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September 22, 2011

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**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities  
and Services Review Board  
525 West Jefferson  
Springfield, IL 62761

**RE: Public Comment**  
**Projects 11-039-11-053**  
**Resurrection/Provena Change of**  
**Ownership CON Applications**

Dear Ms. Avery,

As you know, Resurrection Health Care Corporation ("Resurrection") and Provena Health (Provena), along with other related parties (collectively, "the Parties"), have submitted 15 Certificate of Need permit applications ("CON Applications") seeking approval from the Illinois Health Facilities and Services Review Board ("Board") for deemed facility changes of ownership that will result from the proposed combination of the two health care systems. These CON Applications are tentatively scheduled to be heard at the October 2011 meeting of the Board.

I am currently the Chief Executive Officer of Provena Health. I am also the designated incoming Chair of the governing board for the merged Provena/Resurrection System.

At the time the CON Applications were submitted to the Board for review by Board staff, the Parties requested a public hearing on each of the 15 applications. These public hearings were requested by us in order to afford local communities served by each facility the opportunity to hear about the proposed system merger from leaders of the sponsoring religious organizations, the two current systems, and the local facility, and to give members of the public the chance to voice their views on the proposed merger.

You, and other Board staff, have worked diligently with the Parties to schedule and conduct these public hearings. We very much appreciate your efforts and those of other Board

staff, and we are also grateful to the Board members who attended one or more of these public hearings.

The public's response to the proposed system merger has been overwhelmingly positive. Across 15 public hearings, we heard from a great many supporters. Indeed, we heard from only one individual who opposed the project, which is extraordinary for a project of this magnitude and geographic diversity. As an overall matter, the local communities we serve appreciate that this proposed system merger will allow us to better serve our mission of delivering Catholic health care to all those in need, in an era marked by health care reform, declining reimbursement, and a heightened need for efficient and quality-focused performance.

We requested these public hearings in the spirit of transparency and community inclusiveness. We wanted our local communities to hear from us and, in turn, we wanted the Board and the Parties to hear from the local communities. In that same spirit, we are submitting this written public comment to address a few questions that were raised by individuals at the public hearings held for Provena Covenant Medical Center and Our Lady of the Resurrection Medical Center.

### **1. Questions Regarding Charity Care Levels and Processes for Both Systems' Hospitals**

*At the Provena Covenant Medical Center public hearing, several community members asked whether the merged System would foster an environment that facilitates charity care delivery, and asked System representatives to include local community representatives in charity care and other related matters. Notably, well-known local consumer advocate Claudia Lennhoff, Executive Director of Champaign County Health Care Consumers, spoke in support of the proposed merger.*

The Parties are proud and excited about our new proposed Financial Assistance and Charity Care policy, which takes from the best parts of both existing system policies to establish a state of the art policy designed to recognize and meet the needs of both uninsured and underinsured members of the communities served by all hospitals in the new system. For example, the automatic discount on charges provided to uninsured patients will increase from 25 % for Resurrection and 20% for Provena to 40% for the merged System. Resurrection will increase its discount levels for patients at all income levels to match Provena's, so that patients with family incomes up to 200% of the Federal Poverty Level will receive free care, with a 90% discount provided to families with income up to the 300% Poverty Level, 80% for families with incomes up to 400% of the Poverty level, and 75% for families with income up to 600% of the Federal Poverty level.

For patients who for whatever reasons don't apply for charity care, the new System will independently evaluate ability to pay based on all available data, and when such information indicates an inability to pay, the System will apply a charity discount, advise the patient and cease all collections activity. Also, consistent with both Systems' current practice, patients can apply for charitable discounts at any time after receiving services.

The new policy will be implemented as soon as practicable after the proposed system merger is finalized. This implementation will include the training of applicable personnel and the preparation of brochures, signage, website information, forms, and other documents to inform patients regarding their potential eligibility for charitable assistance.

The new System will welcome input from members of all of its various local communities on its charity care policy and its implementation. At Provena Covenant Medical Center, for example, the hospital's Community Committee already is being used as a vehicle for community leaders, including Ms. Lennhoff, to provide input and perspective on consumer advocacy matters, including charity care implementation. This committee was created in order to provide an open forum for members of the public to participate in dialogue with hospital representatives about financial assistance and other related topics. Hospital representatives meet regularly with Ms. Lennhoff on topics of interest to her organization.

In addition to engaging with local communities, representatives of both current Systems met this summer with senior officials in the Illinois Attorney General's office to review all of the elements of the proposed new charity care policy, and to make sure we understood any concerns they had going forward regarding this policy. While we do not speak for the Attorney General's Office, we are pleased to report that they received the proposed policy in a very positive manner, and did not ask us to change the proposed policy in any way.

## **2. Participation in Medicare 100 Program for Provena Sites**

*Certain community members at the Provena Covenant Medical Center public hearing sought reassurance that the hospital will be free to continue its collaboration with the local Medicare 100 program post-merger.*

Under the combined System, ministry activities will remain under the control of local health care facilities and their respective governing boards. Provena Covenant Medical Center intends to continue to collaborate with the Medicare 100 program in the local Urbana community, which assists low-income Medicare beneficiaries. In 2010 \$20,034.41 worth of services, at cost, were provided through the Medicare 100 program, with an additional \$16,825.52 being provided during the first eight months of 2011.

## **3. Impact of Merger on Nurse Staffing Levels**

*At the public hearing for Our Lady of the Resurrection Medical Center, one individual commented on nurse staffing levels at various Resurrection and Provena hospitals.*

Both systems currently determine nurse staffing needs on a unit-by-unit, day-to-day basis, taking into account patient census and acuity levels as well as other factors. Therefore, a "head to head" comparison of nurse staffing levels provides an incomplete picture of the degree to which nursing staff levels meet patient needs. Both systems view our nurses as among our greatest assets, and the many quality awards received by our hospitals reflects the value of our nurses' contributions.

We also note that our respective systems and hospitals have received many independent awards and designations that acknowledge our nurse focus and clinical excellence. For example,

Resurrection Saint Frances Hospital has been named a Magnet hospital for nursing by the American Nurses Credentialing Center, which is a coveted designation that takes several years to achieve. Magnet status is awarded to hospitals that provide the best in professional nursing practice and patient care. With this designation, Saint Francis Hospital has collaborated with other Resurrection hospitals on developing best practices to support our nurses' high quality of care. In addition, the Resurrection system hospitals have received numerous quality awards from HealthGrades, including the Distinguished Hospital Award for Clinical Excellence at three hospitals, 14 specialty excellence awards and 48 5-star ratings. *U. S. News and World Report* has recognized three Provena ministries as among the highest performing based on stringent benchmarks, including two hospitals, which were ranked among the best in the metropolitan Chicago area. Five Provena hospitals have earned certifications as Advanced Primary Stroke Centers by the Joint Commission, a number of Provena hospitals have been recognized by HealthGrades, including a Distinguished Hospital Award and more than a dozen top five percent and five-star ratings in 2011, and Provena Health has twice been named a Top Technology Innovator by InformationWeek 500.

#### **4. Employee Benefits**

*At the public hearing for Our Lady of the Resurrection Medical Center, one individual commented on the proposed system merger's possible impact on employee benefits.*

##### **A. How Will Employee Benefits Change in Connection with the Merger?**

Consistent with the long-time practices of both organizations, we are committed to providing market competitive benefits, in order to retain our current employees and attract high-quality individuals to work in our combined System in the future.

##### **B. Resurrection Pension Benefits Funding**

With the significant stock market decline that occurred in late 2008 and in 2009, funding levels for almost every pension plan in the country dropped, and the Resurrection plan was no exception. Nonetheless, over the past two years, the funding level for the Resurrection plan has improved dramatically, for two reasons: (1) the stock market has made a remarkable comeback; and (2) Resurrection has significantly increased its contributions to the plan. Over the last two years, Resurrection will have deposited \$113 million into the pension fund, which is well in excess of pension expenses for those years of \$70 million. The greater financial stability that is projected to result from the merger will help assure that continued appropriate contributions are made to Resurrection's plan.

##### **C. Provena's Pension Plan**

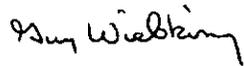
Provena employees have a pension plan, which is very well funded. It combines a pension contribution for all eligible employees with matching contributions for those employees who save through the 403(b) retirement savings plan – very similar to Resurrection's current RESavings and Retirement Plan.

**D. What Happens to Pension and Retirement Plans of the Two Systems in the Merger?**

As part of our overall benefits package, we are committed to providing employees with a competitive retirement plan and a variety of retirement savings investment options that help them build financial security. Any pension or retirement income plans adopted by the new combined System organization will have no impact on employees' interests in the current retirement plans. Employees who are vested in their current plans are entitled to their account balance when they retire or separate from the organization for any other reason. Employees with years accrued towards vesting in either of the current system's plans will typically have such time credited towards vesting under a new plan, if one is adopted in the future.

Once again, thank you for the opportunity to submit this public comment. We look forward to seeing you at the October meeting of the Board, when our CON Applications are tentatively scheduled to be heard.

Very truly yours,



Guy Wiebking  
Chief Executive Officer  
Provena Health

cc S. Bruce  
M. Kieffer  
J. Frey  
A. Murphy  
J. Axel