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 Hospital¹ 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

¹ 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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