

## Constantino, Mike

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**From:** Frank Borgers [fborgers@seiu73.org]  
**Sent:** Wednesday, April 20, 2011 4:42 PM  
**To:** Constantino, Mike  
**Subject:** Oak Forest Hospital CON Application 10-078  
**Attachments:** SEIU Local 73 and Doctors Council - Follow-up Comments on CCHHS OFH CON Application - 2010-11-23 10-078 - April 20 2011.pdf; SEIU Local 73 and Doctors Council - Initial Comments on CCHHS OFH CON Application - 2010-11-23 10-078 - 012011.pdf; Emilie Junge Testimony - Oak Forest Hospital - IHFSRB - April 18, 2011.pdf; Betty Boles Testimony - Oak Forest Hospital - IHFSRB - April 18, 2011.pdf

**Importance:** High

Dear Mr Constantino,

Please find attached SEIU Local 73 and Doctors Council follow-up comments on CCHHS 's OFH CON Application - 2010-11-23 10-078.

While we noted, and greatly appreciated, your agency's citation of our previous comments in your initial report, we did not see our comments posted in the online application documents. I have therefore also attached our previous submitted comments as well as our testimony from Monday's hearing.

Please don't hesitate to contact me if you have any questions.

Best regards,

Frank Borgers, PhD  
Health Systems Consultant  
SEIU Local 73 and Doctors Council, SEIU

(773) 710-3619  
[fborgers@seiu73.org](mailto:fborgers@seiu73.org)



Service Employees International Union, Local 73  
Doctors Council, Service Employees International 300  
South Ashland Avenue, Suite 400  
Chicago, IL 60607-2701



April 20, 2011

Mike Constantino  
Supervisor, Project Review Board  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street (2<sup>nd</sup> Floor)  
Springfield, IL 62761

**Re: Oak Forest Hospital  
Application 10-078**

Dear Mr. Constantino and Members of the Board:

The Service Employees International, Local 73 and Doctor's council (SEIU) strongly support the decision by the Health Facilities and Services Review Board to deny Cook County Health and Hospital System's (CCHHS) application to close Oak Forest Hospital (OFH). SEIU continues to have very serious concerns about CCHHS's plan to close OFH by June 1, 2011 and we urge the Board to insist on a far more robust and transparent application before granting this Certificate of Need.

SEIU has endorsed the broad outlines of CCHHS's strategic plan - *Vision 2015* - including the need for expanded outpatient services. However, we have very serious concerns about the nature of the proposed closure of Oak Forest Hospital. As we have communicated to the Board previously, we have two major concerns - the lack of credible support from surrounding hospitals for this application, and the lack of a clear and transparent transition plan for Oak Forest.<sup>1</sup>

**Lack of Credible Support from Surrounding Hospitals:** Upon further review our previous concerns regarding the lack of credible support by Southside hospitals are even more serious.

CCHHS received only 7 responses from the 36 hospitals that received impact statement letters. Three of these responses - Palos, Advocate Christ Medical Center, and Holy Cross - were negative, citing heavy uncompensated care loads, a patient capacity crunch and frequent bypass. Two of these hospitals - Palos and Advocate Christ Medical Center - are within the HSA 4 hospital planning area and roughly 8.5 miles from Oak Forest.

Palos Hospital responded that its current E.R. volume is already at 50,000 visits per year and it records 86, 000 patient days per year. Palos's letter concludes - *"We don't believe that we have the capacity to assume additional volumes at this time. Obviously, if we had extra capacity we would not be engaged in a \$240 million dollar construction project."*

Advocate Christ Medical Center - which is part of the deep pocketed Advocate System - stated that they *"are unable to assume any of the patient load now at Oak Forest."* Advocate's letter concludes - *"Our ICUs are currently at 95 percent capacity, and critical patients often must board in the ED until a bed is available. This "capacity crunch" forces us to go on bypass often... An influx of patients from Oak Forest Hospital, however, would create significant access difficulties both for Oak Forest Hospital patients and for our present patient volume and demand."*

Holy Cross Hospital is not within the HSA 4 hospital planning area and is roughly 18 miles from Oak Forest. Holy Cross states that "due to our existing in- and outpatient demand for service and our continuing and large uncompensated care load, we are unable to assume any new capacity."

Only one hospital within the HSA 4 hospital planning area – Ingalls Memorial – indicated available capacity to assume displaced Oak Forest patients. While Ingalls may claim operational capacity, it is a hospital that is financially on the brink. As shown in Table 1, Ingalls' core financial measures place the hospital in or well below, a "speculative" credit rating by Standard & Poor's. Ingalls' precarious finances raise substantial questions about its ability to absorb uninsured patients displaced by Oak Forest's closure. In 2009 Oak Forest saw almost 1,900 uninsured inpatients and almost 70,000 uninsured outpatients.<sup>2</sup>

Table 1. Ingalls Memorial Core Financial Measures versus Standard & Poor's Credit Rating Benchmarks – 2008 and 2009<sup>3</sup>

Core Financial Measures	2008			2009		
	Ingalls	Standard & Poor's Benchmark		Ingalls	Standard & Poor's Benchmark	
		BBB+ to BBB-	Speculative		BBB+ to BBB-	Speculative
Operating Margin (%)	0.0	0.9	-1.7	0.3	1.6	-0.7
Excess Margin (%)	-15.6	2.4	-0.6	-0.4	1.8	-0.2
Days Cash on Hand	12	121.1	64.3	25	121.2	66.1
Debt to Capitalization (%)	53.6	42.3	54.8	53.0	42.1	51.3

Concerns over Ingalls' actual ability to absorb patients displaced by Oak Forest's closure are further heightened by a comparative analysis of bypass data. Ingalls bypass rate (61 bypass hours and 0.7 percent bypass hours) are double the state average. In comparison, Palos and Holy Cross, both of whom responded negatively to the OFH CON application, have considerably lower bypass rates.<sup>4</sup>

Only two other hospitals claimed they have available capacity to assume displaced Oak Forest patients - Jackson Park and South Shore. But neither Jackson Park nor South Shore is within the HSA 4 hospital planning area and both hospitals are about 18 miles away from Oak Forest. As many current Oak Forest patients have testified – these two hospitals are effectively out of reach for sick patients trying to navigate 18 miles on Southland's sparse and unreliable public transit.

As noted earlier, Holy Cross – which is about the same distance from Oak Forest as Jackson Park and South Shore - responded *negatively* to the CON application citing high levels of demand and uncompensated care. Yet, in 2009 Holy Cross's operating finances were comparable or better than those of Jackson Park and far above those of South Shore – which operates at the far boundaries of fiscal sustainability. This striking disjuncture raises very substantial questions about Jackson Park and South Shore's financial capacity to absorb uninsured patients displaced by Oak Forest's closure.

**Lack of a Clear and Transparent Transition Plan:** The serious fiscal and operational constraints on access to care for Southland patients highlights the necessity of a clear and transparent transition plan for closing Oak Forest Hospital and creating a Regional Outpatient Center (ROC). CCHHS application proposes the closure of Oak Forest Hospital by June 1, 2011 while promising to develop the Oak Forest ROC "over a longer period."

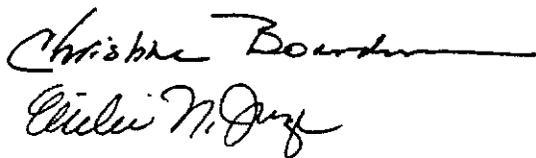
The potential significance of this temporal disjuncture is increased by the poor and worsening financial performance of CCHHS, which could significantly delay the creation of a ROC. Despite countless presentations, numerous meetings with CCHHS executives, and many hours of research, SEIU has been unable to obtain a detailed account of CCHHS's transition plan. We remain unclear about the scope of services to be offered by the ROC, staffing levels, and a firm timeline for conversion.

Our concern is heightened by the lack of a clear staffing transition plan. As of April 19, almost 20 doctors from Oak Forest Hospital are on a layoff list with no plan to integrate them into ROC outpatient services. A few doctors have been placed in existing CCHHS clinics but most are awaiting the final layoff notice. Some doctors have quit in frustration or disgust at the lack of a clear, rational, and equitable transition plan. Likewise, the National Nurses Union, which represents CCHHS nurses, reports that 15 Oak Forest RNs will be laid off effective May 20, 2011 and that 65 RNs will leave Oak Forest by May 20.<sup>5</sup>

Finally, CCHHS maintains that the creation of the OFH ROC is solely contingent upon the funds freed up by the closure of OFH. CCHHS has been reticent on details of internal financing and SEIU has been forced to submit multiple FOIA requests and has dedicated countless hours of research to try to gain some measure of insight. In the absence of clear and transparent financial accounting, SEIU finds CCHHS's argument unconvincing. SEIU finds CCHHS's claim, that any delay in approval of the CON delays its ability to provide critically needed outpatient services, objectionable and tantamount to a threat.

Given SEIU's very serious concerns we respectfully urge the Board to insist on a far more robust and transparent application before granting this Certificate of Need.

Sincerely,

The image shows two handwritten signatures in black ink. The first signature is "Christine Boardman" and the second is "Emilie N. Junge".

Christine Boardman, President, Service Employees International, Local 73  
Emilie Junge, Regional Coordinator, Doctor's council, Service Employees International

**Notes:**

<sup>1</sup> Service Employees International Union, Local 73 and Doctors Council Letter to Illinois Health Facilities and Services Review Board, January 20, 2011.

<sup>2</sup> IDPH Survey – Oak Forest, CY 2009.

<sup>3</sup> Ingalls core financial measures calculated by SEIU from Ingalls financial disclosures. Standard & Poor's Credit Rating Benchmarks from *Not-For-Profit Health Care 2010 Mid-Year Update and 2009 Median Ratios* (July 28, 2010).

<sup>4</sup> Illinois Hospital Report Card data accessed April 19, 2011.

<sup>5</sup> National Nurses Organizing Committee, *The Impact of the Closure of Oak Forest A Nursing Analysis, Testimony to the Illinois Health Facilities and Services Review Board*, April 18, 2011.



Service Employees International Union, Local 73  
Doctors Council, Service Employees International 300  
South Ashland Avenue, Suite 400  
Chicago, IL 60607-2701



January 20, 2011

Mike Constantino  
Supervisor, Project Review Board  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street (2<sup>nd</sup> Floor)  
Springfield, IL 62761

**Re: Oak Forest Hospital  
Application 10-078**

Dear Mr. Constantino and Members of the Board:

The Service Employees International, Local 73 and Doctor's council (SEIU) has serious concerns about Cook County Health and Hospital System's application to discontinue Oak Forest Hospital (OFH) by June 1, 2011. Specifically, SEIU has the following concerns.

**1) The OFH CON lacks widespread support from surrounding hospitals:** CCHHS claims in its OFH CON that, "*(w)hile we have no specific knowledge of how the proposed project will affect other safety net services, the response to the System's Strategic Plan, from safety net providers, and others, has been substantially positive.*" (p. 294) In reality CCHHS received only 7 responses from the 36 hospitals that received impact statement letters. Of these letters:

- Only one hospital within 10 miles or 15 minutes of OFH responded positively (*please see attached map – Oak Forest Hospital, its 8 Closest Hospitals, and CON Respondents*);
- The two other affirmative responses were about 18 miles or 30 minutes from OFH;
- These are driving distances and times. Many OFH and other South and Far South patients have no option but to travel by public transit and face well recognized barriers to accessing public transit.
- Of the 8 hospitals nearest OFH, only 1 hospital responded in the affirmative while two responded negatively and the remaining 5 hospitals did not respond at all.

While the HFPB considers surrounding hospitals' failure to respond "*a non-rebuttable assumption that the discontinuation will not have an adverse impact for that facility,*" the extremely low level of support by Southside hospitals raises very serious concerns about the impact of OFH's closure.

**2) The negative impact statement responses' raise serious concerns:** Of the three negative responses, one (Palos) is very negative, while the other two (Holy Cross and Advocate Christ) point to heavy uncompensated care loads, patient capacity crunch and frequent bypass.

**a) There is currently a severe patient care "capacity crunch" on Chicago's Southside:** Advocate Christ's letter gives a powerful sense of the Southside's "capacity crunch":

*"With regard to our ability to provide care to Oak Forest Hospital patients, Christ and Hope are severely capacity constrained and are unable to assume any of the patient load now at Oak Forest. Our ICUs are currently at 95 percent capacity, and critical patients often must board in the ED until a bed is available. This "capacity crunch" forces us to go on bypass often. We are making a concerted effort to bring our bypass hours down. An influx of patients from Oak Forest Hospital, however, would create significant access difficulties both for Oak Forest Hospital patients and for our present patient volume and demand."*

This statement presents a striking contrast to CCHHS's application, which claims an average daily census at OFH of 50-60. Clearly, OFHs low census reflects the cumulative impacts of years of downsizing and mismanagement of CHHS and OFH in particular.

**b) We can anticipate reductions in uncompensated care on Chicago's Southside:** The significance of Holy Cross's negative response is exacerbated by the fact that this not-for-profit hospital has been acquired by for profit Vanguard. Not only will Holy Cross lose its not-for-profit status, it will become part of a debt-laden for profit owner who will likely reduce Holy Cross's uncompensated care, thus adding this load to remaining Southside providers.

**c) Advocate refused to support the OFH CON:** Illinois' and Cook County's largest hospital system – Advocate, which has three major facilities in close proximity to OFH - does not support CCHHS's CON. This is a striking weakness in this application.

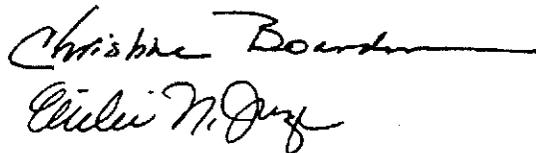
**3) There are serious concerns about the nature and timing of Oak Forest's transition from hospital to Regional Outpatient Care Center:** Advocate Christ's negative response raises further concerns in that it points to the challenges facing OFHs closure and its' transition to a Regional Outpatient Care Center.

Advocate Christ's letter conditionally supports the concept of such a transition if this occurs "without service disruptions" (sic) and "provided that it proceeds as (CCHHS) described." The letter notes that a "smooth transition for the Oak Forest campus is critical to maintaining timely access to emergency services in the Southland." Given CCHHS doctors' experience of an extremely dysfunctional transition at Provident this is an important concern.

These doubts surrounding OFH's transition are reinforced by the application's proposal to discontinue Oak Forest Hospital (OFH) by June 1, 2011 while promising to develop the OFH ROC "Over a longer period." The potential severity of this temporal disjuncture is increased by the large Cook County budget crisis - which has already seen President Preckwinkle imposing a temporary freeze on new capital projects, including the remodeling of Fantus.

**Please deny this permit.**

Sincerely,



Christine Boardman, President, Service Employees International, Local 73  
Emilie Junge, Regional Coordinator, Doctor's council, Service Employees International

