



STATE OF ILLINOIS

## HEALTH FACILITIES AND SERVICES REVIEW BOARD

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|   |                                      |                         |               |
|---|--------------------------------------|-------------------------|---------------|
| DOCKET NO:<br><b>C-06</b>                   | BOARD MEETING:<br>September 17, 2019 | PROJECT NO:<br>E-036-19 | PROJECT COST: |
| FACILITY NAME:<br>HSHS Holy Family Hospital |                                      | CITY:<br>Greenville     | Original: \$0 |
| TYPE OF PROJECT: Exemption                  |                                      |                         | HSA: V        |

**PROJECT DESCRIPTION:** The Applicants (HSHS Holy Family Hospital, Inc., Hospital Sisters Health System and Hospital Sisters Services, Inc.) propose to discontinue a 4-bed obstetric category of service at HSHS Holy Family Hospital, Greenville. There is no cost to this project and the expected completion date is November 4, 2019.

### Heath Facilities Planning Act (20 ILCS 3960/6)

(b) *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 and discontinuation of a category of service.*

**STATE BOARD STAFF REPORT**  
**DISCONTINUATION OF A CATEGORY SERVICE**  
**EXEMPTION REQUEST**

**EXECUTIVE SUMMARY**

**PROJECT DESCRIPTION**

- The Applicants (HSHS Holy Family Hospital, Inc., Hospital Sisters Health System and Hospital Sisters Services, Inc.) propose to discontinue a 4-bed obstetric category of service at HSHS Holy Family Hospital, Greenville. There is no cost to this project and the expected completion date is November 4, 2019.

**BACKGROUND**

- In March of 2016 Greenville Regional Hospital a 42-bed hospital in Greenville was approved by the Board Chair for a change of ownership (#E-015-16). At that time Hospital Sisters Services, Inc. became the sole corporate member of the Greenville Regional Hospital. The name of the Hospital, licensee and the owner of the site was changed to HSHS Holy Family Hospital, Inc.

| HSHS Holy Family Hospital<br>OB Utilization<br>2017-2013 |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
|  | 2017   | 2016   | 2015   | 2014   | 2013   |
| Beds   | 4      | 4      | 4      | 4      | 4      |
| Admissions   | 174    | 234    | 227    | 309    | 264    |
| Patient Days   | 373    | 455    | 502    | 630    | 581    |
| ALOS   | 2.1    | 1.9    | 2.2    | 2      | 2.2    |
| ADC  | 1      | 1.2    | 1.4    | 1.7    | 1.6    |
| Occupancy  | 25.50% | 31.10% | 34.40% | 43.20% | 39.80% |
| Source: Hospital Profile Information                     |        |        |        |        |        |

**WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The proposed project is before the State Board because the project discontinues a category of service (20 ILCS 3960).

**PUBLIC HEARING/COMMENT:**

- No public hearing was requested, and no letters of support or opposition were received by the State Board.

**SUMMARY:**

- The Applicants have provided all the information required by the State Board.

**STATE BOARD STAFF FINDS THE PROPOSED DISCONTINUATION OF A CATEGORY OF SERVICE IS IN CONFORMANCE WITH CRITERIA 77 ILAC 1130.500, 77 ILAC 1130.525, 77 ILAC 1110.290 - DISCONTINUATION**

**STATE BOARD STAFF REPORT**  
**Project #E-036-19**  
**HSHS Holy Family Hospital, Inc.**

| APPLICATION/ CHRONOLOGY/SUMMARY |   |
|---------------------------------|---|
| Applicants(s)                   | HSHS Holy Family Hospital, Inc., Hospital Sisters Health System and Hospital Sisters Services, Inc. |
| Facility Name                   | HSHS Holy Family Hospital, Inc.   |
| Location                        |   |
| Exemption Holder                | HSHS Holy Family Hospital, Inc. Hospital Sisters Health System and Hospital Sisters Services, Inc.  |
| Operating Entity/Licensee       | HSHS Holy Family Hospital, Inc.   |
| Owner of Site                   | HSHS Holy Family Hospital, Inc.   |
| Application Received            | July 30, 2019   |
| Anticipated Completion Date     | November 4, 2019  |

**I. Project Description**

The Applicants (HSHS Holy Family Hospital, Inc., Hospital Sisters Health System and Hospital Sisters Services, Inc.) propose to discontinue a 4-bed obstetric category of service at HSHS Holy Family Hospital, Greenville. There is no cost to this project and the expected completion date is November 4, 2019.

**II. Applicants**

The Applicants are HSHS Holy Family Hospital, Inc., Hospital Sisters Services, Inc. and Hospital Sisters Health System. Hospital Sisters Health System is an Illinois not-for-profit corporation and is the parent of Hospital Sisters Services, Inc. and exerts control through various reserved powers. Hospital Sisters Services, Inc. is the sole corporate member of the following hospitals in Illinois:

- St. Elizabeth's Hospital, O'Fallon
- St. Joseph's Hospital, Breese
- St. Mary's Hospital, Decatur
- St. Anthony's Memorial Hospital, Effingham
- Holy Family Hospital, Greenville
- St. Joseph's Hospital, Highland
- St. Francis Hospital, Litchfield
- St. John's Hospital, Springfield
- Good Shepherd Hospital, Shelbyville

### III. Health Service Area

HSHS Holy Family Hospital, Inc. is in the HSA V Health Service Area and the F-02 Hospital Planning Area. HSA V includes the geographic service area that includes the Illinois Counties of Alexander, Bond, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Wabash, Washington, Wayne, White, and Williamson. There are 40 Obstetric Hospital Planning Areas in the State. The F-02 Obstetric Hospital Planning Area includes Bond, Fayette, and Effingham Counties; Clay County Townships of Blair, Bible Grove, and Larkinsburg; Jasper County Townships of Grove, North Muddy, South Muddy, Smallwood, Wade and Crooked Creek.

There are two Hospitals with obstetric units in the F-02 Planning Area; HSHS Holy Family Hospital, Inc. and St Anthony Memorial Hospital in Effingham with 17 Obstetric Beds. As of August 2019, there is a calculated excess of 11 Obstetric beds.

### IV. Discontinuation

The Applicants propose to discontinue a 4-bed Obstetric Category of Service including its Level 1 four (4) bed Newborn Nursery<sup>1</sup> at HSHS Holy Hospital, Inc. Discontinuation will occur on November 4, 2019 and will be based on an operational process ensuring the highest safety and quality for those expectant mothers in the childbirth program at that time. The equipment currently used for the Obstetrics /Gynecology services will be distributed to Affiliate Hospitals in the HSHS Southern Illinois Division. The physical plant used for these services is currently being analyzed to determine the best use. The medical records for the respective patients will continue to be retained by the Hospital in accordance with Hospital policy.

According to the Applicants *“the primary reason for the discontinuation is the declining utilization of the birthing component of the HSHS Holy Family Hospital, Inc. women and*

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<sup>1</sup> "Newborn Nursery Level I", "Newborn Nursery Level II", "Newborn Nursery Level II with Extended Neonatal Capabilities" and "Newborn Nursery Level III" mean designations for hospitals providing newborn health care as defined and listed in the Regionalized Perinatal Health Care Code (77 Ill. Adm. Code 640).

A Level I Hospital must have a letter of agreement with Administrative Perinatal Center or "APC" means a referral facility intended to care for the high-risk patient before, during, or after labor and delivery and characterized by sophistication and availability of personnel, equipment, laboratory, transportation techniques, consultation and other support services. (Section 2(e) of the Act) An APC is a university or university-affiliated hospital designated by the Department as a Level III hospital, that receives financial support from the Department to provide leadership and oversight of the Regionalized Perinatal Healthcare Program.

The critical considerations in the care of patients anticipating delivery in these Level I hospitals are:

A) The earliest possible detection of the high-risk pregnancy (risk assessment); consultation with a maternal-fetal medicine subspecialist or neonatologist as specified in the letter of agreement; and transfer to the appropriate level of care; and

B) The availability of trained personnel and facilities to provide competent emergency obstetric and newborn care. Included in the functions of this hospital are the stabilization of patients with unexpected problems, initiation of neonatal and maternal transports, patient and community education, and data collection and evaluation.

*infant program resulting from changes in the market, which include declining fertility and birth rates, as well as a decline in the overall population. Births in the US have fallen to their lowest level in 30 years and there are now approximately 60.3 births per 1,000 women ages 15 to 44. Additionally, the fertility rate has declined to approximately 1.76 births per woman over a 15-44-year lifetime which is below the population "replacement rate" estimated at 2.12 births per woman."*

Notification letters were sent to all providers within the 17-mile geographical service area notifying the hospitals of the discontinuation and what if any impact the discontinuation will have on their facility.

## V. **Safety Net**

The Applicants stated the following:

HSHS Holy Family Hospital, Inc. believes that this project will not materially impact the ability of other providers or health care systems to subsidize safety net services.

| <b>TABLE ONE</b><br><b>HSHS Holy Family, Inc</b><br><b>Charity and Medicaid Information</b> |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
|   | 2015         | 2016         | 2017         | 2018         |
| CHARITY CARE  | \$24,030,263 | \$24,601,569 | \$29,857,477 | \$22,765,762 |
| Charity (# of patients)   |              |              |              |              |
| Inpatient   | 26           | 31           | 33           | 22           |
| Outpatient  | 540          | 266          | 287          | 467          |
| Total   | 566          | 297          | 320          | 489          |
| Charity cost in dollars   |              |              |              |              |
| Inpatient   | \$18,073     | \$26,665     | \$44,802     | \$57,661     |
| Outpatient  | \$115,573    | \$85,554     | \$113,103    | \$232,384    |
| Total   | \$133,646    | \$112,219    | \$157,905    | \$290,045    |
| Charity Care Expense/Net Revenue  | .56%         | .46%         | .53%         | 1.3%         |
| MEDICAID  |              |              |              |              |
| Medicaid (# of patients)  |              |              |              |              |
| Inpatient   | 441          | 617          | 461          | 305          |
| Outpatient  | 7,949        | 6,558        | 6,659        | 5,228        |
| Total   | 8,390        | 7,175        | 7,120        | 5,533        |
| Medicaid revenue  |              |              |              |              |
| Inpatient   | \$831,840    | \$330,001    | \$1,127,675  | \$635,272    |
| Outpatient  | \$2,935,693  | \$1,103,944  | \$3,464,409  | \$2,405,761  |
| Total   | \$3,767,533  | \$1,433,945  | \$4,592,084  | \$3,041,033  |

**TABLE ONE**  
**HSHS Holy Family, Inc**  
**Charity and Medicaid Information**

|                                 |        |      |       |       |
|---------------------------------|--------|------|-------|-------|
| Medicaid<br>Revenue/Net Revenue | 15.68% | 5.8% | 15.8% | 13.4% |
|---------------------------------|--------|------|-------|-------|

## **VI. 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.

A map of Greenville, Illinois, and surrounding areas. The map shows major roads including I-70, I-40, and US-127. Key locations marked include Sorento, Reno, Ayers, Woburn, Durley, Greenville, Smithboro, Stubblefield, Pleasant Mound, and Hamburg. A callout box highlights the address 200 Health Care Dr, Greenville, IL 62246. The map also shows the Greenville Airport and the Royal Lake Resort. The state of Illinois is labeled in the background.

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