

February 25, 2025

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

**RECEIVED**  
**FEB 25 2025**  
**HEALTH FACILITIES & SERVICES REVIEW BOARD**

Re: NorthPointe Neighborhood Hospital, Project #24-018

Dear Chairwoman Savage:

On behalf of more than 200 member hospitals and nearly 40 health systems, I write to you once again in opposition to NorthPointe Neighborhood Hospital, Project #24-018. IHA's continued opposition to this project focuses on several key areas highlighted during the first hearing of this project in October, including the lack of appropriate rules or guidelines for small format hospitals, unnecessary duplication of services, the harmful effect this project will have on three existing community hospitals providing essential healthcare services to the medically underserved in this state, and the entrance of an out-of-state provider entering the Illinois market with a hospital that is not meant to be sustainable on its own, creating significant concerns with patient access to care. Considering several members of the Review Board raised similar concerns and the fact that the applicants have not offered any new information to address the concerns raised by the Board, we ask you to once again deny this project.

#### *Lack of Appropriate Rules or Guidelines*

As stated previously, neither the Health Facilities Planning Act nor the Review Board's rules take into account the concept of a small format hospital as proposed in this application. The existing legal and regulatory rulings on small format hospital applications appear to be based largely on some level of support by the community in which the facility will be located, rather than the orderly development of healthcare facilities in the State of Illinois. This is the very essence of the Certificate of Need process and one we have previously called on this Board to address by developing comprehensive regulations.

Also, the applicant claimed during the initial hearing in October that their proposed project "meets IHA's criteria" for a small format hospital. This is a misleading and inaccurate statement. In 2022, IHA submitted recommended minimum criteria for small format hospitals for the Board's consideration. The applicant does not meet the first recommendation which states that a small format hospital be owned and operated by an Illinois based general acute care hospital or system.

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Further, the Board has not yet adopted any rules for small format hospitals in Illinois. This makes it impossible to analyze and gauge whether a project like this meets the necessary standards. Approving a project that does not come close to meeting the current standards for a new hospital clearly negates the stated purpose and shared objective of ensuring appropriately regulated healthcare facilities in Illinois.

#### *Unnecessary Duplication of Services*

The application states that the proposed hospital will be serving a 17-mile geographic service area. The area, however, includes areas north of the Illinois border into Wisconsin. Within the Illinois portion of that service area, there are currently seven hospitals, two Level 1 Trauma Centers, one Level 2 Trauma Center, and eight emergency departments. The Board staff's most recent report also shows that there is an excess of 94 medical/surgical beds in the Illinois portion of that service area. These facts indicate there is no need for the addition of this facility.

In fact, approval of this project will bring further challenges to the delivery of healthcare services in this region. Illinois currently faces a severe shortage of healthcare workers across the continuum. The Rockford region is particularly challenged by this, with current facilities having difficulties maintaining services due to a lack of qualified staff and providers. The entrance of a new and unnecessary hospital into the market will only exacerbate the challenges the current healthcare facilities face in serving their patients and communities.

#### *Entrance of Out-of-State Entities and its Impact on Patient Access to Care*

IHA and the hospital community have strong reservations with the concept of an out-of-state entity without an Illinois hospital presence entering the Illinois market to serve patients who will be forced to travel to Wisconsin for higher levels of care. Successful small format hospitals are part of a hub and spoke model where they are operated by a larger general acute care hospital that serves as a point of transfer for higher levels of tertiary care. While the applicant makes the argument that this is the case for NorthPointe Hospital, the owner and transfer hospital are across the Illinois border in Wisconsin. This concern was raised by several members of the Board at the October hearing, and information provided by the applicant has done nothing to reduce the concern about sending those patients to Wisconsin, nor fully explaining what the capabilities this small format hospital will have. Such uncertainty reinforces the concerns raised by this Board and further challenges both regulatory agencies and the community as to what they should expect from NorthPointe Hospital when it comes to services and access to care.

Further, given the location the applicant has selected, this small format hospital will attract more commercially insured patients that are currently being served by the existing hospitals in the region. Losing these patients to a new small format hospital will create significant financial pressures on these existing hospitals that have been providing care to their communities for

decades. These hospitals will continue to serve the most vulnerable populations in the community with the full array of services – including trauma, critical care and highly specialized services – while the proposed small format hospital will provide limited services and send patients with complex needs to Wisconsin. This confluence of factors will have a destabilizing impact on the region's healthcare ecosystem and, ultimately, put at risk the full array of services provided by the established hospitals in the region. Moreover, this type of siphoning is often what occurs when small format hospitals are built in states with no Certificate of Need laws. A critical role of this Board is to prevent this type of outcome. For this reason, and those cited previously, IHA again strongly urges the Health Facilities and Services Review Board to deny Project #24-018.

Please know that IHA and the hospital community will continue to seek this Board's partnership in the development of regulations around small format hospitals and will continue to work with Board staff on this critical issue. I would also like to recognize the nearly unprecedented action of IHA opposing a project before this Board. IHA believes adamantly that the Board made the correct decision in issuing an intent to deny. Given that no regulations have been established for small format hospitals and since the applicant has provided no new or relevant information to address the concerns raised by this Board, the only reasonable action is to once again deny this project.

Sincerely,

A handwritten signature in blue ink that reads "Karen K. Harris". The signature is written in a cursive, flowing style.

Karen Harris  
Senior Vice President and General Counsel  
Illinois Health and Hospital Association