



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: C-07	BOARD MEETING: October 22, 2019	PROJECT NO: E-045-19	PROJECT COST:
FACILITY NAME: AMITA Health Alexian Brothers Medical Center Elk Grove Village		CITY: Elk Grove Village	Original: \$0
TYPE OF PROJECT: Exemption			HSA: VII

PROJECT DESCRIPTION: The Applicants (Alexian Brothers Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health, Ascension Health) propose to discontinue a 25-bed acute mental illness category of service. There is no cost to this project and the expected completion date is November 30, 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.*

EXECUTIVE SUMMARY

PROJECT DESCRIPTION

- The Applicants (Alexian Brothers Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health, Ascension Health) propose to discontinue a 25-bed acute mental illness category of service. There is no cost to this project and the expected completion date is November 30, 2019.

BACKGROUND

- In December 2013 the State Board approved the establishment of a 25-bed acute mental illness category of service the hospital.

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.

BOARD STAFF FINDS THE PROPOSED DISCONTINUATION OF A CATEGORY OF SERVICE IN CONFORMANCE WITH CRITERIA 77 ILAC 1130.500 AND 77 ILAC 1130.525

STATE BOARD STAFF REPORT

Project #E-045-19

AMITA Health Alexian Brother Medical Center Elk Grove Village

APPLICATION/ CHRONOLOGY/SUMMARY	
Applicants(s)	Alexian Brothers Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health, Ascension Health
Facility Name	AMITA Health Alexian Brother Medical Center Elk Grove Village
Location	800 Biesterfield Road, Elk Grove Village
Exemption Holder	Alexian Brothers Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health, Ascension Health
Operating Entity/Licensee	Alexian Brothers Medical Center
Owner of Site	Alexian Brothers Medical Center
Application Received	September 13, 2019
Anticipated Completion Date	November 30, 2019

I. Project Description

The Applicants (Alexian Brothers Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health, Ascension Health) propose to discontinue a 25-bed acute mental illness category of service. There is no cost to this project and the expected completion date is November 30, 2019.

II. Applicants

The Applicants are Alexian Brothers Medical Center a 401-bed acute care hospital in Elk Grove Village, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health, and Ascension Health.

III. Health Service Area

There are 11 Health Service Areas in the State of Illinois. There are 21 acute mental illness planning areas¹ that have been delineated by HFSRB contained within the 11 Health Service Areas.

77 ILAC 1100.560 – Acute Mental Illness

c) Utilization Target

Facilities that provide an acute mental illness service should operate those beds at or above an annual minimum occupancy rate of 85%.

d) Bed Need

- 1) A bed need of .11 beds per 1,000 projected population is established in each planning area as the minimum bed need.
- 2) Calculate the planning area's experienced use rate by dividing the number of patient days in the base year by the base year population in thousands. Multiply the experienced use rate by the population estimate in thousands to obtain estimated patient days. Divide the estimated patient days by the number of days in the population projection (which is five years from the base year) to determine the projected average daily census (ADC). Divide the estimated ADC by .85 (85% occupancy factor) to obtain a projected bed need in the planning area.
- 3) When the projected bed need is less than the minimum bed need, the minimum bed need is the projected bed need. When the estimated bed need is greater than the minimum bed need, the estimated bed need is the projected bed need.

AMITA Health Alexian Brothers Medical Center Elk Grove Village is in the HSA VII Health Service Area and the A-07 Hospital Planning Area. HSA VII includes Suburban Cook and DuPage County. The A-07 AMI Planning Area includes the Cook County Townships of Maine, Elk Grove, Schaumburg, Palatine and Wheeling. There are currently six hospitals in this Hospital Planning Area that provide acute mental illness services. As of September 2019, there is a calculated excess of 153 acute mental illness beds in this planning area.

TABLE ONE					
Acute Mental Illness Facilities in A-07 AMI Planning Area					
Facility		Beds	Admissions	Days	Occ %
Alexian Brothers Behavioral Health Hospital	Hoffman Estates	141	5,791	46,640	90.62%
Alexian Brothers Medical Center Elk Grove Village	Elk Grove Village	25	375	5,308	58.17%
Chicago Behavioral Health Hospital	De Plaines	138	4,419	41,279	81.95%
Lutheran General Hospital - Advocate	Park Ridge	55	1,160	10,038	50.00%
Northwest Community Hospital	Arlington Heights	52	1,809	12,850	67.70%
Streamwood Hospital	Streamwood	178	3,811	41,156	63.35%
Total		589	17,365	157,271	73.2%

TABLE TWO		
A-07 Hospital Planning Area		
Calculated Acute Mental Illness Beds		
Approved AMI Beds	Calculated AMI Bed Need	Excess Beds
589	436	153
Source: State Board September 2019 Inventory Monthly Update		

IV. Discontinuation

AMITA Health Alexian Brothers Medical Center Elk Grove Village has the following categories of service:

TABLE THREE		
AMITA Health Alexian Brothers Medical Center		
Categories of Service	# Beds	# of Beds after discontinuation
Medical Surgical	224	224
Pediatric	16	16
Intensive Care	36	36
Obstetric	28	28
Acute Mental Illness	25	0
Rehabilitation	72	72
Total Beds	401	376

The Applicants are discontinuing the AMI service for the following reasons:

The hospital has had great difficulty in attracting qualified psychiatrists, interested in providing inpatient care, to its Medical Staff. Second, the hospital is a member of AMITA Health, which operates two other AMI programs in the general area. As a result, and due to the hospital's low AMI utilization (58.6% occupancy rate in 2018), the service proposed to be discontinued represents an unnecessary duplication of services. The hospital is located approximately 7.5 miles from AMITA Health Alexian Brothers Behavioral Health Hospital. Inpatient psychiatric care is being replaced for many patients/diagnoses with partial hospital and other outpatient programs, therein reducing the reliance on inpatient services. The hospital and its system, AMITA Health, currently operate numerous outpatient and partial hospitalization programs, and intends to continue to do so.

The AMI unit consists of fourteen patient rooms, and as of the filing of this Certificate of Exemption application, a decision has not been made on the future use of the AMI unit. The AMI unit's equipment will be used in other areas of the hospital, re-located to other AMITA Health facilities, donated to not-for-profit organizations, or discarded.

The medical records of past patients will be retained by the hospital, consistent with licensure and accreditation requirements, as well as contemporary medical records retention practices.

TABLE FOUR					
AMITA Alexian Brothers Medical Center Elk Grove Village					
Acute Mental Illness Utilization					
Year	2017	2016	2015	2014	2013
Beds	25	25	25	25	25
Days	5,308	5,574	5,438	2,661	0
ALOS	14.5	13.1	13.3	11.9	0
ADC	14.2	15.2	14.9	7.3	0
Occupancy	58.20%	60.80%	59.60%	29.20%	0.00%

V. Impact on Access

The Applicants do not anticipate that the proposed discontinuation of inpatient acute mental illness services at the Medical Center will have any substantial impact on area residents' access to inpatient AMI services. There are four providers of inpatient AMI services located within ten miles of the hospital, two of which are freestanding psychiatric hospitals: AMITA Health Alexian Brothers Behavioral Health Hospital Hoffman Estates, which is owned and operated by applicant, Ascension Health and Streamwood Behavioral Health Hospital. In addition, Northwest Community Hospital and Advocate Lutheran General Hospital operate AMI units.

The Applicants have contacted all these hospitals by certified mail notifying these hospitals that the category of service is to be discontinued asking these hospitals what impact the proposed discontinuation will have on their hospital. No responses have been received to date.

VI. Safety Net

The Applicants stated the following:

AMITA Health Alexian Brothers Medical Center Elk Grove Village is and will continue to be a safety net provider, serving primarily residents of the western suburbs of Chicago. AMITA Health has a long-standing commitment to the provision of a broad range of psychiatric services, and that commitment will not diminish with the approval of this Certificate of Exemption application. The hospital will continue to accept acute mental illness patients in its Emergency Department, and, as appropriate, will transfer patients in need of inpatient AMI services to other hospitals, including its sister hospital, Alexian Brothers Behavioral Health Hospital Hoffman Estates, approximately 7½ miles to the northwest. As a result, the impact on safety net services will be minimal.

TABLE FIVE			
Charity Care and Medicaid Information			
AMITA Health Alexian Brothers Medical Center Elk Grove Village			
Year	2016	2017	2018
Net Patient Revenue	\$457,800,000	\$478,899,780	\$545,610,158
CHARITY CARE			
Inpatient	125	399	398
Outpatient	1,477	2,232	2,209
Total	1,602	2,631	2,607
CHARITY CARE EXPENSE			
Inpatient	\$3,192,619	\$2,106,991	\$2,607,611
Outpatient	\$1,973,431	\$1,948,839	\$1,849,843
Total	\$5,166,050	\$4,055,830	\$4,457,454

TABLE FIVE Charity Care and Medicaid Information AMITA Health Alexian Brothers Medical Center Elk Grove Village			
Year	2016	2017	2018
% of Charity Care to Net Patient Revenue	1.13%	0.85%	0.82%
MEDICAID			
Inpatient	3806	2410	3289
Outpatient	49,428	45,946	37,530
Total	53,234	48,356	40,819
Medicaid Revenue			
Inpatient	\$24,917,316	\$14,688,808	\$26,890,358
Outpatient	\$14,100,420	\$12,104,570	\$18,519,923
Total	\$39,017,736	\$26,793,378	\$45,410,281
% Medicaid Revenue to Net Patient Revenue	8.52%	5.59%	8.32%

VII. 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 or discontinue a category of service 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 at 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-045-19 AMITA Alexian Brothers Medical Center - Elk Grove Village

