



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 5, 2023	PROJECT NO: E-030-23	PROJECT COST: \$0
FACILITY NAME: UChicago Medicine AdventHealth GlenOaks		CITY: GlenOaks	
TYPE OF PROJECT: Exemption – Discontinuation of Obstetric Service			HSA: VII

PROJECT DESCRIPTION: UChicago Medicine AdventHealth GlenOaks a 140-bed hospital located at 701 Winthrop Avenue, Glendale Heights, Illinois proposes to discontinue its 15-bed obstetric unit. There is no cost to the discontinuation and the expected completion date is upon State Board approval.

Information on this exemption application can be found at <https://hfsrb.illinois.gov/projects/project.e-030-23.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- UChicago Medicine AdventHealth GlenOaks a 140-bed hospital located at 701 Winthrop Avenue, Glendale Heights, Illinois proposes to discontinue its 15-bed obstetric unit. There is no cost to the discontinuation and the expected completion date is upon State Board approval.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Applicants are before the State Board because the Application proposes a discontinuation of a category of service. This Application for Exemption was forwarded to the State Board Chairwoman for approval the Chairwoman recommended this exemption be submitted to the State Board for approval.

PUBLIC COMMENT:

- No public hearing was requested, and no letters of support or opposition have been received by the State Board.

SUMMARY:

- The Applicants propose to discontinue the 15-bed obstetrics service at UChicago Medicine AdventHealth GlenOaks because of low utilization. Over the past eight-year period (2015-2022) the Hospital's 15 bed unit's utilization was 15.4%. The number of births at the Hospital has declined by 34% over this eight-year period. The Applicants believe there will be no adverse impact on care as Northwestern Medicine Central DuPage Hospital in Winfield with 36 bed obstetric unit and a 12-bed Level III Neonatal Unit is approximately 8 miles from Glendale Heights, Illinois.
- The Applicant has provided all of the information required by the State Board.



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STATE BOARD STAFF REPORT

#E-030-22 – UChicago Medicine AdventHealth GlenOaks

I. Project Description

The Applicants (Adventist GlenOaks Hospital, Adventist Health System Sunbelt Healthcare Corporation d/b/a AdventHealth, Adventist Health System/Sunbelt, Inc., and The University of Chicago Medical Center) propose to discontinue a 15-bed obstetric unit located at UChicago Medicine AdventHealth Glen Oaks, 701 Winthrop Avenue, Glendale Heights, Illinois. There is no cost to the discontinuation and the expected completion date upon State Board approval.

II. Health Planning Area

UChicago Medicine Adventist GlenOaks Hospital is in Health Service Area VII and the A-05 Hospital Planning Area. The A-05 Hospital Planning Area includes DuPage County. There are six hospitals providing obstetric services in the A-05 Hospital Planning Area. Table One below shows the six hospitals the time and distance from GlenOaks Hospital the number of beds and the occupancy for 2022. There is currently a **calculated excess** of 81 obstetric beds in the A-05 Hospital Planning Area.

TABLE ONE					
Hospitals in the A-05 Hospital Planning Area					
Providing obstetric services					
Hospital	City	Miles	Minutes	Beds	Occ.
UCAdventGlenOaks Hospital	Glendale Heights	0	0	15	16.50%
UCAdventHinsdale Hospital	Hinsdale	17.9	26	37	64.50%
Advocate Good Sam. Hospital	Downers Grove	9.9	18	36	36.90%
NWCentral DuPage Hospital	Winfield	8.4	17	36	64.90%
Edward Hospital	Naperville	19.4	31	38	64.30%
Elmhurst Memorial Hospital	Elmhurst	14.8	21	23	89.70%

III. Applicants

On October 24, 2022, the State Board approved the change of ownership (control) of Adventist GlenOaks Hospital to The University of Chicago Medical Center. At that time the State Board also approved the change of ownership of Adventist LaGrange Hospital, Adventist Hinsdale Hospital and Adventist Bolingbrook Hospital. The change of ownership transaction was structured as an affiliation agreement between, Adventist Health System Sunbelt Healthcare Corporation, Adventist Health System/Sunbelt, Inc. Adventist Midwest Health, and The University of Chicago Medical Center. Under the Affiliation Agreement, the **governance and management of the affairs** of Adventist Midwest Health was vested in the Adventist Midwest Health Board of Directors. Adventist Midwest Health has two classes of members The University of Chicago Medical Center is the sole Class A Member and possesses a

controlling interest in Adventist Midwest Health and the four Adventist Hospital in Illinois Adventist Health System Sunbelt is the sole Class B Member, possesses the remaining interest in Adventist Midwest Health. The University of Chicago Medical Center contributed \$250 million to Adventist Midwest Health.

IV. Discontinuation

The Applicants are proposing to discontinue the **15-bed**, in-patient Obstetrics/Gynecology unit. According to the Applicants the number of Obstetric patients and babies born at the Hospital has been declining over the last several years. The Applicants state the hospital is experiencing the same trends that are being experienced nationwide. Specifically, 1) birth rates across the U.S. have decreased by 9% since 2015, and by 18% in Illinois over that time period, 2) freestanding birth centers, which Illinois began to license in 2021, have reduced the number of in-hospital births, and 3) similarly, in-home births have become more popular, also decreasing the number of in-hospital births. Table Two shows the activity at the Hospital since 2015.

TABLE TWO Utilization of Obstetric Services and number of births at Adventist GlenOaks Hospital 2015-2022								
Year	2015	2016	2017	2018	2019	2020	2021	2022
Beds	15	15	15	15	15	15	15	15
Staffed	15	15	15	10	15	15	15	15
Admissions	453	405	424	436	356	390	328	420
Days	924	792	803	935	799	882	687	906
ADC	2.53	2.17	2.20	2.56	2.19	2.42	1.88	2.48
ALOS	2.04	1.96	1.89	2.14	2.24	2.26	2.09	2.16
Occupancy	16.88%	14.47%	14.67%	17.08%	14.59%	16.11%	12.55%	16.55%
Staffed	16.88%	14.47%	14.67%	25.62%	14.59%	16.11%	12.55%	16.55%
Births	414	375	337	296	363	333	246	274
Source: Hospital Profile Data 2015-2022								

According to the Applicants the decision to discontinue the service is based on the low utilization documented above, difficulty in staffing the program, the cost of operating the program, and the anticipation that none of these factors are anticipated to improve in the foreseeable future. The Applicants state the difficulties that hospitals are experiencing in the recruitment of qualified nurses and support staff are well documented, and the staffing of the obstetrics-related services hinders the hospital's ability to staff other, more active services. In order to support the obstetrics program, LDRP and nursery services, in addition to the post-partum unit need to be staffed; and in addition, on-call obstetricians and neonatologists need to be on call, alone costing \$1,924 per admission in 2022.

The Applicants believe there will be no adverse impact on health care services in the A-05 Hospital Planning Area. The Applicants state the historically low utilization, difficulties in staffing and recruitment, and the costs associated with a program having such low

utilization, as well as the availability of other more active and easily accessible programs in the area, make the continued operation of the category of service unreasonable.

UChicago Medicine Advent Health GlenOaks serves as a safety net provider. The Applicants believe while the Hospital is a safety net provider, the proposed discontinuation of obstetrical services at UChicago Medicine AdventHealth GlenOaks will have minimal impact on access to that service for residents in the communities and neighborhoods surrounding the hospital, because of the ability for patients to access other obstetrical programs in the area. In addition, the proposed discontinuation will have minimal, if any, impact on racial and health care disparities, and will have no impact on other providers' ability to provide safety net services or to cross-subsidize safety net services.

Impact letters were sent to Hospitals (Table One) in the A-05 Hospital Planning Area as required.

TABLE THREE Charity Care and Medicaid Information Adventist Glenbrook Hospital			
	2020	2021	2022
Net Patient Revenue	\$87,077,989	\$93,249,866	\$101,444,454
Charity # of patients			
Inpatient	121	54	56
Outpatient	1,473	1,446	2,217
Total	1,594	1,500	2,273
Charity Cost			
Inpatient	\$1,394,912	\$1,651,825	\$1,338,046
Outpatient	\$1,959,447	\$1,927,857	\$3,030,198
Total	\$3,354,359	\$3,579,682	\$4,368,244
% of Net Patient Revenue	3.85%	3.84%	4.31%
Medicaid # of patients			
Inpatient	1,610	1,805	1,703
Outpatient	10,666	14,727	12,492
Total	12,276	16,532	14,195
Medicaid Revenue			
Inpatient	\$17,212,369	\$18,022,270	\$30,650,377
Outpatient	\$14,503,525	\$19,095,653	\$14,561,070
Total	\$31,715,894	\$37,117,923	\$45,211,447
% of Net Patient Revenue	36.42%	39.80%	44.57%

TABLE FOUR
Adventist Glenbrook Hospital Financial Information
2017-2022 ⁽¹⁾

Year	2017	2018	2019	2020	2021	2022
Total Patient Revenue	\$263,674,193	\$273,203,830	\$286,691,778	\$282,595,783	\$318,034,319	\$336,110,174
Less Contractual All	\$172,832,741	\$179,360,094	\$191,304,620	\$193,734,537	\$221,868,979	\$234,560,329
Net Patient Revenue	\$90,841,452	\$93,843,736	\$95,387,158	\$88,861,246	\$96,165,340	\$101,546,845
Operating Expense	\$98,900,793	\$97,893,814	\$97,499,040	\$86,880,860	\$104,175,258	\$116,041,898
Net Income from Services	-\$8,059,341	-\$4,050,078	-\$2,111,882	\$1,980,386	-\$8,009,918	-\$14,492,053
Other Income	\$8,744,415	\$7,300,154	\$8,569,420	\$12,081,563	\$10,189,406	\$12,548,976
Net Income or Loss	\$685,074	\$3,250,076	\$6,457,538	\$14,061,949	\$2,179,488	-\$1,943,077

1. Source Medicare Cost Reports 2017-2021

2. **Note:** Other Income may include income from investments, contributions, revenue from telephone or communication service, telephone and radio service, purchase discounts, rebates and refunds or expenses, revenue from laundry and linen service, from meals to employees and guests, rental of living quarters, sale of medical and surgical supplies other than patients, sale of drugs other than patients, sale of medical records and abstracts, tuition, revenue from gifts, flowers coffee shops and canteen, rental of vending machines, rental of hospital space, governmental appropriations, COVID 19 PPE Funding.

V. Applicable Rules

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 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 an exemption, then an application for permit may be filed.

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.

E-030-23 University of Chicago Advent Health Glen Oaks - Glendale Heights

