



Keith Knepp, M.D.
President

Carle Health Greater Peoria
221 NE Glen Oak Ave
Peoria, IL 61636
Office: (309) 671-2528

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Via email and US mail

Debra Savage, chair
Illinois Health Facilities and Services Review Board
525 West Jefferson St.
Springfield, Illinois 62761

Dear Chair Savage,

I am the President of Carle Health Methodist Hospital (“Methodist”) in Peoria, Illinois. I write this letter in support of application #23-008 Meadowview Behavioral Hospital (“Meadowview”). Pursuant to 77 Ill. Admin. Code 1130.660(b), the Illinois Health Facilities and Services Review Board (“IHFSRB”) “may propose conditions to be placed upon any application for permit.” As such, Methodist supports the approval of this application #23-008 with proposed conditions as noted below.

I. Introduction

As a long-standing provider of behavioral health services in our region, Methodist recognizes and agrees that there is a need to improve patient accessibility to quality inpatient behavioral health care services in our community. We commend Meadowview’s recently announced initiative to expand behavioral services in our region. However, we have concerns that Meadowview’s project, as currently proposed, is insufficiently detailed and needs to set forth express commitments before it is approved by the IHFSRB.

As you know, Methodist recently received certificate of need approval to establish the Young Minds Institute, a 44-bed, children and adolescent behavioral health facility in West Peoria. Once the new facility opens, the new campus will meet the current and future inpatient and outpatient behavioral health needs of our children and adolescent patients in Peoria (“C & A”). The development of this new campus will also result in increased space and enhanced inpatient behavioral health capacity (59 beds) at Methodist Medical Center's main campus to meet adult patients' needs. Combined, the capacity of the two locations will add 35 new beds beyond those available today. In addition to Methodist, there are two other facilities within the Methodist planning area that provide inpatient behavioral health services – Proctor Hospital has an 18-bed unit dedicated to geriatric patients, and OSF Saint Elizabeth Medical Center has a 26-bed unit dedicated to adult patients. We note that both Proctor Hospital and OSF Saint Elizabeth Medical Center are operating below capacity, as is OSF Heart of Mary Medical Center located just beyond our planning area.

II. Planning area need

Bed Need Criteria

When the Young Minds Institute (“YMI”) was proposed last year by Methodist to the IHFSRB, Methodist was operating 68 existing AMI beds at its main campus, and the bed need criteria indicated that there was an excess of 6 AMI beds in HSA 2 prior to the approval of Methodist’s proposal to establish the YMI.

While the IHFSRB regulations do not distinguish between adult AMI beds and C & A AMI beds, Methodist recognized the need to treat children and adolescents in a separate space from where adults are treated. Methodist made a detailed proposal to add 44 AMI beds to establish the YMI for C & A in a separate and newly renovated location. Methodist further committed to discontinue 9 of the existing 68 adult beds as soon as the YMI becomes operational. Consequently, when the YMI project is complete at the end of 2023, the total number of excess beds in the HSA 2 will be 35.

As the IHFSRB knows, a project’s failure to meet the bed need criteria does not prevent an application from being approved. However, when the bed need criteria are not met, the applicant must present a thoughtful plan to the IHFSRB to justify a proposal that will result in additional excess bed capacity. The IHFSRB then determines whether the applicant’s justification supports deviating from the bed need criteria.

The applicants in the Meadowview project don’t provide specific justification for exceeding the bed need criteria and adding 100 beds to HSA 2, except to note that behavioral health needs go unmet in the service area. Given the lack of any specific information as to how this project will affect additional bed capacity, it would be prudent require Meadowview to provide a specific plan as to how it will coordinate with area providers, including Methodist, to ensure that the community is well served through a collaborated plan for AMI beds.

III. For-Profit Entities do not have a charitable mission or responsibility to care for underserved communities

The Meadowview application proposed to provide behavioral health services through a for-profit company. By definition, a for-profit company does not have an obligation to provide charitable care. While OSF Healthcare System (“OSF”), a respected not-for-profit health system, is listed as a co-applicant, a for-profit entity called 12 health Opco will hold the hospital license. It appears that OSF, through a for-profit LLC, will hold a 20 percent interest in the Delaware for-profit LLC that operates the hospital. It is unclear from the application precisely what role in governance OSF will play and whether OSF has the power to require the for-profit entity to serve all patients regardless of payer source or to implement policies on charity care and financial assistance to patients who cannot afford to pay.

While the Meadowview application states that the proposed hospital will treat patients regardless of ability to pay, including Medicare, Medicaid, and charity care patients, there is no firm commitment on the part of the applicants to extend charity care and financial assistance to such patients at a level consistent with the community need or to participate in Illinois Medicaid managed care plans. Further, there is no mention that the for-profit entity has committed to implementing a specific policy that would govern the provision of care to charity care patients and provide necessary financial assistance to individuals needing such assistance. While the application acknowledges that there are significant behavioral health burdens borne by populations with health care and racial disparities, the application is not specific as to how the project would address these disparities. The project’s location in northwest Peoria may further exacerbate existing inequities and reduce the for-profit hospital’s likelihood of serving populations with health care and racial disparities if Meadowview is not required to participate in effective collaboration efforts with Methodist and other providers.

We also note that some for-profit behavioral health facilities are unwilling to accept patients with serious and persistent mental illness even if they have commercial insurance because they are viewed as unprofitable, specifically those patients who have a history of, or potential for, violence. The applicants attach articles describing the challenges of caring for patients who are violent or have long-term acute mental illness, and they acknowledge that not all psychiatric beds are alike. However, upon careful review of the application, there is a lack of detailed commitments to address the behavioral health needs of such patients. While the applicants provide general commitments to provide specialized treatment programs for certain categories of patients, including senior adults, women, and veterans, and further commit to provide faith-based mental health services and care to patients with dual-diagnosis disorders, the application does not include specific commitments to treat patients with a history of violent behavior or have serious and persistent mental illness.

Methodist fears that operating a freestanding psychiatric hospital without these commitments and without a traditional emergency department would result in the need to transfer the most challenging cases to the nearest tertiary acute care hospital with inpatient psychiatric beds, in this case Methodist Hospital. The application contains no commitment to cooperate, coordinate and or collaborate with Methodist or other existing services or providers with respect to the transfer of difficult cases.

IV. Staffing Resources

The current capacity challenges in the planning area are driven as much by the shortage of qualified staff as by the lack of available inpatient beds. A national and regional shortage of psychiatrists, licensed behavioral health therapists, nurses, and other necessary staff members presents a formidable challenge to successful operation of a new entity. It should be noted that the Peoria region does not have the population density or quantity of trained professionals which exist in the greater Chicago region, where U.S. HealthVest currently operates in Illinois. It is likely that the applicants will need to recruit staff from existing central Illinois facilities to operate the new inpatient beds. This would not resolve the current challenges, but rather would simply displace them and perpetuate the issue. The applicants have not described how they would educate or train the additional staff needed and truly expand the workforce, which may be the most important intervention needed.

V. Safety Net Concerns

Project #23-008 is described as a joint venture between OSF and US HealthVest. However, OSF will have a minority interest in the newly created for-profit hospital. Although the application declares that the joint venture owners provide safety net services and, therefore, Meadowview will also offer safety net services, Meadowview is not guaranteed or obligated to meet the standards of a safety net hospital in Illinois. Unless the IHFSRB requires the applicant to extend OSF's current charity care and financial assistance policy to patients of Meadowview, it is doubtful that Meadowview will provide a significant level of safety net services. Furthermore, there is no expressed commitment that the applicants will enroll in Illinois Medicaid or enter into an Illinois MCO agreement to provide care to patients enrolled in Medicaid Managed Care plans. Therefore, it is unclear how much charity care or care to Medicaid patients will be provided. The lack of clear commitment presents a significant safety net concern for patients in this area, as described in more detail below.

Particularly concerning is the statement that this joint venture will be used to subsidize other unprofitable services currently provided by the OSF, which is suggestive that profit potential could become a significant factor determining patient access. In the Safety Net Impact Statement, US HealthVest indicated that "if the organization could not provide the help needed or an appropriate level of care, it takes the next steps to help individuals to find community services that meet their clinical needs, financial capabilities, and diverse cultural needs." No detail was provided as to what those steps might be. As the tri-county's largest and longest-serving provider of behavioral health services, we note that some indication of those details and specific resources would be helpful, and a collaborative approach to care would be welcome.

Also, part of the Safety Net discussion was a reference to the OSF charity care policy. It is hoped that the new Meadowview will commit to adhere to that policy as part of its mission to uphold the principle that all people have a right to needed health care and that the hospitals are open to persons of every faith and ethnic background, regardless of ability to pay.

While it is clear that OSF provides several services in HSA 2 that are considered safety net services, it needs to be clarified that the for-profit hospital will provide such services and at what level. Furthermore, although there is mention of collaboration, efforts to discuss ways to collaborate have been limited to date. Methodist is the tri-county's largest and longest-serving provider of behavioral health services, especially when factoring the services provided by the other Carle Health entities in our region, including Trillium Place, which operates Community Mental Health Centers, and Carle Health Proctor Hospital. There are multiple opportunities for collaboration with our Community Mental Healthcare Facilities, Addiction Recovery Services, and Child and Adolescent Services. We would welcome the opportunity to work together to avoid duplication and create a regional system of care.

VI. Conclusion

Methodist acknowledges and agrees there is a need for improved access to inpatient behavioral health services in Peoria. It supports the efforts of US HealthVest and OSF to provide additional behavioral health services to the community. Methodist supports the application but requests the IHFSRB to require the applicants satisfy the conditions set forth below.

1. We respectfully ask the applicants to commit to implementing the OSF charity care and financial assistance policy at the new for-profit hospital.
2. We respectfully ask that the applicants fully participate in the Illinois Medicaid program by entering into MCO agreements and accepting Medicaid beneficiaries without limitation for treatment at Meadowview hospital.
3. We respectfully request that the applicants commit to caring for patients with a history of violent behavior or at significant risk for such, and for patients with serious and persistent mental illness who require acute psychiatric inpatient care.
4. We respectfully request that the applicants describe in more detail how they will proactively collaborate/joint venture with Methodist and other existing service providers in the community.

Thank you for your careful consideration of this initiative.

Sincerely,



Keith Knepp, M.D.
President
Carle Health Greater Peoria

CC: Bob Sehring, CEO OSF HealthCare
Mike Cruz, M.D., Chief Operating Officer OSF HealthCare
Richard Kresch, M.D., President and CEO U.S. HealthVest