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July 7, 2021

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

SENT VIA FEDERAL EXPRESS AND FACSIMILE TO (217) 785-4111

**RE: Written Comment – Woodlake Specialty Hospital
Certificate of Exemption Application E-011-21**

Dear Ms. Avery:

I am the President and Chief Executive Officer of RML Specialty Hospital (“RML”), a long-term acute care hospital (“LTACH”) with two campuses in the Chicago metropolitan area (one near the Illinois Medical District on the west side of Chicago and one in suburban Hinsdale, Illinois). I submit this written comment for your consideration with respect to the Certificate of Exemption application E-011-21 (the “Application”) recently filed with the Illinois Health Facilities and Services Review Board (the “Board”) by Woodlake Specialty Hospital LLC and Woodlake Pacific Holdings LLC (collectively, “Woodlake”).

RML supports efforts being made to identify viable options for future use of the facility formerly known as Westlake Hospital to meet the health care needs of the community in and around the Village of Melrose Park, including short-term acute, acute mental illness, comprehensive physical rehabilitation, and/or long-term (skilled nursing) care needs. However, we firmly believe that Woodlake’s proposed use of the facility as a partial-LTACH (as outlined in its Application) is ill-advised, impractical, and inconsistent with current regulatory requirements. Specifically, Woodlake’s request for authorization of 44 long-term acute care (“LTAC”) beds runs afoul of current regulations within the State of Illinois that prohibit the operation of both short and long-term acute care beds within the same facility. This prohibition is intended to prevent the inappropriate transfer of patients between certain care settings within the same facility for reimbursement-maximization purposes.

In addition, the applicable designated planning area (i.e., the combination of Health Service Areas 6, 7, 8, and 9) currently has a significant excess supply of LTAC beds. The Board's own 2019 *Inventory of Health Care Facilities and Services and Need Determinations* for such planning area calculated an excess capacity of 35% for the LTAC category of service (i.e., 226 excess beds out of 652 existing beds). This excess-capacity situation contributed to the recent closure (as reflected in the June 30, 2021 addendum to the Board's *Inventory of Health Care Facilities*) of Kindred Chicago Central Hospital (a 95-bed LTACH in Chicago), thereby reducing the excess capacity for such planning area's LTAC category of service to a still-significant 24% (i.e., 131 excess beds out of 557 existing beds). Aside from a slight increase observed during the height of the COVID-19 pandemic, demand for LTAC beds across the Chicago area has been steadily declining for the past several years; with this downward trend expected to continue for the foreseeable future, the authorization of any new LTAC beds to be operated by Woodlake would only further increase excess capacity in our planning area, as well as jeopardize the long-term financial viability of our own (as well as the other Chicago area LTACHs') existing operations (especially with regard to RML's west-side Chicago campus, which is a *Medicaid High Volume Provider*, given its relatively-close proximity to Woodlake's proposed new facility).

For the reasons explained above, I respectfully request that the Board not approve the Application as submitted (i.e., without excluding the authorization of LTAC beds, which are neither permissible as proposed by State regulation nor needed by the Board's own assessment). The authorization of additional LTAC beds in Health Service Areas 6, 7, 8, and 9 would provide no additional benefit to the community and merely increase the number of excess beds that already exist.

If you have any questions and/or would like additional information regarding my position with respect to the Application, please feel free to contact me via email at jprister@rmlsh.org or by phone at (630) 286-4120. Thank you in advance for your consideration.

Sincerely,



James R. Prister
President and Chief Executive Officer