STATE OF ILLINOIS



# HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM:

C-06

**BOARD MEETING:** January 15, 2019 EXEMPTION NUMBER: E-066-18

**EXEMPTION APPLICANT(S):** Advocate Health and Hospitals Corporation – d/b/a Advocate Good Samaritan Hospital, Advocate Health Care Network, and Advocate Aurora Health, Inc. **FACILITY NAME and LOCATION:** Advocate Good Samaritan Hospital, Downers Grove

# STATE BOARD STAFF REPORT DISCONTINUATION OF A CATEGORY OF SERVICE

## I. <u>The Exemption Application</u>

The Applicants (Advocate Health and Hospitals Corporation – d/b/a Advocate Good Samaritan Hospital, Advocate Health Care Network, and Advocate Aurora Health, Inc.) propose the discontinuation of a 7-bed pediatric category of service. These 7-beds will be converted to medical surgical beds. A Safety Net Impact Statement and Charity Care Information have been provided as required. Impact Letters were sent to hospitals within 10-miles of Advocate Good Samaritan Hospital that maintain pediatric services. The expected completion date is April 26, 2019. The licensee/operating entity and the owner of the site is Advocate Health and Hospitals Corporation – d/b/a Advocate Good Samaritan Hospital

The <u>exemption</u> is before the State Board because the transaction is a discontinuation of a category of service.

## II. <u>Background</u>

Advocate Good Samaritan Hospital<sup>1</sup> is a 284-bed hospital located in Downers Grove, Illinois. The State Board's <u>target occupancy</u> for a 7-bed pediatric unit is 65%. The hospital reported in the Annual hospital profile over the past three years the pediatric unit has operated with an average daily census of <u>one</u> patient.

Pediatric Utilization					
Year	2015	2016	2017		
Beds	7	7	7		
Days	328	0	462		
ADC	0.90	0.00	1.27		
Occupancy	12.84%	0.00%	18.08%		

#### TABLE ONE Advocate Good Samaritan Hospital Pediatric Utilization

<sup>&</sup>lt;sup>1</sup> On December 2, 2015 Advocate Good Samaritan Hospital temporarily suspended inpatient pediatric services at the Hospital because of the inability of the hospital to safely and appropriately staff the pediatric unit. On January 4, 2017 the Hospital reopened the inpatient pediatric unit. The State Board and IDPH were notified by the Applicants of both occurrences.

The Applicants have stated that the reason for the discontinuation of the pediatric category of service is low census. According to the Applicants *pediatric hospital admissions across the nation have been declining for several years. In Illinois alone, there has been an almost 29% drop since 2013. Fortunately, it's in part, because healthcare has become proficient at treating conditions in the outpatient setting that once required hospitalization. Also, children who require inpatient admission are usually more acutely ill and require pediatric critical and subspecialty care. With less children requiring a hospital admission, Advocate proposes to close the pediatric service at this hospital.* 

The Applicants do not expect the discontinuation will have an adverse effect on access to care in the hospital's market area. There are 19 hospitals nearby that offer pediatric patient care. The Applicants note that the Advocate Christ Medical Center (22.8 miles) and Advocate Lutheran General Hospital (21.4 miles) have extensive pediatric specialty services.

Hospitals with In-Patient Pediatric Services					
Facility	City	Miles			
Elmhurst Memorial Hospital	Elmhurst	7.5			
Adventist Hinsdale Hospital	Hinsdale	9.7			
McNeal Memorial Hospital	Berwyn	9.8			
Edward Hospital	Naperville	12.2			
Loyola University Medical Center	Maywood	12.6			
VHS Westlake Hospital	Melrose Park	13.7			
Central DuPage Hospital	Winfield	14.3			
Gottlieb Memorial Hospital	Melrose Park	14.8			
VHS West Suburban Medical Ctr.	Oak Park	15.5			
Shriner's Hospitals for Children	Chicago	16.7			
Presence Mercy Medical Center	Aurora	19.2			
Rush University Medical Center	Chicago	20.3			
University of Illinois Hospital	Chicago	20.6			
Presence Resurrection Medical Ctr.	Chicago	20.8			
Advocate Lutheran General Hospital	Park Ridge	21.4			
Saint Mary Of Nazareth Hospital	Chicago	21.6			
Silver Cross Hospital	New Lenox	22.4			
Northwest Community Hospital	Arlington Heights	22.6			
Advocate Christ Medical Center	Oak Lawn	22.8			

TABLE TWO Hospitals with In-Patient Pediatric Services

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# II. <u>Applicable Rules</u>

The Illinois Health Facilities Planning Act (20 ILCS 3960/6) states the State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. Projects eligible for an exemption, rather than a permit, include, but are not limited to, change of ownership of a health care facility, <u>discontinuation of a category of service</u>, and discontinuation of a health care facility, other than a health care facility maintained by the State or any agency or department thereof or a nursing home maintained by a county.

The State Board's rule (77 IAC 1130.500 & 77 ILAC 1130.525) specifies the requirements necessary for a discontinuation of a category of service exemption application to be filed with the State Board. The State Board may, by rule, delegate authority to the Chairman to grant permits or exemptions when applications meet all of the State Board's review criteria and are unopposed [20 ILCS 3960/5].

<u>The State Board Staff Notes:</u> No support or opposition letters were submitted and there was no request for a public hearing. <u>All of the requirements</u> of the State Board have been met.

# STATE BOARD STAFF FINDS THE EXEMPTION FOR DISCONTINUATION OF A CATEGORY OF SERVICE IN CONFORMANCE WITH CRITERIA 77 ILAC 1130.500 & 77 ILAC 1130.525

Advocate Good Samaritan Hospital	Charity Care Information			
Year	2015	2016	2017	
Net Patient Revenue	\$371,814,320	\$391,181,171	\$407,474,572	
Amount of Charity Care charges)	\$20,313,733	\$18,565,739	\$19,085,651	
Cost of Charity Care	\$4,762,000	\$4,273,000	\$4,596,000	
% of Charity Care to Net Patient Revenue	1.28%	1.09%	1.13%	

## TABLE THREE



# E-066-18 Advocate Good Samaritan Hospital - Downers Grove

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