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December 4, 2020

Health Facilities Systems Review Board

Via email courtney.avery@illinois.gov

RE: State Report on the Application for closure of Mercy

To the Members of the Health Facilities Systems Review Board;

SEIU Healthcare agrees with the State Board Staff's conclusion that Trinity Health's proposal to close Mercy Hospital will negatively impact access to health services and "result in health risk to the population that Mercy Hospital serves".

The State Board Staff Report confirms that the Mercy closure will cause a deficit of ICU beds in the A-03 Hospital Planning Area and that the loss of emergency care services will adversely affect the communities in Mercy's service area.

The Report also acknowledges that Mercy hospital "was profitable in FY 2020". Trinity Health neglected to provide this information in its CON application (nor did it provide system-wide financial statements illustrative of Trinity's vast resources including nearly \$12 billion in unrestricted cash and investments). We appreciate the State Board Staff for bringing this critical information to light.

We are concerned, however, that the State Board Staff Report is incomplete in its coverage of the required safety net impact statement. The Report touches on this briefly. Trinity failed to provide the information necessary to meaningfully assess the proposed Mercy closure's anticipated impact on safety net services in the Mercy Hospital service area.

Section 1110.1109 (c) of Title 77 of the Illinois Administrative Code states that an applicant's Safety Net Impact Statement must describe "the material impact of safety net services in the community".

According to Section 1110.1109 (c), safety net services are "services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation".

Trinity Health's CON application asserts that shuttering Mercy Hospital will have "no material impact" on safety net services because "there are 29 other hospitals in the Hospital's market area" (comprising all of Chicago). The applicant provides no data or analysis to support this assertion.

Further, Trinity neglects to describe the impact on safety net services within Mercy Hospital's service area (comprised of twenty-one South Side ZIP codes that provide more than 80% of the hospital's patients).

The applicant also fails to specifically address the impact on non-hospital providers operating within Mercy's service area where subacute health services are already scarce.

According to the Federal Health Resources and Services Administration, nearly 600,000 low income persons live in the twenty-one ZIP codes that comprise the Mercy Hospital service area. In 2018, Mercy Hospital and its affiliated clinic network



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provided outpatient care to more than 140,000 low income patients. Once Mercy closes, these patients will have to seek outpatient services elsewhere, potentially overwhelming publicly subsidized Federally Qualified Health Centers which already care for more than 300,000 patients residing in the Mercy service area each year.

Trinity's CON application does not address how displacing thousands of outpatients will impact FQHCs and their ability to provide enough "safety net services" to South Side communities.

The application likewise includes no discussion or analysis of the impact of the proposed Mercy closure on vulnerable communities or racial health inequities.

According to Mercy's most recent Community Health Needs Assessment, "62% of Chicago's Non-Hispanic African American population lives in Mercy's service area". Trinity's safety net impact statement fails to grapple with the affect the Mercy closure will have on racial health disparities which are endemic in its service area.

Particularly noteworthy is Trinity's refusal to assess the impact of the proposed closure on access to OB/GYN services. Black Chicagoans endure more preterm deliveries and suffer a higher infant mortality rate than their white peers, in part due to the dearth of OB/GYN services on the South Side. At minimum, Trinity must explain how closing Mercy Hospital will not worsen this crisis.

Trinity's application also neglects to consider how the closure will impact Chicago's Chinese American community which already faces cultural and linguistic "barriers to care" and disproportionately depends on Mercy for health services due to its location near adjacent to Chinatown.

Trinity Health's assertion that the Mercy closure will have "no adverse impact" is not credible. The applicant provides no supporting evidence and neglects to even address the impact on non-hospital health service providers.

The HFSRB must not take this assertion at face value.

The State Board Staff correctly concluded that Trinity Health CON application to close Mercy Hospital will negatively impact access to health services on the South Side and is therefore noncompliant with HFSRB standards.

Consequently, we expect and demand that the board reject Trinity's CON application at the December 15th meeting.

Should the board decline reject the application outright, we demand that the HFSRB delay the vote on the Mercy CON until such time as Trinity Health is able to demonstrate that the closure will have no adverse impact on fellow safety net providers before the board votes on the project.

Lives depend on it.

Sincerely,

Anne K Iggoe
Vice President, Health Systems
SEIU Healthcare IL/IN