

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
DISCONTINUATION APPLICATION FOR EXEMPTION**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**Facility/Project Identification**

Facility Name: McDonough County Hospital District			
Street Address: 525 East Grant			
City and Zip Code: Macomb 61455			
County: McDonough	Health Service Area	2	Health Planning Area: C-04

**Applicant(s) [Provide for each applicant (refer to Part 1130.220)]**

Exact Legal Name: McDonough County Hospital District	
Street Address: 525 East Grant	
City and Zip Code: Macomb 61455	
Name of Registered Agent: Brian Dietz	
Registered Agent Street Address: 525 East Grant	
Registered Agent City and Zip Code: Macomb 61455	
Name of Chief Executive Officer: Brian Dietz	
CEO Street Address: 525 East Grant	
CEO City and Zip Code: Macomb 61455	
CEO Telephone Number: (309) 836-1559	

**Type of Ownership of Applicants**

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input checked="" type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

Corporations and limited liability companies must provide an **Illinois certificate of good standing**.

Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Primary Contact [Person to receive ALL correspondence or inquiries]**

Name: Brian Dietz
Title: President / CEO
Company Name: McDonough District Hospital
Address: 525 East Grant Macomb, IL 61455
Telephone Number: (309) 836-1559
E-mail Address: bedietz@mdh.org
Fax Number: (309) 836-1510

**Additional Contact** [Person who is also authorized to discuss the application for exemption]

Name: Wanda Foster
Title: Vice President Nursing / CNO
Company Name: McDonough District Hospital
Address: 525 East Grant Macomb, IL 61455
Telephone Number: (309) 836-1559
E-mail Address: wlfoster@mdh.org
Fax Number: (309)836-1510

**Post Exemption Contact**

[Person to receive all correspondence subsequent to exemption issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name: Bill Murdock
Title: CFO
Company Name: McDonough District Hospital
Address: 525 East Grant Macomb, IL 61455
Telephone Number: (309) 836-1559
E-mail Address: wrmurdock@mdh.org
Fax Number: (309) 836-1510

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: McDonough County Hospital District
Address of Site Owner: 525 East Grant, Macomb, IL 61455
Street Address or Legal Description of the Site: <b>Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: McDonough County District Hospital		
Address: 525 East Grant Macomb, IL 61455		
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input checked="" type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>		
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>		

### **Narrative Description**

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

McDonough District Hospital proposes to discontinue their 12 bed in-patient geriatric psychiatric unit (Senior Behavioral Health). The unit is located on the second floor of the main McDonough District Hospital building – west wing.  
McDonough District Hospital address is 525 East Grant, Macomb, IL 61455.

### Project Status and Completion Schedules

**Outstanding Permits:** Does the facility have any projects for which the State Board issued a permit that is not complete? Yes \_\_\_ No x\_\_\_. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

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Anticipated exemption completion date (refer to Part 1130.570): \_\_\_\_\_ N/A \_\_\_\_\_

### State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:

- Cancer Registry
- APORS
- All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- All reports regarding outstanding permits

**Failure to be up to date with these requirements will result in the Application being deemed incomplete.**

### CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of : McDonough County Hospital District

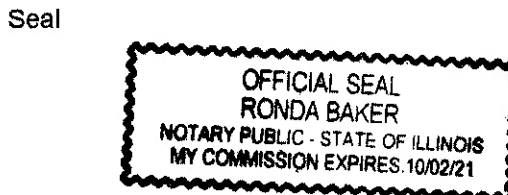
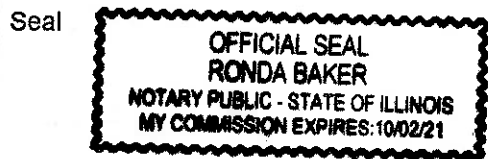
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Brian E. Dietz  
SIGNATURE  
Brian E. Dietz  
PRINTED NAME  
President/CEO  
PRINTED TITLE

Wanda Foster  
SIGNATURE  
wanda Foster  
PRINTED NAME  
CNO  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 15th day of July, 2019  
Ronda Baker  
Signature of Notary

Notarization:  
Subscribed and sworn to before me  
this 15th day of July, 2019  
Ronda Baker  
Signature of Notary



\*Insert the EXACT legal name of the applicant

## SECTION II. DISCONTINUATION

### Type of Discontinuation

- Discontinuation of an Existing Health Care Facility
- Discontinuation of a category of service

### Criterion 1130.525 and 1110.290 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

#### GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any, that are to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, provide certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (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 90 days following the date of discontinuation.
7. Provide attestation that the facility provided the required notice of the facility or category of service closure to local media that the health care facility would routinely notify about facility events. The supporting documentation shall include a copy of the notice, the name of the local media outlet, the date the notice was given, and the result of the notice, e.g., number of times broadcasted, written, or published. Only notice that is given to a local television station, local radio station, or local newspaper will be accepted.

**APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant Identification including Certificate of Good Standing	7
2	Site Ownership	8-10
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	11
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	12
5	Discontinuation General Information Requirements	13-14
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**Type of Ownership of Applicants**

McDonough District Hospital is not a corporation, limited liability company or partnership, so no additional documentation is needed (N/A)

**Attachment 1**

Page 7



**Site Ownership**

Certificate of Incorporation for McDonough County Hospital District is included on the following two pages.

**Attachment 2**

Page 8

CERTIFICATE

STATE OF ILLINOIS,  
COUNTY OF McDONOUGH, } ss.

I, DELMAR L. DEEMS, Recorder of Deeds in and for said County, in the State aforesaid, do hereby certify that I am custodian of the records and files of the office of Recorder of Deeds. I do also further certify that the foregoing is a true and complete copy of

Certificate of Incorporation for McDonough County Hospital District  
Book--Misc.24 Page 358

as the same appears from the records and files now in this office remaining.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Official Seal of said office, in my office in Macomb, Illinois, this  
23rd day of August, 19 82.

Delmar L. Deems  
Recorder of Deeds



[SEAL]

Page 9

Attachment 2

OFFICE OF  
THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

Whereas, there has been filed in the Office of the Secretary of State on the 18th day of March, A. D., 1955, under and in accordance with the provisions of "An Act providing for the creation and operation of Hospital Districts" approved July 15, 1949, in force July 15, 1949, a copy of the Order of E. D. Grigsby, County Judge of McDonough County, Illinois, finding the results of the election in a certain proceeding for the organization of the McDonough County Hospital District; and

Whereas, said Order was entered and is dated the 16th day of March, A. D., 1955, and is certified to be a true and correct copy by the County Clerk of McDonough County, Illinois; and

Whereas, it is found by said Order that those voting in favor of the establishment of the McDonough County Hospital District were 5,857, and those voting in the negative and against such proposition were 1,091, and that the affirmative of said proposition received a majority of 4,766, and said Order determines the said McDonough County Hospital District to be established.

Now, Therefore, I, CHARLES F. CARPENTIER, Secretary of State of the State of Illinois, by virtue of the Power and authority vested in me by law, do hereby issue this Certificate of Incorporation to said McDonough County Hospital District

In Testimony Whereof, I hereto set my hand and the Great Seal of the State of Illinois. Done at the Capitol in the City of Springfield, this 18th day of March, A.D., Nineteen hundred and fifty-five, and of the Independence of the United States the one hundred and seventv-ninth.

Seal of the State of Illinois  
Aug. 26th 1818


Filed for record on the 22nd day of March A.D. 1955, at 9:16 o'clock A. M.

Charles F. Carpentier  
Secretary of State

Herbert D. Johnson

Operating Identity/Licensee

HF 115285

 **Illinois Department of  
PUBLIC HEALTH**

**OPERATING IDENTITY REGISTRATION**

The person or corporation whose name appears on this identity file has complied with the provisions of the Illinois statute, rules, and regulations and is hereby authorized to engage in the activity as described below.

6/30/2020	0001438
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**General Hospital**

Effective: 07/01/2019

McDonough District Hospital  
525 E Grant Street  
Macomb, IL 61455

Issued under the authority of  
the Illinois Department of  
Public Health

J.D. HANAUER

107 of the Illinois Code of Administrative Code. Printed by Authority of the State of Illinois, P.D. #10-426-001 10/14/18

← DISPLAY THIS PART IN A  
CONSPICUOUS PLACE

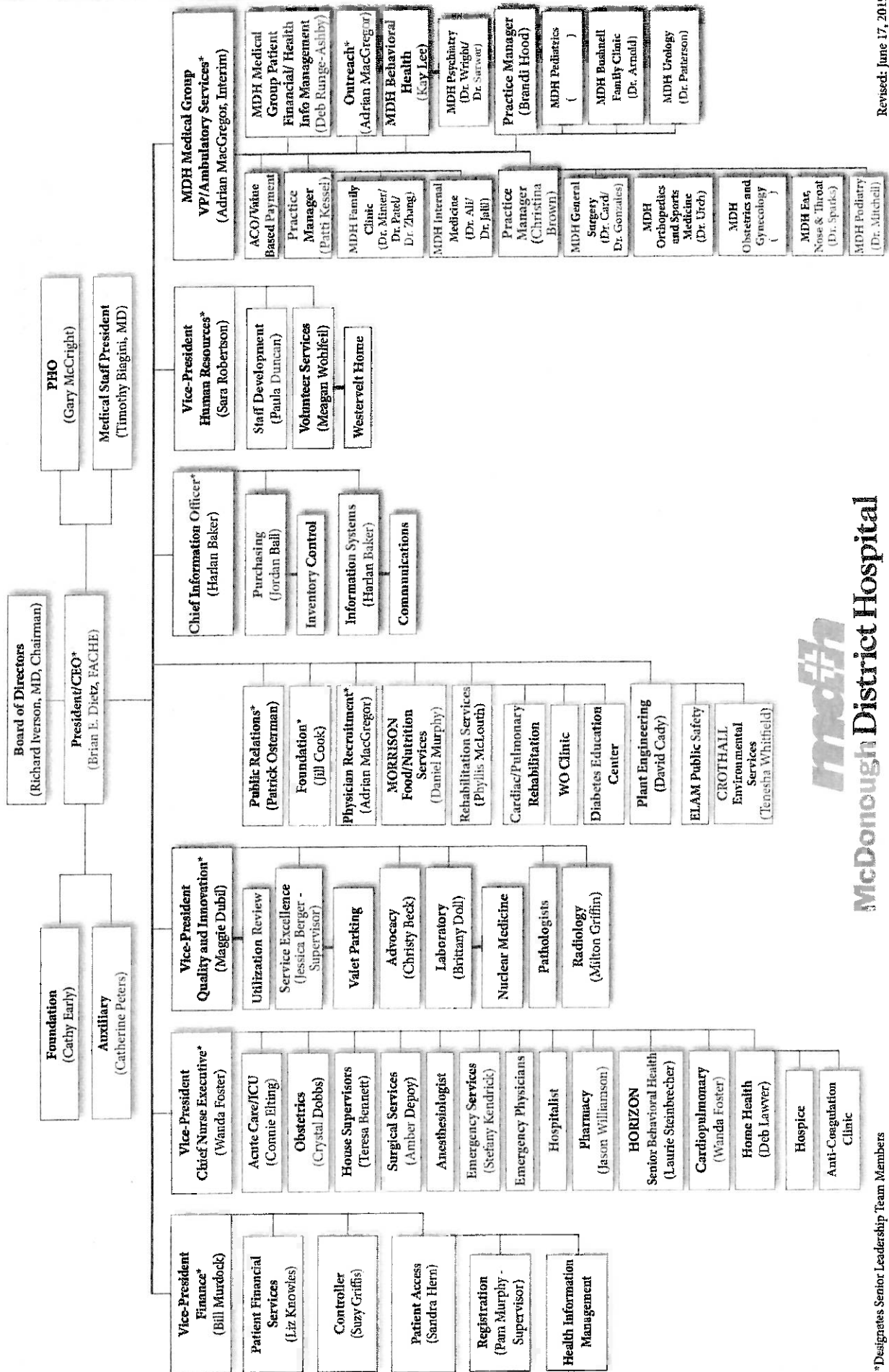
Exp. Date 6/30/2020  
Lic Number 0001438  
Date Printed 5/13/2019

McDonough District Hospital  
525 E Grant Street  
Macomb, IL 61455

FEE RECEIPT NO.

Attachment 3

# Organizational Relationships



Revised: June 17, 2019



\* Designates Senior Leadership Team Members

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**Criterion 1130.525 and 1110.290 – Discontinuation**  
**General Information**

1. McDonough District Hospital seeks to discontinue our Senior Behavioral Health (SBH) inpatient unit. This is a 12 bed acute mental illness category of service unit.
2. There will be no other clinical services discontinued.
3. McDonough District Hospital Senior Behavioral Health (SBH) unit has not admitted patients since June 1, 2019. All senior behavioral health patients have completed their plan of care and have been appropriately discharged at this time. The official date of discontinuation will be after state board approval.
4. McDonough District Hospital plans to use the physical plant and equipment for outpatient services in the immediate future and possibly inpatient care at a later date.
5. All Senior Behavioral Health medical records shall be maintained by the McDonough District Hospital Health Information Management Department for fifteen (15) years as established by hospital policy.
6. N / A
7. On May 21, 2019 a press release was sent via e-mail to the following media outlets:

**NEWSPAPERS:**

- The McDonough County Voice
- McDonough Democrat
- Community News Brief
- Fulton County Democrat
- Hancock Journal Pilot
- West Central Reporter
- Rushville Times
- Western Courier (Western II University not in session however)
- It was also picked up by other newspapers in the same corporation, such as GateHouse newspapers in the region also ran the story that the McDonough Voice posted.

**Attachment 5**

**RADIO:**

- Tri-States Public Radio
- Regional Media – Macomb

**TELEVISION:**

- KHQA-TV, Quincy
- WGEM-TV, Quincy

**MISCELLANEOUS:**

- Macomb Area Chamber of Commerce
- McDonough District Hospital website (MDH.org)
- Some members of the media and general public shared the story on Facebook and their respective websites.

The press release was printed in areas newspapers and broadcast on radio as well as the television stations.

Three community members provided comments related to the proposed closure of Senior Behavioral Health during the “Public Comment” segment at the May 18<sup>th</sup>, 2019 McDonough District Hospital Board of Directors meeting.



May 21, 2019 / For Immediate Release

For more information, please contact Public Relations at: (309) 836-1557

## ***MDH Announces Closure of Senior Behavioral Health***

*Board of Directors voted Monday, SBH will stop accepting new patients on June 1 and close by the end of June*

**MACOMB, Ill.** – During the McDonough District Hospital Board of Directors monthly meeting on Monday evening (May 20), discussion took place on the future of the Senior Behavioral Health unit.

After evaluating the finances and average number of patients daily, the Board voted unanimously to close the Senior Behavioral Health (SBH) unit. The SBH unit will no longer accept new patients after June 1, and will officially close no later than June 30. In doing the best to maintain a commitment to staff working in the unit, SBH staff have been given priority in applying for open positions within the hospital.

MDH contracted with Horizon Health to manage the Senior Behavioral Health unit starting when it opened in 2015.

This closing will not affect the outpatient Psychiatry or Behavioral Health Services that MDH currently offers.

According to MDH President/CEO Brian E. Dietz, FACHE, "The decision was based on the program's inability to meet projected volume and financial goals necessary to support a viable adult geropsychiatric service. The quality metrics of the program were exceptional thanks to a very committed group of professionals, but the financial losses were far too great for the hospital to continue to underwrite. During this fiscal year alone, the Senior Behavioral Health program is projected to lose close to \$700,000 in operational and facility costs. In summary, over the last four years, the initial projections regarding the demand for this program exceeded our actual experience and therefore created unsustainable financial losses to the hospital."

Dietz did emphasize that MDH will continue to offer Psychiatry and Behavioral Health Services on an outpatient basis.

"The SBH unit will close in June, but MDH is committed to reallocate our resources and strengthen our outpatient offerings for Psychiatry and Behavioral Health Services. We will continue offering outpatient services and emergency access 24 hours a day/7 days a week."

For more information on MDH Psychiatry and Behavioral Health Services, log onto [www.MDH.org](http://www.MDH.org).

*More Than Hospital Care. . . A Hospital Caring.*



**Criterion 1130.525 and 1110.290 – Discontinuation**  
**Reasons for Discontinuation**

The reasons for closure of McDonough District Hospital Senior Behavioral Health (SBH) program are as follows:

1. Effective July 1, 2019 McDonough District Hospital no longer meets the CMS Standard 482.62(b) Director of Inpatient Psychiatric Services; Medical Staff: *Inpatient psychiatric services must be under the supervision of a clinical director, service chief, or equivalent who is qualified to provide the leadership required for an intensive treatment program.*
2. The pro forma for the unit was based upon an average daily census of 8.5 patients age 65 and older. In reality, the unit average daily census only reached 5.2 since the unit opened in July, 2015. In the spring of 2018, the age limit was lowered to 62 in an effort to increase the SBH census.
3. FY 2018 ended with a (\$533,698) loss of revenue.
4. FY 2019 is projected to end with a (\$668,935) loss of revenue.
5. McDonough District Hospital employs two psychiatrists.
  - a. Dr. Sarwar had served as SBH medical director, spending 20 hours per week in the SBH unit, and 20 hours per week in the outpatient clinic setting. Dr. Sarwar is fellowship trained in Child/ Adolescent Psychiatry from the Cleveland Clinic and sees children, adolescents and adult patient populations in his practice. He has 504 active outpatients.
  - b. Dr. Wright has submitted his letter of resignation effective July 17, 2019. Dr. Wright works 40 hours per week in the outpatient clinic setting and has 515 active outpatients.
6. Dr. Sarwar has signed a letter of intent with McDonough District Hospital for outpatient practice only, allowing him to incorporate Dr. Wright's complete patient panel, so Dr. Sarwar will be providing outpatient psychiatric care to 1000+ active outpatients in McDonough County and our immediate surrounding area.

**Attachment 6**

**Criterion 1130.525 and 1110.290 – Discontinuation  
Impact on Access**

The discontinuation of inpatient Senior Behavioral Health at McDonough District Hospital will have a minimal adverse effect upon access to care for residents of the hospital's market area. McDonough District Hospital's service area includes all of McDonough County, and portions of Warren, Hancock, Fulton and Schuyler.

Since inception of the Senior Behavioral Health unit, only 38% of the patients have been residents of McDonough County and an additional 23% have been from Warren, Hancock, Fulton and Schuyler Counties. Included in Attachment 7 (page 18) is a breakdown of the patient % by county.

Additionally, by the departure of Dr. Wright from McDonough District Hospital, the closure of Senior Behavioral Health will allow reallocation of our limited psychiatric resources (Dr. Sarwar) to better serve those of all ages in need of psychiatric care in our immediate region of McDonough and surrounding counties.

Notification of the closure of Senior Behavioral Health was sent to our referral sources. A copy of this notification letter is included in Attachment 7 (page 19).

**Attachment 7**

## ***SBH Admissions by County 2015-2019***

<b><u>Admitting County</u></b>	<b><u>Total</u></b>	<b><u>Percentage</u></b>
Adams County	16	2.75
Audrain County	1	0.17
Brown County	3	0.52
Bureau County	4	0.68
Cass County	6	1.03
Clinton County	2	0.34
Des Moines County	28	4.82
Fulton County	46	7.91
Hancock County	49	8.43
Henderson County	6	1.03
Henry County	16	2.75
Jackson County	1	0.17
Jersey County	1	0.17
Knox County	24	4.13
La Salle County	3	0.52
Lee County	8	1.37
Louisa County	1	0.17
Marion County	3	0.52
Marshall County	1	0.17
Mason County	3	0.52
McDonough County	223	38.38
McLean County	23	3.96
Mercer County	3	0.52
Morgan County	10	1.72
Peoria County	15	2.58
Polk County	8	1.37
Rock Island County	16	2.75
Sangamon County	3	0.52
Schuyler County	18	3.09
Scott County	1	0.17
Stark County	4	0.68
Tazewell County	12	2.07
Warren County	21	3.61
Washington County	1	0.17
Whiteside County	1	0.17
	581	

The 581 admissions are from program inception of July 2015 to present.

McDonough District Hospital (logo)

To our Community Partners

Re: Closure of the *Senior Behavioral Health Center*

It is with regret that we inform you the Senior Behavioral Health Center at McDonough Hospital is closing as of June 30, 2019. We will no longer accept new admissions as of June 1, 2019 and will safely transition and discharge our patients through June 30, 2019. It has been our pleasure to provide this service to the community for the last 4 years and appreciate the support of our community partners. We are available to provide referrals for alternative resources if you are in need or seeking in patient Senior Behavioral Health services.

If you have any questions or need additional information, please call us at : XXXXXXXX

**Attachment 7**

Page 19

**Criterion 1130.525 and 1110.290 – Discontinuation Background**

1. Listing of all health care facilities owned or operated by McDonough District Hospital:

Facility	Licensure	Certification
McDonough District Hospital	0001438	14-0089
McDonough District Hospital Home Health Care	1001882	14-7293
McDonough District Hospital Hospice	2000933	14-1524

2. There have been no adverse actions taken against any facility owned and / or operated by McDonough District Hospital in the prior three years.
3. McDonough District Hospital authorizes HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.
4. N/A

**Attachment 8**

## Safety Net Impact Statement

Given the low volume of patients from McDonough County utilizing the McDonough District Hospital Senior Behavioral Health Unit, the closure of the unit is not expected to place hardship or cause a negative material impact for any organization or agency servicing the needs of seniors in our community.

Our remaining MDH employed psychiatrist will now have 40 hours per week in the outpatient psychiatric clinic setting so will be able to maintain our current outpatient psychiatric patient population.

<b>Safety Net Information per PA 96-0031</b>			
<b>CHARITY CARE</b>			
<b>Charity (# of patients)</b>	<b>Year 2016</b>	<b>Year2017</b>	<b>Year2018</b>
Inpatient	136	143	152
Outpatient	3519	4427	3993
<b>Total</b>	<b>3655</b>	<b>4570</b>	<b>4145</b>
<b>Charity (cost in dollars)</b>			
Inpatient	150,863	349,756	371,760
Outpatient	1,267,231	1,892,792	2,361,063
<b>Total</b>	<b>1,418,094</b>	<b>2,242,548</b>	<b>2,732,823</b>
<b>MEDICAID</b>			
<b>Medicaid (# of patients)</b>	<b>Year2016</b>	<b>Year2017</b>	<b>Year2018</b>
Inpatient	415	384	361
Outpatient	16,679	15,163	14,325
<b>Total</b>	<b>17,094</b>	<b>15,547</b>	<b>14,686</b>
<b>Medicaid (revenue)</b>			
Inpatient	4,596,533	4,883,180	4,872,561
Outpatient	29,912,174	35,637,588	28,324,731
<b>Total</b>	<b>34,508,707</b>	<b>40,520,768</b>	<b>33,197,292</b>

**Attachment 9**

**SECTION V. CHARITY CARE INFORMATION**

<b>CHARITY CARE</b>			
	<b>Year 2016</b>	<b>Year 2017</b>	<b>Year 2018</b>
<b>Net Patient Revenue</b>	<b>1,418,094</b>	<b>2,242,548</b>	<b>2,732,823</b>
<b>Amount of Charity Care (charges)</b>	<b>1,418,094</b>	<b>2,242,548</b>	<b>2,732,823</b>
<b>Cost of Charity Care</b>	<b>1,418,094</b>	<b>2,242,548</b>	<b>2,732,823</b>