



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-08	BOARD MEETING: August 6, 2019	EXEMPTION NUMBER: #E-029-19
EXEMPTION APPLICANT(S): Gottlieb Memorial Hospital, Loyola University Health System d/b/a Loyola Medicine and Trinity Health Corporation		
FACILITY NAME and LOCATION: Gottlieb Memorial Hospital, Melrose Park		

STATE BOARD STAFF REPORT
DISCONTINUATION OF A CATEGORY SERVICE
EXEMPTION REQUEST

I. The Exemption Application

The Applicants (Gottlieb Memorial Hospital, Loyola University Health System d/b/a Loyola Medicine and Trinity Health Corporation) propose to discontinue the open-heart surgery category of service at Gottlieb due to low utilization. There is no cost to this project. The expected completion date is August 7, 2019.

Trinity Health Corporation is an Indiana non-for-profit corporation located in Livonia, Michigan. Loyola Medicine is a regional, academic health system based in Chicago's western suburbs and a member of Trinity Health, one of nation's largest Catholic health systems. Loyola Medicine includes Loyola University Medical Center, 547-beds acute care hospital in Maywood; Gottlieb Memorial Hospital, a 254-bed community hospital in Melrose Park; and MacNeal Hospital, a 374-bed community hospital in Berwyn.

II. Hospital – Open Heart Surgery Category of Service

Gottlieb Memorial Hospital is located at 701 West North Avenue, Melrose Park, Illinois in the HSA VII Open Heart Surgery Planning Area. There is no need formula for the open-heart surgery category of service. The utilization standards for the open-heart surgery category of service are:

Adult: There should be a minimum of 200 open-heart procedures performed annually by each facility within three years after initiation, in any institution in which open heart surgery is performed for adults. Higher caseloads, over 200 per annum, are encouraged.

Pediatric: There should be a minimum of 75 pediatric open-heart operations performed annually by each facility within three years after initiation of the service.

Adult/Pediatric: The defined minimum utilization standards for both adult and pediatric shall apply for programs doing both adult and pediatric open- heart surgery. [77 ILAC 1100.610]

Table One documents the 5-year utilization of Gottlieb Memorial Hospital open heart surgery category of service.

TABLE ONE Gottlieb Memorial Hospital Historical Open-Heart Surgery Category of Service ⁽²⁾					
<u>Cardiac Surgery</u>	2017	2016	2015	2014	2013
Pediatric	0	0	0	0	0
Adult	110	65	75	78	0
CABGs ⁽¹⁾	43	56	70	59	83
1. <u>Coronary artery bypass surgery</u> also known as coronary artery bypass graft (CABG, pronounced "cabbage") surgery, and colloquially heart bypass or bypass surgery, is a surgical procedure to restore normal blood flow to an obstructed coronary artery. A normal coronary artery transports blood to and from the heart muscle itself, not through the main circulatory system. There are two main approaches. In one, the left internal thoracic artery, LITA (also called left internal mammary artery, LIMA) is diverted to the left anterior descending branch of the left coronary artery. In this method, the artery is "pedicled" which means it is not detached from the origin. In the other, a great saphenous vein is removed from a leg; one end is attached to the aorta or one of its major branches, and the other end is attached to the obstructed artery immediately after the obstruction to restore blood flow. Source: American Heart Association. 2. Source: Annual Hospital Profiles					

According to the Applicants the proposed discontinuation is the result low and steadily decreasing utilization at the hospital. Gottlieb currently uses one operating room of its nine operating rooms for open heart surgeries. That same operating room is also used for orthopedic, general and other surgical procedures. That operating room will continue to be used for orthopedic, general and other surgical procedures following the discontinuation of the open-heart surgery category of service at Gottlieb.

All medical records related to the open-heart surgery program at Gottlieb will continue to be maintained at Gottlieb and/or maintained in the Loyola Medicine electronic medical records system for no less 10 years after discharge or 12 years if there is litigation, as set forth in 210 ILCS 85/6.17.

The discontinuation of the open-heart surgery category of service at Gottlieb will have no impact (or a minimal impact) on patient care. Gottlieb's affiliate, Loyola University Medical Center is located just four (4) miles away and serves the same population and geographic region as Gottlieb. Loyola Medicine (which is the corporate parent of both Gottlieb and Loyola University Medical Center) intends to consolidate the open-heart category of service at Gottlieb into the open-heart category of service at LUMC.

The Applicants sent impact letters to the hospitals listed below that maintain an open-heart surgery category of service. (See Table Two below). No replies were received from these hospitals by the State Board Staff.

TABLE TWO
Hospitals Impact Letters Receiving Impact Letters
2017

Hospital	City	Cardiac Surgery			
		Patients 0-14 Yrs	Patients 15+ Yrs	Total Cardiac Surgeries	Coronary Artery Bypass Grafts
Loyola University Medical Center	Maywood	3	904	907	271
MacNeal Hospital	Berwyn	0	93	3	79
Elmhurst Hospital	Elmhurst	0	176	176	131
Presence Resurrection Hospital	Chicago	0	219	219	165
West Suburban Hospital	Oak Park	0	6	6	0
1. Information taken from 2017 Hospital Profile Data.					

III. Safety Net Impact

The Applicants stated:

“The discontinuation of the open-heart surgery category of service at Gottlieb will have no impact (or a minimal impact) on patient care. Gottlieb's affiliate, LUMC, is located just four (4) miles away and serves the same population and geographic region as Gottlieb. Loyola Medicine (which is the corporate parent of both Gottlieb and LUMC) intends to consolidate the open-heart category of service at Gottlieb into the open-heart category of service at LUMC. It also bears noting that U.S. News & World Report for 2018-2019 has ranked LUMC among the Top 50 hospitals in the nation for cardiology and heart surgery.”

TABLE THREE
Gottlieb Memorial Hospital
Safety Net Information

	2016	2017	2018
Net Revenue	\$108,524,387	\$115,765,215	\$114,399,810
<u>Charity Care</u>			
Inpatient	109	96	89
Outpatient	713	483	476
Total	822	579	565
Charity			
Inpatient	\$640,000	\$776,422	\$612,250
Outpatient	\$627,000	\$443,234	\$678,800
Total	\$1,267,000	\$1,219,656	\$1,291,050

TABLE THREE Gottlieb Memorial Hospital Safety Net Information			
	2016	2017	2018
% of Charity Care/Net Patient Revenue	1.17%	1.05%	1.13%
<u>Medicaid</u>			
Inpatient	1,875	1,370	931
Outpatient	10,135	16,034	15,396
Total	12,010	17,404	16,327
Inpatient	\$12,430,946	\$7,820,317	\$14,637,083
Outpatient	\$13,414,454	\$8,156,541	\$6,925,472
Total	\$25,845,400	\$15,976,858	\$21,562,555
% of Charity Care/Net Patient Revenue	23.82%	13.80%	18.85%

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 IN 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-029-19 Gottlieb Memorial Hospital - Melrose Park

