



HSHS St. Joseph's Hospital
Breeze

September 11 2020

HSHS St. Mary's Hospital
Decatur

Via Email and Hand Delivery

HSHS St. Anthony's Memorial Hospital
Effingham

Courtney R. Avery
Administrator
Illinois Health Facilities and Services
Review Board
525 West Jefferson Street
2nd Floor
Springfield, IL 62761

HSHS Holy Family Hospital
Greenville

HSHS St. Joseph's Hospital
Highland

HSHS St. Francis Hospital
Litchfield

HSHS St. Elizabeth's Hospital
O'Fallon

Re: Project #20-030, Effingham Medical Office Building, Effingham

HSHS Good Shepherd Hospital
Shelbyville

HSHS Written Response to Staff Report

HSHS St. John's Hospital
Springfield

Dear Ms. Avery:

St. John's College of Nursing
Springfield

On behalf of the Hospital Sisters Health System ("HSHS"), and HSHS St. Anthony's Memorial Hospital ("St. Anthony's"), I respectfully submit this written response to the Board Staff Report for Project #20-030, Effingham Medical Office Building pursuant to Section 6(c-5) of the Health Facilities Planning Act. 20 ILCS 3960/6(c-5). That provision allows the staff to "revise any findings to address corrections of factual errors cited in the public response." *Id.* The applicant here submitted erroneous material that appears in the Staff Report and we respectfully request that findings in the Staff Report be corrected to address those errors identified below.

In addition, area elected officials have raised concerns about the adequacy of information submitted by the applicant and the extent of the project's impact on St. Anthony's. Information required by the Review Board's criteria relating to adverse impact on existing providers was not submitted by the applicant. We respectfully request that the public comment and Board Review period be extended pending the applicant's submission of the required documentation, which is also identified below.

I wish to again confirm with the Review Board that HSHS does not oppose needed modernization of healthcare facilities. We do oppose the unnecessary duplication of services that do not comply with the Review Board's standards and criteria. The Staff Report shows that this project is not in conformance with either Part 1100 or Part 1120 of the Review Criteria and, as addressed below, there is additional non-conformance with the Criteria once the factual

errors are corrected. It is only to the extent of this non-compliance with applicable Review Criteria that HSHS opposes this project.

1. Factual Error Relating to the CT Scanners at St. Anthony's

The finding on Page 13 of the Staff Report references the applicant's statement that St. Anthony's will not be negatively impacted "due to the high volume of CT scans currently provided at the facility." The applicant's statement was factually incorrect in two respects. First, the applicant erroneously represented that St. Anthony's had only two CT scans, instead of three. Second, the applicant erroneously represented that St. Anthony's CT scanners were operating at the target utilization standard while, in fact, they are not.

St. Anthony's operates three CT scanners, not two as asserted by the applicant. In addition to the two scanners within the hospital, St. Anthony's also operates a third scanner in its ambulatory building that was approved by the Review Board in Project #14-056, and which was completed in June 2019. Review Board approvals in effect prior to the date the Board takes action on an application are to be considered in connection with the application under Section 1130.620(d)(3) of the rules on Review Procedures.

As noted in my written comment dated September 2, 2020, for CY 2019 the total utilization of these three scanners combined was 13,022. Because the St. Anthony's scanners are operating below State Standard of 7,000 procedures per scanner, the applicant was required to show that the project will not "Lower, to a further extent, the utilization of other area providers that are currently (during the latest 12-month period) operating below the utilization standards." 77 Ill. Adm. Code 1110.270(b)(3)(B). The applicant's additional information however admits that it will be taking CT Scan procedures from St. Anthony's, which will further lower utilization in violation of the Board's review criterion.

For the above reasons, the Staff Report should be corrected to show that St. Anthony's CT scanners are operating below target utilization; that this project will further reduce the utilization of that equipment, and; that the project is *not* in conformance with the Criterion for Service Establishment (77 IAC 1110.270(b)).

2. Factual Error Relating to Location of the Applicant's Ultrasound Equipment

The applicant submitted misleading and contradictory statements regarding its Ultrasound service. In its CON application, the applicant stated that Ultrasound "**is not currently provided in the existing medical office building[.]**" (CON Application pages 94; Emphasis added.) However, in its additional information dated August 27, 2020, the applicant stated, in bold

type, that it **“does provide** the proposed clinical services and programs of the Effingham Medical Office Building at existing SBLHC locations.” The location for Ultrasound, however, is a clinic on Merchant Street in Effingham, which is *not* the building being demolished and replaced by this project. This is an important distinction under the Review Board’s Criterion.

The Review Criterion clearly distinguishes between services that are being replaced “onsite”, which are subject to the modernization criteria, and services being relocated to a “new site”, which are subject to the establishment criteria:

“3) If the proposed project involves the replacement of a facility or service **onsite**, the applicant shall comply with the requirements listed in subsection (a)(2) (**Service Modernization**).

4) If the proposed project involves the replacement of a facility or service on a **new site**, the applicant shall comply with the requirements of subsection (a)(2) (**New Services or Facility or Equipment**).” 77 Ill. Adm. Code 1110.270(a)(3) and (a)(4).

The applicant has admitted that Ultrasound is not “onsite” as it is not currently provided at building that is being replaced. Consequently, this service is subject to the New Services criteria, rather than the Modernization criteria, and referral letters are required. The applicant submitted no referral letters and did not otherwise respond to the New Services criteria as applied to the Ultrasound service.

The Staff Report should be corrected to show that the applicant is not modernizing an onsite service but is relocating a service to a new site; that the required referral letters were not submitted, and; that the project is *not* in conformance with the Criterion for Service Establishment (77 IAC 1110.270(b)).

3. Elected Officials have Raised Unanswered Concerns About the Project’s Impact on St. Anthony’s

State Senator Andy Manar, 48th District, and Mayor Mike Shutzbach of the City of Effingham have both submitted letters of concern on this project. (Letters attached.)

Senator Manar raised an inquiry as to whether the applicant was required to “demonstrate that there will be no resulting reduction in utilization of services at existing area providers” and stated, “I respectfully believe that fuller information by the CON applicant, prior to any public hearing, may be necessary for both St. Anthony’s and the greater Effingham community to understand and meaningfully comment upon the CON application as originally submitted.” As noted above, the project will negatively impact St. Anthony’s CT scan service, and the applicant has not yet provided referral letters that

would allow an assessment of the project's adverse impact on St. Anthony's Ultrasound service.

Mayor Shutzbach noted St. Anthony's concern that the project "would result in a shift of patient volumes and associated hospital revenue" and that "[f]or a rural hospital that already operates below state utilization standards and is now reeling from the effects of the COVID-19 pandemic, this added financial stress could lead to service cuts, job losses and reduced community engagement by [St. Anthony's]." Again, the applicant has not provided required documentation that would allow St. Anthony's and the community to assess the full impact of the project on the existing sole community hospital.

Senator Manar and Mayor Shutzbach, like HSHS itself, are not against needed modernization of outdated healthcare facilities. But also like HSHS, they are concerned about the impact of this project on St. Anthony's which the applicant, to date, has not fully addressed in the manner required by the Review Board's Criteria. We respectfully request therefore that the applicant fully respond to the documentation requirements of the Review Criteria and that Board action on the project be deferred until St. Anthony's and the community have an opportunity to provide written comment.

Very truly yours,



Julie Goebel, MHA
Vice President, Strategy
HSHS Illinois