

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL 62761

August 5, 2014

RE: Carle Foundation Hospital, Project 14-015

**RECEIVED**

**AUG 07 2014**

Dear Ms. Olson,

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

I am writing to oppose the Certificate of Need request for Project 14-015 filed by Carle Foundation Hospital. I oppose the Certificate of Need primarily for two reasons.

First, the greater Champaign and Urbana region already has an excess of medical/surgical beds according to the State of Illinois' own survey. The resources being allocated for this project could likely be better spent in other ways to deliver health care to the subject communities.

Second, because the demand for medical service is already being met as indicated by the survey, adding the requested beds will likely have an adverse impact on competing hospitals and ultimately reduce competition in the market and surrounding communities. The subject communities are best served with competition and choice in hospitals and health care providers.

I am the volunteer Chairman of the Presence Covenant Medical Center Foundation and have served the organization for eight years. I am also a resident of Champaign County. I feel strongly that Presence Covenant Medical Center, a faith based institution, provides excellent healthcare to the Champaign and Urbana region. And, given a reasonable equilibrium of supply and demand, will continue to do so. Through choice and competition, both Carle and Presence Covenant will best serve the community. I request that you deny Carle's request for a certificate of need.

Thank you for your consideration.

Sincerely,



Mitchel Swim  
Chairman  
Presence Covenant Medical Center Foundation

August 6, 2014

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 w. Jefferson, Second Floor  
Springfield, IL 62761

**Re: Carle Foundation Hospital, Project 14-015**

Dear Ms. Olson:

As a member of Presence Covenant Foundation Board and a member of the Champaign-Urbana community, I oppose the Certificate of Need (CON) filed by Carle Foundation Hospital that will be reviewed by your Board August 27<sup>th</sup> for the following reasons.

**1) There is no need to add additional medical/surgical beds. There are 158 patient beds available in our region.** The addition of more beds to Carle Foundation Hospital will result in taking more patients from other area hospitals. This action will have a very negative impact on these hospitals which currently provide excellent medical care. It will be more costly to the patients because many of them will be farther from their homes and families.

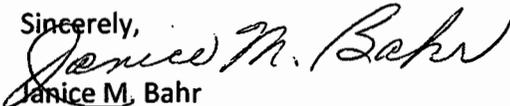
**2) Approval of Carle Foundation Hospital request will ultimately result in less choice in doctors, philosophy of care and medical care because Carle Foundation Hospital's long term goal is to own or co-own all of the hospitals in a two-county area in central eastern Illinois.** It is not beneficial to the people in our community to lack a choice in health care. Usually a monopoly will result in higher costs and not necessarily better medical care.

**3) Carle functions as a closed network.** Their physicians do not admit patients to other hospitals. Carle is reducing their doctors' privileges at other hospitals.

**4) The reduction of services now provided by Presence Covenant in our community and the surrounding area would negatively affect many patients.** Carle does not provide inpatient behavior health care in an acute care setting, a Community Resource Center that uses a new model to deliver health care and a Center for Healthy Living.

Thank you for your careful consideration of my request that your Board does not approve the Certificate of Need filed by Carle Foundation Hospital.

Sincerely,

  
Janice M. Bahr

2506 Stanford Dr.  
Champaign, IL 61820

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, Il. 62761

August 4<sup>th</sup>, 2014

RE: Carle Foundation Hospital, Project 14-015

Dear Ms. Olson,

I am writing to you to oppose the CON (Certificate of Need) filed by Carle Foundation Hospital that you are currently considering.

I oppose granting Carle the CON for several reasons. One major reason is simply that there is no need. This region in Illinois currently has an excess of medical/surgical beds (158 according to the state) and the trend in health care is toward less in patient cases rather than more.

This community needs choice in health care not more medical/surgical beds. This increase would ultimately lead to less (or no) choice in regard to health care for the area. The patients for these beds could only come from other area hospitals. This would be burdensome on the patients and their families who rely on their local community hospital. Granting this CON would eventually lead to these people having to travel for care.

This community deserves a choice in health. A choice in hospitals, a choice in doctors, a choice in philosophy of care (we are a faith based hospital), a choice in physicians and a choice in insurance companies. The Carle plan does nothing to help this choice and will negatively impact our community. We are already seeing this shifting of patients from the outlining community hospitals to the distance and inconvenient Carle main campus in Urbana.

I am a volunteer at Presence Covenant Medical Center in Urbana. I currently have the honor as serving as the Board Chair. I volunteer to help my community. So I write to you as both as the Board Chair and as a community member. Please help make our community better by denying this CON.

Thanks for your consideration

A handwritten signature in cursive script, appearing to read "Stephen L. Thomas". The signature is written in black ink and is positioned above the printed name.

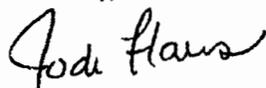
Steve Thomas

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL. 62761

RE: Carle Foundation Hospital, Project 14-015

As a member of this community, I am writing to let you know that I strongly oppose Carle Foundation Hospital's application to add 48 medical/surgical beds. I am deeply concerned that the addition of beds at Carle will substantially reduce my ability to have choice in hospitals and physicians. I have always received outstanding medical care from Presence/Christie clinics and worry that access to such outstanding medical care will be reduced if Carle is allowed to add additional beds. Due to the extremely poor medical care I received at Carle in the past, I absolutely refuse to go to Carle for my medical care, and want to make sure that I still have the option to receive care from Presence in this community. In addition, I do not see the need for the proposed expansion of beds at Carle. It is my understanding that our community already has sufficient numbers of beds for the existing patient population. I am concerned that the proposed expansion is unnecessary and will just result in extra costs for patients in the community, while negatively impacting Presence and my ability to have choice in hospitals and physicians. I hope that you will consider my concerns. Please feel free to contact me at the phone number or address below if you have additional questions.

Sincerely,



Jodi Flaws  
858 CR 3200 N  
Dewy, IL 61840  
443-567-8091

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
Illinois Dept. of Public Health  
525 W. Jefferson, 2nd Floor  
Springfield, IL. 62761

**RECEIVED**

**AUG 07 2014**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

August 4, 2014

RE: LETTER OF OPPOSITION TO PROJECT 14-015, CARLE FOUNDATION BED EXPANSION

Dear Ms. Avery:

I'm writing to reiterate and supplement the previous comments of other professionals strenuously rejecting Carle Foundation's (CarleCorp's) proposed 48 medical-surgical bed expansion, Project 14-015, now before the Illinois Health Facilities and Services Review Board (IHFSRB) for rehearing on August 27, 2014.

Specifically, I ask that the IHFSRB take note of 1) my following points, 2) the previous and current rejections of other professionals and 3) the rejection of the IHFSRB's **own staff report and maintain its rejection of CarleCorp's Project 14-015 as not warranted in light of the current excess of 158 equivalent medical-surgical beds in geographic area D1, where the expansion is proposed.**

With regard to my comments, please note the following:

1. In CarleCorp's original CON application, page 94,<sup>1</sup> CarleCorp dismissed the possibility of diverting some of its patients to any of the 158 excess beds in the D1 area because, CarleCorp claimed, those beds **are not a substitute for the beds in Project 14-015:**

Divert Patients to Another Hospital

As stated throughout this application, no other hospital in east central Illinois provides the same level of specialized care as CFH. Since CFH is a Level I trauma center and Level III perinatal center, it is required to provide care to trauma patients. Furthermore, CFH offers cardiovascular, neuroscience, digestive health and cancer services not available elsewhere in the region. Many patients would need to be diverted to Chicago, Springfield, Peoria, or St. Louis to receive the specialized health care offered at CFH and for most cases, traveling such a distance for care is unmanageable.

<sup>1</sup><http://www.hfsrb.illinois.gov/Apps/2014-04-21%2014-015%20APPLICATION.pdf>

2. While CarleCorp claimed the 158 excess beds already present in area D1 are not equivalent to the proposed beds in Project 14-015, in fact **the actual evidence is that the current 158 excess beds are indeed equivalent**, and that therefore the better community solution is to use these 158 excess beds already present and deny CarleCorp's CON for new and unnecessary beds.

Thus in its letter to the IHFSRB of June 23, 2014,<sup>2</sup> Presence Covenant noted that most of the Project 14-015's proposed beds are not ICU beds, and so will be used for **conditions and procedures that are already serviced by the excess 158 beds in the D1 area:**

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.

3. CarleCorp has failed to provide any evidence-based answer to Presence's point that 95% of CarleCorp's desired beds will be for the same level of care as beds already present in the area. Instead, in its new "Notice of Intent to Appear" of July 25, 2014,<sup>3</sup> CarleCorp simply reiterates that it has "greater capabilities" than any other area hospital, despite the fact that the question is not one of hospital capabilities but rather of the **current excess beds satisfying the kinds of cases CarleCorp would actually bring in to fill its proposed expansion beds.**

<sup>2</sup><http://www.hfsrb.illinois.gov/Apps/2014-06-23%2014-015%20OPPOSITION%20LTR-PRESENCE%20COVENANT%20MEDICAL%20CENTER.pdf>

<sup>3</sup><http://www.hfsrb.illinois.gov/Apps/2014-07-25%2014-015%20NOTICE%20OF%20INTEN%20TO%20APPEAR%20BEFORE%20BOARD%20AT%20AUGUST%20MTG.pdf>

4. CarleCorp is apparently unable and unwilling to address this question. Instead, it simply continues its tendentious argument that, because it has the **capability** to offer very specialized care, it needs its proposed beds even though other hospitals in the area already have beds that will **actually address** 95% of CarleCorp's additional bed needs:

The proposal is short of 100%  
compliance with the IHFSRB rules based only on the fact some other providers with less  
specialized medical staffs and care units have empty beds.

Here, I must respectfully submit that CarleCorp's claim that its "proposal is short of 100% compliance ... based only on the fact" that other providers have empty beds is like saying a bridge that meets the aesthetic and materials requirements should be approved since it's short of 100% compliance "only" in the fact that it's **completely unnecessary**.

5. **On the basis of the above, clearly CarleCorp has not shown that the beds it proposes will be in any way different from the 158 excess area beds already available; therefore, CarleCorp's CON must again be rejected.**
6. In addition to the above, I wish to note that CarleCorp appears to be threatening litigation in its new "Notice of Intent to Appear" of July 25, 2014, when it says that "[p]rotecting a competitor's market position ... is not within the purview of the IHFSRB."<sup>4</sup> **In fact there is no evidence that the IHFSRB has made such consideration in its report**, and CarleCorp's citation to *Provena Health and Provena Hospitals v. Illinois Health Facilities Planning Board et al.*<sup>5</sup> is completely without justification or merit. Speaking plainly, this is sabre-rattling, not evidence-based argument. And it should be ignored.
7. Finally, I note that the University of Illinois Urbana-Champaign (UIUC) has weighed in – quite inappropriately – to support this project. Specifically, I refer to the testimony of Dr. Jennifer Eardley of UIUC on July 14, 2014 to the IHFSRB:<sup>6</sup>

Good morning. I'm Jennifer Eardley, and I appear on behalf of the University of Illinois at Urbana-Champaign.

I'm here in support of Project 14-015 for The Carle Foundation Hospital. The university's chancellor, Dr. Phyllis Wise, has expressed strong support for this project but is unable to attend today.

<sup>4</sup>Page 2.

<sup>5</sup>886 N.E.2d 1054 (Ill. App. Ct. 2008).

<sup>6</sup>Transcript obtained directly from the IHFSRB.

As associate vice chancellor for research and interim director of the division of biomedical sciences at Illinois, I can attest to the importance of this project to advance health care in our community.

In my role at the university, I work directly with Carle on a number of collaborative medical research initiatives. University faculty and students currently work with Carle physicians, staff, and patients on work studies in areas such as urology, oncology, cardiology, medical imaging, degenerative medicine, and a number of other areas. These projects hope to advance diagnostics, new treatments, and to advance the delivery of health care.

Interaction with physicians and clinical care providers and patients is critical to the success of these projects, and focusing on – having a focus on subspecialty medicine growing at Carle is very important for the future of these activities at the university.

Carle already serves a large area. As you just heard, the demand for advanced care treatment in this region is expanding. Carle's ability to offer advanced care will help expand opportunities for University of Illinois researchers, first to better understand the health care needs of the state and to focus innovative research initiatives on those needs.

Carle also currently serves as the primary clinical teaching place for the University of Illinois-Chicago regional college of medicine in Urbana.

Carle partners with the college to provide clinical training to students, to University of Illinois internal medicine residents, to residents in three Carle-sponsored residency programs, so expanding access to care at Carle means more opportunities to educate physicians of tomorrow, those who will serve communities throughout the state.

Recently Carle and the University of Illinois at Urbana-Champaign began to explore the development of a new engineering basis dedicated to advancing health care through innovation and discovery at the intersection of engineering and medicine.

We firmly believe that the expansion of space at Carle will be critical to achieving these goals, to providing more access to specialized care in the region and improving the access to quality health care in our region, and we strongly support the project.

8. While Ms. Eardley's statements about collaborative research are of course impressive, absolutely **nothing** in her blandishments amounts to an **actual** case for how the proposed beds benefit the collaboration between UIUC and CarleCorp.

Specifically, Ms. Eardley states "We [UIUC] firmly believe that the expansion of space at Carle will be critical to achieving these goals, to providing more access to specialized care in the region and improving the access to quality health care in our region." **How?** It's not a space expansion for research labs or teaching labs, it's for beds duplicative of what's already overly available in the area.

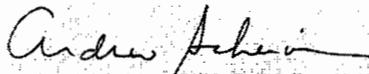
If UIUC actually wanted to advocate for **more research space** in a CON, that might be a different story. Here, it's hard to see UIUC's actions as anything other than a quid pro quo to CarleCorp to advance the deal to build a medical center. Thus I submit that:

- UIUC's testimony is without substance;
  - UIUC's testimony is not-evidence based and is instead likely just a blatant quid pro quo; and,
  - UIUC's testimony is in my opinion **unethical** because it represents an inappropriate meddling in the critical health affairs of the entire D1 area.
9. Based on the above, I ask that the IHFSRB give **no consideration** to UIUC's arguments. And I note that I have already filed an ethics complaint and Freedom-of-Information-Act (FOIA) requests against UIUC to pin down on what basis this inappropriate support was offered.

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**In conclusion, CarleCorp clearly wants to build out more beds; however, these are not speciality beds unduplicated in the area. Instead, there is already a surplus of 158 beds in the area, and CarleCorp offers no evidence-based arguments as to why these current excess beds will not serve.**

**In light of the above, the IHFSRB was correct in rejecting CarleCorp's Project 14-015 in its July 14, 2014, meeting. And the IHFSRB should continue to reject CarleCorp's CON in its next meeting.**



Andrew Scheinman, Ph.D., J.D.  
Champaign-Urbana Resident  
Registered Patent Attorney



August 5, 2014

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL 62761

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**AUG 07 2014**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

Re: Carle Foundation Hospital, Project 14-015

Dear Ms. Olson:

I am writing to you today to express opposition to Carle Foundation Hospital's request for an \$18 million expansion to add 48 medical/surgical beds and to reinforce the importance of maintaining access and cost effective care in our community by avoiding concentration of what is likely to evolve to all services being provided through a single acute care provider.

I have served on the board of Presence Covenant Medical Center for many years and have had many members of my family benefit from all the services provided at Presence Covenant Medical Center. They provide much needed services and a philosophy of faith based care, a generous charity program, and excellent specialty services in a cost effective manner. I have also witnessed the benefits of the services provided to our community by Carle Foundation Hospital, and benefited from their services as well. I have much respect for the personnel working at both institutions, having worked directly with a number of them from both entities – either related to community health care or to my work in the medical field.

I am the CEO of a high-tech medical imaging company in Champaign-Urbana and, as such, I have had an opportunity to be involved with both organizations both professionally and personally. I feel it is important for both of these hospitals to co-exist providing access to care generally and to cost effective care that neither would be capable of alone. I am distressed to see the distinct possibility of either growing at the expense of the other. We live in an area that is underserved in terms of both primary and specialty care and there is ample opportunity for growth that does not duplicate or infringe on the other. The most recent multi-agency public needs assessment ranks access to care as the top need in this region. I am an advocate for continued development of each organization but not if that development is focused on duplication of services and growth that will only add to costs, exacerbate excess beds and threaten the viability of other hospitals, several of which could be negatively affected.

While there are several services provided by both Carle and Covenant as acute care hospitals, there are different service areas wherein each excels and there are also services which are provided only at one of the two facilities. Concentration of a high number of acute care beds at a single facility could well result in a single surviving broad acute care services provider in the community and in service of the region. There is a wealth of evidence that single provider regions can negatively affect overall quality, access, and cost structure.

I have concerns about how the proposed Carle expansion could impact the delivery of healthcare throughout the region, for Covenant hospital as well as for other hospitals in the region. It seems to me that if there are 158 excess beds in this region that it would make sense for Carle to reasonably pursue other alternatives with other existing hospitals to meet the medical/surgical needs of the patients, as is prescribed in the regulations. It is my understanding that the current proposal from Carle to Presence does not consider collaboration in medical/surgical services as Covenant requested, but suggests only what will be an



# ACOUSTIC MEDSYSTEMS

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unsustainable option of joint venturing on services that are difficult to fund without the financial and infrastructure support from other acute care hospital services also. My greater concern is that the proposals from Carle for focusing Covenant on behavioral health and skilled care as well as purchasing Presence United Samaritans Medical Center essentially creates a two-county region in which a single entity (Carle, in this case) is the owner or co-owner of all acute care hospital services. This limiting of options for the community and the potential that this type of singular control sometimes portends for consumers, especially in the arena of health care access and cost, is quite troubling. My respectful view is that the Review Board role providing oversight to ensure access to care and facilities with the overarching responsibility to make decisions about what is truly best for the community is directly applicable in a situation such as this.

Our community and region need broad access to care and an environment that ensures options which promote cost effective, responsive providers of care. I am concerned that Carle Foundation Hospital's proposed expansion may be counter to this need.

I implore the board to deny this proposal, and to encourage collaboration and growth that does not duplicate existing services.

Respectfully,

Everette C. Burdette, PhD  
President/CEO  
Acoustic MedSystems, Inc.

**RECEIVED**

AUG 07 2014

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

August 6, 2014

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

RE: Project 14-015  
The Carle Foundation Hospital  
Written Comment in Opposition to Project

Dear Ms. Olson:

This letter is being provided to document Presence Health's opposition to The Carle Foundation Hospital's (Carle) plans to add 48 medical/surgical beds. Presence Health is the parent of Presence Covenant Medical Center (Covenant).

Covenant Medical Center is a 210-bed hospital, which operates with an open medical staff model and has always welcomed qualified Carle physicians on its medical staff. Covenant receives approximately 1,100 transfers a year from other area hospitals seeking a higher level of care. While Covenant provides a similar scope of specialty services that Carle offers, such as robotic surgery, invasive cardiology and cardiovascular surgery, Covenant also provides services not available at Carle. Two services offered by Carle that are not provided at Covenant are Level I trauma and neurosurgery. It is evident that both Carle and Covenant provide needed services in the region, however, the addition of 48 medical/surgical beds at Carle, given the documented overbedding in the area, will result in an unnecessary duplication of services in the area.

While Carle's contention that they are the only tertiary care provider in the area is certainly incorrect, the fact is that **the majority of the patients admitted to Carle – or any other hospital – are “routine” medical/surgical stays and do not require the services of a tertiary care provider.**

We believe the proposed project is inconsistent with health care planning principles, inconsistent with the Illinois Health Facilities and Services Review Board's rules, and an unnecessary capital expenditure based on the current and future needs of the community.

We ask that the members of the Board consider the following in their deliberations:

- The proposed project is not needed. The Carle Foundation Hospital is not the only hospital in the planning area. IDPH-designated Planning Area D-01 has four hospitals, including **Presence Covenant Medical Center, located 2 minutes/0.74 miles from Carle. Covenant has enough unoccupied medical/surgical beds to fully meet the needs of the patients** proposed to use the requested 48 additional medical/surgical beds at Carle.
- As noted in the State Board Staff Report, Planning Area D-01 already has an **“excess” of 158 medical/surgical and pediatrics beds—70% above the “calculated bed need”** for the Planning Area.
- Carle overstated its medical/surgical occupancy rate in its application. Carle provided 130,866 medical/surgical patient days of care during 2012/2013\* (see Table Six of 7/14/14 SBSR), an average daily census of 179.3 patients. **Carle’s average daily census of 179.3 patients “justifies” only 200 beds, based on the IHFSRB’s applicable occupancy rate of 90%.** Carle currently is approved to operate 212 medical/surgical beds and is **seeking approval to expand to 260 beds.**

The historical occupancy rates of 85.4% in 2012 and 92.6% in 2013 identified on page 96 of the application include “observation” days, which should not be included in the occupancy rate calculation because Carle operates 26 dedicated observation beds. The actual medical/surgical occupancy rates for those two years were 82.5% and 86.6%, respectively when the “observation days are taken out of the equation.

- **The proposed 48 beds have not been justified consistent with the IHFSRB’s expectations for projects involving the addition of beds.** Section 1110.530 categorizes projects involving medical/surgical beds as: 1) Establishment of Services or Facility, 2) Expansion of Existing Services, or 3) Category of Service Modernization. Because 48 beds will be added to Carle’s existing medical/surgical service through the proposed project, the project represents an “Expansion of Existing Services.” Subsections 1110.530.c)4)B and C address the requirement to document projected referrals through either the providing of “referral” letters from physicians or the documentation of rapid population growth in the existing market area for projects proposing the “Expansion of Existing Services.” Carle disregarded this important criterion.
- The anticipated project cost associated with the addition of the proposed 48 beds is \$17.765M, or \$370,000 per bed. While this unnecessary capital expenditure may be in the best interests of Carle, it represents **\$17.765M that will ultimately be passed on to consumers/area residents.**

- **Carle has disregarded alternatives to adding 48 un-needed beds and expending nearly \$18M, which will ultimately be re-paid by the community.** Presence Health and Covenant have repeatedly attempted to open meaningful dialogue with Carle that would hopefully result in collaborative programming between the two hospitals that would benefit the entire community. Carle has repeatedly rejected efforts to discuss viable forms of partnership with Covenant.

Lastly, I'd like to address questions raised at the July 14, 2014 Board meeting related to Covenant's remarks concerning its opposition to Carle's project and our desire for greater collaboration between Covenant and Carle. While Presence Health and Covenant have always believed that the Urbana/Champaign community is best served by two hospitals, we believe the residents of our community would benefit greatly with these two hospitals working together to provide an efficient, community-wide delivery system. We remain committed to this concept and believe that Carle's proposed project is absolutely contrary to this occurring.

On behalf of Presence Health, I respectfully request that the IHFSRB deny Carle's proposal to add beds to the already over-bedded planning area on the basis of Carle's failure to document need, the availability of existing beds two minutes away from Carle, the unnecessary duplication that would result from the project, the cost to the community and Carle's decision to not fully pursue other viable alternatives.

Sincerely,



Sandra Bruce, FACHE  
President and CEO  
Presence Health

\*IHFSRB rules use a 2-year historical period for the justification of additional beds

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Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
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RE: Carle Foundation Hospital Certificate of Need application

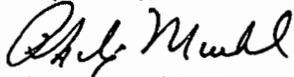
Dear Ms. Olson:

I am writing to voice my opposition to the Certificate of Need filed by Carle Foundation Hospital to add 48 medical/surgical beds. I agree with many others in our communities that there is no need for this expansion:

- Existing surveys by the State already indicate that our region already has 158 excess hospital beds
- Cost of the expansion will ultimately have to be passed on to consumers in some form. Again, since there is excess capacity, this is a cost that consumers do not need to bear.
- The claim that these beds are for specialties not offered by other local hospitals is not entirely accurate as most of the specialty services are already provided by Carle and Presence.

Please continue to look at the impact to the community overall and to other medical facilities in the area as you make your decision.

Respectfully,



Philip A. Muehl, CPA  
Chair, Presence United Samaritans Medical Center Foundation

August 5, 2014

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL 62761

RE: Carle Foundation Hospital, Project 14-015

Dear Ms. Olson:

As a resident of Danville and Vermilion County and Vice Chair and board member of the Presence United Samaritans Medical Center's Foundation in Danville, I am writing to express my opposition to the recently filed Certificate of Need (CON) request by Carle Foundation Hospital, Project 14-015. I am a strong advocate of maintaining community hospitals that allows for patient choice in their local health care facility, faith based care, physicians and choice of insurance companies. It does not seem prudent to create an additional 48 medical/surgical beds when the state has already indicated this region has too many by 158. The \$18 million additional cost of allowing Carle Foundation Hospital to add these unneeded additional beds will undoubtedly be passed on to patients. These additional beds present a duplication of services and will undoubtedly be filled with patients taken from Presence and other community hospitals. Carle also claims these beds are for specialties not offered by Presence or other nearby hospitals. Actually, most of the specialty services are shared by all of the hospitals. It should also be noted that Carle physicians in Urbana do not admit to other hospitals and they have been taking their doctors off privileges at other hospitals, as well.

As a representative of our community, I urge you to oppose the CON requested by Carle Foundation Hospital, Project 14-015.

Sincerely,



Robert E. Ervin  
1309 Golf Terrace  
Danville, IL 61832  
217.304.3498  
[Bobervin79@yahoo.com](mailto:Bobervin79@yahoo.com)

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W Jefferson, 2nd Floor  
Springfield, Illinois 62761

Re: Carle Foundation Hospital Project 14-015

Dear Ms. Olson:

I am writing to voice my opposition to Carle Foundation Hospital's application to add 48 medical/surgical beds to their Champaign facility. I believe statistics have shown that there is not a need for this addition in our area and to allow this could certainly affect the viability of other hospitals such as Presence Covenant and Presence USMC in Danville.

Danville's Presence USMC hospital is one of the cornerstones of the Danville Community. I am a cancer survivor and I thank God every day that I was able to utilize local doctors at a local facility when my cancer was treated. The thought of just one large conglomerate hospital treating all patients from the surrounding communities would be a disaster in the sense that freedom of choice in hospitals, in physicians, and possibility even in insurance companies would be eliminated.

For years Carle and its facilities have been known to charge much higher rates than were usual and customary for our geographical area and this proposed expansion could possibly only enhance continued price deviations in service.

And finally, it would seem that allowing all community hospitals to provide their service specifics and using referrals to other hospitals when needed allows all communities to realize the benefits in employment, the ability to bring more doctors to local facilities and the opportunity for patients to be supported locally by family and friends in the care process.

Respectfully,



Mary K. Norenberg  
3129 Golf Circle  
Danville, IL 61832

Kathryn J. Olson, Chair

August 06, 2014

Illinois Health Facilities and Service Review Board

525 West Jefferson, Second Floor

Springfield, IL 62761

Re: Carle CON Application

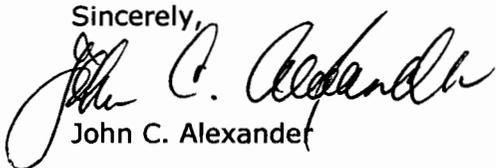
Dear Ms. Olson:

As a 3½ year member of the Presence United Samaritans Medical Center Board of Directors and a lifelong resident of Vermilion County, I would like to express my opposition to Carle's expansion application to add 48 med/surgical beds. In reading various materials on this application, it appears that the state has assessed that our region already has over 150 too many hospital beds, with inpatient cases in our region continuing to decline. In addition, Carle seems to be advancing a plan to restrict their medical staff in surrounding areas to avoid admissions to community hospitals that are adequate providers and closer to patients' homes. While that strategy is certainly Carle's privilege, I believe that the maintaining of choice is of great importance to the patient to allow them to consider quality and philosophy of care.

Both Presence USMC and our sister hospital, Presence Covenant, have been assessed to be quality health service providers, and there have been attempts to work with Carle in various areas of medical services to provide complete resources for our regional patients. It would seem that a better approach to any gaps in needed services would be much better served with collaborative efforts, rather than questionable expansions.

The \$18 million project proposed by Carle seems to be an unnecessary use of resources which will eventually come from patients', insurance companies' or government sources' pockets. For this and my other stated reasons, I would strongly urge the Review Board to deny Carle's CON application. Thank you for your consideration, and I stand ready to provide any additional input that you may request.

Sincerely,



John C. Alexander

BOD Member, Presence United Samaritans Medical Center

Heartland Center, 120 North Vermilion Street

Danville, IL 61832

Phone 217-497-5010

August 1, 2014

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL 62761

Re: Carle Foundation Hospital, Project 14-015

Dear Ms. Olson:

I am writing to you today in opposition of Carle Foundation Hospital's request for an \$18 million expansion to add 48 medical/surgical beds and clarify mischaracterizations of Presence Covenant Medical Center as well as provide some insight into how the providers and facilities serve this community.

As medical director for the Emergency Department at Presence Covenant Medical Center, I would like to correct any notion that Carle Foundation Hospital is the "only" tertiary care facility in the area. While it is true that Carle is a fine health care provider and is the only designated Level 1 trauma center, here at Presence Covenant, we also provide a higher level of care for the surrounding patients and hospitals. Covenant received more than 1100 transfers from other facilities last year seeking specialty care not available in their own organizations; this includes Gibson Area Hospital, Kirby Medical Center, Paris Community Hospital, St. Anthony's Medical Center in Effingham as well as Presence United Samaritans Medical Center and other hospitals.

One of the hospitals we receive transfers from is Carle's own Hoopeston Regional Health Center. Carle also has neglected to mention that while we transfer to the Urbana hospital for certain types of specialty care, they transfer cases to Presence Covenant as well for much-needed services that we provide.

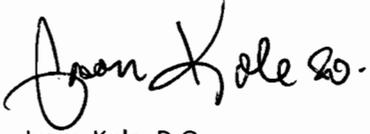
Presence Covenant Medical Center has a robust cardiovascular program, including cardiothoracic surgery. Our hospital also leads the area in robotic surgery, has a Level II Plus special care nursery, the area's largest inpatient rehabilitation unit, and the area's only acute care hospital with an inpatient behavioral health facility.

My understanding is that this region is already over bedded by 158 medical/surgical beds. So rather than spend \$18 million to add even more, it seems that the most cost-effective, logical thing to do would be to utilize beds at other area hospitals rather than to add more beds at Carle. The trends toward outpatient versus inpatient care nationwide also would not indicate a need for more inpatient beds, but rather the opposite.

I fear that it is Carle and not the community that would benefit from a 48 bed med/surg expansion. I am an advocate for Carle's continued development in technology and specialty care that raises the level of care and benefits the community. In this case, however, the proposal is for duplicating services that already exist in an area where it has already been determined there are 158 too many of that resource. I am concerned the community will pay the price in increased costs and ultimately lack of choice in providers as Carle systematically replaces existing beds with their own.

I hope that the members of the Board will uphold their intent to deny this project, to protect the community's best interests as well as preserve their ability to make their own choices of who provides their healthcare in the future.

Respectfully,

A handwritten signature in black ink that reads "Jason Kole D.O.". The signature is written in a cursive style with a large initial 'J' and a trailing flourish.

Jason Kole, D.O.

Medical Director, Emergency Services, Presence Covenant

August 6, 2014

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL 62761

Re: Carle Foundation Hospital, Project 14-015

Dear Ms. Olson:

I am writing to you in regards to the current proposal you are considering from Carle Foundation Hospital in Urbana to add 48 medical/surgical beds.

I strongly feel that this addition, should it be approved, will have a negative impact on the Central Illinois community. I believe this to be the case for several reasons, but want to draw your attention to the two that are most concerning to me:

- 1) **There is no need for additional beds.** There is currently an oversupply of hospital beds in East Central Illinois. This \$18 million dollars is just an unnecessary investment—one that will ultimately put more of a financial burden on patients.
- 2) Many patients in this community hold insurance that preclude them from obtaining care at Carle. Some may have to pay an out-of-network premium. Some may have coverage denied entirely. If Carle is allowed to expand to the detriment of other medical facilities in the area, not only could it lead to a lack of choice for patients, but **it may result in additional financial hardship for patients in our area.**

Because of the financial impact that this project could have on citizens that already carry a large burden in healthcare expenses, I urge you to deny Carle's request for this addition.

Sincerely,

  
Haydee Jabines-Stewart, MD  
Department of Family Practice  
Christie Clinic



August 6, 2014

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL 62761

Re: Carle Foundation Hospital, Project 14-015

Dear Ms. Olson:

On behalf of Presence Covenant Medical Center and Presence United Samaritans Medical Center, I am once again voicing our strong opposition to Carle Foundation Hospital's proposal to add 48 medical/surgical beds.

We continue to feel that this project is unwarranted due to the excess available med/surg beds in the area, and will ultimately have a negative impact patients and families in our region.

I outlined all of our objections in detail in both my previous letter and in my live testimony at the recent hearing, and now I'd like to address Carle's claims that these proposed beds are to be utilized to deliver specialty care that cannot be provided at any other facility. I unequivocally refute the statement from Carle to the board that they are the only tertiary provider within 40 miles and the singular hub for regional rural hospitals. This is simply not true and the reliance of many rural hospitals on Covenant for a higher level of care is irrefutable evidence of this. The same rural hospitals that are transferring patients to Carle are also transferring patients to Covenant. Both organizations are needed to meet these demands. Because of the higher level of specialty care that Presence Covenant can provide, our medical center received more than 1100 transfers from other facilities in 2013. Hospitals transferring to us include Gibson Area Hospital, Kirby Medical Center, Paris Community Hospital, St. Anthony's Medical Center in Effingham as well as Presence United Samaritans Medical Center and others. In addition, we also received some transfers from Carle themselves, primarily for behavioral health services they do not provide, as well as for inpatient rehabilitation.

Most of the specialty services are shared at both Carle and Presence Covenant Medical Centers. Each has broad cardiovascular services, orthopedic, gastrointestinal and pulmonary services which make up the majority of patients in a hospital. Each has some specialties that are unique: Carle and Covenant both have neurosciences, but Carle has expertise in neurosurgery, as well as being the Level I trauma center. Covenant has the area's only acute care hospital with an inpatient behavioral health facility. While Covenant has a larger inpatient

Presence United Samaritans Medical Center  
812 North Logan Avenue, Danville, Illinois 61832  
217.443.5000

Presence Covenant Medical Center  
1400 West Park Street, Urbana, Illinois 61801  
217.337.2000

[presencehealth.org](http://presencehealth.org)

Sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary, the Sisters of the Holy Family of Nazareth, the Sisters of Mercy of the Americas and the Sisters of the Resurrection



rehab unit than Carle, both facilities offer the service. Covenant has the most advanced vein and vascular center, but both hospitals do offer these services.

Covenant also is the only area hospital with a Community Resource Center and a Center for Healthy Living, both of which employ a new delivery model to keep the population healthy. The Community Resource Center is about to embark on a collaboration with our local Federally Qualified Health Center, Promise Healthcare, to provide a medical home in our facility in conjunction with other community agencies to assist patients having problems accessing care.

We continue to contend that there are alternative solutions for both medical centers to work together to deliver the needed care to the people of our region, that do not involve an unnecessary \$18 million dollar duplication of beds and services. I respectfully urge the members of the Board to uphold the intent to deny this project, to protect our community's best interests.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Rogers", written over a white background.

JARED C. ROGERS, MD  
Regional President & CEO

Presence United Samaritans Medical Center  
812 North Logan Avenue, Danville, Illinois 61832  
217.443.5000

Presence Covenant Medical Center  
1400 West Park Street, Urbana, Illinois 61801  
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Sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary, the Sisters of the Holy Family of Nazareth, the Sisters of Mercy of the Americas and the Sisters of the Resurrection

August 6, 2014

2505 St. Andrews Road  
Urbana, Il 61802

**RECEIVED**

AUG 07 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, Il 62761

Re: Carle Foundation Hospital, Project 14-015

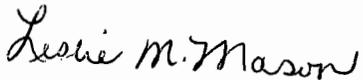
Dear Ms. Olson,

We are longtime residences of Champaign-Urbana and have watched and participated in the growth of the community. We are very satisfied patients of the doctors at Carle. As you know, we are privileged to have two major hospitals that offer excellent care, but we see the medical support for the people of our community changing.

Carle Foundation Hospital has and is aggressively pursuing change in the landscape of medical care in our community. They are now a nonprofit facility that has had a significant negative financial impact on our city and schools. Now Carle Foundation Hospital has discussed purchasing Presence Covenant Medical Center for use as a "behavioral health facility" and adding significant inpatient capacity to their hospital. This capacity is not needed and would have a significant negative impact on the other hospitals in our community. Also, this would further duplicate services that are available here. It is important that Champaign-Urbana have a certain level of competition for medical service.

Therefore, we are asking that the Review Board reject the request from Carle for this expansion.

Sincerely,

  
Leslie M. Mason

  
Gary E. Mason

**Anne Marie Kuhny**  
801 W. Indiana Ave.  
Urbana, IL 61801  
630-433-0687  
[kuhny1@illinois.edu](mailto:kuhny1@illinois.edu)

Ms. Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board  
Illinois Department of Public Health  
525 W. Jefferson, Second Floor  
Springfield, Illinois 62761

**RECEIVED**

**AUG 07 2014**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

Dear Ms. Avery,

This letter is in opposition to Carle's expansion plan. I am writing to you to express my grave concern about Carle Clinic's plan to add beds to their current medical center. As a graduate student of the University of Illinois and a resident of Urbana for many years now, I know it is vital that everyone understands the devastating effect this expansion would have on our community.

For one, Carle's current plan to add forty-eight beds will destroy the competition that helps make medical care great. Their addition will cripple Presence Covenant Hospital in Urbana. With this plan, Carle will tighten the noose on their competition in increments. Carle should not be allowed to run Presence Covenant out of business or purchase the facility. Maintaining two vital hospitals is essential. Patients deserve a choice in health care, and we must encourage competition in our community to keep increased costs of insurance and health care to a minimum. A major risk is that in the long run, Presence Covenant Hospital could be run out of business by Carle's expansions, thus giving patients no choice.

Another important reason that Carle's addition cannot be allowed is that building unneeded facilities increases health care costs for everyone. Such skyrocketing health care costs are often associated with the build-out of facilities, beds, and labs. Carle has long been known for building facilities in search of missions. "Overbuilt" markets are a major cause of rising healthcare costs, while these facilities may do little to provide better, more reasonably-priced health care for patients.

Public health care costs will continue to rise and consumers will become hostages in an exploitative market unless there is active scrutiny of expansions and recognition of the need for building tied to the actual needs for facilities in each region of the State. This is the job of the IHFSRB. In an area where there is competition and judicious regulation of growth, costs stand a better chance of being kept in check. When one entity has been allowed to acquire a very large market share via mergers, purchases, and the like, it is difficult to negotiate fair and reasonable rates from providers as well as for insurance. These market-dominating entities are difficult to break apart once they have been allowed to form.

An argument that is often proposed in support of Carle is how they provide charity care. Outside of this wide point, one needs to consider their competition, Presence, and compare the two. Presence has a more generous range of charity care than Carle, especially for patients who must pay any part of their own hospital costs, either through a high deductible or as an uninsured or underinsured self-pay patient. A number of Medicaid patients also rely on Presence Covenant for care. Carle would be inundated with additional Medicaid patients if Presence Covenant closes.

Carle's various expansions are destroying Urbana's tax base, and, as they expand, might do the same things in other communities as well. Carle's growth has gone unfettered for a long period of time without consultation with the City of Urbana. This city alone bears the cost of Carle's expansion, because Carle has removed an extensive amount of property from the tax rolls in recent years. Although Carle serves a large geographical region, the Urbana citizens are the ones who pay.

In the application presented to the IHFSRB, Carle says the project will cost \$17,765,000, which they propose to pay in cash and securities. If they are willing to spend that amount on a project that does not (according to the IHFSRB staff's opinion) meet the criterion of "need," they should also be willing to pay the city of Urbana, Urbana Schools, Urbana Park District, Champaign County, and all other local units of government, substantial payments in lieu of taxes. And if Carle does have the financing to buy the two Presence hospitals (which do make payments to the communities in which they operate), surely its officials should contribute their share to the local government entities which make them safe and attractive places in which to work and to provide care, and strive to maintain a cooperative and open dialogue with local officials and with the citizens of their hometown.

Because Carle has managed to dodge paying property taxes, they have shifted their tax burden to all other Urbana property owners, all so they can expand. As a result, this year Urbana's property taxes increased by more than 10%; this is a terrible burden on my family. Although Carle has offered the city some minor compensation for the services it receives, Carle executives and Board believe that they should decide the value of those services. Currently, the City of Urbana pays for Carle's fire and police protection as well as maintenance and repair of the roads leading to their facilities and other city services. I would argue that no Carle expansions should be approved until Carle's issues with the City of Urbana are resolved. They simply do not pay their fair share, and expect Urbana's families to pay for them.

Preserving competition may allow choice for consumers when they are faced with arbitrary fees. Carle has recently imposed a \$200 facilities fee to see a Carle physician. No such fee is charged to see Presence Covenant physicians. Health Alliance pays the \$200 for patients who have their insurance while other insurance companies make people pay this fee out of pocket. While Carle has clearly added to its own revenues with this fee, it may also be attempting to increase market share for Health Alliance, the insurance company owned by Carle. As admitted by Health Alliance, the region in which Urbana is located has the highest health insurance rates in the entire state. As Carle owns Health Alliance, a major insurance provider, the two companies may not have an incentive to bargain.

Anyone with Blue Cross health insurance has always had problems using Carle physicians both in and outside of the hospital. Although the hospital is a Blue Cross preferred provider, and the Clinic specialists are now Blue Cross PPO providers, the Clinic's Internal Medicine, Family Medicine and Convenient Care physicians are NOT in ANY Blue Cross network whatsoever, according to the Clinic's Patient Accounts Department. If given further power (or a total monopoly) in our community, Carle will have no incentive to try to work with Blue Cross or any other insurance company in the future. Imagine how this will negatively affect not just Blue Cross patients but many other patients who have other major insurance providers.

Carle's goal seems to be to provide the best care for its patients, but Carle has one of the highest infection and avoidable complication rates in the state as reported by the *News Gazette* on June 27, 2014. Without competition, Carle has fewer incentives to correct these problems or maintain standards for the best of their patients. Some argue that the State and the IHFSRB should look carefully at the overall rates of infection, complications and sanitation as they consider granting the right to expansion, especially if this expansion drives other institutions with high standards from the market. It should be noted that none of the hospitals in the Presence group were judged unsanitary in the very same article.

As a summary, I have attempted to list some of the many arguments members of my community have made to stop Carle's relentless expansion. This expansion has been undertaken with little concern for community or local government input or for preserving a patient-focused healthcare marketplace. This has been done in hopes that it will help the IHFSRB understand why it is so crucial that Carle's 48 bed expansion be denied. The effects include and are not limited to decimating the tax base of its home city, Urbana, becoming the only choice for health care in the region, as well as increasing the cost of health care in the region. Please do not allow Carle's expansion to pass. It will decimate the City and the Citizens of Urbana.

Sincerely,

A handwritten signature in black ink that reads "Anne Marie Kuhny". The signature is written in a cursive, flowing style with a long, sweeping tail on the "y".

Anne Marie Kuhny

**JAMES M. MULVANEY  
33 COUNTRY CLUB DRIVE  
DANVILLE, ILLINOIS 61832**

**RECEIVED**

**AUG 07 2014**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

August 4, 2014

Kathryn J. Olson, Chair  
Illinois Health Facilities and Service Review Board  
525 W. Jefferson, Second Floor  
Springfield, IL 62761

Re: Carle Foundation Hospital, Project 14-015

Dear Ms. Olson:

I write in opposition to the request of Carle Foundation Hospital to expand its hospital in Urbana, Illinois by the addition of 48 medical and surgical beds. Although I reside in Danville, Illinois, I believe that an addition of 48 beds in Urbana will have an extremely negative impact in all of East Central Illinois.

Before I continue, I believe that I must disclose that I am currently a member of the Presence United Samaritans Medical Center Board of Directors. I believe that full disclosure to you of my relationship with Presence United Samaritans Medical Center in Danville is important.

While there are several reasons I oppose the addition of 48 beds, I will focus on three: (1) the fact that there is currently an oversupply of hospital beds in East Central Illinois; (2) the fact that Carle is a closed network; and (3) the philosophy of care differences of healthcare facilities in East Central Illinois.

Recent data indicate that there is currently an oversupply of hospital beds in the East Central Illinois' region. Allowing Carle to add 48 beds compounds this problem. The region has a stable to declining population. National and local trends demonstrate that outpatient treatments are increasing while hospital inpatient stays are decreasing. It makes little sense for any prospective to increase the supply of inpatient hospital beds. Diverting resources to add to an already existing oversupply of rooms makes little sense.

The Carle system has over at least the last 15 years taken calculated steps to close its system to collaboration and sharing. From its closed insurance network, its clinics and physicians referring patients only to its hospital in Urbana, its limitation of granting hospital privileges to physician not affiliated with the Carle system, and the transfer of patients being treated at other hospitals by Carle physicians to the Carle Urbana Hospital all demonstrate a clear pattern and practice of an attempt to limit options to patients. Its policy of limiting the acceptance of non-Carle insurance has made it difficult for patients in having a real choice in their medical care.

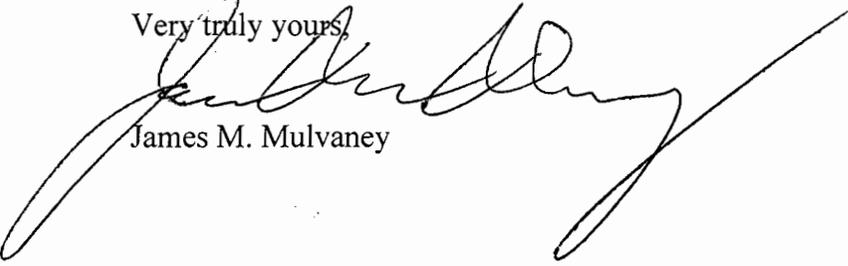
Kathryn J. Olson  
August 4, 2014  
Page 2

The Carle system's mission, vision and values are laudable. However, they lack important factors that are found in faith based health care systems. Those factors involve the physical and spiritual health of a patient and a strong and deep rooted commitment to the poor. There are many patients who not only prefer a faith based health care facility, but who would make this their first choice. The treatment of the spiritual health of a patient can be as important as the treatment of the physical health of the patient.

Faith based health care facilities in the past and today offer more services to the poor than health care facilities that are not faith based. The mission, vision and values of faith based facilities will insure that the poor receive services in the future. The facility fees recently implemented by Carle are an indication that service to the poor is not a mission priority for it.

I request that the Illinois Health Facilities and Service Review Board deny the request of Carle Foundation Hospital for Project 14-015.

Very truly yours,

  
James M. Mulvaney