



by Fed EX

July 3, 2014

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

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JUL 03 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: Project 14-051
The Carle Foundation Hospital
**Public Response to Staff Review
and Findings**

Dear Ms. Avery:

This letter is being provided for IHFSRB and Staff consideration, consistent with Section 1130.635c), Public Response to Staff Review and Findings.

Presence Health respectfully believes there to be two material defects in the recently issued State Board Staff Report for the above-referenced project, and several mischaracterizations that we would like to address.

Material defects in State Board Staff Report

First, on page 3 and again on page 6 of the State Board Staff Report, it is noted that no letters of opposition were received. That is incorrect. A review of the IHFSRB website on June 30, 2014 shows that letters of opposition were filed by the following:

- Sandra Bruce, President and CEO Presence Health and Jared Rogers, MD, Regional President and CEO, Presence Covenant Medical Center
- Carmen Rocco, MD, Chief Medical Officer, Presence United Samaritans Medical Center
- Chuck Bohlmann, CEO, Iroquois Memorial Hospital and Resident Home
- Krishnarao Tangella, MD, Regional Medical Director of Laboratory, Central State Region, Presence Health

Second, Review Criterion 1110.430 (c) (4)/Service Demand (erroneously identified in the State Board Staff Report as 1110.530 (b) (4)) was found to be in non-compliance as a result of the June 2014 *Inventory Update* identifying an excess of 158 medical/surgical beds in the planning area. Review Criterion 1110.430 (c) (4), Subsection B/Projected Referrals requires that an applicant provide letters from physicians, indicating the physician's historical number of referred patients, and the number of patients that the physician anticipates referring to the applicant hospital. In order to assess the project's impact on other area providers, physicians are required to include the names of the hospitals that the physician is currently referring patients to, and the number of patients that will be "lost" from those hospitals, upon the completion of the proposed project. This applicant did not address Subsection B, and did not provide any "physician referral letters". As a result of the applicant failing to meet this criterion and provide the information required by Subsection B, the IHFSRB will be unable to identify what impact the proposed project will have on other area hospitals.

Mischaracterizations in State Board Staff Report

The following items stated in the State Board Staff Report ignore the fact that Presence Covenant has the ability to treat all but approximately 5% of Carle's existing case volume for Medical/Surgical beds:

- *"The proposed addition of medical/surgical beds at Carle will not adversely impact the ability of other providers or health care systems to serve patients seeking safety net services. As stated earlier, no other hospital in east central Illinois provides the same level of specialized care as Carle."* (page 6)

Comment: The proposed addition will have a negative impact on safety-net services to the East Central Illinois community, by diverting patients who can be appropriately cared for at Presence Covenant, creating a strong potential that Presence Covenant will no longer be financially viable, and will be forced to close or dramatically curtail existing services.

- State Board Staff Report states *"Based upon the broad scope and tertiary nature of the services CFH provides, there appears to be no equivalent provider in east central Illinois. In the absence of CFH, patients would need to travel to Chicago, Indianapolis or St. Louis to access the specialized services offered at CFH."* (page 2); Later in the report, this contention is repeated again that the beds are needed for specialty care: *"CFH is the*

only tertiary care hospital in the region, and its expansive partnerships with area critical access hospitals creates a need to add more beds to its existing inventory.” (page 14)

Comment: This completely ignores the fact that Presence Covenant offers essentially the same services as Carle

- *Carle Foundation Hospital (CFH) is a 345-bed tertiary care hospital located in Urbana. CFH has a Level I Trauma Center, a Primary Stroke Center, a Level III Perinatal Center”... (page 9)*

Comments:

- Presence Covenant is also a certified Primary Stroke Center.
- Perinatal cases should not be considered when discussing Med/Surg beds since Neonatal Care is a separate bed category and unrelated to Med/Surg capacity.
- The number of cases involving admission sources from Level I Trauma and Level III Perinatal is less than 5 percent of all of Carle’s cases.
- Alternatives criterion: Once again, the State Board Staff Report does not consider the services provided by Presence Covenant, which are essentially the same specialized services provided by Carle: *The applicant also considered diverting patients to other hospitals; however, no other hospital in east central Illinois provides the same level of specialized care as the applicant. (page 11)*

Comment: As noted above, the fact that 5% of all of Carle’s cases require a higher level of care than is offered at Presence Covenant does not justify the unwarranted expansion of beds in a category for which there is already excess beds and a qualified provider in the same town.

It is clear where the patients will come from. There are no appreciable population increases anticipated in the Champaign/Urbana area, and Carle is not proposing the development of new programs that will attract incremental patients. Therefore, the patients will need to come from other hospitals, resulting in a negative impact on those providers.

If Carle is allowed to add these 48 beds to an already oversupplied planning area (158 excess Medical/Surgical beds), this would be enough beds to cover Presence Covenant’s average daily census, and could ultimately lead to Presence Covenant’s closure. Carle would create a monopoly on the Champaign/Urbana market thereby sacrificing patient choice and resulting in



the loss of hundreds of jobs. Such results are completely contrary to the purpose of the Illinois Health Facilities Planning Act.

Due to the material defects and mischaracterizations clearly identified in the State Board Staff Report, **we ask the board to defer consideration of this project until these issues are properly addressed.**

Thank you for your consideration of these important issues.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Bruce".

Sandra Bruce, FACHE
President and CEO
Presence Health

attachments

cc M. Constantino
G. Roate

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JUN 23 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

by FedEX

June 23, 2014

Ms. Kathryn Olson
Chair
Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Project 014-015
The Carle Foundation Hospital
LETTER OF OPPOSITION

Dear Ms. Olson:

This letter is being submitted to voice strong opposition to Project #14-015, which proposes the addition of 48 medical/surgical beds to The Carle Foundation Hospital in Urbana, Illinois.

Scope of Project

The scope of the project—the addition of 48 medical/surgical beds—is 1) inconsistent with historical utilization, and 2) not supported in the manner required of past projects proposing either the establishment of a category of service or the expansion of an existing category of service, nor is it consistent with the applicable documentation requirements.

The applicant provided 71,683 medical/surgical patient days of care (pg. 9 of application) and projects that it will provide 78,038 medical/surgical patient days of care (pg. 103) during 2014. Both volumes include observation days. Assuming that the 2014 projection is realized, that number of patient days supports only 238 beds, (an increase of 26) rather than 48 beds.

The hospital experienced an increase of 8.4% in medical/surgical patient days from 2012 to 2013, and is projecting an 8.9% increase this year. Utilization is projected by the applicant to increase by 26.6% between 2013 and 2016. The Carle Foundation Hospital does not appear to be developing any new programs that will attract incremental patients, and no appreciable population increases are projected in the Champaign/Urbana area. The question that must be asked is: “Where will the projected incremental 12,709 patient days (2014 to 2016) come from?”



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Impact on Presence Covenant Medical Center

The impact that the addition of 48 medical/surgical beds at The Carle Foundation Hospital will have on Presence Covenant Medical Center will be devastating.

Simply stated, the 2,600-2,700 incremental medical/surgical admissions projected by Carle to be realized by 2016 in support of the proposed beds need to come from somewhere. Carle is projecting its average daily census ("ADC") to increase by 34.8 patients by 2016. Presence Covenant Medical Center is the only other hospital in Champaign/Urbana, and located approximately 2 minutes to the west of Carle. Many local physicians maintain privileges at both Carle and Covenant. Covenant's year-to-date medical/surgical ADC is 44 patients, and it is certainly reasonable to believe that the incremental patients projected to be admitted to Carle will come largely at the expense of Covenant. Carle draws a substantial portion of its patients from the following counties – Champaign, Vermilion, Coles, Ford and Iroquois. Therefore, many other hospitals would likely be affected, including Presence United Samaritans Medical Center, Gibson Area Hospital, Iroquois Memorial Hospital & Resident Home and Sarah Bush Lincoln Health Center.

Covenant is a 210-bed not-for-profit hospital that has been committed to the Champaign/Urbana community for nearly 100 years. The hospital provides a broad spectrum of inpatient and outpatient services, and in 2013 admitted approximately 4,700 medical/surgical patients. The hospital currently employs approximately 800 persons, and operates with a very liberal charity care/patient discount policy.

Alternative

One of the alternatives identified in the CON application, that being to divert patients to another hospital (pg. 94) is a far superior alternative to spending \$17.8M to add 48 beds to a planning area that is already over-bedded by 158 beds, and when in fact there is another hospital located two minutes away, that is willing to accept the patients,

The applicants dismissed this alternative for a number of reasons, none of which warrant either the expenditure or the unnecessary duplication of services and capacity. While Carle serves as the area's Level I Trauma Center, with the exception of neurosciences, Covenant provides a complement of medical and surgical services similar to that of Carle. However, most of the new beds, as they are not ICU, will be for conditions and procedures that are not associated with Level I trauma and do not involve highly specialized medical/surgical services.

While Carle serves as the area's Level III perinatal center, Covenant also has a Level II+ perinatal center which can handle 95% of what is done in a Level III center but that is not a patient population that is even relevant to the discussion surrounding medical/surgical beds.



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Covenant has reached out to Carle in the past to investigate the potential of greater cooperation, has done so as recently as Spring 2014 and continues to believe that two strong hospitals in Champaign/Urbana is best for the community. The development of a cooperative program between the two hospitals that takes advantage of existing hospital capacity in the area would eliminate the need for one hospital to spend \$18.7M to create even more excess capacity than already exists. This practical alternative will support patient choice with broad access to care and provide overall benefit to the community.

In the meantime, based on the Illinois Health Facilities and Services Review Board's own review criteria, **we urge you to deny this Certificate of Need application.**

Thank you for providing the opportunity to express Presence Covenant Medical Center's position on this project.

Sincerely,

Sandra Bruce, FACHE
President and Chief Executive Officer
Presence Health

Sincerely,

Jared Rogers, M.D.
Regional President and CEO
Presence Covenant Medical Center

cc C. Avery
G. Roate



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JUN 24 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

by FedEX

June 23, 2014

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

RE: Project 14-015
The Carle Foundation Hospital

Dear Ms. Avery:

Please accept this letter as documentation of Iroquois Memorial Hospital's opposition to The Carle Foundation Hospital's plans to increase their bed capacity.

We believe that the residents of central Illinois are best served through access to a number of hospitals providing clinical care that is beyond the scope of services that can be provided by our hospital. Two of the hospitals with the capabilities to do so are Carle and Presence Covenant, located within a few blocks of one another. Together, they and other hospitals in their planning area have more than enough capacity to meet patient need. Further adding to that capacity at one hospital would be a waste of healthcare resources and will not address other needs of underserved populations in the area. If Carle is permitted to add more unneeded beds, it may be an attempt to drive patients out of other area providers, ultimately reducing patient choice. For example, in our community of Watseka, Carle purchased a primary care practice and then moved some of those physicians out of the community and all of them discontinued their privileges at our hospital. Then those patients are now being redirected to Carle-owned facilities that are less accessible for many community residents.

We believe that Carle's application to add unnecessary Med/Surg beds in a planning area that is already over-bedded (excess of 158 beds according to the inventory) is not intended to address any real community need but simply to shift patients away from Presence Covenant, Iroquois Memorial Hospital and other regional providers, and is not in the best interest of the residents of East-central Illinois.

As such, Iroquois Memorial urges the Planning Board to deny Carle's application.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Bohlmann".

Chuck Bohlmann
Chief Executive Officer, Iroquois Memorial Hospital and Resident Home



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United Samaritans Medical Center

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June 23, 2014

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

**RE: STATEMENT OF OPPOSITION
The Carle Foundation Hospital
Project 14-015
Addition of Medical/Surgical Beds**

Dear Ms. Avery:

Presence United Samaritans Medical Center ("PUSMC") opposes the proposed addition of 48 medical/surgical beds to The Carle Foundation Hospital for two primary reasons:

1. The application does not meet the Board's minimum threshold criteria for community need
2. Patients need their local hospitals for emergent and routine care, and if approved, this application could have a detrimental impact on critical safety net hospitals, like PUSMC

As a physician leader, I could understand the merits of Carle's application if our area's population was growing, inpatient utilization was rising, or a new influx of residents was expected. None of these factors exist, which raises the obvious question: "If approved, will Carle's application preserve or enhance access to care for patients from their local community hospitals?" The answer is no. There is already excess capacity at all surrounding hospitals and a flat growth rate. Carle's plan to shift market share from local hospitals in the community may be a shrewd business strategy, but it will negatively impact the delivery of patient care within the region. Case in point: Carle recently shifted several specialists and primary care physicians, away, from Danville to Carle-owned facilities that are well outside the community.

At a time when the health care industry has shifted focus from a delivery model focused on "sick care" to one that looks toward prevention and wellness, Danville's patients are faced with the added burden of longer drives (during Illinois winters!) to get basic and specialty care. Instead of enhancing the quality of care to meet the needs of patients, Carle is eroding it.



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United Samaritans Medical Center

Local hospitals are struggling to keep their doors open as costs escalate and reimbursements decline. But we have—at a very personal level—been driven by our mission to keep fundamental and critical services accessible to patients. For hospitals like PUSMC, the loss of a few patients a day adds up to hundreds of patient days over a year—enough to destabilize a critical community asset. Carle's application to expand services will do so at the expense of other hospitals in the area, like PUSMC and Presence Covenant.

Our patients deserve the much needed access to critical medical services in their communities where they reside. And that is why, on behalf of the medical staff, employees, and volunteers of PUSMC, **we urge the Illinois Health Facilities and Services Review Board to deny this application.**

Sincerely,

Carmen Rocco, M.D.
Chief Medical Officer
Presence United Samaritan Medical Center



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JUN 24 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

June 23, 2014

Ms. Kathryn Olson Chair
Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Project 014-015
The Carle Foundation Hospital
LETTER OF OPPOSITION

Dear Ms. Olson:

I am sending this letter to make clear that area providers object to Project #14-015, which proposes the addition of 48 medical/surgical beds to The Carle Foundation Hospital in Urbana, Illinois.

There is a clear excess of beds in the planning area as documented in the state's own calculation. More importantly, this is a duplication of services that has the potential for significant negative impact to all of the area hospitals that are in the top 10 counties from which Carle draws its patients. In my role as a pathologist I work with several of these hospitals and am familiar with all of them. Giving Carle the ability to grow at the expense of the other hospitals will negatively impact patient access to timely medical care close to their homes. There is little to no population growth in our area and since the rate of hospital admissions for a population is expected to decrease as shown by all industry trends, the survival of the smaller local hospitals which provide critical services where patients live will be severely threatened, for no other gain than Carle getting bigger.

These hospitals -- Presence Covenant Medical Center, Presence United Samaritans Medical Center, Iroquois Memorial Hospital, Gibson Area Hospital and Sarah Bush Lincoln Health Center, all located in Carle's top 7 counties of patient origin -- provide a vital service for the patients in these communities. And yet, a detrimental pattern has been occurring even when Carle has primary care in these smaller towns. Carle has established primary care centers in four of these communities and in some cases Carle's employed providers have stopped utilizing the local facility in favor of moving patients to Carle-owned facilities. This has occurred in Danville where long-time providers at the local hospital have either been moved out of the community to a Carle facility or have begun treating their patients in a more distant Carle-owned facility either full-time or part-time. This is a trend that does foster Carle's growth but at the expense of the local safety-net hospitals.

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Presence United Samaritans Medical Center + 812 North Logan Avenue Danville, Illinois 61832 217.443.5000
presencehealth.org

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the Sisters of the Holy Family of Nazareth, the Sisters of Mercy of the Americas and the Sisters of the Resurrection



I request that the board deny this expansion on Carle's part as outlined. I would hope that Carle and the other hospitals can sit down together to explore possibilities for pursuing the alternatives outlined in the regulations – joint venturing or identifying some way of using available resources and serving the patients in these communities in their home towns instead of asking them to travel greater distances to Carle owned care.

Thank you for your consideration.

Sincerely,

Krishnarao Tangella, MD *MBA FCAP*.
Regional Medical Director of Laboratory, Central State Region
Presence Covenant Medical Center and Presence United Samaritans Medical Center