



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-07	BOARD MEETING: August 6, 2019	EXEMPTION NUMBER: #E-028-19
EXEMPTION APPLICANT(S): Iowa Health System, Trinity Regional Health System and Trinity Medical Center		
FACILITY NAME and LOCATION: Trinity Medical Center -Rock Island		

STATE BOARD STAFF REPORT
DISCONTINUATION OF A CATEGORY SERVICE
EXEMPTION REQUEST

I. The Exemption Application

The Applicants (Iowa Health System, Trinity Regional Health System and Trinity Medical Center) propose the discontinuation of the 29-bed long term care category of service. There is no cost to the project and the expected completion date is October 1, 2019.

In 1993, the Iowa Methodist Medical Center, Blank Children's Hospital and Iowa Lutheran Hospital merged to form Iowa Health System. In 2013, the hospital system was renamed Iowa Health System dba UnityPoint Health and is based in West Des Moines, Iowa. UnityPoint Health facilities are located throughout Iowa, Illinois and Wisconsin. In June of 2019 UnityPoint Health, signed a letter of intent to merge with Sanford Health, a larger health system based in South Dakota (source: becker).

UnityPoint Health owns the following hospitals in Illinois.

TABLE ONE		
Hospitals in Illinois owned by UnityPoint Health		
Hospital	City	Beds ⁽¹⁾
Pekin Memorial Hospital	Pekin	107
Proctor Community Hospital	Peoria	210
The Methodist Medical Center of Illinois	Peoria	329
UnityPoint Health – Moline	Moline	38
UnityPoint Health – Rock Island	Rock Island	327
Memorial Hospital Association	Carthage	18
1. As of December 31, 2017		

II. Hospital – Long-Term Care Category of Service

Trinity Medical Center – Rock Island is located at 2701 17th Street, Rock Island, Illinois in the HSA X Health Service Area which includes the long-term planning areas of Henry, Mercer and Rock Island Counties¹. Trinity Medical Center -Rock Island is a 327-bed acute

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- a) ¹ There are 95-LTC Planning Areas in the State of Illinois
b) Age Groups
For general long-term nursing care, age groups of 0-64, 65-74, and 75 and over.
c) Utilization Target
Facilities providing a general long-term nursing care service should operate those beds at a minimum annual average occupancy of 90% or higher.

care hospital located in the Rock Island Long Term Care Planning Area. As of June 2019, there are 1,219 long term care beds in the Rock Island County Long Term Care Planning Area with a calculated excess of 89 long term care beds in this planning area.

According to the Applicants the proposed discontinuation is the result of low and steadily decreasing utilization in the 29-bed long term care unit. In addition, employee retention and recruitment have made it difficult to maintain appropriate staffing levels - capping patient capacity to 17 of its existing 29 licensed beds. The long-term nursing care unit also has experienced several leadership transitions during this time and has had difficulty in obtaining leaders with expertise in skilled nursing operations and regulations. Below is the utilization of the long-term care unit for the past 5-years.

TABLE TWO
Trinity Medical Center – Rock Island
Utilization of Long-Term Care Unit
2018-2014

Year	Beds	Admissions	Days	ADC	ALOS	Occupancy
2018	29	341	3,522	9.6	10.33	33.10%
2017	29	342	3,653	10	10.68	34.48%
2016	29	408	5,874	16.3	14.40	56.21%
2015	29	447	6,388	17.5	14.29	60.34%
2014	29	400	6,155	15.8	15.39	54.48%

All medical records related long term care unit will continue to be maintained at Trinity Medical Center in accordance with all State and Federal guidelines. There has been no determination of the use of the space or equipment of the long-term care unit.

III. Safety Net Impact

The Applicants stated:

“Trinity Medical Center believes that the abundant supply of long-term nursing care beds in Rock Island County, Illinois, Health Service Area 10 including Rock Island, Mercer and Henry Counties and Planning Area C-05 are sufficient to ensure that this project will not have a material impact on essential safety net services in the community. Additionally, in the Iowa Quad-Cities there are ten (10) long-term care facilities with a total of 1,090 beds.”

TABLE THREE Trinity Regional Health System Safety Net Information			
Net Patient Revenue	\$548,168,000	\$566,897,000	\$573,711,000
Charity (# of patients)			
Inpatient	1,674	2,244	1,758
Outpatient	12,324	14,487	15,472
Total	13,998	16,731	17,230
Charity/cost in dollars)			
Inpatient	\$407,000	\$464,000	\$404,000
Outpatient	\$3,000,000	\$2,992,000	\$3,552,000
Total	\$3,407,000	\$3,456,000	\$3,956,000
Medicaid # of Patients			
Inpatient	5,412	4,993	4,866
Outpatient	71,360	79,640	85,323
Total	76,772	84,633	90,189
Medicaid (revenue)			
Inpatient	\$21,874,000	\$21,463,000	\$22,292,000
Outpatient	\$59,985,000	\$67,110,000	\$93,764,000
Total	\$81,859,000	\$88,573,000	\$116,056,000
% of Charity Care/Net Patient Revenue	0.62%	0.61%	0.69%
% of Medicaid/Net Patient Revenue	14.93%	15.62%	20.23%

The Illinois Health Facilities Planning Act (20 ILCS 3960/6) requires that

“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 Applicants have provided the required information for this exemption application.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH DISCONTINUATION OF A CATEGORY OF SERVICE OR HEALTH CARE FACILITY (77 ILAC 1130.500, 77 ILAC 1130.520 AND 77 ILAC 1110.290)

IV. Applicable Rules

A) Section 1130.500 - General Requirements for Exemptions

Only those projects specified in Section 1130.410 are eligible for exemption from permit requirements. Persons that have initiated or completed such projects without obtaining an exemption are in violation of the provisions of the Act and are subject to the penalties and sanctions of the Act and Section 1130.790.

a) **Application for Exemption**

Any persons proposing a project for an exemption to permit requirements shall submit to HFSRB an application for exemption containing the information required by this Subpart, submit an application fee (if a fee is required), and receive approval from HFSRB.

b) **General Information Requirements**

The application for exemption shall include the following information and any additional information specified in this Subpart:

- 1) the name and address of the applicant or applicants (see Section 1130.220);
- 2) the name and address of the health care facility;
- 3) a description of the project, e.g., change of ownership, discontinuation, increase in dialysis stations;
- 4) documentation from the Illinois Secretary of State that the applicant is registered to conduct business in Illinois and is in good standing or, if the applicant is not required to be registered to conduct business in Illinois, evidence of authorization to conduct business in other states;
- 5) a description of the applicant's organization structure, including a listing of controlling or subsidiary persons;
- 6) the estimated project cost, including the fair market value of any component and the sources and uses of funds;
- 7) the anticipated project completion date;
- 8) verification that the applicant has fulfilled all compliance requirements with all existing permits that have been approved by HFSRB; and
- 9) the application-processing fee.

HFSRB NOTE: If a person or project cannot meet the requirements of exemption, then an application for permit may be filed.

B) Section 1130.525 - Requirements for Exemptions Involving the Discontinuation of a Health Care Facility or Category of Service

- a) **Submission of Application for Exemption**
Prior to any person discontinuing a health care facility or category of service, the person shall submit an application for exemption to the HFSRB, submit the required application-processing fee (see Section 1130.230), and receive approval from HFSRB.
- b) **Application for Exemption**
The application for exemption is subject to approval under Section 1130.560, and shall include a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.130. The application shall be available for review on the premises of the health care facility.
- c) **Opportunity for Public Hearing**
Upon a finding that an application to close a health care facility is complete, the State Board shall publish a legal notice on 3 consecutive days in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published on a daily basis, the additional legal notice shall be published on 3 consecutive days. The legal notice shall also be posted on the Health Facilities and Services Review Board's web site and sent to the State Representative and State Senator of the district in which the health care facility is located. [20 ILCS 3960/8.5(a-3)]

C) Section 1110.290 - Discontinuation – Review Criteria

These criteria pertain to the discontinuation of categories of service and health care facilities.

a) Information Requirements – Review Criterion

The applicant shall provide at least the following information:

- 1) Identification of the categories of service and the number of beds, if any, that are to be discontinued;
- 2) Identification of all other clinical services that are to be discontinued;
- 3) The anticipated date of discontinuation for each identified service or for the entire facility;
- 4) The anticipated use of the physical plant and equipment after discontinuation occurs;
- 5) The anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be retained;
- 6) For applications involving discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or the Illinois Department of Public Health (IDPH) (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation and that the required information will be submitted no later than 60 days following the date of discontinuation.

b) Reasons for Discontinuation – Review Criterion

The applicant shall document that the discontinuation is justified by providing data that verifies that one or more of the following factors (and other factors, as applicable) exist with respect to each service being discontinued:

- 1) Insufficient volume or demand for the service;
- 2) Lack of sufficient staff to adequately provide the service;
- 3) The facility or the service is not economically feasible, and continuation impairs the facility's financial viability;
- 4) The facility or the service is not in compliance with licensing or certification standards.

- c) **Impact on Access – Review Criterion**
The applicant shall document whether the discontinuation of each service or of the entire facility will have an adverse impact upon access to care for residents of the facility's market area. The facility's market area, for purposes of this Section, is the established radii outlined in 77 Ill. Adm. Code 1100.510(d). Factors that indicate an adverse impact upon access to service for the population of the facility's market area include, but are not limited to, the following:
- 1) The service will no longer exist within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the applicant facility;
 - 2) Discontinuation of the service will result in creating or increasing a shortage of beds or services, as calculated in the Inventory of Health Care Facilities, which is described in 77 Ill. Adm. Code 1100.70 and found on HFSRB's website;
 - 3) Facilities or a shortage of other categories of service as determined by the provisions of 77 Ill. Adm. Code 1100 or other Sections of this Part.
- d) The applicant shall provide copies of notification letters sent to other resources or health care facilities that provide the same services as those proposed for discontinuation and that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d). The notification letter must include at least the anticipated date of discontinuation of the service and the total number of patients that received care or the number of treatments provided (as applicable) during the latest 24 month period.

E-027-19 Swedish Covenant Hospital - Chicago

