

**Franciscan Health Olympia Fields
Illinois Health Facilities and Services Review Board
March 5, 2026 Public Hearing**

Presentation of Frank McHugh

Good afternoon, I am Frank McHugh, Interim President and CEO of Franciscan Health Olympia Fields.

I would like to thank the Illinois Health Facilities and Services Review Board for the opportunity to speak on behalf of Franciscan Health Olympia Fields. We believe community input in this process is essential. Franciscan Health Olympia Fields has served this community for more than two decades, and we want to ensure transparent communications with community members about the planned change of ownership.

While the decision to transfer ownership of the hospital was a difficult one, Prime Healthcare is uniquely positioned to carry on Franciscan Health Olympia Fields' legacy of service to the poor and vulnerable. We selected Prime Healthcare following a comprehensive review process that included due diligence and careful evaluation of mission alignment, ethical commitment, and long-term sustainability. Prime's experience operating Catholic hospitals in Illinois, along with its demonstrated commitment to quality, community service, and ethical care delivery, were central to our decision.

Prime Healthcare's ability to strengthen hospitals while honoring values-based care gives us hope and confidence South Suburbs has sustainable, quality healthcare access for generations to come.

Thank you for your time and attention.

March 5, 2026

Franciscan Health Olympia Fields, Olympia Fields, IL

Prime Healthcare considers it an honor and a profound responsibility to be selected by Franciscan Health as the steward of the Olympia Fields Hospital, its employees and patients, and its longstanding legacy of service to the community.

Founded in 2001 with a mission to save, strengthen, and invest in community hospitals, Prime Healthcare has grown into an integrated delivery system of 54 hospitals across 15 states, more than 360 outpatient locations, and over 60,000 employees and affiliated physicians. We are proud to welcome Olympia Fields into the Prime Healthcare family and are confident in our ability to ensure the hospital remains a sustainable source of high-quality care for the South Suburbs and the greater Chicago region. We have successfully done so for communities nationwide, including here in Chicagoland, and look forward to delivering for the residents of Olympia Fields, Chicago Heights, and surrounding areas.

Prime Healthcare's unwavering commitment to compassionate, high-quality care, access preservation, and improved health outcomes has earned national recognition. Prime has been named a Top 10 and Top 15 Health System by Truven Health Analytics, and our hospitals have been recognized among the nation's "100 Top Hospitals" 72 times. Prime is also among the most awarded health systems for patient safety by Healthgrades. In 2025 alone, our hospitals received more than 600 clinical quality awards from respected national organizations including The Leapfrog Group, Forbes, and U.S. News & World Report. Prime has also been recognized as a Top 10 Health System by the Lown Institute, earning A grades for Health Equity, Social Responsibility, Clinical Outcomes, and Inclusivity.

Our track record in Illinois demonstrates this commitment in action. Since acquiring eight financially distressed hospitals across Chicagoland, Joliet, Aurora, and Kankakee just one year ago, Prime Healthcare has invested more than \$100 million in advanced electronic medical records, cybersecurity systems, imaging and surgical technology, and facility infrastructure upgrades.

We have also made expanding access to behavioral and mental health services a priority at a time when communities across the country face a growing shortage of specialized care. Over the past year, our Illinois hospitals have expanded behavioral health services, including the launch of geriatric psychiatry programs at five hospitals to better support seniors and families facing complex mental health needs. To reinforce this growth, all of

our eligible Illinois hospitals have achieved Geriatric Emergency Department Accreditation (GEDA), giving Prime the most GEDA-certified emergency departments in Illinois. Nationally, Prime ranks among the top three health systems for GEDA accreditation.

This leadership reflects our unwavering commitment to delivering high-quality, age-appropriate emergency care for seniors and strengthening behavioral health access at a time when mental health needs are rising nationwide but few health systems are expanding capacity to meet that demand, particularly for specialized care for older adults.

Importantly, these investments have been made while preserving the vast majority of the hospitals' 13,000 jobs and restoring their long-term financial sustainability.

Prime Healthcare is bringing this same commitment to Olympia Fields. We have pledged to make critical capital improvements, invest in technology and system upgrades, and retain substantially all hospital employees, subject to standard hiring practices. We have also committed a \$5 million philanthropic contribution to support Franciscan Health's medical education programs, complementing Prime's national investment in physician training through its medical school and residency programs. Our dedication to health equity and social responsibility includes caring for the most vulnerable in communities across the country and we will maintain or increase charity care commitments.

In addition, Prime Healthcare will maintain and align service lines based on community needs, continue charity care and community benefit programs, and preserve Olympia Fields' role as a vital community partner. This reflects our longstanding mission. Since 2010, Prime Healthcare has provided more than \$16 billion in charity care and community benefits and invested over \$3.6 billion in capital improvements to strengthen hospitals and expand access to care nationwide.

Prime Healthcare also has extensive experience preserving the legacy and traditions of Catholic hospitals, while supporting the spiritual care and well-being of all members of the community, especially the most vulnerable. We are committed to honoring and continuing that legacy at Olympia Fields.

As our founder has said, "If you can see the potential for good, feel the impact of kindness on others, and touch the spirit of a generous cause every day, then you have embarked on a noble path." This philosophy reflects Prime Healthcare's deep commitment to compassionate care and service.

We look forward to building on Olympia Fields' proud legacy and ensuring it continues to serve patients and the community for generations to come. Thank you.

Prime Healthcare is facing intense scrutiny in Illinois following allegations of breaching promises made during the 2024-2025 acquisition of eight Ascension hospitals, specifically regarding service cuts at St. Mary's (Kankakee) and St. Joseph's (Joliet). Officials and lawmakers allege that Prime failed to uphold pledges to maintain service levels for 24 months, citing the elimination of labor/delivery and pediatric units shortly after purchase.

Key Aspects of the Alleged Breach in Illinois:

- **Breach of Commitment to State:** Kankakee County State's Attorney Jim Rowe requested an investigation by the Illinois Attorney General and the Health Facilities and Services Review Board (HFSRB), claiming Prime misrepresented its intentions to secure acquisition approval.
- **Service Cuts & Staffing:** Despite pledges to maintain care, Prime closed labor/delivery services in Kankakee and pediatric care in Joliet. The Illinois Nurses Association reported that Prime breached union contracts and trust by terminating nurses shortly after taking over.
- **Allegations of Misrepresentation:** Senator Dick Durbin and Senator Tammy Duckworth questioned Prime regarding, "...no changes to the scope of services or the levels of care provided at the facility are currently anticipated to occur within 24 months of the proposed transaction".
- **Legal & Contractual Action:** A lawsuit was filed in September 2025 alleging that a physician, Dr. Gaurav Kapoor, breached non-solicitation agreements after Prime took over St. Mary's Hospital.
- **Union Issues:** The Illinois Nurses Association claimed that Prime violated agreements regarding staff retention after the acquisition.

Major Breach of Contract Allegations (2025–2026)

- **Kankakee County State's Attorney Investigation (May 2025):**
 - **State's Attorney**

Jim Rowe accused Prime Healthcare of a "gross breach of promise" made to the Illinois Health Facilities and Services Review Board (HFSRB).
 - **The Claim:** Prime allegedly promised no service cuts for 24 months but eliminated pediatric and obstetric services at Saint Mary's (Kankakee) and Saint Joseph's (Joliet) within weeks of the takeover.

- **Employment & Non-Compete Lawsuit (September 2025):**
 - **Case:** *Prime Healthcare Illinois Medical Group v. Kapoor M D* (Will County Circuit Court, Case 2025CH000187).
 - **The Claim:** Prime itself sued a physician for allegedly breaching an employment contract by working for a competitor within a restricted radius.
- **Union Contract Violations (March 2025):**
 - The **Illinois Nurses Association (INA)** accused Prime of violating union contracts by firing staff and failing to guarantee jobs for nurses on medical leave during the transition from Ascension.
- **Payer Dispute with BCBSIL (February 2026):**
 - **Blue Cross and Blue Shield of Illinois (BCBSIL)** stated that Prime is required to remain in-network under existing agreements, despite Prime's notice that its doctors would leave the network on June 1, 2026.
- **Individual Provider Disputes:** Dr. Roger Taylor of Westwood OB/GYN claimed Prime abruptly canceled his contract, leading to the closure of labor and delivery services, contradicting Prime's claim that he had simply "retired".

AS A COMMUNITY, THESE ALLEGATIONS RELATED TO THE RECENT TRANSITION OF HOSPITALS TO PRIME HEALTHCARE ARE CONCERNING.

WE URGE THE ILLINOIS HEALTH FACILITIES AND SERVICE REVIEW BOARD TO DENY THE CHANGE OF OWNERSHIP FROM FRANCISAN HEALTH TO PRIME HEALTHCARE AS A RESULT OF THESE ALLEGATIONS PENDING FROM PRIME HEALTHCARE'S RECENT HOSPITAL ACQUISITIONS IN ILLINOIS.

Sheila Fiala