



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-08	BOARD MEETING: January 15, 2019	EXEMPTION NUMBER: E-068-18
EXEMPTION APPLICANT(S): Advocate North Side Health Network – d/b/a Advocate Illinois Masonic Medical Center, Advocate Health and Hospitals Corporation, Advocate Health Care Network, and Advocate Aurora Health, Inc.		
FACILITY NAME and LOCATION: Advocate Illinois Masonic Medical Center, Chicago, Illinois		

STATE BOARD STAFF REPORT
DISCONTINUATION OF A CATEGORY OF SERVICE

I. The Exemption Application

The Applicants (Advocate North Side Health Network – d/b/a Advocate Illinois Masonic Medical Center, Advocate Health and Hospitals Corporation, Advocate Health Care Network, and Advocate Aurora Health, Inc.) propose the discontinuation of a 14-bed pediatric category of service. These 14-beds will be converted to neonatal 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 Illinois Masonic Medical Center that maintain pediatric services. The operating entity/licensee and owner of the site is Advocate North Side Health Network – d/b/a Advocate Illinois Masonic Medical Center. The expected completion date is April 26, 2019.

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

II. Background

Advocate Illinois Masonic Medical Center is a 397-bed hospital located in Chicago, 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 two patients. The State Board’s target occupancy for a 14-bed pediatric unit is 65%.

TABLE ONE
Advocate Illinois Masonic Medical Center
Pediatric Utilization

Year	2015	2016	2017
Beds	14	14	14
Days	832	832	707
ADC	2.28	2.28	1.94
Occupancy	16.28%	16.28%	13.84%

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 18 hospitals nearby that offer pediatric patient care. The Applicants also note that the Advocate Christ Medical Center (23.1 miles) and Advocate Lutheran General Hospital (13.7 miles) have extensive pediatric specialty services. One impact letter was received from the University of Chicago Medical Center (13.9 miles) that stated that the Medical Center has the capacity to accommodate the pediatric patients that would come to Advocate Illinois Masonic Medical Center and that it maintains its designation as a Level I Pediatric Trauma Center.

TABLE TWO
Hospitals Providing Pediatric Services

Facility	City	Miles
Presence Saint Joseph Hospital	Chicago	1
Presence St. Marv's Hospital	Chicago	4.1
Ann & Robert Lurie Children's Hospital	Chicago	4.6
Swedish Covenant Hospital	Chicago	4.8
University of Illinois Hospital	Chicago	9.1
John H. Stroger Hospital	Chicago	9.2
St. Anthony Hospital	Chicago	9.7
Evanston Hospital	Evanston	10.8
Presence Resurrection Medical Center	Chicago	11.3
Shriner's Hospital for Children	Chicago	11.6
St. Bernard Hospital	Chicago	13.6
Advocate Lutheran General Hospital	Park Ridge	13.7
LaRabida Children's Hospital	Chicago	13.8
University of Chicago Medical Center	Chicago	13.9
Jackson Park Hospital & Medical Center	Chicago	15
West Suburban Medical Center	Oak Park	15.4
Rush University Medical Center	Chicago	15.9
Loyola University Medical Center	Maywood	17.9

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 Illinois Masonic Medical Center	Charity Care Information		
	2015	2016	2017
Year			
Net Patient Revenue	\$417,997,172	\$436,677,329	\$450,137,813
Amount of Charity Care charges)	\$37,115,490	\$26,187,580	\$31,932,425
Cost of Charity Care	\$8,022,000	\$5,647,000	\$7,247,000
% of Charity Care to Net Patient Revenue	1.91%	1.29%	1.60%

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