



SIH System Office

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Good morning.

I am Philip Schaefer, Senior Vice President of Ambulatory Services and Chief Care Network Development Officer for Southern Illinois Healthcare. I have been with SIH since 1996. Thank you for the opportunity to speak today and express my support for this project.

When I arrived in southern Illinois from BroMenn Healthcare in Normal, Illinois, outmigration of patients from SIH's then service area was over 48 percent. Said in other terms, almost one in two patients were leaving this region and, in many cases the state for their healthcare. That outmigration for SIH's primary service area is now below 16 percent. This was accomplished through the growth of physician specialties here, staff growth and development, as well as prudent investment in facilities and technology. SIH will bring that approach to Harrisburg Medical Center with this proposed relationship.

Currently, one-third of all discharges originating from Saline county, the county in which Harrisburg Medical Center is located, leave Illinois for their care. We believe this high level of outmigration is because the majority of the hospitals located within one hour's drive of Harrisburg are Critical Access Hospitals and they don't offer the level of care needed for these patients. By bolstering Harrisburg Medical Center's capabilities through increased access to medical specialists, resources, and technology we can reduce the outmigration outside of Illinois and these patients can stay home for care.

Both SIH and HMC share a mission of providing the highest quality healthcare services to the communities they serve. The proposed affiliation will strengthen the existing relationship between both entities and better streamline the clinical, financial and technological needs of patients in southeastern Illinois.

Southern Illinois Healthcare has been affiliated with Harrisburg Medical Center since 2012, partnering with them on such things as telemedicine, physician recruitment, and outreach. Formally bringing them in as part of the SIH family will allow us to help strengthen medical services in the communities they serve. We can help with capital needs, technology, and infrastructure. Overall, with improved medical collaboration and systematizing of best practice protocols we believe this affiliation will improve the quality of care, patient safety, and patient satisfaction.

Small hospitals in rural Illinois are struggling to survive. This transaction will improve Harrisburg Medical Center's financial performance and improve its ability to meet its community's healthcare needs. Their utilization declined due to the pandemic and volumes have been slow to return. This has significantly impacted its financial performance. On a stand-alone basis, Harrisburg Medical Center

would not be able to generate positive financial margins in the future, which would jeopardize its future as well as the community's access to care.

I want to lastly thank the State Board and its outstanding staff for setting up and conducting this hearing today. We greatly appreciate all your time and effort. This project makes good sense for the communities in southeastern Illinois, and I respectfully urge its approval. Thank you.