



Mercy Hospital & Medical Center Discontinuation  
Project No. 20-039  
Public Hearing: 10/29/2020

**John Capasso, Executive Vice President, Trinity Health**

I'm here to encourage the Illinois Health Facilities & Services Review Board to support the Certificate of Need application. Mercy Hospital & Medical Center and Trinity Health Corporation have filed to transform care at Mercy from an inpatient model to an outpatient model and discontinue services at Mercy Hospital.

Like many hospitals on the South Side of Chicago, Mercy Hospital has faced financial turmoil for decades as the population in the area has declined, hospital reimbursements have decreased, and capital needs have

increased exponentially. What's more, shifts in healthcare include trends away from inpatient services and toward outpatient services, and the large systems and academic medical centers, with new and updated facilities, to the north, south and west of Mercy Hospital, continue to attract a greater share of patients.

Since purchasing Mercy Hospital in 2012, Trinity has significantly invested in the care and facilities needed by the community. Since April 1, 2012, Trinity has invested more than \$124 million in infrastructure improvements at Mercy Hospital and provided more than \$112 million in funding so Mercy Hospital could meet its short-term operating needs. Today, we face mounting monthly operating losses of \$4 million on top of estimated \$100M in capital investments needed in the next five years to

maintain a safe and sustainable acute care environment at Mercy.

We, along with our colleagues at Mercy, have worked hard to find a financially sustainable path. We remain disappointed that legislators did not approve our South Side transformation plan to build three to six outpatient centers and one to two new, state of the art hospitals to better meet the needs of patients on the South Side.

The disparate outcomes of health we see for patients on the South Side makes clear that change needs to happen. With life expectancy rates that are 30 years lower on the South Side than other parts of the City, and higher incidence of everything from diabetes to high blood pressure, the status quo is simply not serving patients in

our area. The communities served by Mercy Hospital desperately need more early detection and diagnosis of illnesses and diseases, better care coordination among a multitude of providers to better treat chronic diseases, and more cost effective and accessible urgent care and other outpatient services.

While we recognize that change is always hard, we're also mindful of data from your board that makes clear that one of the challenges the health system faces is that there are too many empty hospital beds on the South Side. Today, only 52% of intensive care and 30% of acute care beds are occupied. Even after Mercy discontinues its services, there will still be 607 empty hospital beds across the eight other hospitals in the Mercy planning area. Furthermore, 58% of patients leave the service area to receive care.

Trinity Health is a mission-oriented organization committed to being a compassionate and transformative healing presence in the communities we serve. Our plans include a commitment to ensure the Mercy legacy lives on with the outpatient care center at which we are proposing to offer urgent and diagnostic care, as well as care coordination that our community so badly needs.

I urge the Board's support of change that the South Side so urgently needs and the Certificate of Need application we have filed.