

September 17, 2024

Mr. Mike Constantino
Illinois Health Facilities
and Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: COEs # E-016-24 – E-026-24
Response to Request for Additional
Information

Dear Mike:

Please accept the following in response to your request for additional information on the Certificate of exemption applications identified above.

1. Will there be any facility or program closings other than Ascension St. Elizabeth Hospital?

Prime does not anticipate any additional facility closings other than St. Elizabeth Hospital. Prime is committed to continuing the Ascension mission, all essential care and services, emergency and trauma care, charitable care, community benefit programs, and service to the underserved. Throughout many acquisitions, Prime has expanded service lines to best serve community needs. With the national mental health crisis, for example, Prime is one of the few systems that has invested in growth of mental health services.

2. How will Ascension Healthcare address the categories of service that have not had utilization over the past few years.

Prime Healthcare and Prime Healthcare Foundation has initiated evaluations of all clinical and non-clinical programs, including programs involving categories of service with no utilization over the past years, and anticipate to continue those evaluations for 12-18 months following the closing of the transaction. No changes are anticipated to occur, however, prior to the closing of the transaction.

3. Will Ascension Mercy go forward with the discontinuation of the Open-Heart Category of Service.

Evaluations of all clinical and non-clinical programs, including the open heart surgery

service at Mercy, have been initiated and are anticipated to continue for 12-18 months following the closing of the transaction. No changes are anticipated to occur, however, prior to the closing of the transaction.

4. How will the proposed acquisition be funded?

Prime has the necessary cash reserves to fund the transaction, and there are no financing contingencies.

5. Will the hospitals' charity care policies change?

No changes to the charity care policy currently in effect are anticipated. Further, Prime affirms that the current charity care policy will remain in effect for, at minimum, a two-year period following the change of ownership transaction.

6. Has there been any communications with local-elected official or the Illinois Attorney General Office?

Yes, beginning July 22, 2024 outreach to elected officials was conducted in advance of the July 25, 2024 public announcement of the Ascension/Prime transaction.

Those that were contacted include members of the Illinois Federal Delegation, the Illinois General Assembly, City of Chicago Mayor and Council members, County officials and other, relevant representatives from local units of Government who currently have Ascension facilities in or adjacent to their respective districts/wards, whether or not those facilities are impacted by this transaction.

Attorney General Raoul was contacted directly on July 22, 2024.

Outreach was conducted to make elected officials aware of the transition of ownership and pending closure of Ascension St. Elizabeth ahead of the public announcement.

7. What will happen to the Ascension Illinois hospitals not included in the transaction?

By selecting Prime Healthcare to buy nine hospitals and care sites, the remaining Ascension Illinois system comprised by Ascension Alexian Brothers, Ascension Alexian Brothers Rehabilitation Hospital, Ascension Saint Alexius, Ascension Alexian Brothers Behavioral Health Hospital and Ascension Saint Joseph - Chicago, will be better positioned to support the dedicated team of clinicians to continue to serve their mission of providing health care for all, regardless of their ability to pay.

Patient care is Ascension's top priority and remaining in Illinois with a smaller, focused footprint of hospitals and healthcare facilities serving Chicago and the Northwest Suburban area will provide the continuity of quality care for our patients across the region.

Ascension can now fully invest in the facilities through system resources, operational improvement processes and provide the needed capital for new investments like the newly

completed bed tower at Ascension Alexian Brothers and the expansion of the new Eating Disorders Unit at Ascension Saint Joseph - Chicago.

8. Were local hospital systems contacted about a potential acquisition?

Ascension engaged with various health systems, locally and nationally, regarding the potential acquisition of the transferring assets. However, after a thorough vetting process, it was determined that Prime Healthcare was the most suitable buyer for these facilities.

9. Why will Ascension St. Francis be organized as a not-for-profit?

The Prime Healthcare Foundation is a very important aspect of the Prime Healthcare model. Established in 2006, the Prime Healthcare Foundation has more than \$1.3 billion in assets and has provided more than \$3 billion in charity care, sponsoring local and global initiatives to forward its mission of improving the lives of others through healthcare and education in ways beyond what can be accomplished solely with Prime Healthcare Services. Prime Healthcare is honored to have been selected to steward the ongoing care of these Illinois communities, and therefore it was important for the Prime Healthcare Foundation to have a meaningful presence in the transaction. As to why specifically Saint Francis was selected, the facility delivers compassionate targeted cancer therapies with supportive care services to its community and by remaining not-for-profit it will be able to retain certain pharmacy drug discounts which are important to the operating and financial performance of the hospital.

10. Does Prime Healthcare Services, Inc, own any unionized hospitals?

Yes, Prime Healthcare owns and operates 18 hospitals that have union presence.

11. How and when will the \$250M in capital improvements be spent/allocated?

Prime has a strong track record of strategically allocating capital spending across its hospitals with \$2.1 billion of capital improvements since 2005. The \$250 million capital commitment for Ascension hospitals will be invested in facility upgrades, capital improvements, substantial technology investments and system upgrades. There will be significant capital invested year 1 and 2 post acquisition to help drive improved operational and financial performance, with the balance invested thereafter to address capital priorities as they arise.

12. How was the purchase price allocated to each health care facility?

The purchase price for the entire transaction (nine hospitals and applicable interests in two ASTCs) was arrived at through negotiations between the two parties. The purchase prices assigned to the various facilities, for purposes of the COE applications, were determined based on net revenue for the twelve-month period ending March 31, 2024, with the net revenue of the ASTCs adjusted for the ownership interests held by Ascension. Please note, as is customary with transactions of this type, the consideration agreed upon at or

immediately prior to closing may be adjusted based on a variety of factors such as the value of inventory on hand upon closing

13. What was meant by "substantially all" staff will be retained?

Prime Healthcare has committed to hiring all of the acquired entities' clinical care associates, subject to standard hiring practices, policies and titles. Ministry-wide associates who provide support to the facilities involved in this transaction will be notified by their leaders about any impact to their roles as soon as those details are available.

14. Has Prime ever closed any of its hospitals?

Since its founding 2001, Prime has never closed a hospital.

15. Please provide a listing of all health care facilities owned and or operated by Prime Healthcare Services, Inc.

Prime Healthcare Services, Inc. has a broad network of 44 hospitals in 14 states, including 30 facilities that Prime Healthcare Services, Inc. owns and operates and 14 non-profit facilities that it manages for Prime Foundation, a private foundation that is affiliated with the Company.

See attached list of facilities:

1	Centinela Hospital Medical Center	Inglewood, CA
2	Chino Valley Medical Center	Chino, CA
3	Coshocton Regional Medical Center	Coshocton, OH
4	Dallas Medical Center	Dallas, TX
5	Dallas Regional Medical Center	Dallas, TX
6	Desert Valley Hospital	Victorville, CA
7	East Liverpool City Hospital	East Liverpool, OH
8	Encino Hospital Medical Center	Encino, CA
9	Garden City Hospital	Garden City, MI
10	Garden Grove Hospital Medical Center	Garden Grove, CA
11	Harlingen Medical Center	Harlingen, TX
12	Huntington Beach Hospital	Huntington Beach, CA
13	Knapp Medical Center	Weslaco, TX
14	La Palma Intercommunity Hospital	La Palma, CA
15	Lake Huron Medical Center	Port Huron, MI
16	Landmark Medical Center	Woonsocket, RI
17	Lehigh Regional Medical Center	Lehigh Acres, FL
18	Lower Bucks Hospital	Bristol, PA
19	Mission Regional Medical Center	Mission, TX
20	Monroe Hospital	Bloomington, IN
21	Montclair Hospital Medical Center	Montclair, CA
22	North Vista Hospital	North Las Vegas, NV

23	Pampa Regional Medical Center	Pampa, TX
24	Paradise Valley Hospital	National City, CA
25	Providence Medical Center	Kansas City, KS
	Rehabilitation Hospital of Rhode	
26	Island	North Smithfield, RI
27	Riverview Regional Medical Center	Gadsden, AL
28	Roxborough Memorial Hospital	Philadelphia, PA
29	Saint Clare's Boonton	Boonton, NJ
30	Saint Clare's Denville	Denville, NJ
31	Saint Clare's Dover	Dover, NJ
32	Saint Francis Medical Center	Lynwood, CA
33	Saint Michael's Medical Center	Newark, NJ
34	San Dimas Community Hospital	San Dimas, CA
35	Shasta Regional Medical Center	Redding, CA
36	Sherman Oaks Hospital	Sherman Oaks, CA
37	Southern Regional Medical Center	Riverdale, GA
38	St. John Hospital	Leavenworth, KS
39	St. Joseph Medical Center	Kansas City, MO
40	St. Mary's General Hospital	Passaic, NJ
41	St. Mary's Medical Center	Blue Springs, MO
42	St. Mary's Regional Medical Center	Reno, NV
43	Suburban Community Hospital	Norristown, PA
44	West Anaheim Medical Center	Anaheim, CA

16. Please provide the most recent audited financial statements of Prime Healthcare Services, Inc.

To follow

17. Please provide the charity care policy that will be in effect at the Hospitals and ASTCs upon the completion of the transaction.

Attached

18. Please provide the name of the contact that the State Board will be working with for the Annual Hospital and ASTC surveys.

Correspondence from the State Board relating to future Annual Hospital and ASTC surveys should be sent to the CEOs of the individual facilities. As of the responding to this request, the CEOs have not been named. When that does occur, the State Board will be notified of such.

19. Please provide the quality assurance plan identified in Attachment 6 of the application for exemptions.

Attached

20. Please provide documentation addressing the concerns raised at the 8/8/2024 Board meeting relating to the bed/unit discontinuations/closures at Ascension St. Joseph in Joliet. Include dates, number of affected beds/units and any other information explaining the reasons for such discontinuations/closures and/or notices provided to IDPH and/or HFSRB about said discontinuations/closures.

1. Transcript Statement: “There have been illegal bed closures at our hospital without the proper going of the regulations and laws of the state, essentially has closed over 100 beds at our facility, have stripped our community of resources without going through the proper laws and regulations of this board”

Response:

- a. Submitted response to HFSRB 7.26.24
- b. After COVID, 3E-10 beds were closed. In August 2022, 4E PCU (31 beds) was reduced to 14 active beds due to low volume, which currently leaves 17 beds temporarily closed.
- c. May 2024, 8W-30 Med/Surg beds were temporarily closed due to low patient volume. Currently 8W is being opened when census and patient volume demands.
- d. June 26, 2024-7E-31 beds were temporarily closed but reopened on July 12, 2024 in response to increased patient volume.

2. Transcript Statement: “Our hospital is supposed to have 48 ICU beds listed on the med/surg neuro ICU.

Response:

- e. Submitted response to HFSRB 7.26.24.
- f. August 2016, Neuro ICU beds closed due to low patient volume and merged with 3 West (24 bed Telemetry unit).
- g. August 2022, 17 beds closed due to low patient volume.
- h. Currently we have a 24-bed 3W ICU unit open

3. Transcript Statement: “It’s also supposed to have 24 beds cardiac ICU, for open heart surgeries. That has been closed for about six months. It’s been on and off closed for about two years now”.

Response:

- i. Submitted response to HFSRB 7.26.24
- j. On May 12, 2024, 4W Cardiac Open Heart unit, 24 beds, were temporarily closed due to low patient volume. We will open all or a portion of the 4W Cardiac ICU as volumes indicate.

4. Transcript Statement: “We have a geriatric med/surg unit. It's commonly known as our ACE unit. It is a 30-bed unit that has been closed since the end of May, beginning of June, with no plans to reopen for any of those units”

Response:

- a. This unit has been temporarily closed since May 25, 2024 due to low volume and staffing issues. Since August 2024, it has been intermittently re-opened as volume indicates. As of September 16, 2024 we have 15 beds open on this unit.

- 5. Transcript Statement: “Most recently we had a post-surgical unit of 32 beds closed for about two or three weeks. This led to bed boarding in the ED. At one point we had 37 to 40 patients boarding in the emergency room”.

Response:

- a. We began a no boarding policy in the hospital in July 2024. Although this unit was closed due to low patient volumes for 2 weeks, it has been reopened since July 12, 2024.

- 6. Transcript Statement: “We had a step down cardiac unit that had 32 beds. It was closed to merge with a neurology unit. So now that has 18 beds:”

Response:

- a. The Cardiac Step Down Unit was repurposed to become a 14 bed Cardiac Recovery Unit.
- b. The 18 bed Neuro unit was redefined as a 9-bed Cardiac Step Down Unit and a 9-bed Neuro Step Down unit. If a Neuro patient is transferred from another hospital for Neuro care, they will be admitted to either the 4 West ICU unit or to the Neuro unit based on the patient's acuity.

Should any additional information be desired, please don't hesitate to contact me at your earliest convenience.

Sincerely,



Jacob M. Axel

cc J. Roknich
K. Chan

FINANCIAL ASSISTANCE POLICY

Alexian Brothers Health System, d/b/a Ascension Illinois affiliates

PURPOSE

The purpose of this Policy is to specify the requirements for administering Financial Assistance at Alexian Brothers Health System, d/b/a Ascension Illinois affiliates.

POLICY

It is the policy of the organizations listed below this paragraph (each one being the "Organization") to ensure a socially just practice for providing emergency and other medically necessary care at the Organization's facilities. This policy is specifically designed to address the financial assistance eligibility for patients who are in need of financial assistance and receive care from the Organization.

This policy applies to each of the following Organizations within Alexian Brothers Health System, d/b/a Ascension Illinois affiliates:

Alexian Brothers Medical Center - Elk Grove
Holy Family Medical Center – Des Plaines
Mercy Medical Center - Aurora
Resurrection Medical Center
St. Francis Hospital - Evanston
Saint Joseph Hospital - Chicago
Saint Joseph Hospital - Elgin
Saint Joseph Medical Center - Joliet
Saints Mary and Elizabeth Medical Center
St. Alexius Medical Center - Hoffman Estates
St. Mary's Hospital - Kankakee
Employed Physician Practices

- A. All financial assistance will reflect our commitment to and reverence for individual human dignity and the common good, our special concern for and solidarity with persons living in poverty and other vulnerable persons, and our commitment to distributive justice and stewardship.
- B. This policy applies to all emergency and other medically necessary care provided by the Organization, including employed physician services and behavioral health. This policy does not apply to charges for care that is not emergency and other medically necessary care.
- C. The List of Providers Covered by the Financial Assistance Policy provides a list of any providers delivering care within the Organization's facilities that specifies which are covered by the financial assistance policy and which are not.

DEFINITIONS

Policy-Specific Definitions

- A. **"501(r)"** means Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder.
- B. **"Amount Generally Billed" or "AGB"** means, with respect to emergency and other medically necessary care, the amount generally billed to individuals who have insurance covering such care.
- C. **"Community"** means the State of Illinois. To "live in the Community," for purposes of this Policy, means to be an Illinois resident – a person who lives in Illinois and who intends to remain living in Illinois indefinitely, but not someone who has relocated to Illinois for the purpose of receiving health benefits. A Patient will also be deemed to be a member of the Organization's Community if the emergency and medically necessary care the Patient requires is continuity of emergency and medically necessary care received at another Alexian Brothers Health System, d/b/a Ascension Illinois affiliates facility where the Patient has qualified for financial assistance for such emergency and medically necessary care.
- D. **"Emergency Care"** means care to treat a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention may result in serious impairment to bodily function, serious dysfunction of any bodily organ or part, or placing the health of the individual in serious jeopardy.
- E. **"Medically Necessary Care"** means care that is (1) appropriate and consistent with and essential for the prevention, diagnosis, or treatment of a Patient's condition; (2) the most appropriate supply or level of service for the Patient's condition that can be provided safely; (3) not provided primarily for the convenience of the Patient, the Patient's family, physician or caretaker; and (4) more likely to result in a benefit to the Patient rather than harm. For future scheduled care to be "medically necessary care," the care and the timing of care must be approved by the Organization's Chief Medical Officer (or designee). The determination of medically necessary care must be made by a licensed provider that is providing medical care to the Patient and, at the Organization's discretion, by the admitting physician, referring physician, and/or Chief Medical Officer or other reviewing physician (depending on the type of care being recommended). In the event that care requested by a Patient covered by this policy is determined not to be medically necessary by a reviewing physician, that determination also must be confirmed by the admitting or referring physician.
- F. **"Organization"** means Alexian Brothers Health System, d/b/a Ascension Illinois affiliates and the entities that are covered by this Financial Assistance Policy as set forth above in Section II.
- G. **"Patient"** means those persons who receive emergency and other medically necessary care at the Organization and the person who is financially responsible for the care of the patient.
- H. **"Presumptive Scoring"** means the use of third-party sources of information, which may include public records, or other objective and reasonable accurate means of assessing a patient's eligibility for financial assistance.
- I. **"Uninsured Patient"** means a patient who is not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program, including high deductible health insurance plans, workers' compensation, accident liability insurance, or other third-party liability.

REQUIRED PROCEDURES

A. Financial assistance described in this section is limited to Patients that live in the Community:

1. Patients with income less than or equal to 250% of the Federal Poverty Level income ("FPL"), will be eligible for 100% discount on the portion of the charges in which the Patient is responsible following payment by an insurer, if any, if such Patient determined to be eligible pursuant to presumptive scoring (described in Paragraph 5 below) or submits a financial assistance application (an "Application") on or prior to the 240th day after the Patient's first discharge bill and the Application is approved by the Organization. Patient will be eligible for up to 100% financial assistance if Patient submits the Application after the 240th day after the Patient's first discharge bill, but then the amount of financial assistance available to a Patient in this category is limited to Patient's unpaid balance after taking into account any payments made on Patient's account. A Patient eligible for this category of financial assistance will not be charged more than the calculated AGB charges.
2. Subject to the other provisions of this Financial Assistance Policy, uninsured Patients with incomes above 250% of the FPL but not exceeding 600% of the FPL, will receive a sliding scale discount on that portion of the charges for services provided. Patients with insurance and with incomes above 250% of the FPL but not exceeding 400% of the FPL, will receive a sliding scale discount on that portion of the charges for services provided for which the Patient is responsible, per the insurance plan's explanation of benefits. Such discounts shall apply after the Patient submits an Application on or prior to the 240th day after the Patient's first discharge bill and the Application is approved by the Organization. Patient will be eligible for the sliding scale discount financial assistance if Patient submits the Application after the 240th day after the Patient's first discharge bill, but then the amount of financial assistance available to a Patient in this category is limited to Patient's unpaid balance after taking into account any payments made on Patient's account. A Patient eligible for this category of financial assistance will not be charged more than the calculated AGB charges.

The sliding scale discount is as follows: (FPL – Federal Poverty Level Income)

Uninsured Patient Sliding Scale	%
0% - 250% FPL	100%
251% - 300% FPL	95%
301% - 400% FPL	90%
401% - 600% FPL	85%

Insured Patient Sliding Scale	%
0% - 250% FPL	100%
251% - 300% FPL	95%
301% - 400% FPL	90%

3. Subject to the other provisions of this Financial Assistance Policy, a Patient with income greater than 600% (for uninsured) and 400% (for insured) of the FPL may be eligible for financial assistance under a "Means Test" for some discount of Patient's charges for services from the Organization based on a Patient's total medical debt. A Patient will be eligible for financial assistance pursuant to the Means Test if the Patient has excessive total medical debt, which includes medical debt to health care providers within Alexian Brothers Health System, d/b/a Ascension Illinois affiliates and any other health care provider, for emergency and other medically necessary care, that is equal to or greater than such Patient's household's gross income. The level of financial assistance provided pursuant to the Means Test is the same as is granted to a patient with income at 600% (uninsured) and 400% (insured) of the FPL under Paragraph 2 above, if such Patient submits an Application on or prior to the 240th day after the Patient's first discharge bill and the

Application is approved by the Organization. Patient will be eligible for the means test discount financial assistance if such Patient submits the Application after the 240th day after the Patient's first discharge bill, but then the amount of financial assistance available to a Patient in this category is limited to Patient's unpaid balance after taking into account any payments made on Patient's account. A Patient eligible for this category of financial assistance will not be charged more than the calculated AGB charges.

Additionally, for uninsured patients who qualify for a sliding-scale discount as set forth in Paragraph 2, collections over 12-month period shall be additionally capped at 20% of the patient's family income.

4. A Patient may not be eligible for the financial assistance described in Paragraphs 1 through 3 above if such Patient is deemed to have sufficient assets to pay pursuant to an "Asset Test." The Asset Test involves a substantive assessment of a Patient's ability to pay based on the categories of assets measured in the FAP Application. A Patient with such assets that exceed 600% of such Patient's FPL amount may not be eligible for financial assistance.
5. Eligibility for financial assistance may be determined at any point in the revenue cycle and may include the use of presumptive scoring for a Patient with a sufficient unpaid balance within the first 240 days after the Patient's first discharge bill to determine eligibility for 100% charity care notwithstanding Patient's failure to complete a financial assistance application ("FAP Application"). A determination of eligibility based on presumptive scoring only applies to the episode of care for which the presumptive scoring is conducted.

Patients demonstrating one of more of the following criteria will be deemed presumptively eligible for a 100% charity care: homelessness, deceased with no estate, mental incapacitation with no one to act on patient's behalf, Medicaid eligibility, but not on date of service or for non-covered service, Medicaid enrollment in a different state where Organization is not and does not intend to become a participating provider, and Medicaid participation but exhaustion of any length of stay limits.

Additional mandated categories include enrollment in the following programs: Women, Infants and Children Nutrition Program (WIC); Supplemental Nutrition Assistance Program (SNAP); Illinois Free Lunch and Breakfast Program; Low Income Home Energy Assistance Program (LIHEAP); Enrollment in an organized community-based program providing access to medical care that assesses and documents limited low-income financial status as criteria; and Receipt of grant assistance for medical services.

6. For a Patient that participates in certain insurance plans that deem the Organization to be "out-of-network," the Organization may reduce or deny the financial assistance that would otherwise be available to Patient based upon a review of Patient's insurance information and other pertinent facts and circumstances.
7. The Patient may appeal any denial of eligibility for Financial Assistance by providing additional information to the Organization within fourteen (14) calendar days of receipt of notification of denial. All appeals will be reviewed by the Organization for a final determination. If the final determination affirms the previous denial of Financial Assistance, written notification will be sent to Patient. The process for Patients and families to appeal the Organization's decisions regarding eligibility for financial assistance is as follows:
 - a. Appeals should be initially received by Patient Financial Services for review and follow up questions, if applicable.
 - b. A committee shall then meet on a monthly basis to review all appeals. The committee membership should include representation from Patient Financial Services, Mission Integration, Case Management/Social Services and Finance/CFO.

Appeals shall be distributed to the committee members prior to the monthly committee meeting for review.

- c. A Patient Financial Services representative should be present at the committee meeting to discuss each case and provide additional input that the patient may have provided.
- d. The committee will review the applicant's FAP Application with special attention to additional information and points made by the applicant in the appeal process. The committee may approve, disapprove or table the appeal. The committee may table an appeal if additional information is required based on questions asked during the appeal discussion.
- e. Patient Financial Services will communicate in writing the outcome of the appeal to the Patient or family members.

B. Other Assistance for Patients Not Eligible for Financial Assistance

Patients who are not eligible for financial assistance, as described above, still may qualify for other types of assistance offered by the Organization. In the interest of completeness, these other types of assistance are listed here, although they are not need-based and are not intended to be subject to 501(r) but are included here for the convenience of the community served by the Organization.

- 1. Uninsured Patients who are not eligible for financial assistance will be provided a discount based on the discount provided to the highest-paying payor for that Organization. The highest-paying payor must account for at least 3% of the Organization's population as measured by volume or gross patient revenues. If a single payor does not account for this minimum level of volume, more than one payor contract should be averaged such that the payment terms that are used for averaging account for at least 3% of the volume of the Organization's business for that given year.
- 2. Uninsured and insured Patients who are not eligible for financial assistance may receive a prompt pay discount. The prompt pay discount may be offered in addition to the uninsured discount described in the immediately preceding paragraph.

C. Limitations on Charges for Patients Eligible for Financial Assistance

- 1. Patients eligible for Financial Assistance will not be charged individually more than AGB for emergency and other medically necessary care and not more than gross charges for all other medical care. The Organization calculates one or more AGB percentages using the "look-back" method and including Medicare fee-for-service and all private health insurers that pay claims to the Organization, all in accordance with 501(r).
- 2. A free copy of the AGB calculation description and percentage(s) may be obtained on the Organization's website, calling 833-272-7581, by email at amitafinancialassistance@ascension.org, or in writing at:

Alexian Brothers Health System
Attention: Financial Assistance Department
PO Box 74008855
Chicago, IL 60674-8855

D. Applying for Financial Assistance and Other Assistance

A Patient may qualify for financial assistance through presumptive scoring eligibility or by applying for financial assistance by submitting a completed FAP Application. The FAP Application and FAP Application Instructions are available on the Organization's website or by calling 833-272-7581, by email at amitafinancialassistance@ascension.org, or in writing at:

Alexian Brothers Health System
Attention: Financial Assistance Department
PO Box 74008855
Chicago, IL 60674-8855

The Organization will require the uninsured to work with a financial counselor to apply for Medicaid or other public assistance programs for which the patient is deemed to be potentially eligible in order to qualify for financial assistance (except where eligible and approved via presumptive scoring). A Patient may be denied financial assistance if the Patient provides false information on a FAP Application or in connection with the presumptive scoring eligibility process, if the patient refuses to assign insurance proceeds or the right to be paid directly by an insurance company that may be obligated to pay for the care provided, or if the patient refuses to work with a financial counselor to apply for Medicaid or other public assistance programs for which the patient is deemed to be potentially eligible in order to qualify for financial assistance (except where eligible and approved via presumptive scoring). The Organization may consider a FAP Application completed less than six months prior to any eligibility determination date in making a determination about eligibility for a current episode of care. The Organization will not consider a FAP Application completed more than six months prior to any eligibility determination date.

E. Billing and Collections

The actions that the Organization may take in the event of nonpayment are described in a separate billing and collections policy. A free copy of the billing and collections policy may be obtained on the Organization's website or by calling 833-272-7581, by email at amitafinancialassistance@ascension.org, or in writing at:

Alexian Brothers Health System
Attention: Financial Assistance Department
PO Box 74008855
Chicago, IL 60674-8855

F. Interpretation

This policy, together with all applicable procedures, is intended to comply with and shall be interpreted and applied in accordance with 501(r) except where specifically indicated.

REFERENCES

- a. Ascension Administrative Policy #600 – Financial Assistance for Those in Need
- b. Financial Assistance Application Form
- c. Plain Language Summary of the Financial Assistance Policy
- d. List of Providers Covered and Not Covered Under the Financial Assistance Policy
- e. Amounts Generally Billed



FY 24 Quality and Patient Safety Plan

*Ascension Saints Mary and Elizabeth
Chicago*

Executive Summary

Ascension Illinois is committed to a comprehensive approach to improving health care quality and safety by aligning our mission, vision and values to create an environment that supports a dynamic, proactive and safe culture for patients, family members, visitors, volunteers and our dedicated health care professionals.

The Quality & Safety Plan outlines a multidisciplinary, systematic performance improvement framework developed to improve patient safety, outcomes, reduce mortality and morbidity, as well as the risks associated with patient harm. This plan represents the commitment of Ascension Illinois to deliver safe, timely, effective, efficient, equitable patient-centered care. These dimensions of Quality are aligned with Ascension Illinois's strategic plan.

In our journey to becoming a highly reliable organization Ascension Illinois has implemented system-wide efforts to eliminate preventable harm and deaths through multiple quality and safety initiatives. Our commitment requires us to apply the science of high reliability and human factors as we strive to provide evidence-based care in a consistent and reliable manner. The high reliability organization promotes a strong culture of safety through the development of systems and processes that encourage safe behaviors, while proactively working to avoid errors before they occur. The Ascension Illinois Market demonstrates resilience when an error transpires through timely follow up, and with the implementation of strong process improvement strategies to reduce recurrence.

This plan is a high-level, action-oriented overview of quality and safety to be reviewed annually.

Purpose

The Quality & Safety Plan supports our brand promise: Our Mission, Vision and Values guide everything we do at Ascension. They are foundational to our work to transform healthcare and express our priorities when providing care and services, particularly to those most in need.

Mission

Rooted in the loving ministry of Jesus as healer, we commit ourselves to serving all persons with special attention to those who are poor and vulnerable. Our Catholic health ministry is dedicated to spiritually centered, holistic care which sustains and improves the health of individuals and communities. We are advocates for a compassionate and just society through our actions and our words.

Vision

We envision a strong, vibrant Catholic health ministry in the United States which will lead to the transformation of healthcare. We will ensure service that is committed to health and well-being for our communities and that responds to the needs of individuals throughout the life cycle. We will expand the role of laity, in both leadership and sponsorship, to ensure a Catholic health ministry of the future.

Value

Service of the poor: Generosity of spirit, especially for persons most in need

- Reverence: Respect and compassion for the dignity and diversity of life
- Integrity: Inspiring trust through personal leadership
- Wisdom: Integrating excellence and stewardship
- Creativity: Courageous innovation
- Dedication: Affirming the hope and joy of our ministry

Scope

The scope of this Quality and Safety Plan is organization-wide, including all departments and services including services under contract.

Accreditation, Regulatory and Patient Safety Organization Participation

Accreditation is a foundational aspect of quality and safety. The organization will meet

or exceed industry standards of accreditation, across the continuum.

The organization will meet or exceed the state and federal regulatory requirements under which they operate.

The organization may also seek certification in specialty care based on the population served and the services provided.

The organization participates in the Ascension Patient Safety Organizations (PSO's), Ascension Illinois invokes the protections afforded by participation while engaging in efforts to cultivate a learning environment, improve patient safety and the quality of health care delivery.

Through ongoing internal committee work, rounding, staff interviews and medical record audits, the organization strives to maintain consistent regulatory readiness. Routine external surveys occur to assess the organization to the standards and regulations. Any gaps identified result in plans of correction, monitoring for compliance and then oversight for sustainability.

Commitment to Measurement, Improvement and Public Reporting

To continually monitor our performance, leaders are provided access to monthly quality and patient safety dashboards that include key metrics that aid them with ongoing improvement, trending, and benchmarking.

Metrics are selected based on the Ascension clinical priorities, domains in CMS Star Rating, Leapfrog, national registries, Joint Commission and regulatory bodies, and feedback from clinical and leadership teams. Targets are based on benchmark data from national and local databases.

Quality Performance Improvement Model

The Quality Performance Improvement model used by Ascension Illinois is "Plan, Do, Study and Act." This cyclical model incorporates defining the opportunity, identifying the objective, collecting and measuring data, analyzing performance while comparing objectives, determining action steps and initiatives as appropriate based on performance, educating and re-measuring. Other process improvement methodologies and tools may be used, with a focus on creating a culture of continuous quality improvement.

This cyclical model includes the following steps:

Plan – A change aimed at quality improvement.

Do – The tasks required to implement the change, preferably on a small scale.

Study – The results of the change.

Act – To adopt or abandon the change.

Evidence-based Innovation and Variation Reduction

Quality and safety are the outputs of clinical outcomes and are driven through the implementation of up-to-date evidence-based practice, and the reduction of unnecessary care variation. Subject matter experts, coordinating with clinical decision support driven through the electronic medical record, enable the practice of evidence-based medicine. Clinical issues are identified at the bedside and are used to drive new strategies that lead to new processes and products.

Patient Safety Program: Reduction of Preventable Harm to Zero

Commitment to Patient Safety:

Ascension Illinois is committed to becoming a highly reliable organization (HRO) focused on reducing preventable harm through a robust system wide Patient Safety program. Continuing our journey to becoming more reliable, patient safety efforts are structured around the five principles of High Reliability, Preoccupation with Failure, Reluctance to Simplify, Sensitivity to Operations, Deference to Expertise and Commitment to Resilience.

Our journey to reduce preventable harm includes but is not limited to the following elements:

- Error prevention techniques
- Leadership methods to cultivate a culture of safety
- Safety event classification (SEC) through weekly safety event review team (SERT) meetings
- Robust investigation and analysis methodologies ie. Root cause analysis, apparent cause analysis
- Safety Alerts and notifications to support All teach, all learn
- Event reporting systems

Goals

The goal of the Ascension Illinois Patient Safety program is to improve the reliability of the healthcare environment and to embed a culture of learning at every level of the organization to reduce preventable patient harm to ZERO.

Learning from safety events starts with a culture that encourages reporting of adverse outcomes, errors, mishaps and near misses that occur during care delivery. At Ascension Illinois we are focused on cultivating a learning culture and a Just Culture.

Gaps identified result in process improvements through the Plan, Do, Check, Act cycle. Potential or actual safety events are entered into the tracking system by staff and caregivers.

Complaints and grievances are reviewed and acted upon following the guidance of the rules and regulations. Patients and families are included in this process.

Monitoring Progress and Sustainability

- The Serious Safety Event Rate (SSER) is a volume adjusted measure of Serious Safety Events that is calculated monthly as the number of Serious Safety Events for the previous 12 months per 10,000 estimated patient days for the same time period.
- Process Reliability Data
- Sharing the learnings from serious safety events, precursor events, and near miss events
- Culture of Safety Survey every 24 months

AUTHORITY AND ACCOUNTABILITY

Board of Directors

This governing body has the ultimate responsibility for safety and quality. This is derived from its legal responsibility and operational authority for hospital performance. In this context, the governing body provides for internal structures and resources, including staff, that support:

- Credentialing
- Re-Credentialing
- Accreditation
- Licensure
- Quality
- Patient Safety

This oversight includes, but is not limited to establishing direction for planning, implementing, and improving health care services.

The Board delegates Ascension Illinois Hospital Leadership to establish a planned, systematic, approach for quality, patient safety and performance improvement and provides allocation for qualified staff and resources to implement and maintain an effective and efficient program.

Hospital Leadership

The Ascension Saints Mary and Elizabeth Hospital Leadership team includes governance, management, medical staff and clinical staff (defined as: Hospital CEO, CMO, CFO, Vice Presidents, Directors, managers, departmental leaders, elected and appointed leaders of the medical staff and other medical staff members in organizational administrative positions, Nurse Executives and other nursing leaders):

- Establishes quality, patient safety and performance improvement initiatives and priorities.
- Ensures that patients and families are involved in decision making.
- Sets expectations, develops, plans and manages processes to measure, assess and improve the quality of the organizations' governance, management, clinical and support activities.
- Inspires and supports the creation of a quality driven organization and encourages participation in improvement and patient safety activities.
- Understands the concepts of performance improvement and the performance improvement approach.
- Ensures that important processes and activities are measured, assessed, and improved systematically throughout the facilities.
- Provides training for facility and medical staff in the approaches to and methods of performance improvement.
- Recognizes and rewards improvement activities at all levels of the organization.
- Measures and assesses the effectiveness of their contributions to improving performance.

Leaders maintain interdisciplinary quality, patient safety and performance improvement working committees to review individual and aggregate performance data, provide recommendations regarding processes, and address other issues that may impact healthcare outcomes and patient safety.

QUALITY & PATIENT SAFETY ORGANIZATIONAL STRUCTURE

The Quality and Patient Safety structure is designed in two levels: 1) governance and oversight and, 2) the working committee structure. This structure includes quality planning, quality control, quality assurance and quality improvement.

Governance and oversight of quality initiatives and quality improvement include:

- Board of Directors
- The Medical Executive Committee (MEC)
- Quality Improvement Safety Utilization Management Committee (QISUMC)

- Medical Staff Quality/Peer Review Committee

GOVERNANCE AND OVERSIGHT

A) Board of Directors

The Board of Directors oversees performance in safety, quality, and experience of patient care. It approves outcome targets, and monitors performance and improvements in the processes and outcomes of care. It also is responsible for oversight of credentialing physicians and other allied health professionals:

- a) Reviewing data and trends emerging from quality, safety, service, community measures and benchmarks
- b) Reviews serious safety events and assure adequacy of action plans
- c) Reviews programs and initiatives that impact patient experience and assist in identifying opportunities for improvement
- d) Reviews action plan implementation and audit results to assure top tier performance is achieved
- e) Ensures ongoing readiness of the organization to satisfy regulatory requirements that impact patient care
- f) Reviews privileging and policies of the Medical Staff and other allied health professionals

B) Medical Executive Committee

The committee charge of the Medical Executive Committee is outlined in the Bylaws and associated policies of the Medical Staff. Those responsibilities that relate to the quality improvement function can be summarized as follows:

- a) Recommend to the Governing Board all matters relating to appointments, reappointments, Medical Staff category, Department assignments, clinical privileges, and corrective action
- b) Oversee and assess the quality of care provided by the medical staff members. Take reasonable steps to ensure professional and ethical conduct and competent clinical performance on the part of Medical Staff members, including initiating and pursuing investigations and corrective action, when warranted
- c) Oversee the process for Bylaws and Rules and Regulations Review and recommend to the board changes and improvements
- d) Inform the Medical Staff on the accreditation program and the accreditation status of the Hospital
- e) Oversee Continuing Medical Education (CME)
- f) Recommend approval and revision of policies related to patient care

- g) Take responsibility for the participation of the Medical Staff in performance improvement activities
- h) Provides monthly Quality reports to the Board of Directors with interactive review

C) Quality Improvement Safety Utilization Management Committee (QISUMC)

The Quality and Patient Safety Committee is an interdisciplinary committee comprised of administration, medical staff, clinical and non-clinical leadership who meet routinely whose responsibilities include but are not limited to:

- a) Coordinating integrated monitoring, and evaluating quality improvement activities
- b) Setting priorities for quality improvement activities, patient outcomes, the organization's strategic initiatives, and areas that are high volume, high risk and problem prone
- c) Ensure compliance with quality improvement requirements of the Joint Commission, CMS, IDPH and other regulatory agencies
- d) Initiate quality improvement teams when improvement opportunities arise
- e) Promote and communicate quality improvement accomplishments
- f) Provide input and direction regarding educational needs identified through quality improvements activities
- g) Provide leadership, education and communication relating to quality improvement and patient safety learnings
- h) Conduct an annual evaluation and assessment of the quality improvement data and actions taken to achieve improvements
- i) Coordinates Quality and Safety Plan with MEC, receives annual approval of the plan from the MEC and reports monthly to the MEC

D. Medical Staff Medical Staff Quality/Peer Review Committees

The Medical Staff Quality/Peer Review Committee provides ongoing review of medical staff performance through monitoring, measuring, and evaluating defined indicators or practitioner competency. The Committee may adjudicate cases in which there are questions regarding standards of care. The aim is not to punish, but to identify ways to improve the quality and safety of patient care and improve patient outcomes.

In summary, the Medical Staff Quality/Peer Review Committee:

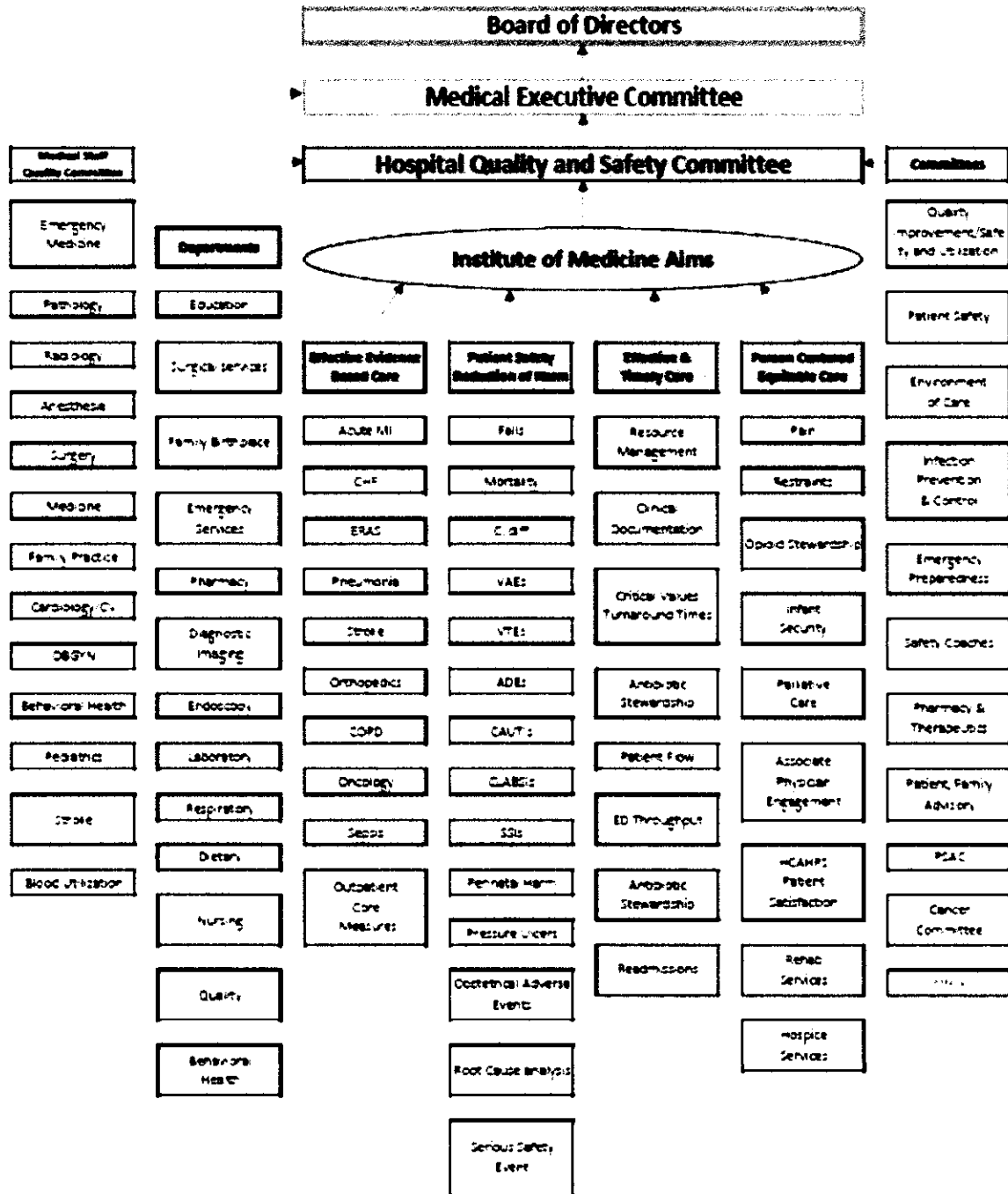
- a) Makes determinations regarding opportunities for individual and/or system improvements based on individual case review or on the results of rate or rule-based indicators
- b) Assures when opportunities for improvement are identified a reasonable improvement plan is developed, and approves reviews and reviews the plan on a scheduled basis

- c) Reviews, at least annually, the systems in place for evaluating physician performance; and approves requests for additions or deletions to indicators for evaluating physician performance; and
- d) Acts in accordance with the Medical Staff Quality/Peer Review Committee Charter and Policies as approved by the MEC.
- e) Reports findings and recommendations monthly to the MEC. Cases requiring a MEC decision are presented in detail.

Notwithstanding the establishment of peer review policies for implementation of various quality assurance and performance improvement activities within the Hospital, the MEC and Governing Board retain the authority at all times to undertake such peer review activities that it deems appropriate under the circumstances.

THE WORKING COMMITTEE STRUCTURE

Saints Mary and Elizabeth Medical Center Quality & Patient Safety Reporting Structure



COMMUNICATION AND REPORTING OF QUALITY ACTIVITIES

To facilitate continued improvement, information needs to be available in a way that is meaningful and useful to leadership, committees, facility and medical staff and customers. Quality and performance activities are reported on a regular basis to the Medical Executive Committee, Senior Executive Leadership, and the Board of Directors, and to the applicable Patient Safety Organizations in accordance with the Patient Safety and Quality Improvement Act of 2005.

SUMMARY

The Quality and Patient Safety Plan provides the framework for Ascension Saints Mary and Elizabeth in collaboration with Ascension Illinois, to implement quality performance improvement activities. These activities improve patient outcomes and patient safety in a comprehensive, methodical, and systematic manner.

IMMUNITY / CONFIDENTIALITY CLAUSES

Data used as part of the Quality and Patient Safety Program is protected from discovery under Illinois and Federal Law, including, but not limited to, the Illinois Medical Studies Act (735 ILCS 5/8-2101); The Patient Safety and Quality Improvement Act of 2005 (42 USC 299b-21 to -26); The Health Care Quality Improvement Act (42 USC 11137); and the Illinois Hospital Licensing Act (210 ILCS 85, *et. seq.*).

EVALUATION OF FY2023 PLAN (APPENDIX 1A AND 1B)

FY2024 QUALITY AND PATIENT SAFETY GOALS (APPENDIX 2)

APPROVAL AND COMMUNICATION PLAN

The Quality and Patient Safety Program and this Plan are evaluated and approved annually by the Ascension Saints Mary and Elizabeth Quality and Patient Safety Committee to determine its effectiveness, appropriateness, and completeness in meeting the stated purpose, goals and objectives. This review further assists in identifying what the facilities are doing well, what the facilities could be doing better, what objectives were met or why objectives were not achieved. The Plan is also approved by MEC and ultimately the Board of Directors.

Appendix 2A

Ascension Saints Mary and Elizabeth **FY2023 Quality and Patient Safety Program** **Executive Summary**

Program description:

The Quality and Patient Safety Plan focuses on the continuous improvement of clinical and service outcomes. Utilizing high reliability science, the organization promotes a culture of safety, develops systems and processes that encourages safe behaviors, proactively works to avoid errors before they occur, and demonstrates resilience when an error does occur. External benchmarking and internal quality control, improvement monitoring, and measurement are utilized by leadership to determine priorities to be addressed by the Quality and Patient Safety Plan. The Quality and Patient Safety Plan involves all hospital departments and services, including those services furnished under contract or arrangement.

FY 2023 Achievements:

- Healthgrades Five-Star Recipient for Treatment of Stroke for 5 years in a Row (2020-2024)
- Healthgrades Five-Star Recipient for Gynecologic Procedures for 3 years in a Row (2020-2022)
- Leapfrog Letter Grade B

FY2023 Program Opportunities:

- Improve Mortality (Observed/Expected) Hospital Wide All Payor
- Improve THK Readmission rate
- Improve customer/patient experience
- Improve MRSA SIR

FY2024 Objectives/Initiatives:

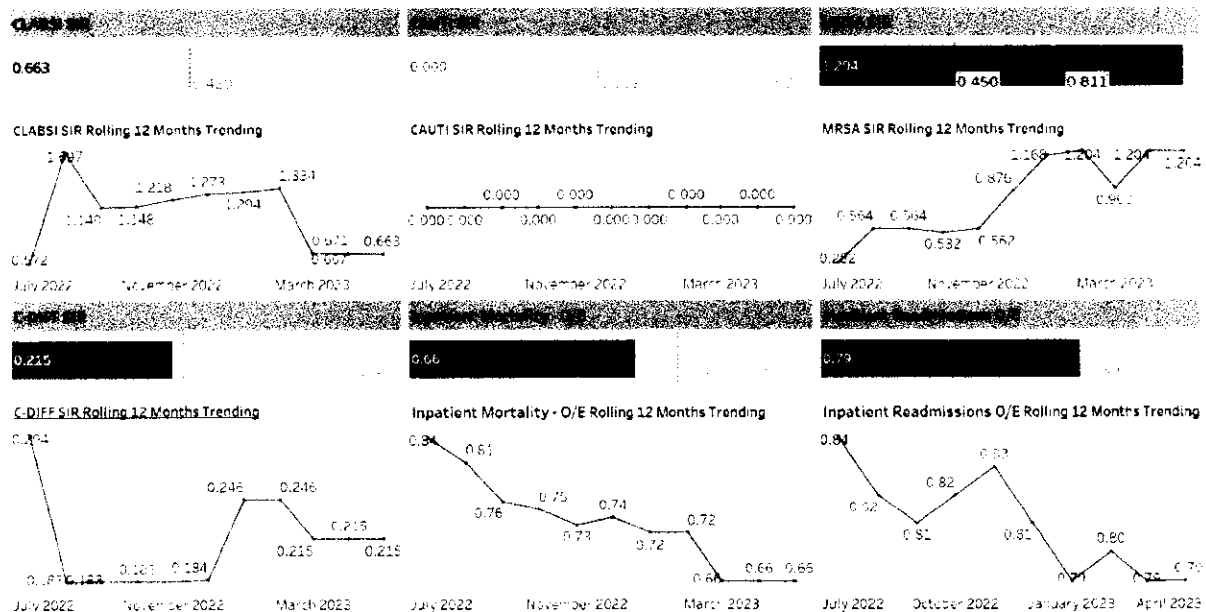
- Recertification of JC Primary Stroke (Achieved September 2022)

- Re-certification of COEMIG-achieved 10/2022
- Foster an environment of high reliability and patient safety
- Maintain compliance with regulatory, accreditation and licensure requirements

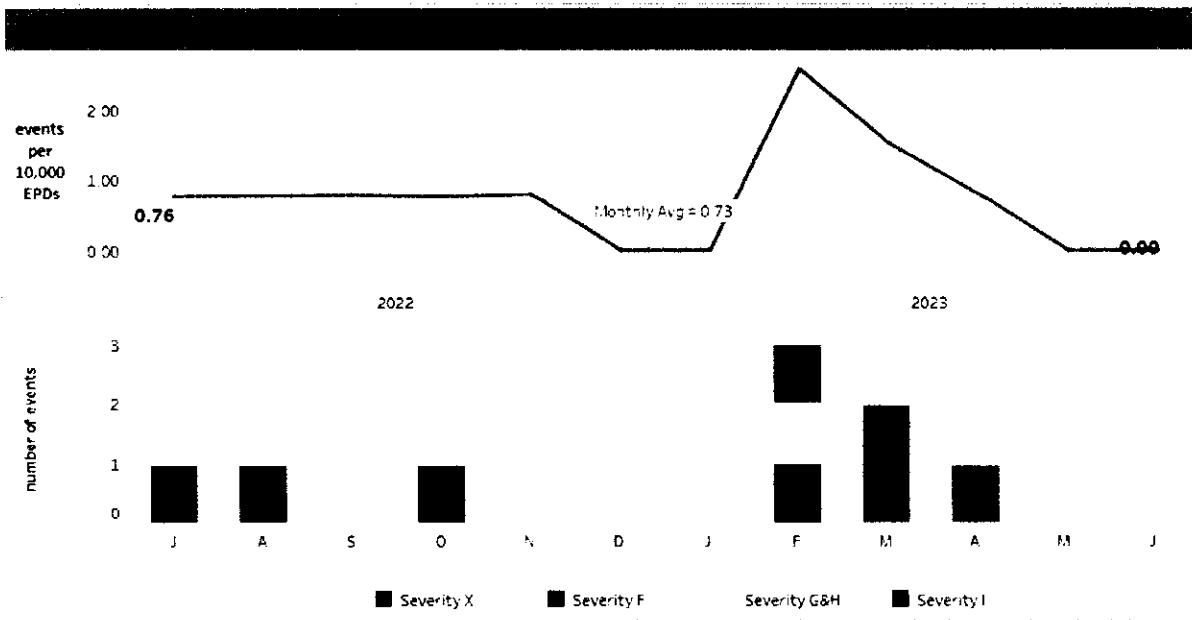
Appendix 1B:

Safety and Quality Dashboard

SM-C Safety & Quality: FYTD JUNE 2023



Serious Safety Event Rate



Appendix 2

Ascension Saint Mary and Elizabeth Safety Goals

Ascension Saints Mary and Elizabeth Chicago

High Priority areas of focus are defined as:

- Clinical issues which are highly challenging to address and require organizational coordination, innovation and alignment of resources.

- System issues which are aligned to the Ascension strategic plan, that are complex issues addressing the needs of the populations we serve.
- Focused initiatives addressing the Quality and Patient Safety Dashboard.

Priority focus areas for FY2024:

- Elimination of preventable harm or death caused in the delivery of care
- Provide effective and reliable care
- Top performer in engaging patients and their families
- Engaging associates in the Ascension Illinois quality, patient safety and high reliability agenda
- Fostering an environment of innovation and learning to advance a safe and high quality experience for patients, their families and providers
- Maintaining compliance with regulatory, accreditation and licensure requirements
- Identifying and eliminating disparities in healthcare

Commitment to Measurement, Improvement and Public Reporting

To ensure our progress and to continually assess our performance, leaders are provided access to the key metrics which can aid them with ongoing improvement. Monthly data are provided to leadership and include the Quality and Patient Safety Dashboard. Dashboards include metric trending and current results for Ascension overall, market results and ministry specific outcomes.

Ascension Illinois leaders collaborate to improve the quality of our data and facilitate ongoing organizational learning based on leading practices.

Performance Based Compensation

Leadership at Ascension Illinois is held accountable for achieving FY Quality and Patient Safety targets through performance-based compensation, to ensure organizational alignment and leadership focus on key performance measures.

Patient Safety Organization (PSO) Affiliations

Data used as part of the Quality and Patient Safety Program is protected from discovery under Illinois and Federal Law, including, but not limited to, the Illinois Medical Studies Act (735 ILCS 5/8-2101); The Patient Safety and Quality Improvement Act of 2005 (42 USC 299b-21 to -26); The HealthCare Quality Improvement Act (42 USC 11137); and the Illinois Hospital Licensing Act (210 ILCS 85, *et. seq.*).

The Patient Safety and Quality Improvement Act of 2005 established federal privilege and confidentiality for patient safety work products. PSO's are intended to encourage providers to share patient safety information and performance improvement data with uniform federal confidentiality and privilege protection so ultimately best practices can be identified and patient safety will be improved. Ascension Illinois -hospital name- have a membership agreement with the Ascension PSO.

FY 2024 Patient Safety and Quality Goals

Patient Safety and Quality-Acute Hospitals

Metric	Baseline (FY23)	Threshold	Target	Target Setting Methodology
SSI COLON	0.805	0.712	0.340	Threshold=50th Percentile; Target=75th Percentile
Readmissions O/E - Hospital-wide (All-payor)	0.96	0.92	0.79	Threshold=Ascension Target; Target=75th Percentile
Mortality O/E - Hospital-wide (All-payor)	0.70	0.80	0.78	Threshold=Ascension Target; Target=75th Percentile
Falls with Harm	3.61	3.43	3.24	Threshold = 5% reduction, Target=10% reduction
SSE Rate	2.21	2.10	1.99	Threshold = 5% reduction, Target=10% reduction