

Axel & Associates, Inc.

MANAGEMENT CONSULTANTS

by FedEX

May 14, 2014

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MAY 15 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

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

RE: Project 13-076
Holy Cross Hospital
Type A Modification of Application for Permit

Dear Courtney:

On April 22, 2014 the above-referenced Certificate of Need application, proposing the establishment of a 50-bed acute mental illness ("AMI") category of service was scheduled to be heard by the Illinois Health Facilities and Services Review Board. Following the Public Participation portion of the meeting, which included testimony in support of and in opposition to the project, the applicants elected to defer consideration of the project.

The applicants remain concerned over the ability of residents of the neighborhoods surrounding Holy Cross Hospital to access inpatient AMI services. The applicants also respect the current providers of inpatient AMI services on the south and west sides of Chicago. As a result, and with this submittal, Sinai Health System and Holy Cross Hospital are modifying Project 13-076, to reduce the scope of the project from 50 to 24 beds. The physical size (square footage) of the project and the project's cost have also been reduced, consistent with the reduced number of beds.

Enclosed are revised pages of the Application for Permit, addressing the modified project.

The applicants respectfully request that the IHFSRB place this project on the agenda of its scheduled July 15, 2014 meeting.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Jacob M. Axel
President

enclosures

cc A. Channing
R. Dvorken
C. Weis
C. Ranalli

Project Costs and Sources of Funds

	Reviewable	Non-Reviewable	TOTAL
Project Cost:			
Preplanning Costs	\$ 65,000		\$ 65,000
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	3,131,989		3,131,989
Contingencies	300,041		300,041
Architectural/Engineering Fees	330,000		330,000
Consulting and Other Fees	140,000		140,000
Movable and Other Equipment (not in construction contracts)	450,000		450,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction Period			
Fair Market Value of Leased Space or Equipment			
Other Costs to be Capitalized			
Acquisition of Building or Other Property			
TOTAL USES OF FUNDS	\$ 4,417,030		\$ 4,417,030
Sources of Funds:			
Cash and Securities	\$ 4,417,030		\$ 4,417,030
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$ 4,417,030		\$ 4,417,030

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project Yes No
Purchase Price: \$ _____
Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ 250,000.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): December 15, 2015

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
 Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

8

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. **Include observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Holy Cross Hospital			CITY: Chicago		
REPORTING PERIOD DATES: From: January 1, 2012 to: December 31, 2013					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	204	8,807	37,617	None	204
Obstetrics	16	387	1,749	None	16
Pediatrics					
Intensive Care	20	925	7,046	None	20
Comprehensive Physical Rehabilitation	34	486	5,186	None	34
Acute/Chronic Mental Illness	0	n/a	n/a	+24	24
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	274	10,605	51,598	+24	298

*includes 4,060 observation days

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Acute Mental Illness (AMI)	11,634 DGSF	<13,440 DGSF	(1,806 DGSF)	YES

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	AMI	n/a	6,600 pt days	7,446	n/a
YEAR 2	AMI	n/a	7,700 pt days	7,446	YES

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

C. Criterion 1110.730 - Acute Mental Illness and Chronic Mental Illness

1. Applicants proposing to establish, expand and/or modernize Acute Mental Illness and Chronic Mental Illness category of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Acute Mental Illness	0	24
<input type="checkbox"/> Chronic Mental Illness		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.730(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.730(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.730(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.730(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.730(b)(5) - Planning Area Need - Service Accessibility	X		
1110.730(c)(1) - Unnecessary Duplication of Services	X		
1110.730(c)(2) - Maldistribution	X		
1110.730(c)(3) - Impact of Project on Other Area Providers	X		
1110.730(d)(1) - Deteriorated Facilities			X
1110.730(d)(2) - Documentation			X
1110.730(d)(3) - Documentation Related to Cited Problems			X
1110.730(d)(4) - Occupancy			X
1110.730(e)(1) - Staffing Availability	X	X	
1110.730(f) - Performance Requirements	X	X	X
1110.730(g) - Assurances	X	X	X
APPEND DOCUMENTATION AS <u>ATTACHMENT-22</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

\$4,417,030	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$4,417,030	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT COSTS AND SOURCES OF FUNDS

PROJECT COSTS

Preplanning Costs	\$65,000
Alternatives evaluation-\$20,000	
Feasibility assessment-\$40,000	
Other/Misc.-\$5,000	
Modernization Contracts	\$3,131,989
Estimate of renovation-related costs associated with the re-use of two units originally designed as medical/surgical units	
Contingencies	\$300,041
Renovation-related contingency	
Architectural and Engineering Fees	\$330,000
Design-\$185,000	
Alternatives assessments-\$25,000	
Regulatory agency interaction-\$25,000	
Equipment selection and planning-\$15,000	
Interiors-\$30,000	
Renovation monitoring-\$25,000	
Other/Misc.-\$25,000	
Consulting	\$140,000
CON-related-\$95,000	
Permits, fees, and reviews-\$30,000	
Other/Misc.-\$15,000	
Moveable Equipment	\$450,000
Please see equipment budget, attached	

SOURCES OF FUNDS

Cash*	\$4,417,030
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*A portion of the project’s funding may come from a capital grant earmarked for capital improvements at Holy Cross Hospital. Since that funding has already been received, and consistent with direction provided through a technical assistance conference with IHFSRB staff, the applicants have identified all funding as “cash”. Should the applicants elect not to use the proceeds of that capital grant to fund a portion of this project, and as documented, the applicants have sufficient liquid assets to fund the entire project.

ESTIMATED EQUIPMENT COSTS

**Sinai Health System - Holy Cross Hospital
Behavioral Health In-Patient Bed Project
Preliminary Equipment List**

Item No.	Qty.	Description	\$/Unit	Ext. Cost
	5	Dynamapp	\$1,500	\$7,500
	4	Heavy Duty Platform Bed w/ restraint rails	\$3,500	\$14,000
	20	Manual Bed	\$5,000	\$100,000
	21	Bedside Cabinet	\$500	\$10,500
	2	Defibrillator	\$13,500	\$27,000
	1	OmniCell Pharm Disp.	\$75,000	\$75,000
	1	ECT	\$7,500	\$7,500
	3	Exercise Equipment	\$3,500	\$10,500
	20	Computers	\$1,200	\$24,000
	2	Heavy Duty Washer	\$1,000	\$2,000
	2	Heavy Duty Dryer	\$1,000	\$2,000
	2	Ice maker	\$4,500	\$9,000
	3	Refrigerator	\$1,000	\$3,000
	2	TV Monitor	\$750	\$1,500
	3	Copy Machines	\$750	\$2,250
	3	Fax, Panafax	\$800	\$2,400
	2	Vocera Communication System	\$30,000	\$60,000
	2	Security Observation System	\$20,000	<u>\$40,000</u>
		TOTAL		\$398,150
Note:	The following items are under \$500 each:			
	50	Visitor Chair	\$250	\$12,500
	25	Task Chair	\$250	\$6,250
	5	Work Table	\$400	\$2,000
	4	Conference Table	\$400	\$1,600
	4	Standard Desk	\$400	\$1,600
	18	Overbed Table	\$350	\$6,300
	18	Night Stand	\$200	\$3,600
	24	Mattress	\$250	\$6,000
	LS	Therapeutic Games and Supplies	\$12,000	<u>\$12,000</u>
		TOTAL		\$51,850
		Project Total		\$450,000

Cost Space Requirements

Dept./Area	Cost	Departmental Gross Square Feet			Amount of Proposed Total Square Feet			Vacated Space
		Existing	Proposed	New Const.	Modernized	As Is		
AMI	\$ 4,417,030	-	11,634		11,634			
TOTAL	\$ 4,417,030		11,634		11,634			

PURPOSE

Holy Cross Hospital (HCH) does not currently operate an acute mental illness (AMI) category of service. As a result, its Emergency Department patients in need of this service, as well as inpatients that would benefit from this service (often following a medical admission) need to be transferred elsewhere, and often significant distances from their homes. Finding an appropriate bed in another hospital for these patients is often an arduous task, requiring inquiries of numerous hospitals before a transfer is arranged with a hospital willing to accept the patient. A letter from the HCH Emergency Department, documenting 513 transferred patients during the year ending June 30, 2013 is provided in ATTACHMENT 15. In addition, physicians (predominantly psychiatrists and primary care physicians) practicing at HCH and nearby Mount Sinai Hospital have documented in excess of 3,400 of their patients admitted elsewhere for psychiatric care during the year ending June 30, 2013, 1,850 of which would have been admitted to HCH, had an AMI bed been available (please see letters in ATTACHMENT 15). Admission of these patients elsewhere typically requires the patient to leave their home community, often precludes the patients' primary care physician from following the patient, and the patients' families from participating in the treatment process.

This project has been modified to reduce the number of proposed beds from 50 to 24, consistent with IHFSRB rules and in response to concerns raised by other area providers of inpatient AMI services.

Therefore, the primary purpose of the proposed project, which is limited to the establishment of an AMI unit at Holy Cross Hospital, is to provide area residents AMI services in their community. The hospital's primary service area (PSA), as identified on the attached map, is relatively small, consisting of only five ZIP Code areas, and providing nearly $\frac{3}{4}$ of the hospital's admissions. Also of note is the fact that HCH cares for a very large Medicaid population. IDPH data indicates that State-wide during 2012, 19.5% of the patients admitted to

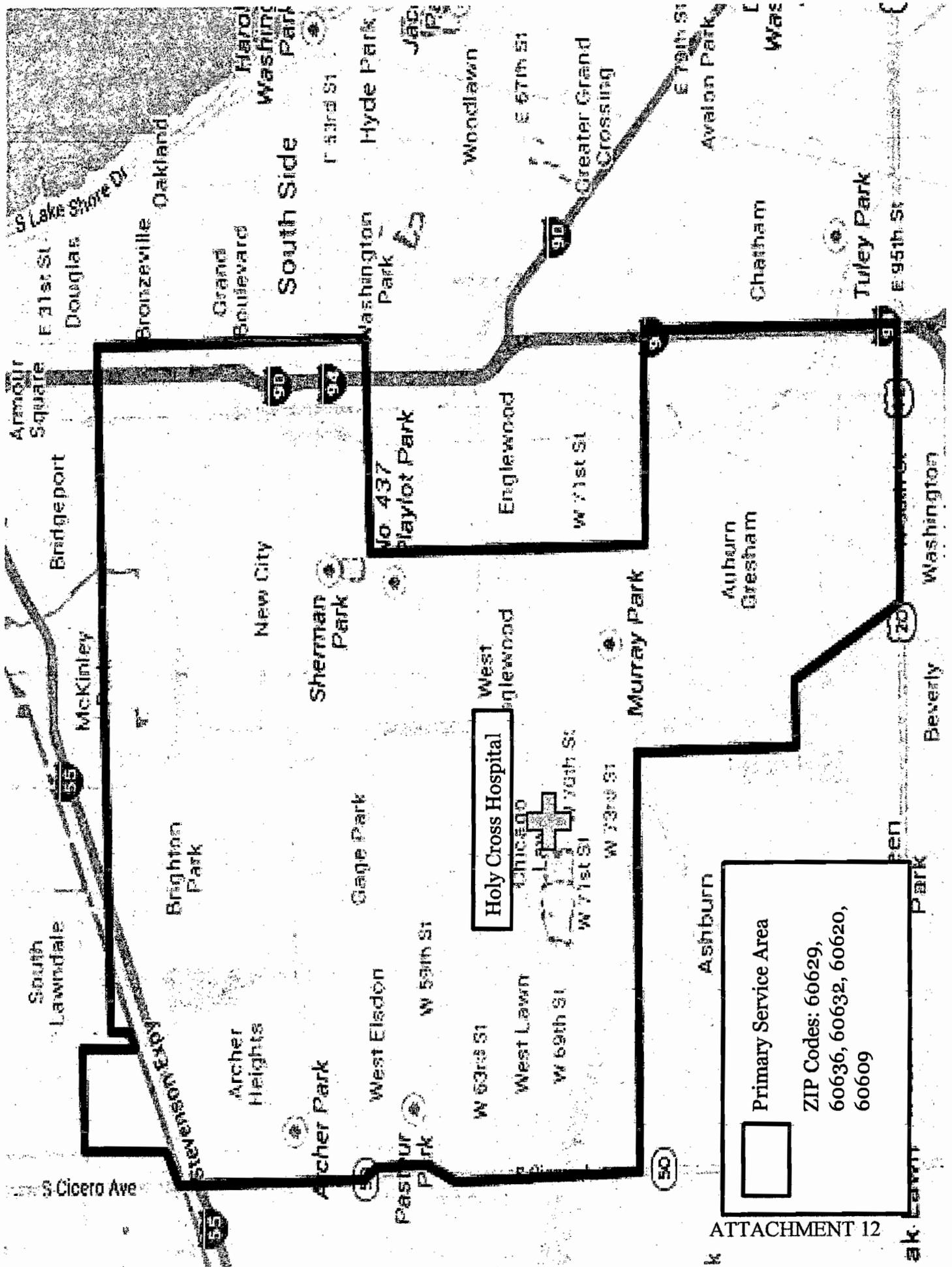
medical/surgical units were Medicaid recipients. During that same period, 31.0% of HCH's medical/surgical admissions---150% of the State-wide figure---were Medicaid recipients.

The proposed AMI unit is absolutely consistent with Sinai Health System's strong commitment to address the mental health needs of the communities it serves. That commitment reaches far beyond the services typically provided by acute care hospitals. In addition to the inpatient psychiatry unit located at Mount Sinai Hospital, SHS provides outpatient programs, ranging from 24/7 crisis intervention services to psychosocial rehabilitation for children, adults and families, and residential programs are operated for the adult community. And, in 2013 in response to the community needs assessment conducted by Sinai Health System ("SHS") upon Holy Cross Hospital's joining SHS, SHS established an outpatient mental health clinic at Holy Cross Hospital. Among the outpatient programs offered both on and remote from the SHS hospital campuses are: psychological evaluations, medication management, case management, psychological rehabilitation, and individual, family and small group therapy. Sinai Medical Group, in addition to providing on-campus inpatient and outpatient programs, provides a wide continuum of youth and adult services through its Oak Park center, ranging from 24/7 crisis intervention programs to community-based clinical services, to supportive residential care. SHS provides a community-based alternative to inpatient care through Pioneer House, located on South Western Avenue. Consumer-driven and culturally-sensitive outpatient programming as well as supportive residential housing for adults are provided through Pioneer House. Last, SHS's *Under the Rainbow* program, targeting the community's youth population, incorporates a variety of child, adolescent and family mental health services into its bilingual programming.

The table on the following page provides an analysis of HCH's patient origin, identifying each ZIP Code area contributing a minimum of 1.0% of the hospital's admissions, YE June 30, 2013. It is not anticipated that the proposed project will have any material impact on patient origin.

ZIP Code				Cum.
Area	City	%	%	%
60629	Chicago	28.1%	28.1%	28.1%
60636	Chicago	21.0%	49.1%	49.1%
60620	Chicago	9.1%	58.2%	58.2%
60632	Chicago	8.0%	66.2%	66.2%
60609	Chicago	7.5%	73.7%	73.7%
60621	Chicago	4.4%	78.1%	78.1%
60652	Chicago	2.8%	80.9%	80.9%
60638	Chicago	1.5%	82.4%	82.4%
60619	Chicago	1.5%	83.9%	83.9%
60628	Chicago	1.2%	85.1%	85.1%
60617	Chicago	1.1%	86.2%	86.2%
60643	Chicago	1.0%	87.2%	87.2%
	others, <1.0%	12.8%	100.0%	100.0%

The goal of this project is to address the needs of community residents and HCH patients requiring admission to an AMI bed; and to do so through a unit at HCH. The success in meeting this goal will be immediately measurable following the project's completion through both the reduction and potential elimination of the transferred AMI patients elsewhere for admission.



ATTACHMENT 12

ALTERNATIVES

The applicants for the proposed project are Sinai Health System (SHS) and one of its members, Holy Cross Hospital (HCH). The purpose of the project is to improve accessibility to acute mental illness (AMI) services for the largely-overlapping service areas of SHS's two acute care hospitals, HCH and Mount Sinai Hospital (MSH). The SHS hospitals' service area includes a disproportionately high number of Medicaid recipients.

The project addressed through this *Application for Permit* proposes the establishment of a 24-bed AMI category of service to be developed through the renovation of two wings on the third floor of the hospital, originally designed as medical/surgical units.

The first alternative to the proposed project considered by SHS involved the expanding of MSH's category of service to meet the demand documented in ATTACHMENT 15. That alternative was dismissed, due to a lack of the space needed to support the additional AMI beds at MSH.

The second alternative considered was the construction of a freestanding mental health facility, or a major addition to MSH or HCH to centralize all of SHS's mental health services in a single location within the hospitals' common service area. This alternative was dismissed due to the capital cost associated with the required construction, regardless of scope of the alternative.

The third alternative considered was the continued reliance on other providers to meet the needs of area residents. This alternative was dismissed because it would result in a status quo--- continued difficulties in transferring SHS patients from the Emergency Departments to AMI providers willing to accept the patients, an inability of SHS primary care physicians to follow their patients admitted to a remote AMI program, a lack of continuity between inpatient AMI care and subsequent outpatient care resulting from the difficulties associated with traveling

significant distances for outpatient services, and difficulties experienced by patients' families in participating in inpatient treatment programs.

The originally proposed project, now viewed as an alternative to the establishment of the now-proposed 24-bed unit, was the establishment of a 50-bed AMI service at HCH. This proposal met with opposition from existing providers, some of which, like the SHS hospitals, are safety net providers. The opposing hospitals cited excess capacity in their facilities and a negative financial impact on their operations.

Accessibility for area residents, quality of care, and operating costs would be very similar to that of the proposed project, if either of the first two alternatives discussed above were selected. Accessibility, as experienced in the past, would be compromised with the third alternative, but would be superior with the 50-bed alternative, if difficulties in securing a bed continue. If space were available at MSH for the implementation of the first alternative, the associated capital costs would be similar to those of the proposed project, approximately \$8.5M. As noted above, however, sufficient space for the adoption of this alternative is not available. The capital costs associated with the second alternative were initially estimated \$50-55M, assuming a building of approximately 112,000 square feet to house Sinai Health's outpatient mental health programs as well as its current and proposed inpatient programs. The third alternative would not have any capital or operating costs, but, and as noted above, would not address the need for the project. The establishment of a 50-bed AMI service would have a capital cost of approximately \$8.5M.

The chosen alternative as presented in this modification—the establishment of a 24-bed AMI unit—addresses the concerns raised by other inpatient AMI providers related to the impact of the originally proposed 50-bed program, while also providing reasonable access for the residents of the neighborhoods that have traditionally looked to Holy Cross Hospital for care.

SIZE

The proposed acute mental illness (AMI) unit will occupy 11,634 sf renovated space on the third floor of the hospital. As a result, 485 sf/bed will be provided, compared to the IHFSRB standard of 440-560 sf/bed. The allocated space is dictated by the existing design of the unit, and is not excessive.

SERVICE DEMAND

The applicants, as a result of the documentation from referral sources provided in this ATTACHMENT, anticipate that the proposed acute mental illness (AMI) category of service at Holy Cross Hospital will reach the IHFSRB's 85% utilization target by the second year following the project's completion, and will maintain that level. A majority of this utilization will come from Sinai Health Systems' two Emergency Departments. The unit's occupancy rate during the first year of operation is projected to approximate 75%, as a result of the anticipated "ramp-up" period immediately following the unit's opening.

Sinai Health System (SHS) operates two general acute care hospitals: Holy Cross Hospital and Mount Sinai Hospital; with the two hospitals having largely overlapping service areas. Mount Sinai Hospital (MSH) operates a 28-bed AMI unit, which experienced an occupancy rate of 85.2% during 2013, and often is "closed" to additional patients, as evidenced by the 416 patients transferred from MSH's Emergency Department to other hospitals for admission to an AMI bed during the . Holy Cross Hospital (HCH) does not currently operate an AMI service.

Consistent with IHFSRB requirements, prospective admissions have been documented through letters from referral sources. Specifically, letters are provided from:

- forty physicians, documenting 1,850 patients that would have been admitted to HCH for AMI services had an AMI unit been available;
- a letter from HCH's Emergency Department, identifying 496 patients that would have been admitted to HCH for AMI services had an AMI unit been available; and
- a letter from MSH's Emergency Department, identifying 362 patients that would have been admitted to HCH for AMI services had an AMI unit been available.

Together, these three sources identified 2,708 patients. Assuming the 5.8 day average length of stay experienced by MSH's AMI unit in 2012, 15,706 patient days of care are projected, which would support the originally-proposed 50 beds at the IDPH's target utilization level. With the removal of 26 beds from the originally proposed project, the applicants believe that the ability to operate at the target utilization level is beyond doubt. Patients anticipated to be admitted to the HCH unit from the two Emergency Departments, alone, will result in an average daily census of 13.6 patients.

SERVICE DEMAND

The proposed 24-bed acute mental illness (AMI) service has been reduced from the originally-proposed 50 beds in response to concerns expressed by area providers of AMI inpatient services, and is consistent with and necessary to meet the demand for this service, operating at the IHFSRB's target utilization level.

Consistent with IHFSRB requirements, prospective admissions have been documented through letters from referral sources. Specifically, letters are provided from:

- forty physicians, documenting 1,850 patients that would have been admitted to Holy Cross Hospital (HCH) for AMI services had an AMI unit been available;
- a letter from HCH's Emergency Department, identifying 496 patients that would have been admitted to HCH for AMI services had an AMI unit been available; and
- a letter from Mount Sinai Hospital's Emergency Department, identifying 362 patients that would have been admitted to HCH for AMI services had an AMI unit been available. Mount Sinai Hospital (MSH) is HCH's sister hospital, with both being operated by Sinai Health System. MSH is located 6.5 miles to the north of HCH (18 minute drive).

The physician and Emergency Department letters referenced above are provided in ATTACHMENT 15 of the originally-filed application. Together, these three sources identified 2,708 patients. Assuming the 5.8 day average length of stay experienced by MSH's AMI unit in 2012, 15,706 patient days of care are projected, which would support the originally-proposed 50 beds at the IDPH's target utilization level. With the removal of 26 beds from the originally proposed project, the applicants believe that the ability to operate at the target utilization level is beyond doubt. Patients anticipated to be admitted to the HCH unit from the two Emergency Departments, alone, will result in an average daily census of 13.6 patients.

SERVICE ACCESSIBILITY

The proposed acute mental illness (AMI) unit at Holy Cross Hospital (HCH) is necessary to improve the accessibility to AMI services for the communities served by HCH.

As discussed in other attachments to this application, HCH's Emergency Department routinely encounters difficulties when attempting to transfer patients to another hospital for admission to an AMI bed, and Mount Sinai Hospital experiences the same difficulties. As a result, HCH's ED has been forced to transfer patients as far away as the north side of Chicago (Chicago Lake Shore Hospital, Thorek Hospital, and Chicago Methodist Hospital) for AMI services. This not only results in a treatment site remote from the patient's home community, but causes difficulties with maintaining continuity of care following discharge, often precludes the patients' primary care physician from following the patient during hospitalization, and makes family interaction and participation in the treatment process very difficult.

The applicant's acknowledge that the IHFSRB's *Inventory* identifies AMI providers within the planning area as operating at less than the 85% target occupancy rate, and that a calculated bed "excess" exists. That information, however, does not appear to be reflective of actual community access to AMI beds. The lack of true access is not only documented through the difficulties often experienced by Holy Cross Hospital (as well as Mount Sinai Hospital) when attempting to secure a bed for AMI patients, but by the day-to-day operational issues experienced by providers.

For example, during 2013, Mount Sinai Hospital's 28-bed AMI unit operated at 85.2% occupancy, suggesting that a bed for a new patient would be accessible virtually every day. In fact, that assumed accessibility was not the case, and the unit's functional capacity is far less than the 28 beds located on the unit. As a result, AMI beds are often not available for patients initially seen in Mount Sinai's Emergency Department. This contradiction is due to a variety of factors related to the unit's design and the patient population being served. The 28-bed unit

contains only 18 patient rooms, with 20 of the 28 “available” beds being located in semi-private rooms. Not only do beds become “blocked” based on the sex and age of the patient occupying the other bed in the room, but due to clinical issues such as patients’ history of violence, predatory sexual tendencies, anti-social behavior, and non-compatible diagnoses. With only eight private rooms on the 28-bed unit, if only five beds are “blocked”, the target occupancy rate cannot be achieved. These issues have become more prevalent at Mount Sinai with the closing of State-operated beds, and it is believed that the other providers serving the communities that rely on Mount Sinai are experiencing similar circumstances.

In addition, three of the area’s largest (in terms of number of beds) AMI providers are UHS Riveredge Hospital (210 beds), UHS Hartgrove Hospital (150 beds), and UHS Garfield Park Hospital (88 beds). All three are owned by Universal Health Services, Inc.; and all three have restrictions on their admissions that diminish accessibility for HCH patients. Consistent with the medical/surgical patient population of HCH, the proposed AMI service is anticipated to treat only adult and older adult patients. In addition, the communities traditionally served by HCH have a disproportionately high percentage of Medicaid recipients. UHS Garfield Park Hospital limits its admissions to the 10-17 year old age group (statement from website attached); and while UHS Riveredge and UHS Hartgrove provide adult services; as freestanding psychiatric hospitals, they are not able to accept most adult Medicaid recipients. Therefore, there are 448 area AMI beds with limited accessibility for the anticipated patient population. Similar to UHS-Garfield Park Hospital, Roseland Community Hospital in its Certificate of Need application (08-055), described their program as being limited to children and adolescents, and therefore is not accessible to the vast majority of patients seen at HCH. Last, South Shore Hospital has described its AMI unit as a geropsychiatry unit, and therefore again, access is limited.

PERFORMANCE REQUIREMENTS

The proposed project involves the establishment of a 24-bed acute mental illness category of service in the City of Chicago, and is therefore in compliance with applicable performance requirements.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A		B		C		D		E		F		G		H		Total Costs (G + H)
	New	Cost/Sq. Foot	Mod.		New	Gross Sq. Ft.	Circ.		Mod.	Gross Sq. Ft.	Circ.	Const. \$	(A x C)	Mod. \$	(B x E)		
<u>Reviewable</u>																	
AMI			\$ 289.21			11,634			11,634					\$ 3,131,989		\$ 3,131,989	
contingency			\$ 25.79											\$ 300,041		\$ 300,041	
TOTAL			\$ 295.00			11,634			11,634					\$ 3,432,030		\$ 3,432,030	

182

SAFETY NET STATEMENT

The proposed project is limited to the expansion of Holy Cross Hospital's and Sinai Health System's (SHS's) commitment to addressing its community's mental health needs. This will be accomplished through the establishment of a 24-bed acute mental illness (AMI) category of service at Holy Cross Hospital, complementing the inpatient, hospital-based outpatient and community-based outpatient mental health programs now offered by SHS.

Sinai Health System has a long-standing and well-deserved reputation of being one of the most comprehensive providers of safety net services in Illinois; with the amount of charity care provided directly through its two hospitals accounting for only a fraction of the System's commitment to the provision of charity care and safety net services. SHS has become a model of how to most effectively and efficiently address the health care needs of a large urban population characterized by low income, a lack of preventive care, and limited access to both primary and specialized health care services.

Much of SHS's commitment to the safety net needs of its community is carried out through Sinai Community Institute (SCI) and Sinai Urban Health Institute (SUHI), both of which are subsidiaries of SHS.

SCI is a community-based health and social service provider committed to helping families and individuals improve their own health status and level of functioning. This goal is met not only through making affordable health care services and community resources available, but by also offering programs directed at quality education and job readiness, as well as case management and nutritional services. Among the continuum of direct health care services provided by SCI are: primary care and specialty medical care services, mental health services, rehabilitation services, social services, child abuse prevention and treatment, occupational health, home health care and substance abuse treatment. Because of a lack of available alternatives in the neighborhoods served by SHS, those services, as provided by SHS, are all safety net services.

SCI directly interacts with approximately 30,000 families a year, approximately 95% of which include low-income minority women and children.

Sinai Urban Health Institute works within the SHS community to develop and implement effective approaches to eliminate the health disparities stemming from such social issues as racism and poverty, through data-driven research, interventions, evaluation and community engagement. SUHI is recognized as a template for the identification and addressing of the health care issues associated with a low-income urban population, including lower life expectancy and higher rates of smoking, mental illness, obesity, diabetes and asthma. The findings of SUHI's research have been used to design prevention and treatment programs in use not only on the west side of Chicago, but nation-wide.

The proposed expanding of SHS's commitment to the provision of expanded safety net mental health programming is a direct result of the understanding of increasing rates of mental disease within the population served by SHS.