

October 3, 2024

Debra Savage, Chair  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson St., Second Floor  
Springfield, IL 62761

Dear Chair Savage:

**Re: Distinctions Between NorthPointe Neighborhood Hospital and  
Mercyhealth Crystal Lake Hospital**

I am writing to express opposition to Wisconsin-based Beloit Health System's proposed NorthPointe Neighborhood Hospital in Roscoe, Illinois. The application for the project is riddled with inconsistencies and misdirection. The Applicant, in both its application and throughout the public hearing for this project, attempted to create a parallel with Mercyhealth's Crystal Lake Hospital Project #17-002. Despite such a comparison improperly invoking the prohibition of comparative review, there are several notable distinctions that the Applicants simply ignore.

**Mercyhealth is an Illinois-Based Healthcare Organization that Keeps Illinois  
Patients in Illinois**

Mercyhealth is a not-for-profit healthcare organization based in Rockford, Illinois. While the system also maintains hospitals in Wisconsin, it has never sought to create a system whereby Illinois residents were syphoned out of state. Nor is the facility designed to upcharge patients with hospital-based fees vs. immediate care level fees. The Mercyhealth Crystal Lake Hospital established healthcare services in the Illinois community where their patients live to address a lack of access to care in the community. Beloit Health System, a Wisconsin organization, is seeking to solve problems at their Wisconsin location by establishing another campus in Illinois. As remote location of Beloit Memorial Hospital, Beloit Health System expects, and has admitted, that patients can be transfer to their Wisconsin Hospital once a patient is stabilized thereby removing patients from their local community.

**Mercyhealth Crystal Lake Hospital Service Area is 3 Times the Size of the  
Proposed Facility**

The Mercyhealth Crystal Lake Hospital was proposed to serve the need of 60,000 residents of Crystal Lake and 93,000 residents of Algonquin, Lake in the Hills, Cary, and Fox River Grove<sup>1</sup> who did not have access to a local emergency department. The 2022 population of Roscoe, Illinois, is 10,874, with an additional population of 38,449 in Rockton, South Beloit, and Machesney Park. The Mercyhealth Crystal Lake Hospital meet a need for a population three times greater than the proposed project in Roscoe.

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<sup>1</sup> Based on population statistics available at the time of the application.

**The Mercyhealth Crystal Lake Hospital Did Not Add Beds to the State's Inventory**

The Mercyhealth Crystal Lake Hospital involved the reallocation of underutilized beds from Mercyhealth Harvard Hospital and did not include additions to the overall bed inventory in Illinois. Meanwhile, the proposed Northpointe project seeks additional beds in B-01 planning area where there is a noted excess of 94 beds according to State data.

**Mercyhealth Crystal Lake Hospital Established Care Where None Previously Existed and to Meet the Needs of a Vulnerable Population**

The primary rationale for the Mercyhealth Crystal Lake Hospital was to provide convenient access to critical healthcare services including emergency services to Medicaid subscribers, charity care patients, and elderly where there was insufficient access for the vulnerable, indigent, and elderly residents in the area. McHenry County road infrastructure has nowhere near the capacity that the Rockford region has meaning that the residents in the Crystal Lake community were subject to long commutes to reach needed care. Conversely, the interstate highway near Roscoe allows for residents in that community to easily access up to 3 different hospitals in under 20 minutes travel time. Before the hospital in Crystal Lake was established patient travel times to available facilities could exceed 30 minutes.

Further, the three hospitals in Rockford are providing safety net services to these communities on a daily basis. Mercyhealth saw a need in McHenry County for similar safety net services with, as noted in the application for that project, 36% of patients in the community were individuals who utilized Medicaid as their form of insurance. Mercyhealth saw that need for access to care and made it available with the Crystal Lake facility. The Beloit Health System projects the Northpointe Neighborhood Hospital to have a payor mix consisting of just 10% Medicaid. This is mostly because the Roscoe and surrounding communities are more affluent, which could be a driver for seeking to establish a facility that could charge hospital-based fees for outpatient services and be used to transfer affluent patients out of state.

**Mercyhealth Crystal Lake Hospital is Equipped to Provide Care Life Saving Care, and the Proposed Hospital is Not**

Upon building a hospital in Crystal Lake, Mercyhealth proposed adding primary care, general surgery, hematology/oncology, pain medicine, and gastroenterology services all of which have been established at the location. Since the facility began operations, Mercyhealth has also added Ear/Nose/Throat (ENT) and a second cardiologist. In its four operating rooms, physicians at Mercyhealth Hospital – Crystal Lake are able to provide complex inpatient and outpatient surgeries including: Vascular Surgery, ENT, Orthopedic, and Urology Surgery (including the only hospital in the area to offer advanced HoLEP procedures).

Mercyhealth Crystal Lake Hospital has the services typically recognized as a "Hospital" acute services including an Emergency Room that is staffed with Board Certified Emergency Medicine Physicians 24/7 and offers emergency call coverage from general surgery, orthopedics, urology, nephrology, infectious disease, and stroke care. Conversely, the proposed facility application states that the intention is to expand access to primary care and have discussions about potential partnerships in

orthopedics and neurology. They have no general surgery and no cardiology plans, nor do they state they will be adding such services in the future. Their plans involve the conversion of one operating room in their existing outpatient ambulatory surgery center, which is also underutilized. Labeling this facility a hospital could lead to actual negative consequences as patient's presenting to a hospital in an emergency state may need access to basic life-saving services that the proposed facility will not offer and has not stated plans to provide at the location instead planning to take valuable time to transfer the patient to their Wisconsin location if such services are needed.

## Conclusion

The Illinois Health Facilities and Services Review Board has an obligation to review each application on its own merit. The proposed project is unnecessary and offers no services that are not already readily available in this community. The applicants repeated attempt to compare their proposed project to the Mercyhealth Crystal Lake facility is a red herring as the only similarity between the proposed facility and the Mercyhealth Crystal Lake Hospital is size of their overall bed complement. Other than that, there are no similarities. The Board used its discretion to approve Mercyhealth Crystal Lake because there was a documented proof that the area was lacking access to care. Rather than propose a large facility, Mercyhealth proposed a right-sized facility to meet the needs of their patients right here in Illinois.

There is a similar documented basis for why this application is not necessary. Beloit Health System has multiple underutilized facilities on the campus where the proposed facility is proposed. They have an ASTC that, while approved for several categories of service, is primarily performing ophthalmology services. Their Birth Center is not seeing the volume that was proposed in its original CON application.

Beloit Health System's proposed Northpointe Hospital in Roscoe is not only small in size but the proposed services it will offer will be small, the proposed population it seeks to serve is small, any increase in access to care for those who need it most is small. Meanwhile, the proposed facility will bring big additional costs, confusion for patients, will have a big negative impact on other area providers. It is a project without a justified need. I urge you to oppose this project.

Sincerely,



Jeni Hallatt, MHA, FACHE  
Vice President