

Axel & Associates, Inc.

by email and FedEx

MANAGEMENT CONSULTANTS

January 14, 2020

Mr. Mike Constantino
c/o Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RECEIVED

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: Project #19-056
Javon Bea Hospital-Rockton Avenue

Dear Mike:

Please accept the following information related to the above-referenced application, and your request for additional and clarifying information.

Safety Net Impact Statement

Please see attached.

Discussion of Demand and Bed Need Calculation

The applicants are projecting that the skilled care unit ("SCU") will operate with an average daily census of approximately sixteen patients. This estimate is based on both the Javon Bea Hospital's ("JBH's") historical transfer of patients to skilled care facilities for subacute care, as well as Mercy Health Corporation's experience operating a 5-star SCU in Janesville, Wisconsin, where it also operates an acute care hospital.

Specifically, the Janesville unit's experience suggests that approximately 82% of the unit's patients come from one of the following diagnosis patient groupings:

- sepsis
- kidney disease/failure/infection
- neurological
- gastrointestinal
- heart disease/failure
- pneumonia
- respiratory care
- surgical complications
- stroke
- orthopedic fractures.

During FY 2018 and FY 2019, JBH transferred an average of 454 patients falling into one of these diagnosis patient groupings a year to Rockford area skilled care facilities. For planning purposes, and based on discussions with local providers, the applicants estimate that 25% of the historical number of patients transferred will continue to be transferred to area skilled care facilities, therein reducing the 454 annual patients to 341, to be transferred to the proposed SCU.

Using the Janesville unit's experience of 18% of the admissions not being members of the above-identified diagnosis groupings, the total number of annual admissions to the SCU is projected to be 417.

The Janesville unit's average length of stay of 14 days was used to project 5,838 annual patient days, resulting in an average daily census of 15.99 patients.

Please refer to my December 30, 2019 letter for a patient origin analysis and for an accounting of the skilled care facilities to which JBH patients were transferred during FY 2019.

Capital Cost of the Second Alternative

The second alternative considered, the construction of a small addition to JBH-Riverside to house the proposed care unit was dismissed due to the capital cost and the availability of suitable space at JBH-Rockton Avenue. The capital cost associated with the construction of a small addition to JBH-Riverside to house the proposed subacute care unit was \$6.8-7.2M.

Section 1125.530(a)/Bed Need Determination

Please see attached.

Section 1125.530(b)/Service to Planning Area Residents

Please see attached.

Section 1125.540/Service Demand

Please see attached.

Section 1125.570/Service Accessibility

Please see attached.

Section 1125.580(a)&(b)/Unnecessary Duplication/Mal-distribution

Please see ATTACHMENT 18LTC (pgs 56-59) of the CON application.

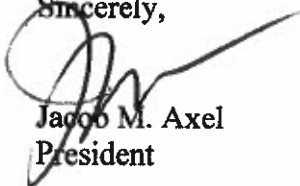
Section 1125.580(c)/Unnecessary Duplication/Mal-distribution

Please see attached.

In addition, notification of compliance with the requirements of the Illinois State Agency Historic resources Preservation Act, and notification of such is attached.

Should any additional information be required, please contact me at your earliest convenience.

Sincerely,



Jacob M. Axel
President

attachments

SAFETY NET IMPACT STATEMENT

The proposed project, that being the establishment of a subacute care unit, will have no negative impact on safety net services provided by Javon Bea Hospital (“JBH”) or through its parent, Mercy Health Corporation, nor will it have any impact on the community’s safety net services.

When the applicants sought approval for the establishment of a hospital on the east side of Rockford (the Riverside campus), great concern was voiced that the applicants, in doing so, were ‘abandoning” the west side of Rockford, and the applicants’ legacy facility (the Rockton Avenue campus). The applicants have held true to their commitment to Rockford’s west side, and through the proposed project, the applicants are further supporting their commitment to the West Side of Rockford.

Javon Bea Hospital is a regional provider of safety net services, including the operating of a Level I Trauma center, the largest (52 beds) NICU and commitment to newborn and pediatric care in the region, service as the area’s perinatal center, and being, by far, the largest provider of inpatient and outpatient services to Medicaid recipients.

In addition Mercy Health Corporation and JBH are active sponsors of and participants in community-based wellness and health education programs.

SECTION 1125.530.a
BED NEED DETERMINATION

The proposed project addresses the establishment of a 17-bed subacute care unit in an established hospital. IDPH does not have a subacute care category of beds; and per conversations with HFSRB staff, the project will be reviewed against long-term care/skilled nursing care criteria. Accordingly, Javon Bea Hospital is located in HSA 1/Winnebago County, which, per the *Inventory of Health Care Facilities and Services and Need Determinations*, has an excess of 144 skilled care beds.

SECTION 1125.530.b
SERVICE TO PLANNING AREA RESIDENTS

The primary purpose of the proposed subacute care unit, as is the case with all services provided at Javon Bea Hospital, is to provide care to residents of the hospital's geographic service area ("GSA"), which is defined by the HFSRB as being those ZIP Code areas located within seventeen miles of the hospital.

The table on the following page identifies the ZIP Code/community of residence (omitting patients residing in a nursing home at the time of admission to the hospital) of Javon Bea Hospital patients transferred to a skilled care facility for continuing care upon discharge from the hospital. During FY 2019, 591 of the 698 patients (84.7%) transferred from the hospital to a skilled care facility were GSA residents. That percentage is not anticipated to change appreciably following the approval of the proposed project, therein confirming the hospital's commitment to residents of the GSA.

PATIENT ORIGIN OF GSA PTS TRANSFERRED TO SKILLED CARE--FY 2018-2019

ZIP Code	Community	# Transferred	# Transferred
		2018	2019
53511	Beloit	2	3
61008	Belvidere	7	6
61010	Byron	10	10
61011	Caledonia	0	3
61016	Cherry Valley	2	2
61024	Durand	6	12
61063	Pecatonia	12	15
61065	Poplar Grove	4	8
61072	Rockton	23	22
61073	Roscoe	26	22
61080	South Beloit	8	9
61088	Winnebago	12	24
61101	Rockford	83	60
61102	Rockford	41	33
61103	Rockford	108	128
61104	Rockford	26	47
61105	Rockford	0	2
61107	Rockford	43	31
61108	Rockford	30	25
60109	Rockford	22	20
60111	Loves Park	46	27
61112	Rockford	0	1
61114	Rockford	48	33
61115	Machesney Park	<u>33</u>	<u>48</u>
		592	591
	Other, Non-GSA	<u>130</u>	<u>107</u>
	TOTAL TRANSFERS	722	698

SECTION 1125.540
SERVICE DEMAND
ESTABLISHMENT OF GENERAL LONG TERM CARE

The applicants are proposing the establishment of a 17-bed subacute care unit to be located in Javon Bea Hospital-Rockton Avenue Campus. Admission to the unit will be limited to individuals being transferred from a Mercy Health Corporation hospital, and in virtually all instances from a Javon Bea Hospital acute care (typically Medical/Surgical or intensive care) unit. "Outside" patients will not qualify for admission to the proposed unit.

Consistent with discussions with HFSRB staff, and because the IDPH does not have a subacute care bed classification, Section 1125.540, which addresses "General Long-Term Care" is being responded to, and for purposes of the Staff analysis, it is anticipated that the proposed project will be compared to the criteria and standards included in that Section.

The proposed unit will consist of 17 subacute care beds, and that number is consistent with the number of patient days of care anticipated to be provided on the proposed subacute care unit, and the number of beds required to address that demand. Projected utilization is based on FY 2018 and FY 2019 transfers from Javon Bea Hospital, as well as the experience of a clinically-comparable program operated by applicant Mercy Health Corporation, in Wisconsin. The calculation resulting in the need for the proposed 17 beds is provided in ATTACHMENT 15 of the CON application.

**SECTION 1125.570
SERVICE ACCESSIBILITY**

Accessibility to the level and scope of care to be provided in the proposed subacute care unit do not exist in the HFSRB-designated geographic service area (“GSA”); and to the extent that some of the services proposed to be provided are provided in area long-term care facilities, access to those facilities, in terms of the number of patients being admitted, is diminishing due to changes in the reimbursement system applicable to those facilities. As a result, the proposed project will result in improved accessibility.

None of the hospitals located in the GSA operate subacute care or skilled care units (though thirteen hospitals in Illinois are approved to operate skilled care beds), and as such, access to selected services, such as on-sight 24-hour physician presence and oversight, imaging services, and laboratory services are not accessible outside of the acute care hospital setting. Additionally, there are twenty-three skilled care facilities in the GSA. The table below identifies the transfer site for those patients transferred from Javon Bea Hospital to a skilled nursing facility for subacute care during FY 2019.

Destination of SNF Transfers, FY 2019

Facility	Location	# Pts. Transferred
Alpine Fireside Health Center	Rockford	12
Amberwood	Rockford	85
East Bank	Rockford	65
Fair Oaks Nursing Home	Rockford	14
Medina Manor Nursing Home	Durand	18
Medina Nursing Home	Rockford	10
Neibors Nursing Home	Byron	32
Nelson Debes	Rockford	15
PA Peterson	Rockford	61
Pinecrest Manor Nursing Home	Mount Morris	13
Presence COR Mariae Center	Rockford	18
Presence St. Anne Center	Rockford	16
River Bluff Nursing Home	Rockford	38
Rock River Health	Rockford	57

Rosewood Care Center	Rockford	18
St. Anne's Center	Rockford	11
Wesley Willows	Rockford	79
Other, less than 7 transfers (1%)		<u>136</u>
Total Transfers		698

The applicants anticipate that the origin of patients to be transferred to the proposed subacute care unit will be very similar to the origin of patients transferred from Javon Bea Hospital to a skilled care facility for a short-term stay. An analysis of that patient origin, for the twelve-month period ending June 30, 2019, is provided in the table below.

ZIP Code	City	%
61103	Rockford	12.8%
61101	Rockford	11.4%
61115	Machesney Park	6.6%
61102	Rockford	5.0%
61107	Rockford	4.4%
61114	Rockford	4.1%
61032	Freeport	3.8%
61088	Winnebago	3.8%
61111	Rockford	3.6%
61072	Rockton	3.5%
61109	Rockford	3.5%
61073	Roscoe	3.1%
61104	Rockford.	3.1%
61108	Rockford	3.1%
61063	Pecatonia	2.5%
60033	Harvard	2.2%
61071	Rock Falls	1.6%
61054	Mount Morris	1.3%
61080	South Beloit	1.3%
61065	Poplar Grove	1.2%
	other, under 1.0%	<u>18.1%</u>
		100.0%

SECTION 1125.580(C)
UNNECESSARY DUPLICATION/MAL-DISTRIBUTION

The applicants fully anticipate that the proposed 17-bed subacute care unit will operate at or above the HFSRB-identified utilization rate within two years of operation.

The applicants are anticipating approximately 417 admissions to the proposed subacute unit, annually. Due to increasing difficulties experienced by the hospital in the attainment of third-party approvals for post-acute care, and an increasing reluctance on the part of area skilled care facilities to accept the transfer of patients requiring subacute care and/or not having prior third party authorization, the applicants are unable to quantify the impact of the proposed project on area skilled care facilities.



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271

www.dnr.illinois.gov

Mailing Address: 1 Old State Capitol Plaza, Springfield, IL 62701

JB Pritzker, Governor

Colleen Callahan, Director

FAX (217) 524-7525

Winnebago County

Rockford

CON - Interior Rehabilitation, Javon Bea Hospital

2400 N. Rockton Ave.

SHPO Log #012100419

January 3, 2020

Jacob Axel

Axel & Associates, Inc.

675 North Court, Suite 210

Palatine, IL 60067

Dear Mr. Axel:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please call 217/782-4836.

Sincerely,

Robert F. Appleman

Deputy State Historic

Preservation Officer