	Granite City Illinois Hospital Co.		American Indian	0.0%	Unknown:	0.4%
OPERATOR:	Granite City Illinois Hospital Co.		Asian	0.2%		
MANAGEMENT:	For Profit Corporation		Hawaiian/ Pacific	0.3%	IDPH Number:	5223
CERTIFICATION:			Unknown	1.4%	HPA	F-01
FACILITY DESIGNATION:	General Hospital				HSA	11
ADDRESS	2100 Madison Avenue	CITY: Granite City	COUNTY:	Madison 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	166	164	60	3,218	13,403	1,061	4.5	39.6	23.9	24.2
0-14 Years				11	40					
15-44 Years				514	1,744					
45-64 Years				1,100	4,339					
65-74 Years				598	2,619					
75 Years +				995	4,661					
Pediatric	5	5	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	12	11	10	351	1,289	0	3.7	3.5	29.4	32.1
Direct Admission				191	727					
Transfers				160	562					
Obstetric/Gynecology	27	27	6	280	674	22	2.5	1.9	7.1	7.1
Maternity				268	632					
Clean Gynecology				12	42					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	19	19	8	260	2,578	0	9.9	7.1	37.2	37.2
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	100	100	98	3,018	19,160	0	6.3	52.5	52.5	52.5
Rehabilitation	14	14	8	83	1,055	0	12.7	2.9	20.6	20.6
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	343			7,050	38,159	1,083	5.6	107.5	31.3	

(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	31.6%	25.2%	1.4%	22.6%	11.7%	7.5%	
	2408	1922	104	1726	890	574	7,624
Outpatients	22.5%	27.3%	2.2%	31.8%	14.8%	1.4%	
	16294	19806	1569	23092	10729	1037	72,527
<u>Financial Year Reported:</u>	1/1/2013 to	12/31/2013	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>				
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense
Inpatient Revenue (\$)	24.7%	37.8%	0.7%	26.9%	9.9%	100.0%	
	17,417,413	26,648,008	503,973	18,951,609	6,979,175	70,500,178	2,566,023
Outpatient Revenue (\$)	19.8%	3.6%	0.5%	52.7%	23.5%	100.0%	
	9,817,031	1,763,169	231,725	26,167,182	11,659,514	49,638,621	828,752
							Total Charity Care as % of Net Revenue
							2.8%

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	248		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	248		Beds	8	0	Heart:	0
Birthing Rooms:	0		Patient Days	551	0	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		551	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	0					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	4		Inpatient Studies		188,000	Total:	0
C-Section Rooms:	0		Outpatient Studies		167,872		
CSections Performed:	94		Studies Performed Under Contract		13,191		

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	60	79	137	150	287	2.3	1.9
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	3	3	184	280	644	677	1321	3.5	2.4
Gastroenterology	0	0	3	3	408	1121	232	671	903	0.6	0.6
Neurology	0	0	0	0	0	0	0	0	0	0.0	0.0
OB/Gynecology	0	0	1	1	129	445	290	791	1081	2.2	1.8
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	0	0	0	0	0	0	0	0.0	0.0
Orthopedic	0	0	2	2	357	273	1219	685	1904	3.4	2.5
Otolaryngology	0	0	0	0	0	291	0	295	295	0.0	1.0
Plastic Surgery	0	0	0	0	69	98	109	150	259	1.6	1.5
Podiatry	0	0	0	0	0	0	0	0	0	0.0	0.0
Thoracic	0	0	0	0	0	0	0	0	0	0.0	0.0
Urology	0	0	1	1	57	107	89	151	240	1.6	1.4
Totals	0	0	10	10	1264	2694	2720	3570	6290	2.2	1.3

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

12

Stage 2 Recovery Stations

24

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	3	3	408	1121	232	671	903	0.6	0.6
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	1	0	1	0	71	0	46	46	0.0	0.6
Cystoscopy	0	0	1	1	57	106	89	151	240	1.6	1.4

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	0.0	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	16
Persons Treated by Emergency Services:	26,688
Patients Admitted from Emergency:	4,725
Total ED Visits (Emergency+Trauma):	26,688

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	71,490
Outpatient Visits at the Hospital/ Campus:	71,490
Outpatient Visits Offsite/off campus	0

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	1
Cath Labs used for Angiography procedures	1
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	1,159
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	680
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	460
EP Catheterizations (15+)	19

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	15	0	6,472	17,701	0	Lithotripsy	0	0	0
Nuclear Medicine	1	0	223	375	0	Linear Accelerator	0	0	0
Mammography	2	0	1	3,087	0	Image Guided Rad Therapy			0
Ultrasound	3	0	683	3,754	0	Intensity Modulated Rad Thrp			0
Angiography	1	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			93	123	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)	3	0	1,959	6,111	0				
Magnetic Resonance Imaging	2	0	217	1,716	0				