



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-01	BOARD MEETING: June 30, 2020	EXEMPTION NUMBER: E-010-20
EXEMPTION APPLICANT(S): Trinity Medical Center, Trinity Regional Health System and Iowa Health System d/b/a UnityPoint Health		
FACILITY NAME and LOCATION: Trinity Medical Center – Rock Island		

PROJECT DESCRIPTION: The Applicants are asking the State Board to approve the discontinuation of a 22-bed comprehensive physical rehabilitation category of service at Trinity Medical Center-Rock Island. There is no cost to this project. The Applicants are requesting that this category of service remain in operation until such time as the Quad Cities Rehabilitation Institute has been licensed by IDPH.

STATE BOARD STAFF REPORT
DISCONTINUATION OF A CATEGORY OF SERVICE
EXEMPTION REQUEST

I. The Exemption Application

The Applicants (Trinity Medical Center, Trinity Regional Health System and Iowa Health System d/b/a UnityPoint Health) are asking the State Board to approve the discontinuation of a 22-bed comprehensive physical rehabilitation category of service at Trinity Medical Center-Rock Island. There is no cost to this project. The Applicants are requesting that this category of service remain in operation until such time as the Quad Cities Rehabilitation Institute has been licensed by IDPH.

This Application is being submitted in conjunction with Project #19-059 Quad Cities Rehabilitation Institute to establish a 40-bed comprehensive physical rehabilitation hospital in Moline Illinois at a cost of \$33.8 million.

Should the State Board approve Project #19-059 the Applicants will discontinue this category of service.

II. General Information

The Applicants are Iowa Health System d/b/a Unity Point Health, Trinity Regional Health System, and Trinity Medical Center. Iowa Health System is an Iowa not-for-profit corporation formed in 1994 and operates 22 hospitals in Iowa, Illinois, and Wisconsin. Iowa Health System does business as Unity Point Health. Iowa Health System is the sole corporate member of Trinity Regional Health System and Trinity Regional Health System is the sole corporate member of Trinity Medical Center.

Trinity Medical Center operates two hospitals in the Quad Cities;

- Trinity Medical Center – Rock Island - 327-bed hospital
- Trinity Medical Center – Moline - 39-bed hospital

III. Health Service Area

Trinity Medical Center – Rock Island is in the HSA X Health Service Area which includes the Illinois Counties of Henry, Mercer, and Rock Island. There are five additional acute care hospitals in this service area.

- Genesis Medical Center - Silvis – 137 beds
- Genesis Medical Center -Aledo – 22 beds
- Hammond Henry Hospital - Geneseo – 61 beds
- OSF St. Luke Medical Center - Kewanee – 25 beds
- Trinity Medical Center – Moline – 38 beds

Trinity Medical Center – Rock Island is the only hospital that provides comprehensive physical rehabilitation services in this health service area. As of March 2020, there is a calculated excess of 11 comprehensive physical rehabilitation beds in this service area.

Should the State Board approve Project #19-059 and the discontinuation of the 22 comprehensive physical rehabilitation beds at Trinity r – Rock Island (#E-010-20) there will be a calculated excess of 29 comprehensive physical rehabilitation beds in this service area.

TABLE ONE
Bed Need or Excess

	Current Inventory	Calculated Need or (Excess)
Inventory 03/2020	22	(11)
#19-059	+40	(40)
Total	62	(51)
#E-10-20	-22	+22
Total	40	(29)

IV. Discontinuation

As mentioned above the proposed discontinuation is being submitted with a request to establish a 40-bed comprehensive physical rehabilitation hospital in this service area. Trinity Medical Center – Rock Island will discontinue their 22 comprehensive physical rehabilitation unit should the State Board approve the establishment of a 40-bed hospital on the campus of Trinity Medical Center – Moline.

Trinity Medical Center- Rock Island for the years 2014 to 2018 has averaged 40% utilization in this 22-bed unit. The Applicants stated:

“Employee retention and recruitment challenges have made it difficult to maintain appropriate staffing levels - capping patient capacity to 8 of its existing 22 licensed beds through the summer of 2019. With the closure of the adjacent skilled nursing unit in August of 2019, there has been some relief in staffing challenges as of late which allowed for an increase in volumes in 2019. The rehab unit also has experienced several leadership transitions during the last few years and has had difficulty in obtaining leaders with expertise in rehabilitation operations and regulations.

Trinity Rock Island considered expanding the inpatient rehab unit footprint but considering the overall facility space and infrastructure limitations of the 5th floor of the main hospital tower (a building that was originally designed and constructed for general medical/surgical patients more than 50 years ago), this would be a less efficient and, ultimately, more costly option. For that reason, Trinity proposes to partner with a recognized national leader in inpatient rehab services.”

TABLE TWO
Trinity Medical Center – Rock Island
Utilization Information 22-bed Comprehensive Physical Rehabilitation Unit
(2014-2018)

	Beds	Admissions	Patients	ALOS	ADC	Occupancy
2018	22	145	2,123	14.64	5.82	26.44%
2017	22	209	3,028	14.49	8.30	37.71%
2016	22	211	3,270	15.50	8.96	40.72%
2015	22	240	3,378	14.08	9.25	42.07%
2014	22	279	4,105	14.71	11.25	51.12%
Average	22	217	3,181	14.68	8.71	39.61%

V. Impact on Access

Should the State Board approve Project #19-059 there will be no impact on access to comprehensive physical rehabilitation beds in this service area.

VI. Safety Net Impact

Trinity Medical Center d/b/a as Trinity Rock Island believes that the discontinuation of its 22 rehabilitation beds in Rock Island County Illinois, Health Service Area 10 Including Rock Island Mercer and Henry Counties and Planning Area C-05 would not have a material impact on essential safety net services in the community. The discontinuation will commence upon opening of the Quad Cities Rehab Institute which will expand access to rehab care in HSA 10 with a total of 40 private beds for inpatient rehabilitation.

TABLE THREE
Trinity Regional Health System
Charity Care and Medicaid Information ⁽¹⁾

	2016	2017	2018
Net Patient Revenue	\$549,188,000	\$566,897,000	\$573,711,000
	Charity # of Patients		
Inpatient	1,674	2,244	1,758
Outpatient	12,324	14,484	15,472
Total	13,998	16,728	17,230
	Charity Care Expense		
Inpatient	\$407,000	\$464,000	\$404,000
Outpatient	\$3,000,000	\$2,992,000	\$3,552,000
Total	\$3,407,000	\$3,456,000	\$3,956,000
Charity Care Expense % of Net Revenue	.62%	.61%	.69%
	Medicaid # of Patients		

TABLE THREE
Trinity Regional Health System
Charity Care and Medicaid Information ⁽¹⁾

Inpatient	5,412	4,993	4,866
Outpatient	71,360	79,640	85,323
Total	76,772	84,633	90,189
Medicaid Revenue			
Inpatient	\$21,874,000	\$21,463,000	\$22,292,000
Outpatient	\$59,985,000	\$67,110,000	\$93,764,000
Total	\$81,859,000	\$88,573,000	\$116,056,000
Medicaid Revenue % of Net Revenue	14.91%	15.62%	20.23%
1. Please note that charity reflects charity care provided by Trinity Regional Health System combined facilities in Illinois (Trinity Rock Island and Trinity Moline) and its two facilities in eastern Iowa.			

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 as 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.

STATE BOARD STAFF FINDS THE EXEMPTION FOR DISCONTINUATION OF A CATEGORY OF SERVICE IN CONFORMANCE WITH CRITERIA (77 ILAC 1130.500 & 77 ILAC 1130.525 and 77 ILAC 1110.290)