



# STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

|                                                                                                                                                                                          |                                            |                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------|
| <b>DOCKET ITEM NUMBER:</b><br>C-03                                                                                                                                                       | <b>BOARD MEETING:</b><br>November 17, 2015 | <b>PROJECT NUMBER:</b><br>E-017-15 |
| <b>EXEMPTION APPLICANT(S):</b> St. Mary's Hospital. Streator, of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, Hospital Sisters Services, Inc. |                                            |                                    |
| <b>FACILITY NAME and LOCATION:</b> St. Mary's Hospital, Streator, Illinois                                                                                                               |                                            |                                    |

## 1. The Transaction

The applicants (St. Mary's Hospital. Streator, of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, and Hospital Sisters Services, Inc.) are proposing the discontinuation of St. Mary's Hospital located at 111 Spring Street, Streator, Illinois. St. Mary's Hospital is a 90 bed acute care hospital with 79 medical surgical, 3 pediatric, and 8 intensive care beds. At the conclusion of the discontinuation of services at the hospital the applicants are donating the hospital campus (buildings and property) to OSF Healthcare System. **Per the applicants** OSF Healthcare System has agreed to provide outpatient services at St. Mary's Hospital campus. In addition, OSF Healthcare System has agreed to construct a new building for the provision of outpatient services within 2-3 years of St. Mary's discontinuation, with the understanding the current buildings will be sold, re-purposed or demolished with the remaining green lot being maintained. All medical records will be maintained by Hospital Sisters Health System in compliance with state and federal law. Patients will be notified upon inquiry regarding how to obtain a copy of their records. The date of discontinuation is December 31, 2015.

## 2. Reasons for Discontinuation

The hospital acute care services are being discontinued due to lack of inpatient volume and need, coupled with OSF Healthcare's commitment to appropriately transition and operate healthcare services in the Streator community through an ambulatory care center. Hospital Sisters Health System is geographically focused on the Central and Southern regions of Illinois. According to the applicants it has become increasingly difficult for the system to provide specialty and other services required for continuity of care in the Streator, Illinois area. OSF Healthcare System is more geographically proximate, with OSF St. Elizabeth's Hospital (19 miles away) in Ottawa, a hospital in Pontiac (34 miles away) and its tertiary facility, St. Francis Medical Center, in Peoria (70 miles).

OSF Healthcare System has committed to operate an ambulatory clinic and provide certain outpatient services in the community, including imaging services, rehabilitation services, laboratory services, and a 24-hour urgent care clinic. In addition OSF Healthcare System is committed to develop a free standing emergency center. However, to establish a free standing emergency center in Streator the Emergency Medical Services Systems Act (210 ILCS 50) would need to be amended and the establishment of the free standing emergency center would require approval of the State Board.

### 3. **Safety Net Impact Statement**

The applicants stated

*“To the applicant's knowledge, “the proposed discontinuation will have no material impact on essential safety net services as to the community and the project will have no impact on the ability of any other provider or health care system to cross subsidize safety net services. The discontinuation of St. Mary's Hospital, Streator will not impact safety net services in the service area. The availability of continued outpatient services in Streator and the capacity at other nearby hospitals will continue to make safety net services available to those in need.”*

| TABLE ONE                          |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| Safety Net Impact per 20 ILCS 3960 |              |              |              |
|                                    | 2012         | 2013         | 2014         |
| Net Revenue                        | \$51,798,511 | \$46,234,430 | \$41,058,054 |
| Charity                            |              |              |              |
| Inpatient                          | 226          | 260          | 221          |
| Outpatient                         | 1,743        | 2,118        | 2,762        |
| Total                              | 1,969        | 2,378        | 2,983        |
| Charity (\$)                       |              |              |              |
| Inpatient                          | \$565,791    | \$576,909    | \$410,367    |
| Outpatient                         | \$1,803,302  | \$1,803,176  | \$1,512,743  |
| Total                              | \$2,369,093  | \$2,380,085  | \$1,923,110  |
| % of Charity Cost to Net Revenue   | 4.57%        | 5.15%        | 4.68%        |
| Medicaid                           |              |              |              |
| Inpatient                          | 214          | 192          | 216          |
| Outpatient                         | 8,746        | 8,543        | 9,460        |
| Total                              | 8,960        | 8,735        | 9,676        |
| Medicaid (\$)                      |              |              |              |
| Inpatient                          | \$1,915,079  | \$386,272    | \$942,301    |
| Outpatient                         | \$2,474,631  | \$3,989,172  | \$3,630,488  |
| Total                              | \$4,389,710  | \$4,375,444  | \$4,572,789  |
| % of Charity Cost to Net Revenue   | 8.47%        | 9.46%        | 11.14%       |

### 4. **Public Hearing**

A public hearing was held on October 29, 2015 at the Streator City Council Chambers, 204 South Bloomington Street, Streator. Board member in attendance: Senator Brad Burzynski. One hundred ninety-three (193) individuals registered their attendance, fifty-one (51) individuals were in support of the discontinuation and one hundred twenty (120) individuals were opposed. Twenty-two (22) individuals were neutral or expressed no opinion.

5. **Public Act 99-0154**

Public Act 99-0154 became law July 29, 2015 and is effective immediately. This Act requires that a discontinuation of a health care facility or a category of service be exempt from certificate of need.

The Act states upon a finding that an application to discontinue a category of service is complete and provides the requested information, as specified by the State Board, an exemption shall be issued. No later than **30 days** after the issuance of the exemption, the health care facility must give written notice of the discontinuation of the category of service to the State Senator and State Representative serving the legislative district in which the health care facility is located. The Illinois Health Facility Planning Act 20 ILCS 3960/5.4) requires that a Safety Net Impact Statement be provided when the application proposes to discontinue a category of service.

**The applicants have submitted the required information per PA 99-0154.**

# E-017-15 St. Mary's Hospital Streator

