



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-07	BOARD MEETING: January 15, 2019	EXEMPTION NUMBER: E-067-18
EXEMPTION APPLICANT(S): Advocate Health and Hospitals Corporation – d/b/a Advocate Good Shepherd Hospital, Advocate Health Care Network, and Advocate Aurora Health, Inc.		
FACILITY NAME and LOCATION: Advocate Good Shepherd Hospital, Barrington, Illinois		

STATE BOARD STAFF REPORT
DISCONTINUATION OF A CATEGORY OF SERVICE

I. The Exemption Application

The Applicants (Advocate Health and Hospitals Corporation – d/b/a Advocate Good Shepherd Hospital, Advocate Health Care Network, and Advocate Aurora Health, Inc.) propose the discontinuation of an 8-bed pediatric category of service. These 8-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 Shepherd Hospital

The exemption is before the State Board because the transaction is a discontinuation of a category of service.

II. Background

Advocate Good Shepherd Hospital is a 176-bed hospital located in Barrington, Illinois. The hospital reported in the annual hospital profile over the past three years the pediatric unit has operated with an average daily census of one patient. The State Board’s target occupancy for an 8-bed pediatric unit is 65%.

TABLE ONE
Advocate Good Shepherd Pediatric Utilization

	2015	2016	2017
Beds	8	8	8
Days	328	241	145
ADC	0.90	0.66	0.40
Occupancy	11.23%	8.25%	4.97%

The Applicants have stated that the reason for the discontinuation of the pediatric category of service is low census. The Applicants stated “*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 three other hospitals nearby that offer pediatrics inpatient care and they have been made aware of this pending closure.

**TABLE TWO
Hospitals providing Pediatric Services**

Facility	City	Miles
St. Alexius Medical Center	Hoffman Estates	11.6
Northwest Community Hospital	Arlington Heights	16.5
Advocate Condell Medical Center	Libertyville	18

II. Applicable Rules

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, discontinuation of a category of service, 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].

The State Board Staff Notes: No support or opposition letters were submitted and there was no request for a public hearing. All of the requirements 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

TABLE THREE

Advocate Good Shepherd Hospital	Charity Care Information		
	2015	2016	2017
Year			
Net Patient Revenue	\$299,302,354	\$301,146,960	\$306,807,235
Amount of Charity Care charges)	\$8,366,489	\$7,109,845	\$7,997,546
Cost of Charity Care	\$2,158,000	\$1,847,000	\$2,179,000
% of Charity Care to Net Patient Revenue	1.28%	1.09%	1.13%

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