



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: C-01	BOARD MEETING: December 13, 2022	PROJECT NO: #E-051-22	PROJECT COST:
FACILITY NAME: Advocate Christ Medical Center		CITY: Oak Lawn	Original: \$0
TYPE OF PROJECT: Exemption			HSA: VII

PROJECT DESCRIPTION: The Applicants propose to discontinue the 39-bed Acute Mental Illness Category of Service at Advocate Christ Medical Center. There is no cost to this project. The expected completion date is February 15, 2024.

Heath Facilities Planning Act (20 ILCS 3960/6)

(b) *The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. Projects eligible for an exemption, rather than a permit, include, but are not limited to, change of ownership of a health care facility and discontinuation of a category of service.*

The Applicants have submitted all the information required by the State Board.

Information on this exemption application can be found at
<https://www2.illinois.gov/sites/hfsrb/Projects/Pages/E-051-22.aspx>



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

STATE BOARD STAFF REPORT

Project #E-051-22

Advocate Christ Medical Center

APPLICATION/ CHRONOLOGY/SUMMARY	
Applicants(s)	Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center, Advocate Health Care Network, Advocate Aurora Health Inc, Advocate Health, Inc.
Facility Name	Advocate Christ Medical Center
Location	4440 W. 95th Street, Oak Lawn, Illinois
Exemption Holder	Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center, Advocate Health Care Network, Advocate Aurora Health Inc., Advocate Health, Inc.
Operating Entity/Licensee	Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center
Owner of Site	Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center
Anticipated Completion Date	February 15, 2024

I. Project Description

The Applicants (Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center, Advocate Health Care Network, Advocate Aurora Health Inc. and Advocate Health, Inc.) propose to discontinue the 39-bed Acute Mental Illness Category of Service at Advocate Christ Medical Center. There is no cost to this project. The expected completion date is February 15, 2024.

This exemption was modified on November 14, 2022, with the approval of a change of ownership of Advocate Aurora Health, Inc. to Advocate Health, Inc. Advocate Health, Inc. is being added to this exemption application as a co-applicant.

No letters of support or opposition have been received and there was no request for a public hearing.

II. Applicants

Advocate Health, Inc. is the entity created through a joint operating agreement between Advocate Aurora Health, Inc. and Atrium Health, Inc. Advocate Aurora Health, Inc., is a Delaware nonprofit corporation and is the sole corporate member of Advocate Health Care Network, an Illinois not-for-profit corporation and Aurora Health Care, Inc., a Wisconsin non-stock not-for-profit corporation. Advocate Aurora Health Inc. owns nine hospitals and one ASTC in Illinois (Dryer Ambulatory Surgery Center).

TABLE ONE Advocate Aurora Health Inc. Hospitals in Illinois		
Hospital Facility	City	Beds
Advocate Christ Hospital & Medical Center	Oak Lawn	802
Advocate Condell Medical Center	Libertyville	275
Advocate Good Samaritan Hospital	Downers Grove	293
Advocate Good Shepherd Hospital	Barrington	176
Advocate Illinois Masonic Hospital	Chicago	326
Advocate Lutheran General Hospital	Park Ridge	651
Advocate Sherman Hospital	Elgin	255
Advocate South Suburban Hospital	Hazel Crest	217
Advocate Trinity Hospital	Chicago	205
Total		3,200

III. Health Service Area

Advocate Christ Medical Center is in the HSA VII Health Service Area and the A-04 Hospital AMI Planning Area. The A-04 Hospital Planning Area includes the City of Chicago Community Areas of West Pullman, Riverdale, Hegewisch, Ashburn, Auburn Gresham, Beverly, Washington Heights, Mount Greenwood, and Morgan Park; Cook County Townships of Lemont, Stickney, Worth, Lyons, Palos, Calumet, Thornton, Bremen, Orland, Rich, and Bloom. There are seven acute care hospitals in the A-04 Hospital Planning Area and one psychiatric hospital. The A-04 Hospital AMI Planning Area includes three hospitals with AMI hospital units and one psychiatric hospital in this AMI planning area. There is currently a **calculated excess of 59 AMI beds** in the A-04 Hospital Planning Area.

TABLE TWO Hospitals in the A-04 AMI Planning Area			
Hospitals	City	Total Beds	AMI Beds
Adventist LaGrange Memorial Hospital	LaGrange	186	
Advocate Christ Hospital & Medical Center	Oak Lawn	802	39
Advocate South Suburban Hospital	Hazel Crest	217	
Franciscan St. James Health-Olympia Fields	Olympia Fields	214	
Ingalls Memorial Hospital	Harvey	485	78
OSF Healthcare Little Company of Mary Med. Ctr.	Evergreen Park	274	
Palos Community Hospital	Palos Heights	425	40
MIRA Neuro Behavioral Health Center ⁽¹⁾	Tinley Park	0	30
Total		2,603	187
1. Psychiatric Hospital is not yet operational.			

IV. Hospital

Advocate Christ Medical Center, over a seven-year period, had an average utilization of 58% for acute mental illness authorized beds. For staffed acute mental illness beds the

utilization was 69% over this same period (Table Three). Advocate Christ Medical Center was at 90% occupancy in 2021 (Table Four).

TABLE THREE Acute Mental Illness Utilization Advocate Christ Medical Center 2015-2021								
	2015	2016	2017	2018	2019	2020	2021	Ave
Auth.	39	39	39	39	39	39	39	39
Staffed	35	34	35	35	35	34	21	32.71
Adm	1,466	1,349	1,459	1,394	1,192	749	770	1,197
Days	10,475	10,133	9,616	9,535	8,172	4,531	5,051	8,216
ALOS	7.15	7.51	6.59	6.84	6.86	6.05	6.56	6.79
ADC	28.70	27.76	26.35	26.12	22.39	12.41	13.84	22.51
Auth Occ.	73.59%	71.18%	67.55%	66.98%	57.41%	31.83%	35.48%	57.72%
Staff Occ.	82.00%	81.65%	75.27%	74.64%	63.97%	36.51%	65.90%	68.56%

TABLE FOUR Advocate Christ Medical Center 2021 Utilization								
	Authorized	Staffed	Adm	Days	ALOS	ADC	Authorized	Staffed
Medical/Surgical	394	493	23,284	150,989	6.48	413.7	104.99%	83.91%
Pediatrics	45	45	2,812	12,140	4.32	33.3	73.91%	73.91%
Intensive Care	170	175	6,392	51,136	8.00	140.1	82.41%	80.06%
Obstetrics	56	44	5,128	14,181	2.77	38.9	69.38%	88.30%
Neonatal	61	61	915	17,131	18.72	46.9	76.94%	76.94%
Acute Mental Illness	39	21	770	5,051	6.56	13.8	35.48%	65.90%
Rehabilitation	37	35	541	15,674	28.97	42.9	116.06%	122.69%
Total	802	874	39,842	266,302	75.82	729.6	90.97%	83.48%

V. Discontinuation

The Applicants propose to discontinue a 39-bed Acute Mental category of service at Advocate Christ Medical Center. No other clinical services will be discontinued as part of this application. The Applicants state the implementation of this project is contingent upon the approval of a certificate of need permit by Advocate South Suburban Hospital for the establishment of a 27-bed Acute Mental Illness Category of Service (Project #22-028). The discontinuation of the 39-bed Acute Mental Illness Category of Service will occur within 30 days of Advocate South Suburban Hospital's Acute Mental Illness Category of Service becoming operational, which is anticipated to occur by February 15, 2024. Following the closure of the Acute Mental Illness unit at Advocate Christ Medical Center, the beds will be used for medical/surgical inpatient care. The Applicants will add 20-medical surgical beds under the lesser of 20 beds or 10% of total bed capacity rule.

VI. Impact on Access Safety Net Impact

The Applicants do not believe access to care will be affected. As stated above this Certificate of Exemption application is being submitted in conjunction with a Certificate of Need application to establish the Acute Mental Illness Category of Service at Advocate South Suburban Hospital. Both Advocate Christ Medical Center and Advocate South Suburban Hospital are owned and operated by Advocate Aurora Health and are in the same Health Planning Area A-04. Upon relocation, behavioral health providers and medical staff will transfer from Advocate Christ Medical Center to Advocate South Suburban Hospital. Since the two hospitals utilize a common medical record, clinical staff at either facility will be able to access and utilize patients' medical records. The following hospitals are within a 10-mile radius of Advocate Christ Medical Center offering acute mental illness services.

TABLE FIVE Facilities within 10-miles of Advocate Christ Medical Center					
Hospital	City	Authorized Beds	Staff Beds	Authorized Occ.	Staff Occ.
MacNeal Hospital	Berwyn	68	68	66.11%	66.11%
Ingalls Memorial Hospital	Harvey	78	45	50.08%	86.80%
Palos Community Hospital	Palos Heights	40	36	31.00%	34.44%
St. Bernard Hospital	Chicago	60	60	35.34%	35.34%
Saint Anthony Hospital	Chicago	42	42	70.14%	70.14%
Holy Cross Hospital	Chicago	24	16	63.60%	95.39%
Jackson Park Hospital	Chicago	86	40	43.88%	94.34%

VII. Safety Net Impact

According to the Applicants safety net services in the community will not be affected. According to the Applicants the closure of the AMI Category of Service at Advocate Christ Medical Center will result in a shift of patient volumes from one Advocate Aurora Health hospital to another Advocate Aurora Health hospital and will not affect other area providers in any way including their ability to cross-subsidize safety net services. From October 2020 to September 2022 Advocate Christ Medical Center referred 1,812 patients to other acute mental illness providers. Approximately 70% of the referrals were to the 10 hospitals listed below.

TABLE SIX Advocate Christ Medical Center October 2020 - September 2022		
Hospital	# Of patients	Miles from ACMC
Riveredge Hospital	263	19.6
Chicago Behavioral Hospital	215	31.8
Hartgrove Hospital	145	11.9
Madden Mental Health Center	109	19.5

Silver Oaks Hospital	108	27.9
Streamwood Hospital	102	35.9
Advocate Lutheran General Hospital	94	31.9
St. Anthony Hospital	89	11.6
Methodist Hospital of Chicago	64	26.7
Ascension Saint Elizabeth Hospital	64	14.6
Total	1,253	

A safety net impact statement was provided beginning at page 46 of the Application for Exemption.

TABLE SEVEN Advocate Christ Medical Center Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2019	2020	2021
Inpatient	568	573	711
Outpatient	5,170	5,038	4,824
Total	5,738	5,611	5,535
Charity (cost in dollars)			
Inpatient	\$12,703,000	\$ 5,076,000	\$ 9,104,000
Outpatient	\$10,837,000	\$ 4,540,000	\$ 6,729,000
Total	\$23,540,000	\$ 9,616,000	\$ 15,833,000
MEDICAID			
Medicaid (# of patients)	2019	2020	2021
Inpatient	9,697	9,943	9,697
Outpatient	71,705	64,374	71,705
Total	81,402	74,317	81,402
Medicaid (revenue)			
Inpatient	\$151,632,457	\$227,184,808	\$151,632,457
Outpatient	\$34,724,874	\$42,544,565	\$34,724,874
Total	\$186,357,331	\$269,729,373	\$186,357,331

Explanation of Decrease in Charity Care from 2019 to 2020:

The reduction in the charity care provision reported on the internal financial statements is the result of the COVID pandemic. There were no changes to the financial clearance process or to the financial assistance guidelines. Specifically, the major changes which occurred are directly related to the pandemic:

- Actual patient volumes decreased including Emergency Department visits which historically contributes to a large portion of charity care.
- The number of Medicaid enrollees increased during the pandemic. This resulted in more Medicaid utilization and less self-pay patients. This resulted in higher contractual discounts and lower charity care provisions.
- The government provided funding to cover the cost of COVID vaccines, testing and related treatment. Many patients who would have qualified for charity care had their health care expenses reimbursed by government programs.

VIII. 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, 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 apply 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 daily, 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.