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Illinois Health Facilities & Services Review Board  
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**Comments on Project Number #E-016-24 thru #E-026-24 & #E-029-24  
Ascension Health & Prime Healthcare Services, Inc. Change of Ownership**

SEIU Healthcare Illinois, a union of 90,000 healthcare, childcare, and social service workers, opposes Ascension's sale of 14 hospitals (10 in the Chicago area) to California-based Prime Healthcare because it may diminish access to care in Chicagoland's vulnerable communities.

Prime Healthcare is a massive for-profit company with a spotty reputation and based on past practice we fear that Prime will prioritize maximizing earnings over patient care.

For example, in November 2023, Prime shuttered Centinela Hospital Medical Center's maternity service after what the state deemed "deficient practices" led to a patient's death. The closure left an enormous gap in reproductive healthcare for (predominantly black and brown) Inglewood, California residents. The nearest comparable services are 8-10 miles away and take nearly an hour to reach by public transportation.<sup>i</sup>

Many of Chicago's South Side & West Side communities are already reproductive healthcare deserts. Allowing Prime to acquire the Ascension facilities could make this festering problem worse, exacerbating existing racial and economic health inequities in the process.

But one needn't look to California for examples of troubling practices by for-profit healthcare providers. Illinois is currently home to several for-profit hospital operators who have reduced access to care by slashing services and shuttering facilities that serve the poor.

For example, in August 2019, for-profit hospital operator Pipeline Health closed Westlake Hospital in Melrose Park only seven months after acquiring the facility. Bankruptcy court filings later revealed that Pipeline agreed to close Westlake as part of the deal to acquire the facility even though leadership assured Melrose Park elected officials and state regulators that they had no intention of closing the facility.<sup>ii</sup>

Later, in September of the same year, for-profit Quorum Health closed MetroSouth Medical Center in south suburban Blue Island, leaving a gaping hole in Chicagoland's trauma system and overwhelming EDs at other South Side and south suburban hospitals. Quorum eventually exited the state but not before selling Galesburg Cottage Hospital to a group of questionable investors who ultimately shuttered the facility in January of 2022.<sup>iii</sup>

The problems with for-profit operators are not limited to service cuts and closures. These operators often cut costs by skimping on staffing and capital spending which can undermine quality of care. Last summer, for example, the Illinois Department of Public Health placed Chicago for-profit Community First Medical Center on temporary bypass because the facility's HVAC system was failing and temperatures in the ED rose to more than 90 degrees. Later that summer a Cook County judge responded to a lawsuit brought by the city's Department of Building by ordering Community First to close its parking structure over safety concerns regarding its "deteriorating condition".<sup>iv</sup>

Finally, Prime has a history of misleading and subverting regulators particularly around its corporate structure which should give the board pause. In October 2017, the Rhode Island Department of Health fined Prime \$1 million for transferring a hospital to its non-profit subsidiary, the Prime Foundation, without state approval.<sup>v</sup> The company's initial applications to the board did not include key details about corporate structure including the relationship between Prime and its captive non-profit organization.

Our members know from experience that whether it's Prime Healthcare or the rogue's gallery of shady for-profit operators already in Illinois, for-profit medicine is a bad news for our communities and a bad deal for Illinois.

Therefore, SEIU Healthcare Illinois asks that the Health Facilities and Services Review Board reject Prime Healthcare's acquisition of Ascension's Illinois facilities, and we urge Ascension to honor its faith mission and find a buyer who puts patients before profits.

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<sup>i</sup> Emerson, Jakob, "California hospital closing maternity ward as family sues over patient death", *Becker's Hospital Review*, September 1, 2023, <https://www.beckershospitalreview.com/finance/california-hospital-closing-maternity-ward-as-family-sues-over-patient-death.html>.

<sup>ii</sup> Goldberg, Stephanie, "Westlake's owners never intended to keep hospital open", *Crain's Chicago Business*, June 15, 2021, <https://www.chicagobusiness.com/health-care/westlakes-owners-never-intended-keep-hospital-open>.

<sup>iii</sup> Ramos, Manny, "MetroSouth Medical Center Closure OK'd by state regulators", *Chicago Sun-Times*, October 22, 2019, <https://chicago.suntimes.com/business/2019/10/22/20926803/metrosouth-medical-center-close-quorum-health-blue-island-chicago>; and Martin, Tom and Redfern, Jay, "Beleaguered Galesburg Cottage Hospital closes; letter Friday informed staff they're fired", *The Galesburg Register-Mail*, January 10, 2022, <https://www.galesburg.com/story/news/healthcare/2022/01/08/beleaguered-galesburg-cottage-hospital-now-closed-ceo-makes-no-announcement/9147349002/>.

<sup>iv</sup> Cramer, Matthew, "Chicago Hospital ER closed to new patients due to sweltering heat inside", *CBS News Chicago*, June 13, 2024, <https://www.cbsnews.com/chicago/news/chicago-hospital-er-closed-to-new-patients-sweltering-heat/>; and Ramos, Manny, "Portage Park Hospital Forced to Close Parking Garage Over 'Deteriorating Condition'", *Block Club Chicago*, June 14, 2024, <https://blockclubchicago.org/2024/06/14/portage-park-hospital-forced-to-close-parking-garage-over-deteriorating-condition/>.

<sup>v</sup> Borkowski, Rob, "Prime Healthcare fined \$1 million for transferring hospitals to non-profit without approval", *Providence Business News*, October 30, 2017, <https://pbn.com/prime-healthcare-fined-1-million-transferring-hospitals-nonprofit-without-approval/>.