

April 8, 2021

VIA E-MAIL

Courtney Avery Board Administrator Illinois Health Facilities and Services Review Board 525 West Jefferson Street, Second Floor Springfield, Illinois 62761

Re: Opposition Letter for Quincy Medical Group Hospital, Quincy, Illinois- Project #20-044

Dear Ms. Avery:

The BJC Collaborative is opposed to Project #20-044, Quincy Medical Group Hospital. The project's approval would set a dangerous precedent for already struggling rural and small-market hospitals in Illinois.

The fifteen Illinois hospitals in the BJC Collaborative serve nearly a quarter of the state's population and manage over 100,000 admissions each year. The term "collaborative" in the name means what it says. These hospitals are not merged or financially linked. Rather, we are a group of providers working together to make care efficient and easier to access, two goals consistent with the mission of the Health Facilities and Services Review Board ("HFSRB"). Collaborative members take a true regional approach to health planning and delivering high quality patient care. We share best practices, leverage savings and precious dollars through group purchases, and streamline entry to each member's specialty programs across the region.

We respect the role the HFSRB has in ensuring access to care and in lowering healthcare costs in our state. For that reason, our group has never had the audacity to trade beds among members. Quincy Medical Group's CON application tries to justify the need for this hospital by highlighting the transfer of beds from rural hospitals that are 50 and 60 miles away from the proposed location, while the proposed site is a mere 3 miles away from Blessing Hospital. That's not regional health planning, and it certainly does not increase access to care or promote efficient healthcare delivery.

Moreover, we are concerned about federal Anti-Kickback implications. The hospitals donating beds and Quincy Medical Group refer patients to each other, receive federal funds, and there can be no question that these "donated" beds have some unassigned value. Whether it is the HFSRB or some other branch of government, we feel this is an important question to answer before deciding the CON question.

There are other aspects of the project that violate basic principles of the Illinois CON program, but the pressing concern of Collaborative members is viability for the regional healthcare eco-system.



This project's approval likely puts Blessing Hospital at risk for disqualification from federal programs designed to preserve access in rural and smaller markets; the most glaring risk being Blessing Hospital's Sole Community Hospital status.

In most towns and smaller cities there is an equilibrium in healthcare, with one hospital and one dominate medical group. There are inevitably tensions between these parties, but the give-and-take almost always resolves to serve the best interests of the community. Medicare and Medicaid recognize the challenges in these markets and administer programs that help ensure solvency and viability. These programs are predicated on equilibrium. They do not, and cannot, reward one party reneging on this compact.

If doctors can open their own hospital whenever they find a market's dynamics inconvenient, this application then serves as a blueprint for slowly chipping away at the equilibrium that benefits smaller towns across the state. Doctors are the only ones who can admit anyone to a hospital...the CEO can't, the nurses can't, only doctors have admitting rights. If Quincy Medical Group has their own hospital, they made clear in their application that they will direct low acuity patients with private-pay insurance to their facility, and in the process destroy market balance and jeopardize federal support designed to stabilize rural healthcare.

Respectfully, we ask that the Board reject CON application #20-044. Not just for Quincy, but for all the smaller markets across Illinois.

Sincerely,

Greg Bratcher Director, Government Relations BJC HealthCare <u>gregory.bratcher@bjc.org</u>

Tim Moore Vice President, Finance Chief Accounting Officer Blessing Health System <u>tim.moore@blessinghealth.org</u>

Kim Uphoff Vice President, Operations Sarah Bush Lincoln kuphoff@sblhs.org

Robert Ellison

System Administrator, Business Development & Governmental Affairs Memorial Health System <u>ellison.robert@mhsil.com</u>

Phil Schaefer

Senior Vice President, Ambulatory Services Chief Care Network Development Officer Southern Illinois Healthcare <u>phil.schaefer@sih.net</u>