



February 15, 2017

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Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Floor 2
Springfield, IL 62702-5056

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: #16-048, Ferrell Hospital

Dear Ms. Avery,

I am writing in response to a letter posted on the IHFSRB website site from Ferrell Hospital in regard to project 16-048.

In that letter, dated February 8, 2017, and titled "Clarifying Information Submission, the author, Alisa Coleman, the hospital's CEO, refers to a letter from Harrisburg Medical Center alleging that there has been a change in our position regarding their project. Ms. Coleman stated that, "...Harrisburg Medical Center has apparently stepped back from the written opposition posted on the HFSRB Project website and contradicted both his written opposition letter and HFSRB public participation testimony..."

By way of this letter, I am stating that Ferrell Hospital has untruthfully represented the facts. They have taken several quotes from a letter that was written to our patients and community explaining exactly why we oppose the project. We have never wavered from our position, which has been stated previously in our public comment and public participation testimony. We do not oppose Ferrell Hospital improving and upgrading their facility. We oppose the proposed size and scope of the project.

I have included the referenced letter so the Board can see exactly what was said and so it's not taken out of context in an untruthful manner.

In addition, please note that all of the services that Ferrell proposes to supply through their relationship with Deaconess so people don't have to travel to Indiana already exist in the geographic market area and are provided by local entities less than 9 miles away.

Our hospital respectfully asks the Board to follow your Rules, including your State Guidelines – Square Footage and Utilization (77 Ill. Adm. Code 1110.APPENDIX B)



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regarding the size and scope of hospital projects, all of which have been identified by your own staff in the Staff Report for this project.

If you have questions, please contact me at 618-253-0310 or rsmith@harrisburgmc.com.



Rodney D. Smith
President/CEO
Harrisburg Medical Center



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January 26, 2017

Dear Citizens and Patients that we serve,

I am writing this letter in response to negative comments made publicly about Harrisburg Medical Center opposing Deaconess/Ferrell Hospital's expansion project. As a co-applicant, Deaconess is a major player in this project.

It has been stated that Harrisburg Medical Center is opposing the project because we want Ferrell Hospital to close. Nothing could be farther from the truth. We all need Ferrell Hospital to be in Eldorado. The citizens of Eldorado need and deserve a hospital, especially emergency services. Our opposition is only for the size and scope of the project. I will attempt to explain why. The State of Illinois has a Health Services Review Board. Their main purpose for existence is to look at building projects that are over \$12.6 million to determine if they are needed and if they meet certain criteria. The reason for this is because hospitals are heavily funded by government agencies such as Medicare and Medicaid. The Health Review Board must make sure that hospitals and other healthcare providers don't overbuild or duplicate services that would put a burden on taxpayers. Before a project goes to the Board for their approval or rejection, a state reviewer looks at 18 criteria to see if the project meets the statutes. The state reviewer found that Ferrell Hospital didn't meet 7 of those criteria. The reviewer's comments can be found at hfrsb.illinois.gov. The deficiencies had to do with exactly what we cited as concerns such as size and scope and financial ability to pay for the project. There has been a lot of talk the last several years from the federal government about making critical access hospitals recertify if they don't meet the guidelines about being too close to other hospitals. The regulations state that in order to be eligible for the special funding that critical access hospitals receive, they have to be more than 35 miles from another hospital. Illinois hospitals were granted waivers back in the early 2000's but as the federal government



looks for ways to trim their budgets, critical access hospitals have been on their radar. Our concern is that if either Ferrell Hospital would lose its critical access designation or if it was overbuilt and could not financially be viable, they might close and put an undue financial burden on Harrisburg Medical Center. Ferrell Hospital's critical access designation allows them a better financial reimbursement than Harrisburg Medical Center receives. Ferrell Hospital takes care of a high number of Medicaid recipients. Medicaid in Illinois is one of the lowest reimbursements for this type of service in the nation and if Ferrell Hospital would cease to exist, it would be very difficult financially for Harrisburg Medical Center to survive and possibly would leave our area without a hospital.

Several years ago, there was a lot of talk about Ferrell Hospital closing and we even had one of their physicians contact us about employment due to his concerns. We took the steps to expand the rural healthcare clinic that we built in Eldorado in 2000 in case a closure did happen therefore we would be able to provide an urgent care center in Eldorado to serve those patients. Apparently Ferrell Hospital is doing better financially which is encouraging.

Harrisburg Medical Center has no opposition to Ferrell Hospital improving their facility and upgrading it. The opposition is to the size and scope as previously mentioned. I, personally, have a lot of respect for Ferrell Hospital's board and we actually work cooperatively on projects to serve our area. Gene Morris and Alisa Coleman are two of the finest people I know. In my opinion, Alisa is probably the best CEO that Ferrell Hospital has had in a long time.

Harrisburg Medical Center's moral compass will always guide us to be truthful and do the right things to serve our patients and community.

In Loyal Servitude,



Rodney D. Smith
President/CEO
Harrisburg Medical Center



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