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17-002

February 21, 2017

Javon Bea, President/CEO Mercyhealth

Mercyhealth Crystal Lake Micro-Hospital Testimony

Good morning. My name is Javon Bea. I am President and CEO of Mercyhealth, the applicant, in connection with the micro-hospital and clinic applications you are hearing about today.

These projects provide a responsible and thoughtful reconfiguration of our medical services in the Crystal Lake area to bring Mercyhealth patients enhanced coordination of care they have been asking for and access to emergency and acute care services the City of Crystal Lake has never had and deserves, especially the Medicaid, charity care and elderly patients who have difficulty finding transportation to other cities.

Mercyhealth has been privileged to provide healthcare to patients in the Crystal Lake area for over 20 years. We have been forging new innovative delivery models of care in our service areas based on patient need so they will receive coordinated quality care, close to home.

Our proposed plan for Crystal Lake is no exception. We want to enhance the healthcare our patients deserve, and that includes immediate emergency care the residents of Crystal Lake deserve.

The first application proposes the construction of a multi-specialty clinic to consolidate five of our current physician practices in the Crystal Lake area and the second application proposes the construction of an adjacent and integrated 13-bed micro-hospital resulting from the redistribution of licensed beds from our current hospital in Harvard.

Our Crystal Lake applications follow the same concept we brought forth in our Rockford CON applications just over a year ago, which were unanimously approved by the Health Facilities Planning Board in November of 2015.

We are, again, responsibly asking to redistribute under-utilized licensed inpatient beds from one of our hospitals to our proposed micro-hospital in Crystal Lake so we can provide much needed access to inpatient and emergency services especially to those Medicaid, charity care and elderly patients who have limited access to transportation and, we are responsibly asking to consolidate five of our different physician office locations to provide enhanced coordination of care to our patients and improved cost efficiencies to our patients.

I would like to provide a brief overview of Mercyhealth for those members of the community who were unable to attend the first hearing. I will then specifically address four key points regarding the value our proposed micro-hospital project will provide to the Crystal Lake area.

Mercyhealth is very committed to the communities we serve. Founded over 125 years ago–and now headquartered in Rockford, Illinois we serve over 2.1 million patient

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throughout northern Illinois and southern Wisconsin each year.

We are comprised of four service divisions with: 5 hospitals; 85 primary and specialty care medical centers and clinics in 50 communities; post-acute care and retail services; and a wholly owned and operated insurance company. We employ over 8,000 partner/employees and over 600 W2 partner physicians in over 75 specialties.

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We are a leader in quality with Magnet recognition for excellence in nursing and we are a recipient of the Malcolm Baldridge National Quality Award, which was presented by the President of the United States in the Oval Office.

We use a proven Accountable Care Organization model allowing us to provide high quality, cost-conscious coordinated care to our Medicaid patients.

Our success is based on our ability to provide efficient, coordinated care, with physicians and hospitals and associated services provided by one integrated system. It is also based on our passion for making lives better for our patients.

The impact of our proposed micro-hospital and clinic project to the Crystal Lake area is significant. As you may note in our history, I have been at the helm of Mercyhealth, bringing significant advancements in healthcare and growth to communities in southern Wisconsin and northern Illinois that need it most. We have the experience and knowledge in bringing healthcare services to communities.

With this proposed project, and our extensive knowledge in communities such as Crystal Lake, there are four key points regarding the value our proposed micro-hospital will bring to the residents of the Crystal Lake area:

Number 1. Our integration model
Number 2. Our patients come first
Number 3. Our Commitment to the Harvard community
Number 4: The Economic Benefit to Crystal Lake

<u>Point number One: Our Integration model.</u>
Our patients in the Crystal Lake area rely on us for high-quality, integrated health care services. We want to continue to deliver on that promise in the most efficient, innovative and responsible way possible.

Mercyhealth has a long history of health care innovation. We have never shied away from trying a new concept, or implementing strategies that are on the cutting-edge of medicine.
We understand this is the first time in Illinois a micro-hospital is being proposed. We have significant experience successfully and profitably operating small-sized hospitals and integrated outpatient medical clinics appropriately scaled to meet community needs.

This includes two critical access hospitals located in Harvard, Illinois and in Lake Geneva, Wisconsin. While these small hospitals are not "deemed" micro-hospitals, they are essentially just that. 17-002

We use evidence-based medicine, best practices standards and industry benchmarks to support a culture of continuous improvement to improve our integrated deliver model at every turn. However, a truly integrated model of care—the hallmark of success for an Accountable Care Organization—requires a hospital.

The construction of the proposed micro-hospital will allow Mercyhealth to provide care utilizing its full integration delivery model, which is based on the Mayo Clinic model, where hospital and physician offices are part of the same organizational entity.

Patients will have all the benefits of a multi-specialty clinic, as well as access to diagnostic services, emergency services, surgery suites and other hospital-based services. Such integrated services greatly benefit emergency room patients that require attention by a pediatrician, cardiologist, ear nose and throat specialist, orthopedic surgeon or other specialists who are present on-site in the clinic or on call at the time the patient is seen in the emergency room.

The project will allow Mercyhealth to extensively deploy its already proven successful ACO model in Crystal Lake, thus improving patient care and reducing costs—a significant community benefit. We have risen to the market imperative for integration, employing an ACO model with a proven track record of success. This is but one more step in serving the Crystal Lake community.

What we are proposing is a simple idea. Building a small 13-bed micro-hospital to primarily serve those patients who are coming in for a simple procedure and may need to stay overnight, or emergency room patients who need to be stabilized overnight.

I want to be clear in stating that our micro-hospital is not to be "all-things-to-all-people. Micro-hospitals work best in markets that have service gaps, but do not have enough demand to support all specialties.

In short, we are proposing this plan to provide integrated coordinated care to our current patients and those Crystal Lake patients in need of an emergency room especially those without transportation to other cities.

Point number 2: Our patients are Number One.

Our proposed project directly addresses access to care for the more than 30,000 patients Mercyhealth currently serves in the McHenry County area. We are similarly committed to serving lower income, chronically ill and elderly patients…helping improve community health for all segments of the population.

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The applications are especially relevant to the 7,500 Medicaid patients in Crystal Lake, as well as charity care and elderly patients who often lack access to transportation.

At present, we do not have a hospital facility nearby to serve our Crystal Lake clinic patients.
This creates unnecessary burden on these patients, especially those for whom transportation is difficult.
Our nearest facility is in Harvard, IL, a good 40-minute drive even in the best of traffic.
And, for patients without reliable transportation, the trip is almost impossible given the lack of public transportation.

Our plan asks for the redistribution of 13 of our current licensed inpatient beds from our Hospital in Harvard Illinois to our proposed Hospital in Crystal Lake, Illinois.

I want to be clear... Mercyhealth is not asking for ANY new beds ... we are simply requesting to redistribute licensed beds to Crystal Lake where they are most needed.

Harvard Hospital currently has 18 licensed acute care beds. Over the last five years, due to the movement of patient care services from the hospital to outpatient facilities, the average daily inpatient census at Harvard Hospital has been 4, leaving a considerable number of under-utilized beds throughout the year. Redistributing underutilized beds from our Harvard Hospital to the proposed hospital in Crystal Lake is a responsible use of resources.

The micro-hospital includes 13 private inpatient and intensive care beds, two operating rooms, physical and occupational therapy, lab, diagnostic services, and a sleep lab.

And because the city of Crystal Lake does not have an emergency department, the micro-hospital will include a 24/7 emergency room, offering access for immediate emergency care to those who have limited access to transportation, especially the Medicaid, charity care and elderly patients.

This micro-hospital continues our long-standing commitment to Crystal Lake by offering easy emergency access—a first within the city—as well as basic hospital services to our patients and the underserved with limited transportation.

Point Number 3: Our Harvard Commitment

We want to assure you that Mercyhealth will also continue our long-standing commitment to the Harvard community, operating five inpatient and intensive care beds, medical, surgical and intensive care unit services.

We will continue to operate Harvard Hospital in the same fashion we currently have in place, with advanced technology, monitoring and ICU trained nurses at all times. We will also continue to offer full surgical services and an emergency department, as well as acute care at the Mercyhealth Care Center, our 45-bed long-term care facility in Harvard. We will be assessing the current space for opportunities to

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expand the Care Center to incorporate private rooms and expand the Center's footprint.

Over the last 10 years, Mercyhealth has spent over $30 million dollars in Harvard Hospital in facility renovations and state-of-the-art technology and other capital investments, such as implementation of Epic electronic medical record technology. Our commitment has been and will continue to be steadfast and strong.

Point Number four: Economic Benefit

At this time, we estimate the proposed project will cost approximately $82 million dollars to build. However, please note Mercyhealth is absolutely committed to ensuring we comply with the CON Board's cost standards and guidelines.

The new hospital will generate significant economic activity relating to employment, construction jobs, income, and retail sales in the community.

It will enhance the economy of the Crystal Lake area by bringing over 500 new jobs in construction and trades, as well as over 156 permanent health care jobs, including physician providers, nursing, dietary, housekeeping and professional support services.

And that doesn't even take into account the economic spin-off effect. Health systems are an important economic driver for communities, having an extensive supply chain that provides more employment opportunities through their purchase of goods and supporting services. A Colorado Hospital Association study found that for every "one" hospital job created in a community the size of Crystal Lake, a .9 position is created. Using that metric, an additional 134 jobs would also be created through this project. The potential is great. (pause)

Our patients in the Crystal Lake area rely on us for high-quality, integrated health care services. This micro-hospital will continue our long-standing commitment to Crystal Lake by bringing easy emergency access to our patients, Medicaid, charity care, and the elderly especially those with limited access to transportation. We are simply asking you to redistribute beds that are not being used from our Harvard Hospital to the proposed hospital in Crystal Lake.

We understand this is a new concept to Illinois, yet many other states across the county are succeeding with the micro-hospital model and we have effectively been doing the same with our small Lake Geneva and Harvard critical access hospitals.

The new micro-hospital project directly addresses access to care for the thousands of patients Mercyhealth currently serves in the Crystal Lake area, especially Medicaid subscribers, charity care and elderly patients.

It provides our patients with improved coordination of care, enhanced efficiencies and redistributes licensed beds in a manner that provides necessary health care services and care to a community we serve which lacks them. It is a unique and very responsible solution.

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Our patients count on us for high quality, integrated health care.
We are committed to providing access to care for all patients—including low income, chronically ill and elderly patients. We owe them the very best.

Based on these commitments, Mercyhealth has engaged in careful, comprehensive planning for this micro-hospital project, in conjunction with the multi-specialty clinic project, as we have with every past project. This is evidenced by our success in Harvard, Lake Geneva, and Rockford.

This project allows for us to better care for our patients' needs, while providing significant benefits to the community at large and reducing overall health care costs for our patients.
It is a win-win all around.

The proposed integrated multi-specialty clinic and micro-hospital project is an essential step toward reaching our goal of providing appropriate care to our patients in the best setting possible, close to home, while maximizing coordination of care for our patients in Crystal Lake.

Thank you.

TESTIMONY OF TRACEY L. KLEIN

GOOD AFTERNOON. THANK YOU BOARD MEMBER MURPHY AND THE STAFF OF THE ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD.

MY NAME IS TRACEY KLEIN AND I AM CHAIR OF THE HEALTH CARE DEPARTMENT OF REINHART BOERNER VAN DEUREN. I AM HERE REPRESENTING MERCYHEALTH SYSTEM.

AS MR. BEA AND OTHER SPEAKERS ALREADY DISCUSSED, MERCYHEALTH'S PLAN IS TO BUILD A MICRO HOSPITAL IN CRYSTAL LAKE. I SPEAK TODAY TO SHED SOME LIGHT ON:

1. WHAT MICRO HOSPITALS ARE;
2. WHY THEY ARE BENEFICIAL; AND
3. WHY THE PROPOSED MICRO HOSPITAL IS THE BEST SOLUTION TO THE HEALTH PROBLEMS FACING THE CRYSTAL LAKE COMMUNITY TODAY.

1. MICRO HOSPITALS DEFINED

MICRO HOSPITALS, LIKE TRADITIONAL HOSPITALS, ARE 24/7 INPATIENT FACILITIES, OFTEN COMBINED WITH OUTPATIENT CLINICS AND OTHER ANCILLARY SERVICES. THEY ABIDE BY THE SAME STATE AND FEDERAL REGULATIONS AND LICENSING REQUIREMENTS AS TRADITIONAL HOSPITALS.

BUT AS THE NAME SUGGESTS, MICRO HOSPITALS ARE LIMITED IN SCALE; THEY HAVE FAR FEWER BEDS AND ARE HOUSED IN A SMALLER SPACE.

2. WHY ARE MICRO HOSPITALS BENEFICIAL?

MICRO HOSPITALS ARE AN INNOVATIVE DEVELOPMENT IN THAT THEY ARE CUSTOM TAILORED TO THE NEEDS OF THE COMMUNITIES IN WHICH THEY ARE BUILT.

THEY FILL THE GAP FOR COMMUNITIES, SUCH AS CRYSTAL LAKE, THAT DO NOT HAVE THE DEMAND FOR A FULL SCALE HOSPITAL, BUT NEED MORE THAN JUST AN URGENT CARE CENTER OR AN AMBULATORY SURGICAL CENTER.

BY COMBINING EMERGENCY SERVICES, LIMITED SURGICAL CAPABILITIES, AND OUTPATIENT SERVICES, ALL IN A CONDENSED AND CONVENIENT LOCATION, MICRO HOSPITALS BOLSTER POPULATION HEALTH IN SMALLER COMMUNITIES.

MICRO HOSPITALS OFFER AN UPGRADE TO FREE STANDING EMERGENCY DEPARTMENTS. UNLIKE FREE STANDING EMERGENCY DEPARTMENTS, MICRO HOSPITALS ARE FULLY LICENSED HOSPITALS WITH INPATIENT BEDS TO ACCOMMODATE PATIENTS THAT MAY NEED TO BE ADMITTED FROM THE EMERGENCY DEPARTMENT FOR SHORT STAYS.

THE MICRO HOSPITAL CONCEPT IS REALLY A BYPRODUCT OF THE TREND TOWARDS VALUE-BASED CARE. THE FOCUS IS ON PROVIDING THE RIGHT CARE, AT THE RIGHT TIME, IN THE APPROPRIATE SETTING.

MICRO HOSPITALS BRING CARE TO VULNERABLE POPULATIONS BY INCREASING ACCESS TO EMERGENCY SERVICES AND OUTPATIENT CLINICS TO THOSE WHO NEED IT THE MOST. THE INDIGENT, THE ELDERLY, AND THE CHRONICALLY ILL NEED CONVENIENT, HIGH QUALITY CARE. THESE POPULATIONS SHOULD NOT BE FORCED TO TRAVEL LONG DISTANCES IN ORDER TO GET THE CARE THEY NEED.

3. WHY IS A MICRO HOSPITAL THE BEST SOLUTION FOR THE COMMUNITY OF CRYSTAL LAKE AND SURROUNDING COMMUNITIES?

MERCYHEALTH'S PROPOSAL TO DEVELOP A MICRO HOSPITAL IN CRYSTAL LAKE WAS THE RESULT OF CAREFUL

PLANNING AND REVIEW OF COMMUNITY HEALTH NEEDS. THE PLANNING PROCESS REVEALED THAT IN THE CRYSTAL LAKE AREA.

1. THERE IS INSUFFICIENT ACCESS TO CARE FOR THE INDIGENT POPULATION IN THE MARKET AREA.

2. THERE ARE INADEQUATE HEALTH SERVICES TO THE GROWING GERIATRIC POPULATION.

3. THERE IS A DOCUMENTED SHORTAGE OF PRIMARY CARE PHYSICIANS AND SELECT SPECIALISTS IN MCHENRY COUNTY.

4. THERE IS NO CONTINUUM OF CARE FOR PATIENTS OF MERCYHEALTH PHYSICIANS IN CRYSTAL LAKE AND THE IMMEDIATE SURROUNDING COMMUNITIES.

5. THERE IS A LACK OF POPULATION HEALTH MANAGEMENT SERVICES IN CRYSTAL LAKE, DESPITE A DEMONSTRATED HIGH INCIDENCE OF CHRONIC DISEASE.

MERCY SAW AN OPPORTUNITY FOR SIGNIFICANT IMPROVEMENT OF COMMUNITY CARE AND ENHANCED CARE COORDINATION IN DEVELOPING THIS RIGHT SIZED FACILITY.

FINALLY, MERCY ALSO BELIEVES THAT THIS "SMARTLY" DESIGNED PROJECT WILL CORRECT THE CURRENT MALDISTRIBUTION OF INPATIENT BEDS IN MCHENRY COUNTY.

BY MOVING NEEDED HEALTH CARE RESOURCES TO CRYSTAL LAKE WHILE MAINTAINING ITS LONGSTANDING COMMITMENT TO THE COMMUNITY OF HARVARD.

THANK YOU.

Impact on Other Providers
Opposition for Project 17-002

My name is Eric Zornow and I am the Vice President of Finance and Treasury at Centegra Health System. Project 17-002 will impact area hospitals, including Centegra Health System's existing hospitals in Huntley, McHenry and Woodstock.

In its application, Mercy states that 100% of this hospital's volume would be made up by diverting patients from each of the five surrounding acute providers – an average of 156 patients per hospital. This is only shifting volume from existing hospitals to their proposed facility which does not create value – it is a simple ploy to redirect patients from non-Mercy providers.

In Attachment 20 of its application, Mercy wrote around the rules and did not appropriately address the unnecessary duplication or maldistribution review criteria. In Administrative Code 1110.530(d)(3) Mercy was required to document that the utilization of other area providers would not be forced below the state's occupancy standards. Mercy did not follow this rule and left out this information entirely.

Centegra Hospital-Huntley has been open six months. All of the volume projection and analysis that went into this project would be compromised if another hospital were allowed to be built less than 9 miles away. The State rules give a new hospital two full fiscal years to meet occupancy standards – how can these be met if this project will divert patients, as it clearly says it will in its application?

In addition, Mercy projects 17,000 emergency department visits in the first year of operation at the proposed micro-hospital. Using Mercy's "divide them all evenly" strategy, this means every hospital in the planning area would lose about 3,400 emergency department visits to Mercy. This is a significant loss in volume.

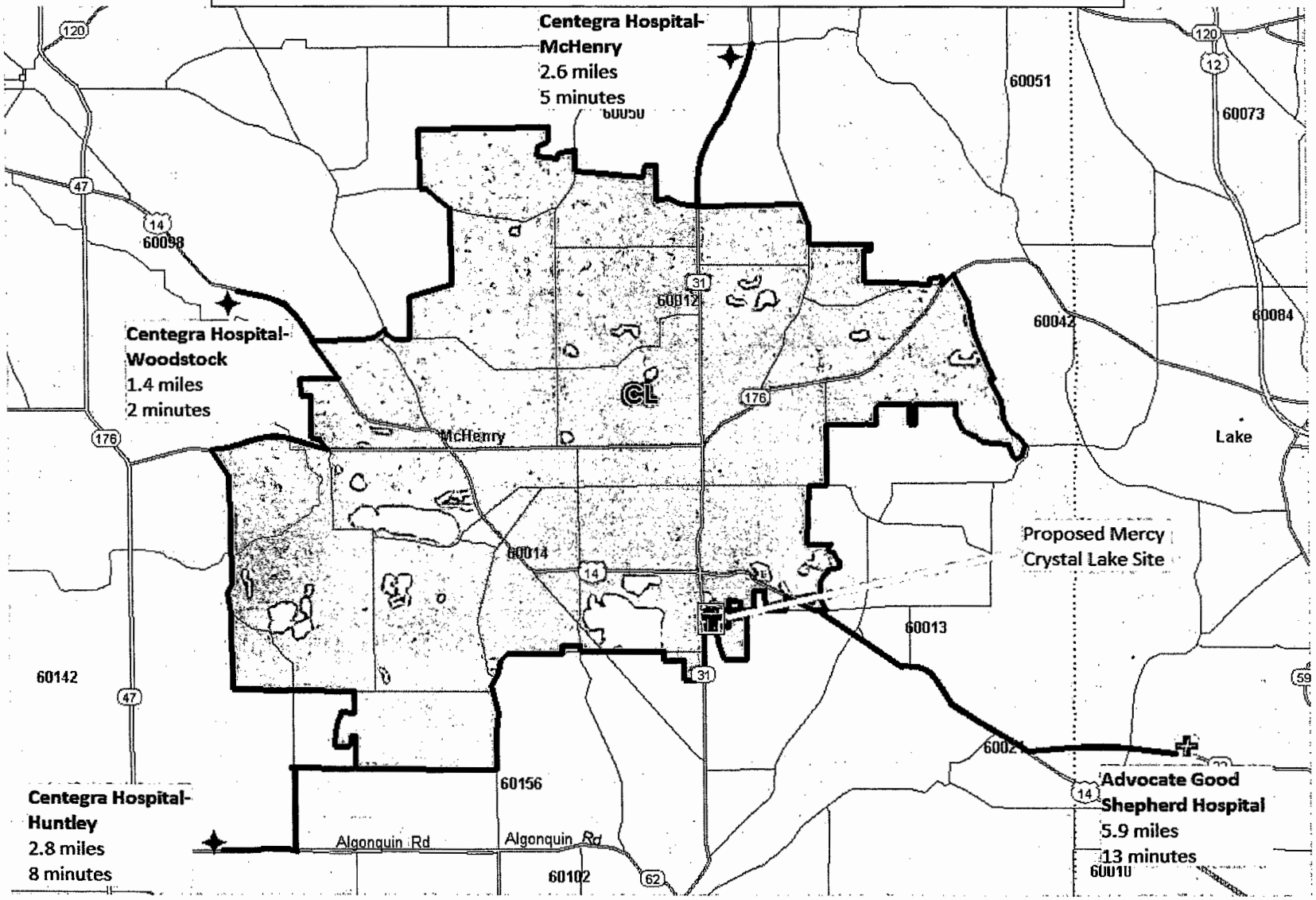
Again, Mercy's project does not add value. It simply shifts volume from five existing hospitals that are all within 13 miles.

Please deny Project 17-002. Thank you.

(A map showing provider proximity to Crystal Lake zip codes is provided on the back of this page)

Public Hearing Testimony for Eric Zornow
Opposition for Mercy Crystal Lake Project 17-002
February 21, 2017

Map Showing Existing Facility Proximity to Crystal Lake Zip Codes



Source for distance and travel time: Mapquest.com with a 1.15 travel time factor

Good afternoon and thank you for allowing me to speak in opposition of this project. My name is Keeley Gallaugher, and I'm the community health coordinator at Advocate Good Shepherd Hospital. I'm also a lifelong McHenry County resident. I want to address some of Mercy's points in their application.

The Robert Wood Johnson Foundation ranks counties within the state on a number of factors. McHenry County scores very well in this study. In fact, the last study available showed that McHenry County ranks as having the 4th highest Health Outcomes of any county in Illinois. That's great news, and it means there's a lot of good things happening health care wise already in McHenry County.

One concern Mercy brings up in their application is avoidable admissions in McHenry County. When Robert Wood Johnson looked at McHenry County's avoidable admission rate they found it was below the state average. In fact it's lower than collar counties such as Kane County, Dekalb County and Boone County. It shows we have sufficient outpatient access for our community members.

Finally, Mercy states that "they are committed to the goal of providing health care to all patients regardless of their ability to pay and they will implement a charity care program." Well, all health systems have charity care policies. That's not really a unique commitment they're making.

In summary, we're fortunate to have excellent access to medical care in McHenry County. Does McHenry County have health concerns that should be addressed? Yes, absolutely, but these problems can be addressed through much more cost-effective means. Building a brand new hospital is not a cost-effective solution to any of McHenry County's health problems. If Mercy is truly concerned about access to care and providing increased care for our county's poorest residents, why don't they just do it now?

KURCZEWSKI – reading copy

My name is Kristin Kurczewski and I'm an attorney with Centegra Health System.

There are many reasons Project 17-002 should be denied as will be addressed in the following public hearing. But I would like to address an obvious reason why both of these projects should not even be separately considered by the CON Board. Both of Mercy's applications for a Certificate of Need state that its Medical Office Building and hospital are going to be "physically and programmatically connected." Both projects are at the same location. While it would be possible to submit these separately, based on the testimonies this morning, Mercy is clearly treating this as one project.

Under Administrative Code Section 1130.310(b)(1), this connection between the two buildings would be defined as "interdependence" requiring that the two projects be brought in a single CON application. Mercy should have combined Project 17-001, the MOB project, with Project 17-002, the hospital project in a single application.

Assuming Mercy accurately reflected its project's details in its own application, the true cost per bed at the combined micro-hospital and medical office building project rises to $8 million. That is a simply outrageous cost that patients in our community should not have to bear.

Please deny Project 17-002 on the basis that Mercy should resubmit its application according to the state's rules. Thank you.

My name is Melissa Nielsen. I have been a resident of Crystal Lake for 9 years and I am here to speak in favor of both Mercyhealth's projects in Crystal Lake. I moved my family to Crystal Lake in 2008 because I thought the community offered superior schools, an excellent park district program, a quality library, a better shopping experience and an overall better community feel than the surrounding suburbs. I see the lack of a hospital facility with Emergency Room Care a huge absence in a town that I otherwise consider the leading suburb in McHenry and Kane counties. As a mother of 4 children ranging in age from 3 years to 12 years the proximity of emergency care is of vital importance to me. When my son was 4 years old, he fell and hit his head on the curd of our street and I can tell you that 20 minute ride to Woodstock with an unconscious child felt like a lifetime! In an emergency situation, minutes do matter and I think Crystal Lake residents deserve to have an emergency room right here at home.

I'm also in favor of a facility in the Crystal Lake community that makes outpatient surgeries, advanced testing and lab work more convenient for the residents here. My oby-gyn is a Mercyhealth Physician here in Crystal Lake. When I was pregnant and I needed an ultrasound to check on the baby's development and blood work for glucose testing, I had to get it done in Woodstock. My pediatrician is a Mercyhealth physician here in Crystal Lake, but when I needed lab work completed for my newborn to test bilirubin levels because of suspected jaundice, I had to travel to the hospital in Woodstock or McHenry 6 days post-partum for these services. When my daughter was recommended for a Cardiac Echo I again had to seek services at a hospital facility outside of my hometown. It was very time consuming and inconvenient!

Residents of Crystal Lake deserve a hospital within our city limits to improve access to care, especially in emergency situations. The city of Crystal Lake has always offered superior services and opportunities for its residents. I feel that Crystal Lake is the best suburb in the area and our residents deserve to have a hospital right here at home.

City of HARVARD

McHENRY COUNTY, ILLINOIS

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February 21, 2017

State of Illinois
Health Facilities and Services Review Board
525 W.Jefferson St. Springfield, IL 62761

Dear Members of the State of Illinois Health Facilities and Services Review Board:

I am writing on behalf of the City of Harvard to convey our support for the proposed Mercyhealth micro-hospital and clinic in Crystal Lake, IL.

As Harvard City Administrator, I have a longstanding knowledge of Mercyhealth. Based on their work in Harvard, I can say without hesitation that the organization is 100 percent committed to any community where it provides care. Mercyhealth has invested more than $30 million in our city. Thanks to Mercyhealth, even though we are a relatively small community, we have inpatient and intensive care, surgical services, an emergency department, and so much more available locally. In theory, that is wonderful. In practice, when a beloved family member is ill, you truly realize the immense benefit. We have enjoyed working with Mercyhealth for years now and look forward to continued cooperation, growth and dedication. I would expect nothing less.

In regard to the current project under review, I urge you to approve the micro-hospital and clinic applications. The proposal includes the transitioning of 13 beds from Harvard Hospital to Crystal Lake—a perfect solution given the excess bed capacity at Harvard Hospital. This redistribution of beds is a responsible solution, and it will bring vital services to a community that doesn't currently have this type of access. For Crystal Lake residents, enjoying access to local emergency care and being able to stay in their own community, close to family and friends, is a huge leap in convenience and will provide great peace of mind.

Keeping all of this in mind, I offer my strong support for the Mercyhealth proposals and look forward to your review and approval. This is a wonderful opportunity to benefit two communities, streamlining care in one and opening up new possibilities in another, to better serve both communities.

Sincerely,
CITY OF HARVARD

David A. Nelson
City Administrator

HARVARD
HOME OF MILK DAY
ILLINOIS

Mercy Doesn't Follow the Rules
Opposition for Project 17-002

My name is Jim Adamson and I am an attorney with Centegra Health System.

Careful review of Mercy's CON application for Project 17-002 reveals the proposal does not conform to the State's rules.

Consistent with its prior unsuccessful applications, Mercy seems to think this Board's rules are optional. Per the Administrative Code Section 1110.530 for Category of Service Review Criteria, Mercy's proposal does not meet the minimum 100-bed capacity for a new medical-surgical category of service with a Metropolitan Statistical Area. Similarly, the proposal does not meet the minimum 4-bed capacity for a new intensive care category of service.

Even if these rules were met, there is already an excess of 43 medical-surgical beds in Planning Area A-10. The application states it will "redistribute" its beds from the grossly underutilized Harvard campus to avoid adding beds to the region. Mercy claims that this is the same strategy it used to get approval of its new hospital in Rockford, which was to relocate beds eight miles from its existing facility on Rockton to its new hospital on Riverside. This "strategy" cannot be replicated here. Crystal Lake is 25 miles away from Harvard, and on the complete opposite end of the county. Crystal Lake and Harvard have different patient demographics, different provider landscapes, and different service needs. Claiming to use a cookie-cutter strategy to gain the Board's approval of this project is irresponsible.

Yet another concern with this project is its $82 million price tag. The Board Staff Report has not yet been released for Project 17-002, however when it is it will surely address the unreasonable cost of the proposed hospital. At more than $6 million per bed, the expense will inevitably trickle down to patients.

Once again, Mercy has claimed it is presenting an innovative idea as a way to bypass the rules that all other health care providers in Illinois must follow. Mercy is not the exception, and should not be allowed to build this hospital. Please deny Project 17-002. Thank you.

CON hearing testimony.

I am Charlotte Dioguardi. I have been living in Cary, just a few miles from the proposed project for 18 years. I love my community, my doctors and my hospital.

I oppose the proposed hospital. I am concerned that it will take away valuable resources from my hospital. This proposed new little hospital is very expensive, a total of $120M for both the hospital and the office building. That is a lot of money, which could be better spent on medical care and services. The facilities will not be providing any new services. Mercy will only replicating services provided by five other nearby hospitals.

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I understand that the new hospital will not care for very ill patients or complex patients. I would not want to go to a hospital without full services, when other nearby hospitals have a complete range of services. I wonder, what will happen if a patient has a heart attack. Will the EMS take the patient to this small hospital, when several full service hospitals are just minutes away? Will this little hospital have cardiac nurses and technology to take care of me, my family and neighbors? Or will we just be shuttled off to one of the other full service hospitals. This sounds scary to me. When time is of the essence, being taken to a hospital without all of the needed services scares me.

Thank you for your time to consider my opinion. Please do not approve this project.

Community is Not Underserved
Opposition for Project 17-002

My name is Sandy Montalvo, Manager of Social Services and Care Coordination at Centegra Health System. Our team connects patients to the care they need so they can manage their health and avoid hospital readmissions. Mercy's application for Project 17-002 is misleading with regard to patient care in Crystal Lake and throughout McHenry County. The patients Mercy references are also Centegra patients, and they are receiving excellent care from my colleagues.

Chronic disease management requires the coordinated efforts of clinical providers in both the inpatient and outpatient settings. Our hospitals work with all providers – those employed by our health system, those who are independent and those who work for Mercy – in the same way to ensure patients receive the highest level of care. If patients are unable to get themselves to hospital-based appointments, we provide more than 16,000 rides per year through our Patient Express service.

Mercy specifically mentions geriatric care in its application, something our health system identified as a major priority several years ago. To address this – and this is something Mercy left out of their McHenry County analysis – we developed a program that has placed nurse practitioners in skilled nursing facilities throughout the region. These NPs manage patients and their chronic health issues to prevent readmissions when possible.

We also communicate with patients, their families and post-acute care providers through a web-based program and mobile app. The program keeps patients out of the hospital and at home with their loved ones.

In addition to the many additional unmentioned ways we address the needs of our patients, our case managers make follow-up phone calls to identified high-risk patients to ensure their needs are met once they leave the hospital. We average 600 calls per month and help patients address medication needs, reschedule missed doctor's appointments and manage their care from home.

Do not be misled by Mercy's incomplete analysis of the needs of our community. A number of health providers have been – and will continue to be – here to provide patients the care they need. Thank you.

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Yvonne Miller, RN

Opposition to Mercy Crystal Lake Hospital

Project #17-002

Good afternoon. My name is Yvonne Miller and I'm a nurse Manager on the oncology unit at Advocate Good Shepherd Hospital. I live in Cary near to the proposed hospital. I oppose this project.

We work very hard to design the flow in our unit to be just right for the patients that we serve. The application indicated that there was a 500 page construction document already prepared. Nevertheless, I noticed that Mercy did not provide schematics or architectural drawings in their application. I would be interested in seeing how they designed a 13 bed hospital, as it would present a unique set of challenges. The other reason that everyone, particularly the Review Board, should want to see the layout is to better understand why this hospital costs so much. $83M for 13 beds seems excessive. That's over $6M per bed.

Their space layout is also very curious to me. Why is their Administration space larger than the space for their 13 beds? Also why does that administrative space cost nearly the same as their 11 medical surgical beds, which have gases, complex wiring and other high tech elements? Something doesn't seem right here. I am also wondering why the non-clinical space takes almost two thirds of the entire building, leaving only one-third of the hospital space for clinical services that provide patient care. This also seems odd to me. Just for comparison, the CON application submitted by Mercy for a new hospital back in 2010 had 68% of the space as clinical space.

GSH offers specialty units. My unit is oncology with nurses certified in oncology nursing and chemotherapy to care for cancer patients. We also have units with nurses with particular experience for each specialty including but not limited to cardiac care, orthopedics and stroke. A 13 bed hospital would be challenged to provide nurses with specialty experience to provide safe care for the patient.

I urge the Board to ask for schematic drawings and look into the costs and allocation of space.

Thank you for your time.

Kelly Howard, BSN, RN, CNOR.

I am the Surgical Services Charge Nurse at Mercyhealth Hospital and Medical Center in Harvard and have been with Mercy since 2010. More importantly, I have been a member of the Crystal Lake community for 16 years.

I was excited about the Mercy proposal several years ago and am even more excited now. I fully support both Mercyhealth projects.

Recently, my son called me in an emergency. He told me he hurt his ankle and it was extremely swollen and bruised. He was in a lot of pain and needed medical attention right away. We knew that his medical insurance would cover emergency care at Mercy in Harvard, but we were very concerned for his safety. We sent him instead to an Urgent Care in Algonquin, which was closest to where he was at the time. We needed to get him to a place to care for him right away. We also didn't want him driving 35 minutes, but he didn't meet the need for an ambulance.

As it turns out, because he couldn't travel the 35 minutes independently and we used a local urgent care, none of his care was covered under the insurance, and we had to pay out-of-pocket.

In 2016 my daughter had an injury to her foot requiring surgery. We had multiple doctor appointments prior to the surgery and regular follow up appointments after the surgery, all requiring us to travel longer distances to see her providers. I was required to leave work, travel 35 minutes to Crystal Lake to pick her up from our home, then travel 35 minutes back to Harvard so she could be seen by her doctor. This was a time-consuming burden for our family. If we had a hospital in Crystal Lake, I would have missed less work and she would have missed less school. Fortunately, she did not have any emergent complications because it would have been very inconvenient and stressful to have to travel in that situation.

For me, having local access would bring peace of mind knowing I can quickly see providers in an emergent situation. As an RN, I know the importance of time with regards to emergent care. Having local services is a must.

Kelly Howard

Undisclosed Future Plans for Space
Opposition for Project 17-002

My name is Kevin Christensen and I am the Director of Plant Operations at Centegra Health System.

I was the project manager over construction and design for Centegra Hospital-Huntley. That hospital was constructed on time and under budget, and saw its first patients on August 9 of last year.

In the 15 years Mercy has attempted to build a hospital in Crystal Lake, the Board has denied many iterations of the same project. Mercy's prior Certificate of Need applications were for a much larger hospital. Review of Mercy's current proposal indicates they have found another way to begin building a 100-bed hospital in Crystal Lake.

An examination of space designated as "non-clinical" in Mercy's current application reveals problems. It has planned an almost identical amount of square footage as what appeared in its 2011 application for a 70-bed hospital. The administrative space alone is planned to be 3,000 square feet larger than the administrative space in Mercy's 2003 and 2011 applications combined. It would be reasonable to assume that a 13-bed micro-hospital would not need the same amount of non-clinical space as a 70-bed hospital. Clearly, Mercy is building out the shell of something much bigger, and it does not want this Board to be aware of it.

It should also be made clear that this "micro" hospital comes with a "macro" price tag. Comparatively speaking, the cost per bed at Centegra Hospital-Huntley was $1.8 million. The specifications in Mercy's application indicate that the cost per bed at this "innovative" facility would be over $6 million per bed. This is beyond unreasonable for a planning area that has excess beds. It is also an excessive amount that will inevitably trickle down to the patients in McHenry County.

Mercy has not revealed its true master plan to the Board or to this community. Please deny Project 17-002.

Micro-hospital Key Traits
Opposition Testimony for Project 17-002

My name is Rowena Wermes and I am a Project Manager at Centegra Health System.

I'm here because no micro-hospitals have been approved in Illinois or in any other of the 34 states that have certificate of need requirements. I think it is important for the Board to understand that Mercy's stated concept for a micro-hospital is misleading based on research done by healthcare consulting groups. Cannon Design, SG2 and the Advisory Board Company have all written articles that describe the design and purpose of micro-hospitals. The Advisory Board states that most health systems use them as entry points into markets where demand would not be able to support a full-scale hospital. In addition, Mercy's proposed hospital does not meet the typical profile of a micro-hospital.

For today's hearing, I'd like to share a brief comparison of Mercy's project with information from the Advisory Board.

- The Advisory Board says a micro-hospital typically has eight to 10 beds. Mercy's proposed project has 13 beds.
- The Advisory Board says a micro-hospital typically costs $7 million to $30 million. Mercy's project is projected to cost an excessive $82 million.
- The Advisory Board says micro-hospitals are usually around 15,000 to 50,000 square feet in size. Mercy's proposed design is 111,000 square feet, more than double the size of the typical largest micro-hospital.
- The Advisory Board also says micro-hospitals are built to fill service gaps in areas rich in outpatient services but lacking inpatient facilities. With five hospitals within 24 minutes of the proposed micro-hospital, no such gaps exist in this geography. In fact, most parts of the state don't have such a high concentration of hospitals.
- Because of Mercy's proposed services, patients will also often need to be transferred to another hospital for a higher level of care. Mercy's proposed hospital is placed within five full-service hospitals that are within a 12.6-mile range, there is not a need for a micro-hospital in this area.

In closing, while micro-hospitals provide an innovative approach to health services in underserved areas, Project 17-002 does not meet the typical profile of a micro-hospital nor does it advance any of the underlying goals of this new type of health care facility. Mercy is simply using this new idea as another way to finally gain approval to build an unnecessary hospital in Crystal Lake.

Thank you for this opportunity to voice our opposition to Project 17-002.

Good afternoon. My name is Susan Gavle and I live at 394 Spruce Lane in Crystal Lake. I support both Mercyhealth projects.

I have been a resident since 1978, so 39 years, and in all of that time I have spent 99% of my time leaving the city limits of Crystal Lake for medical care. I have normally gone to Woodstock for the births of my two children, prenatal care, pediatricians, mammograms, colonoscopies, annual checkups, foot surgery in Harvard (outpatient), a hospital stay in Woodstock, hernia repair, broken hands, stitches, and immediate care situations at Mercy Woodstock. Only a fraction of time have I been able to see doctors for myself, my children or husband here in Crystal Lake.

I am in favor of Mercy health having hospital beds and expanded services here in Crystal Lake. I have read that it is not an addition of beds in McHenry County but rather a reallocation of beds from one location to another. Since both my husband and I are patients of Mercy Health, we would benefit by having the services close to home.

I feel strongly that we need to make medical care not only convenient but also safe. As I age I recognize that my driving will be affected by weather, age, and my physical abilities. The closer and more convenient the services, the safer it will be for me.

Also, keeping our care here in my own community means we would be able to have family, friends, or drive services pick us up and return us to our home. If I require an inpatient or outpatient procedure requiring hospital facility I would have to travel to Woodstock, Harvard or another Mercy health facility.

The Crystal Lake mission statement includes the wording: "to enhance and preserve this quality of life." Allocating beds to Crystal Lake would enhance the quality of my life and others. The ending is "that Crystal Lake continues to be a great place to live and work." I hope to live here for another 38 years and hope that my medical care is right here in my hometown, which would fit the definition of a great place to live.

CON Hearing Comments

State of Illinois Health Facilities and Services Review Board
525 W. Jefferson St., Springfield, IL 62761

Jay MacNeal, DO, MPH, FACEP, FAEMS, NRP
EMS Medical Director, Mercyhealth

I understand there are some questions from EMS providers about the proposed Crystal Lake facility. While the facility can't provide definitive care for all patients, it can provide care for the vast majority of patients. Having a local facility will provide EMS with a resource that they quite simply don't have right now. Ambulance out of service times will decrease and many patients will receive care closer to their families.

Our Lake Geneva(25 beds) and Harvard(18 beds) hospitals are Acute Stroke Ready, and based on AHA guidelines, are capable of handling initial stroke care. Having Acute Stroke Ready hospitals available is recommended. Keep in mind, they should only be bypassed for Primary and Comprehensive if transport time is less than 15-20 minutes to Primary and Secondary per AHA guidelines.

Our Lake Geneva and Harvard hospitals perform incredibly well and meet the guidelines for rapid EKG, identification, stabilization, and transfer to a cath lab within a very narrow and critical window.

Our Lake Geneva and Harvard hospitals are also capable of initial stabilization for trauma patients, particularly those with no airway or need for emergent blood products. Less than 10% of trauma patients in McHenry county will need Level I care. Many can be served by local Level II trauma center.

The microhospital will serve a valuable need for the community for the majority of patients. We have to keep in mind that the vast majority of patients transported by ambulance are not even admitted to the hospital. Admission rates vary widely based on locale, patient population, and community resources. But the average nationwide admission rate for ED visits in 2016 was around 12%. So 88% of patients are discharged from the ED anyway. Of the remaining 12% that are admitted, a minority of them will require critical care services such as Primary Stroke, Level I/II trauma, or Cath lab.

As a board certified Emergency Medicine Physician with Fellowship Training in EMS at Yale and EMS subspecialty board certification, I can assure you that EMS providers can accurately and appropriately determine the best destination for a patient based on clinical needs and IDPH EMS Office approved destination determination protocols.

Dr. Jason H. Bredenkamp, M.D., F.A.C.E.P.

- Good afternoon. My name is Dr. Jason Bredenkamp. I am a board certified emergency physician and Chairman of Emergency Medicine at Mercyhealth Hospital in Rockford, IL.
- I cannot express how strongly I support the proposed micro-hospital, including its emergency department.
- I speak to you today with no political or business agenda, but simply as a clinician and advocate for patients requiring emergency department care.
- The National Hospital Ambulatory Medical Care Survey (NHAMCS) by the Centers for Disease Control and Prevention (CDC) has detailed a continual increase in emergency department visits since at least 1992, as have data from the Emergency Department Benchmarking Alliance (EDBA).
- The 1992 NHAMCS Emergency Department Summary estimated that 89.8 million emergency department visits were made. In 2012, visits had grown to 131 million, and are estimated to be ***150 million in 2016***.
- The implementation of the Affordable Care Act has resulted in a spike in emergency department visits, especially in states with Medicaid expansion, like Illinois.
- According to a study in the Annals of Emergency Medicine, emergency department visits in Illinois increased 5.7 percent, or by more than ***14,000 visits a month*** on average, in 2014 and 2015 compared with 2011 through 2013.
- Arrivals via ambulance account for about 16% of emergency department visits, leaving approximately 84% of emergency department patients to find transportation themselves.
- Patients with Medicaid, Medicare, and no insurance continue to account for a significant percentage of emergency department visits, and unfortunately, these patients are often not able to travel great distances to receive emergency department care.
- I believe a population the size of Crystal Lake would benefit from its own emergency department.
- I sincerely hope you will approve this important project in the interest of accessible emergency department care for at-risk patients.
- Thank you.

What About Behavioral Health?
Opposition for Project 17-002

My name is Todd Schroll and I am the director of Behavioral Health Services at Centegra Health System. I'm a master's-prepared licensed clinical social worker, a former crisis worker and a former employee of the McHenry County Mental Health Board.

If Mercy was truly committed to providing the services this community needs, it would address Behavioral Health, which was clearly identified as a need in the McHenry County Healthy Community Studies in 2006, 2010, 2014 and 2017. Behavioral Health did not even earn a mention in the application for Project 17-002.

As you know, mental illness does not discriminate. It impacts patients and families regardless of their ability to pay. Health systems across the state have closed Acute Mental Illness beds although this patient population is fast growing and high need.

Part of Centegra Health System's population health management strategy includes the provision of inpatient and outpatient Behavioral Health. Much of this is at a financial loss to our organization, yet we continue to grow and develop these services because we understand their importance. Our ability to provide Behavioral Health care is supported by Centegra's more profitable services. All of this could be impacted if another hospital siphons inpatient volumes at Centegra's hospitals.

The provision of high-quality mental health care is difficult and comes at a cost to health systems. Still, if Mercy wanted to benefit community members, it would have acknowledged the need for Behavioral Health care and joined the community partners who are addressing this concern.

Please deny Project 17-002. It does not address the real needs of the Crystal Lake community.

EPILEPSY FOUNDATION

North/Central Illinois Iowa & Nebraska

321 W. State St. #208, Rockford IL 61101

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Benjamin Slack

February 20, 2017

State of Illinois
Health Facilities and Services Review Board
525 W. Jefferson St.
Springfield, IL 62761

Dear Members of the State of Illinois Health Facilities and Services Review Board:

I am writing on behalf of the Epilepsy Foundation of North Central Illinois, Iowa, and Nebraska to convey our strong support for the Certificate of Need applications filed by Mercyhealth to build a clinic and micro-hospital in Crystal Lake, IL.

Epilepsy is a unique condition that can have devastating debilitating effects. At present, approximately 1,200 individuals in the Crystal Lake area suffer from epilepsy. Unfortunately, they do not have access to adequate resources in the area. They more acutely than most feel the physician shortage that is affecting the nation. Specifically, the shortage of pediatric epilepsy sub-specialist is negatively impacting the community. Currently, the Epilepsy Foundation is the only organization filling this gap throughout McHenry County. The physicians the Mercyhealth project would bring to the community would increase the amount and quality of care available to our clients. For our McHenry County program, working with local physicians to provide specialized care within the community would have an extremely positive impact on those battling epilepsy and their families.

One reason our patient population is particularly disadvantaged when it comes to securing care in the Crystal Lake area is transportation .The vast majority of patients with epilepsy are unable to drive and are reliant on others for transportation. Access to specialized care becomes even more troublesome, because patients often need to travel outside of the county to receive care. Adding additional resources to the community would be a great benefit to all individuals battling a chronic illness. Further, these additional resources would give patients a true choice when it comes to care. It is the goal of the Epilepsy Foundation for individuals to receive the highest level of care within the community.

On behalf of our Foundation, I kindly request that the Illinois Health Facilities and Services Board approve Mercyhealth's Certificate of Need applications.

Sincerely,

Ben Slack
Executive Director

Telephone: 815/964-2689 • Toll Free: 800/221-2689 • Facsimile: 815/964-2731
Email: efncil@efncil.org • Web: www.efncil.org

Dr. Dean Feldman – Testimony to Illinois CON Board

Good afternoon. I'm Dr. Dean Feldman, Chair of the Anesthesiology Department at Advocate Good Shepherd Hospital, which previous people have told you is very close to Crystal Lake. I also sit on the Advocate Physician Partners Board, Advocate's physician hospital organization. I oppose this project.

Advocate Physician Partners aligns over 4500 physicians and the 13 Advocate hospitals. Advocate Physician Partner's nationally recognized, industry leading clinical integration program improves patient quality and increases the value received for the health care dollars spent. The Center for Medicare and Medicaid Services (CMS) recently announced that in 2015 Advocate saved the Federal Government over $73 million dollars on care provided to Medicare recipients, coming in at third in the nation. Advocate has been developing strategies to reduce hospital use, particularly unnecessary readmissions and emergency visits, while at the same time providing excellent patient outcomes and a superior patient experience. We invest over $20 M annually in infrastructure: programs, technology and processes to manage care. Investments have been made to locate social workers in physician practices to coordinate patient care, providing assistance in navigating through the complicated health care systems and resources such as setting up transportation and cell phones to access needed care. For many of these services we do not receive any additional payment, but we do them because it is the right thing for our patients. (We have chronic care clinics to better manage patients with chronic disease and avoid unnecessary readmissions, where mental health services and care coordination are offered as well as traditional medical care.)

Mercy's focus on building a new hospital and new emergency department in an area already well served by four other hospitals flies in the face of population health management and reducing costs for our patients.

Good Shepherd just went through a large campus modernization project. During this project we did not increase the number of licensed medical/surgical/pediatric beds. Rather we focused on keeping patients out of the hospital and out of the emergency department. This is the right approach to reducing costs. New facilities including a new emergency department represent an unnecessary duplication of services in the Crystal Lake area and will only add costs. For this reason I ask that the Board to reject this project. Thank you for letting me speak on this important topic.

Crystal Lake CON Public Hearing

Micro Hospital Component (afternoon session)

Good afternoon, my name is Patrick Cranley. I serve as Chief Operating Officer of MercyCare Insurance Company and I am speaking in favor of Mercyhealth's proposed micro hospital and clinic.

I possess over 20 years of experience in the managed care industry and have personally witnessed the transformation of the healthcare industry that is occurring due to the requirements of the Affordable Care Act, other efforts at payment reform and mergers within the industry. Some of the industry changes have been a bit late in taking root in Illinois. However, the trends are unmistakable.

In order to deliver on the promise of healthcare reform including the operation of, Accountable Care Organizations (ACO's), healthcare systems, such as Mercyhealth, need to have the ability to control costs throughout the entire spectrum of care. This is especially true of one of the most costly elements, the delivery of hospital care to their patients.

The same can be said for the ability to compete in the limited or narrow network offerings marketed by health insurers today, as well as bundled payment programs. These programs generally involve the provider taking significant risk for the cost of care. One readily apparent (local?) example of this involves Advocate and Blue Cross Blue Shield's narrow network offering called BlueCare Direct. Both organizations have heavily promoted this narrow network and there is no way Advocate could do so if it was not able to own and operate all elements

of the care continuum, including, most importantly, hospitals. Without the ability to control the total cost of care, providers cannot accept additional risk.

Currently Centega has a virtual monopoly on Hospital services in McHenry County, controlling 95% of the inpatient beds. Such monopolies inevitably lead to higher prices for consumers. Micro hospitals such as the one proposed by Mercyhealth offer the promise of a cost effective way to increase competition in the market, lowering costs and increasing choices for patients, employers and payers.

By virtue of its proposals to open a micro hospital and clinic, Mercyhealth is simply asking the Health Facilities and Services Review Board to provide it with the ability to serve patients in the ACO program, and the ability to compete in narrow network and bundled payment offerings expected by insurers, employers, and patients in our market area.

Thank you for the opportunity to speak to you today.

February 21st, 2017

Hello my name is Susan Grossinger. As a 24 year resident of Crystal Lake as well as the Senior Services Coordinator at Advocate Good Shepherd Hospital for 15 years, I am speaking to you today in opposition to the CON for a micro hospital in Crystal Lake. One of Mercy's arguments is that there are inadequate health services to the growing geriatric population. I completely disagree. Having moved my parents to McHenry County 19 years ago as their caregiver, we never once had difficulty accessing health care for either of my parents. They received excellent health care and services in their final years here. Our Senior Services office at Advocate Good Shepherd Hospital provides Medicare, insurance and drug coverage navigation as a SHIP (Senior Health Insurance Program) site as well as information and assistance with questions about services for seniors, educational programming, Matter of Balance fall prevention master training and classes and transportation for hospital and outpatient services to thousands of seniors every year. Over twelve hundred seniors per year come through just my office alone. Many of these seniors live in Crystal Lake and Cary. I have never heard from any of my senior patients that our "geriatric population" has not been able to access quality health care in the McHenry County area. Advocate offers a courtesy van service to all our patients, and seniors love this low cost transportation option. We are able to provide transportation and access to our off site outpatient centers and hospital campus 6 days a week for a very nominal fee of $5.

I understand from their application that Mercy wants to bring their geriatric specialty clinic from Wisconsin to this new site. If they're so concerned about the growing geriatric population in McHenry County, why haven't they brought this clinic down already to one of their existing clinics? They don't need a hospital to establish a new clinic.

Thank you for allowing me to express my opinion today.

February 21, 2017

In support of Mercyhealth Micro-Hospital and Medical Center

Jeni Hallatt
Vice President Operations, McHenry County
Mercyhealth

Micro-Hospital Hearing

Good afternoon. I am Jeni Hallatt, Vice President of Operations in McHenry County for Mercyhealth. I am honored to be here once again to speak on behalf of these vital Mercyhealth projects.

I have extensive experience with small hospital operations. We have already successfully and profitably operated small-sized hospitals that are appropriately scaled to meet community in Harvard, Illinois, and in Lake Geneva, Wisconsin. Mercy Walworth Hospital in Lake Geneva is a 25-bed hospital, 4 ORs, Labor/Delivery and emergency department seeing more than 18,000 patients annually.

Mercyhealth acquired Harvard Hospital in 2003 when the hospital was near closure. In fiscal year 2016, we performed 2,500 surgical procedures and 5,750 emergency visits to the Harvard community. As previously mentioned, Mercy Harvard Hospital is licensed an 18-bed hospital with an average daily inpatient census of 4.

We use evidence-based medicine, best practices and industry benchmarks to support a culture of continuous improvement. We achieve and sustain accreditations and certifications to support our quality achievements. These strategies are deployed throughout the organization, including to our small community based hospitals. Our hospital in Lake Geneva is accredited by the Society of Cardiovasular Patient Care as a Chest Pain Center.

In 2016, both Mercy Walworth and Mercy Harvard Hospitals became the first hospitals in Wisconsin and Illinois to be recognized by The Joint Commission as an Acute Stroke Ready Hospital. Mercy Harvard Hospital is also recognized by the State of Illinois as a Standby Emergency Department Approved for Pediatrics. These same strategies and commitment to providing quality care will be deployed at the proposed micro-hospital in Crystal Lake.

We will duplicate the success stories of our hospitals in Harvard and Lake Geneva, where patients receive care locally, allowing everyone access to quality care—not just the fortunate few—and this care will be delivered in the most efficient manner.

Thank you.

Good afternoon. My name is Kevin Fitch, spell name ~~and~~ I'm the Vice President of Finance at Advocate Sherman Hospital, located in Elgin. I oppose this project. Sherman is located 13 miles or 24 minutes from the proposed site and serves many of the same communities that Mercy's hospital would serve, including ~~Mercy's plans are supported by business from residents in~~ ~~to provide services to~~ communities such as Algonquin, Crystal Lake and Lake In the Hills. ~~are in Sherman's service area.~~

The Mercy proposal is extremely expensive and will increase the cost of health care for our local communities. I have worked in hospital finance for 20 years and evaluated the feasibility of countless projects. This project is not feasible in today's healthcare market where consumers demand value and affordability. What Mercy has proposed is a 13 bed hospital at a cost of nearly $82M. That's a cost of over **$6M** per bed which is very high compared to other projects and a poor use of resources.

By comparison, Centegra's 128 bed Huntley hospital was built for $233M or $1.8M per bed. And The last time Mercy proposed a hospital in Crystal Lake their application stated that they were going to build a 128 bed hospital for $200M. That's $1.6M per bed. Before working for Advocate I worked at Elmhurst Memorial Hospital and helped plan

Kevin Patch Pg. 2 of 2

their 259-bed replacement hospital that opened in 2010 with a CON Budgeted cost of $475M, or $1.8 M per bed. And Sherman Hospital opened our 255 bed hospital in 2009 at a cost of $326 M or $1.3 M per bed. All of these hospitals are more economical than Mercy's proposal because of scale.

The best I can tell, there's nothing unique or advanced about the services offered at this facility that would require the cost to be more than three times a typical hospital. The project has been dubbed a "micro-hospital". but it has a "macro budget". Note that in a May 2016 article by the Health Care Advisory Board, they stated that the typical cost for a so called micro hospital is $7 to $30M vs. Mercy's $82 M proposal.

The applicant will **not** be able to achieve a return on its $82 M investment with only 13 beds and a focus on serving Medicaid patients as indicated in the application. Mercy can only achieve its return on investment by offering very expensive hospital-based emergency and ambulatory services which can and should be delivered in a more affordable setting.

The costs of Mercy's proposal are extremely high for the low intensity of services being proposed. I urge the Board to take a thorough look at the costs of this project and deny the application. Thanks for your time.

Respectfully, Kevin L. Patch Jr.

Letter of support - Crystal Lake Micro Hospital

Eileen Palsgrove

Crystal Lake

My husband and I moved to Crystal Lake in 1965. Since that time five children were added to our family, one of whom is medically fragile. We have never been able to understand why Crystal Lake could not have a hospital. Even in an ambulance, a 30 minute drive seems like forever. Last year while my husband was ill, he spent 80+ days and nights in the hospital with several emergencies that brought him there. Even visiting every day was time consuming commuting time for me. Our family members were unable to see him often because of the distance. Crystal Lake should have its own emergency room!

(815) 382-7957

Letter of support - Crystal Lake Micro Hospital

Gary Burden

Crystal Lake

Crystal Lake should have had a hospital years ago. Area hospitals have been successful in blocking a hospital for monetary reasons in my opinion. I think it is time that the well being of the citizens be first priority. How many times in the past year have the area hospitals been on "Bypass" due to overcrowding?

Letter of support - Crystal Lake Micro Hospital

Cheryl Mueller

Crystal Lake

We need this ER in our area. My mother had to be taken all the way to Barrington in an emergency situation. There is such a need for this micro-hospital in this area. Centegra has no right to stop this very important facility. It will also enable many jobs!

cmueller47@gmail.com

Letter of support - Crystal Lake Micro Hospital

Paul & Phyllis Heber

Crystal Lake

Crystal Lake needs a hospital. Many people have limited access to transportation to get to another city. This hospital would help save people's lives. We need you!

ging4651@gmail.com

Letter of support - Crystal Lake Micro Hospital

Peter Lago

Crystal Lake

To whom it may concern:

I am totally in favor of the micro hospital and an expansion of Mercy Health in Crystal Lake. The presence of a 24/7 emergency facility alone makes this a great idea.

815-455-5675

Letter of support - Crystal Lake Micro Hospital

Holly Kohley

Crystal Lake

There is currently a hospital system monopoly in McHenry County, IL.

Competition and choices are necessary to keep costs and quality of services, care, and even building conditions, at the highest levels possible.

Several family members, of a variety of ages, have had negative in-patient experiences at Centegra facilities.

My family and I deserve to have health care choices.

Please, consider allowing Mercy to join our county and community.

hkohley@hotmail.com

Letter of support - Crystal Lake Micro Hospital

Allen Jensen

Crystal Lake

Good morning, pleased to sign this petition in favor of Mercy Health. As a resident of McHenry County, I am proud to support the initiative to reduce costs and improve quality using the Micro Hospital model. This is a much needed improvement to our communities.

Thank you!

(815) 344-6285

Fojtik
pg. 183

February 21, 2017

Dr. Joseph Fojtik

In support of the Mercyhealth Micro-Hospital and Medical Center Projects

My name is Joseph Fojtik. I am a general internist and have been in practice 28 years, 20 of them with Mercyhealth. I have also been a Departmental Chair at a local hospital, a Regional Medical Director for a 40 site Patient Centered Medical Home (PCMH) Pilot Program, work with NCQA and its PCMH Steering Committee, the Federation of State Boards and am one of two deputy medical coordinators for the Illinois Department of Finance and Professional Regulations. I am thus very involved with improving the quality of care for our patients and improving the delivery of that care as well. I believed I can offer an important perspective from an internist point of view as to why a micro-hospital would be beneficial to the community and the care for our patients.

There is an ongoing and necessary transformation of the health care delivery systems both regionally and on a national basis.

These needed changes have been identified to best occur within a model, in which care is more patient centered, more proactive and provided with a team approach and, to me, most importantly, with improvements in the coordinations of care, and transference of key clinical data between physicians and between physicians and hospitals. Improving patient experience, containing costs and improving the care of populations of patience–what we call the Triple Aim–is the end result and studies repeatedly have shown that this can occur, and occur consistently well within integrated systems.

This improved healthcare centers partially on having readily available data-clinical data, and when patients remain in a system, and when providers use the same Electronic Health Records (EHR), the data transmission is much more likely to occur reliably and safely. When patients get care at different hospitals or see difference

physicians using different EHRs the data transmission is typically much lower, and the care rendered less.

When patients are being discharged, and are being admitted to a local skilled nursing facility, or back to their internist's office, it is a time of jeopardy to the patient and medical misadventures can and do happen-largely due to miscommunication.

A well-known study indicated that communications between clinicians and, by inference, hospitals occurred consistently well only 60% of the time prior to the well spread use of EHRs; now, within the same systems it is near 100% and, perversely, across different EHR platforms, much less than the 60% when we used paper charts. This is largely due to the built-in lack of interoperability between EHRs and what we call their silos.

Thus, for the foreseeable future, from a generalist point of view, and one well verse in how well a PCMH model can work and improve the care of our patients, I perceive using a single system, with a vertically integrated team of nurses, specialists and generalists, all using the same EHR platform across the spectrum of clinical settings that our patient may journey in, that the care rendered is reliably and consistently more safe and of improved quality than otherwise. Thank you.

Selected references.

PCMH Standards on coordinations of care

ELEMENT C-COORDIATIONS OF CARE WITH OTHER FACILITIES AND CARE TRANSITIONS

The practice will systematically communicate with other facilities with the following:

1-Demonstrate its process to identify when its patients are in the hospital or ER

2-Demonstrate its process for sharing clinical data with the above

3-Demonstrate ots ability to obtain the hospital discharge summary

4-Demonstrate its process for contacting patients for appropriate follow-up from the hospital or ER

5- Demonstrate the process of sharing and exchanging clinical data with the hospital during the patient's admission

6-Collaborate with patients and families for transitional care plans from pediatric to adult care

7-Provide the capability of electronic exchange of key clinical data with facilities

8-Provide an electronic summary of care with another care facility at transitions of care

Other references on the PCMH Model, Chronic Disease Management and coordination of care between physicians.

http://www.ncqa.org/programs/recognition/practices/patient-centered-medical-home-pcmh

https://pcpccevents.com/

https://www.acponline.org/practice-resources/business-resources/payment/models/pcmh

Wagner EH. Chronic disease management: What will it take to improve care for chronic illness? Effective Clinical Practice. 1998;1(1):2-4

Ann S. O'Malley, MD, MPH; James D. Reschovsky, PhD ;Arch Intern Med. 2011;171(1):56-65. Referral and Consultation Communication Between Primary Care and Specialist Physicians Finding Common Ground

http://annals.org/aim/article/2546704/allocation-physician-time-ambulatory-practice-time-motion-study-4-specialties

http://www.annfammed.org/content/11/3/272.full

MD FACP

Thank you for the opportunity speak on this matter. My name is Rafael Malpica and I am 20+ year resident of the area. I also serve as the Director of Community and Guest Relations at Good Shepherd.
As a resident, I do not see a need for another hospital. There are four within a short drive.

I understand that Mercy is claiming that there is a need for a hospital in Crystal Lake due to lack of access for indigent/Medicaid patients and lack of transportation. Good Shepherd, along with other hospitals in the community, have a charity care policy for the indigent and also serves Medicaid patients. Secondly when it comes to transportation, Good Shepherd provides a courtesy van for a nominal fee, providing transportation to the hospital and to the outpatient offsite facilities. More than 15,000 rides have been provided in the past 4 years through this program. Additionally, a Public transportation system is available in McHenry County with McRide and township services as an example

Mercy cited the need for both chronic care and geriatric services. I agree that both issues are critical. However, GSH just opened an outpatient chronic care clinic, known as the Health Management Center that addresses this issue. Additionally, both geriatric services and chronic care services are best provided in an outpatient setting. A hospital is not needed. In fact, Mercy could begin providing those services now in their existing outpatient clinics.

The Mercy application cites the lack of physicians, using a 75% productivity model as another reason for the hospital. Our analysis, using a more common, higher productivity model, does not result in this great need. Even if additional physicians are needed, I would ask how an additional hospital would achieve this goal, when there are several hospitals located within a short drive. Most physicians prefer offices in the community, not in the hospital. So I am wondering how this hospital will attract additional physicians to the area.

I question whether this high cost project at $6M per bed is required to meet the needs identified in the application.

For these reasons and more, I oppose f this project.

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My name is Laura Aagesen and I have been in healthcare for over 40 years.

Being in the healthcare profession you have knowledge of the standards of practice that are expected when you or your family members are being cared for by other professionals. You sit back and observe, ask a lot of questions, make recommendations for treatment options and look at customer service. It's hard not to helicopter over each visit and your anxiety at times looks untrusting.

My experiences with Mercy Harvard last year put this to the test. My mother's health suddenly debilated and which required multiple visits to Mercy due to falls and constant nosebleeds. At times I was in town and could go to her side, other times I was 50 miles away at work and received a phone call. My past behavior would be to jump into the car to make sure that the care she received was five star. As we got to know each staff member, each physician, EACH RN the dietary staff (who by the way made the best oatmeal in the world per mom), housekeeping, registration, lab techs (who always got her on the first stick) and x-ray techs by their first name, I fell into a peaceful place of trust. I knew without me at Mercy she was getting the best care and my standards of practice were being met. The ED staff always greeted her with a warm welcome and expedited proficient care whether it was a visit for shortness of breath or a nose bleed. They had a calming manner that helped her feel everything was going to be okay. With an over the phone call discussion I knew exactly the plan of care my mother was going to follow. Sometimes it was a discharge home and other times she had to be admitted. If she was admitted the med/surg staff watched over her with experienced eyes. When I came to visit she was always comfortable and I could see by her appearance she was being well cared for. One exceptional act of kindness happened when she was unable to sleep one night. One of the nurses sat with her and talked to her for a great length of time. The conversation calmed my mother's anxiety and she was able to get some rest. This really touched my heart. In October of last year, my best friend, my mom died. I was heartbroken. Weeks later in an attempt to decrease my stress and clear some heartache I went for a

Aayesen pg 2 of 2

walk in the woods. I tripped on a tree root and fell. Long story short, it was my turn to hand over my healthcare to Harvard Mercy? That's a hard thing to do for a trauma nurse who always feels in control of her life. It was frightening and I felt helpless. The pain was excruciating. That changed once I hit the ED doors. The ED staff expedited my care and soon put me at ease. My pain was addressed immediately and I had to hand over my trust to the staff. I was admitted for 4 days. The med/surg staff worked around the clock to always make sure my pain was under control and met all my needs. My husband who is also a nurse felt I was receiving optimal care which put him to ease. My experience at Mercy Harvard proves to myself and our community that the quality of their care reflects their commitment to excellence. I want to thank all the staff for this commitment and providing a medical facility that we can all trust. I'm confident This level of care will be continued in a facility in Crystal Lake

Harvard is Growing, Crystal Lake has Money
Opposition for Project 17-002

My name is Bryan Foster and I am Decision Support Manager at Centegra Health System. Today I'd like to address the fact that there is likely another reason Mercy has sought to build a hospital in Crystal Lake for almost 15 years, one that has been left out of its application.

According to the Environmental Systems Research Institute, or Esri, the total population of both Crystal Lake ZIP codes is not projected to increase between 2016 and 2021. In fact, Crystal Lake ZIP codes are to remain constant in the next five years.

Esri's most recent projections estimate Illinois will grow by 1.1% and McHenry County will grow by 1.4% by 2021. Mercy said in its application that the population in Harvard is not growing. In fact, up-to-date information that was available when Mercy filed this application shows that Harvard is now expected to grow 7.4% by 2021. Why, then, would Mercy propose to reduce beds in a growing area?

The current unemployment rate in Illinois is 6.3%, and McHenry County's unemployment rate is 6.9%. Additional data provided by Esri may shed some light on what Mercy is after. In 2016 the unemployment rate in the two Crystal Lake ZIP codes was 5.1%. In Harvard, where Mercy plans to reduce beds, the unemployment rate is 7.1%. In its application Mercy claims it wants to care for at-risk patients in McHenry County. It would seem, then, it would be most effective to enhance the care that is provided in Harvard.

Mercy's application could lead readers to believe that Crystal Lake is a poor, overlooked region riddled with a proportionately sicker population than its neighbors. This could not be farther from the truth. The 2016 median household income in the two Crystal Lake ZIP codes was just under $88,000, and expected to increase by 10% by 2021. This is compared to Illinois' median household income of $56,426 and McHenry County's median household income of $76,225. Harvard, where Mercy plans to reduce beds, has a median household income of under $53,000 that is expected to decrease in the next five years. What is Mercy really after?

If Mercy truly aims to serve a community in need, it should focus its energy on its current hospital in Harvard. Thank you.

In fact, Mercy Harvard's latest annual hospital profile shows that they had a peak census of 11 for Medical Surgical beds and 2 for ICU. How will they meet the demand in Harvard if they leave only 4 Medical Surgical beds and 1 ICU bed in that community?

PM

February 21, 2017

Doug Hawthorne 17-002

I am commenting in Support of Mercyhealth Hospital and Medical Center Projects

SPELL

- Good afternoon, my name is Doug Hawthorne. I spent 15 years on the Mercy Harvard Hospital Board of Directors, the final three years as the President of the Board. After exhausting all of my terms, I joined the Mercy Harvard Hospital Foundation and was President of that Board for several years.
- The projects being discussed today will benefit all parties.
- The transitioning of 13 beds from Mercy Harvard Hospital to Crystal Lake makes sense given shifting demographics. Mercy Harvard Hospital currently has 18 licensed acute care beds and over the last five years, due to the movement of patient care services from the hospital to outpatient facilities, the average daily inpatient census has been four, leaving a considerable number of unused beds throughout the year.
- Harvard Hospital is one of Mercyhealth's legacy facilities with a commitment to the Harvard community. Operating five inpatient and intensive care beds - medical, surgical and intensive care units serve the current needs of the Harvard Community. They will continue to operate what is currently in place, providing advanced technology, monitoring and ICU-trained nurses at all times.
- Mercyhealth will also continue to offer full surgical services and an emergency department, as well as acute care at the Mercyhealth Care Center, the 45-bed long-term care facility. I understand Merchyealth will be assessing the current space for opportunities to expand the Care Center to incorporate private room options and expand the Care Center's footprint.
- This is an opportunity to better serve the communities by creatively working together to bring patients the best access to care. I sincerely appreciate your support in this endeavor.
- Thank you.

- My name is Jeanne Ang. I oppose the construction of the new Mercy Hospital in Crystal Lake. I am the Director of Community health for the North Region. for ~~Advocate Health Care~~ Good Shepherd Hospital

- Every three years, a coalition of health partners and community organizations in McHenry County complete a comprehensive community needs assessment. The most recent study was completed in late 2016.
    - The Coalition is named the McHenry County Healthy Community Partnerships, and includes physical and mental health providers, social service providers and the McHenry County Health Department. Advocate and Centegra have been members. Notably The Mercy Health System has not been a member of this Coalition.

- The health priorities identified for McHenry County are **Obesity, Cardiovascular Disease, Cancer and Diabetes**. Additionally, the availability of mental health and substance abuse services was identified as a key need,
- In an examination of 33 health indicators for the Crystal Lake zip code, only one indicator was not in the favorable/green rating. This one unfavorable indicator is the hospitalization rate due to alcohol abuse. All of the health indicators related to obesity, cardiovascular disease, cancer and diabetes are in the green zone for the Crystal Lake Zip code.
- Additionally, 2013 data from County Health Rankings indicates that the Primary Care Provider rate for McHenry County is actually in the favorable" green zone" when compared to the other Illinois Counties, and the other Counties in the nation. This means that there are enough primary care providers in the county to meet the needs of the population (Source: Healthy Communities Institute)
- There are a substantial number of medical providers in the Crystal Lake-area that provide access to health care addressing obesity, cardiovascular disease, cancer and diabetes, indicating sufficient capacity to address these health issues.
- The community health assessment for McHenry county, which welcomed all providers, and included the health department, Centegra, GSH, clinicians and social service organizations did not find a need for another hospital.

I urge the Illinois Health Services Review Board to deny this application for a new hospital.

Mercy Declined Participation in McHenry County Healthy Community Study in 2010, 2014, 2017
Opposition for Project 17-002

My name is Robert Vavrik and I am the Manager of Strategic Planning at Centegra Health System. I am a member of the Core Team of the Healthy Community Study and MAPP of McHenry County, which is Mobilizing for Action through Planning and Partnership.

Mercy's multiple attempts to build a hospital in Crystal Lake could mislead people into thinking that Mercy is actually invested in the health and wellness of people in this community. To the contrary, Mercy was invited to be a partner in the McHenry County Health Community Study in 2010, and they declined. Mercy also refused to collaborate for the 2014 study – coincidentally, the same study from which Jenny Hallett quoted health statistics this morning. As we prepared for the 2017 Healthy Community Study, Mercy was contacted not once, but twice, and our committee received no response. Mercy did not even attend the community presentation of the data this past January.

All of the key players in the McHenry County health care scene were funding partners in the study. In addition to Centegra, this includes Advocate Health System, McHenry County Department of Health, McHenry County Mental Health Board, McHenry County Substance Abuse Coalition and United Way of Greater McHenry County.

In its application, Mercy states, "In furtherance to its mission to serve the indigent, Mercy Health will reach out to community-based organizations in an effort to collaborate in the provision of care to the indigent." This claim was also in its 2010 application, verbatim. Mercy has already passed on multiple opportunities to work with the other providers in the region. Mercy's track record of collaboration in other regions has not yet been an indicator of its commitment to McHenry County. If Mercy hasn't taken the initiative in the 20 years it has owned land in Crystal Lake, it seems doubtful it will ever engage in our collaborative efforts to help those in need in our community.

JACK
FRANKS
McHenry County Board Chairman

February 20, 2017

Ms. Kathryn J. Olson
Chairman
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., Second Floor
Springfield, IL 62761

Dear Chairman Olson and Members of the Illinois Health Facilities & Services Review Board:

I am writing in my individual capacity as Chairman of the McHenry County Board to express support of the dual Certificate of Need requests filed by Mercyhealth to build a multi-specialty clinic and adjacent 13-bed micro-hospital in Crystal Lake, Illinois.

This project is good for our community and good for our economy. The $105 million investment Mercyhealth is proposing will create hundreds of well-paying jobs (at least 500 construction and 150 permanent health care jobs) and will have a significant positive effect on our region for decades to come. Research shows that health care operations are serious economic drivers and that for every new health care job created in a community, nearly another full-time position is created to support that position, virtually doubling the impact.

Tackling inefficiencies and wasteful spending has long been a passion of mine. This project will reduce the cost of providing health care services to a larger portion of our community members by eliminating inefficiencies. At present, Mercyhealth patients must visit up to five facilities to secure care, plus travel more for outpatient procedures and hospital care. This project will eliminate that burden. This also means that disadvantaged patients who find it difficult to travel will experience much-increased access to needed services. The project will also create a local emergency department—something Crystal Lake has never before enjoyed. We see this build as a win for all involved.

Additionally, we believe that adding more options to the marketplace is a smart long term investment that will naturally increase the quality of care and reduce costs. McHenry County must focus on growth *and* diversification to strengthen our county's economic base and this project will help reach those goals.

I respectfully request that the Illinois Health Facilities & Services Board consider favorably both of Mercyhealth's Certificate of Need proposals and allow this important project to move forward.

Sincerely,

Jack Franks
Chairman
McHenry County Board

P.O. Box 274, Woodstock, IL 60098 • FranksForMcHenry.com • 815-338-6363

Paid for by Supporters of Jack D. Franks 310

February 21, 2017

Pete Olson, Business Representative, Plumbers Local 130, U.A.

In Support of the Mercyhealth Micro-Hospital and Medical Center Projects

My name is Pete Olson, and I am the business representative for Plumbers Local 130, U.A. I am here today to show my strong support of Mercyhealth's micro-hospital and medical center projects.

Local contractors and businesses will have an opportunity to participate in the construction process, and these project will provide long-term jobs to area residents when construction is complete—all of which will feed into Crystal Lake's positive economic momentum.

I fully support Mercy's applications to construct the proposed micro-hospital and medical center in Crystal Lake, and I encourage the State of Illinois Health Facilities and Services Review Board to approve this project. Thank you for your consideration.

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February 21, 2017
In support of Both Mercyhealth Projects
Jarrett Terpstra

My name is Jarrett Terpstra. I am here in support of both Mercyhealth projects.

As surgical services lead at Mercyhealth Harvard Hospital, I am overwhelmed with the commitment my staff have for the Crystal Lake community. My staff give endless volunteer hours to the community.

In addition, these proposed projects are a great benefit to the community because the project provides surgical services to the area residents. I personally have seen patients and families have to travel 20 to 30 minutes to receive surgical care. They deserve more.

Terpstra
Pg. 2 of 2

I also want to point out how much of an economic driver Mercyhealth's projects will be. It will provide jobs and economic benefit while increasing competition and choice in the area, improving care. What is the downside? I don't see any. It's time we used a little common sense. We need this project. Please allow us that simple choice. It would mean so much.

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February 21, 2017
Theresa Hollinger
In Support of the Mercyhealth Micro-Hospital and Clinic

My name is Theresa Hollinger, and I am Director of Nursing and Patient Care Services Mercy Harvard Hospital. I serve on the Board of Directors of the Harvard Chamber of Commerce and am a member of the Harvard Community Partnership Coalition. I am in favor of both Mercyhealth projects.

I would like to speak to staffing efficeiency and staff competency in a small hospital environment.

In a small hospital, nurses work as an integrated team. Our Registered Nurses are highly trained and highly educated. Magnet designated, Harvard Hospital has a high percentage of Master's prepared, direct care nurses, practicing at the bedside in various departments. The Emergency Department nurses all obtain specialty certifications to ensure they are ready to receive any patient situation that presents.

Our Medical, ICU, and Supervisory nurses are cross trained to assist in multiple departments. This cross training supports each area in times of need. When patients require urgent attention in the Emergency Department, the ICU nurse can apply his/her critical thinking skills and ICU experience in the Emergency Department. Should a patient condition change in the medical unit, a Supervisor is close at hand to assist. It is not uncommon to see a surgical nurse providing assistance to her peers in the medical unit. We all see each other as a team to provide care for all of our patients, regardless of location.

Supervisors who do not have a patient assignment are trained in all areas to provide critical assessment skills, guidance and hands on assistance to support the nurses where they need it most. This flexibility of skill application allows us to respond to the patients who need the most attention at the time they need it. Nurses gain experience in multiple environments and work collaboratively as a team to meet all of our patient's needs. Our nurses are able to produce high quality outcomes for the patients due to the support and additional education and training they receive.

Efficiently staffing a small hospital involves teamwork, education, cross-training, and understanding of the various patient populations we serve. The nurses at Harvard (and Walworth) work as a family to treat patients in a variety of departments. We do this by providing additional training and education to really tap into our nurse's skills and by embracing

Hollinger pg. 2 of 2 57 (2/2)

a culture of teamwork and collaboration. We will take this same approach with a micro-hospital in Crystal Lake.

Therese Holtz

Hello, my name is Jennifer Whitwell and I am a Clinic Team Leader at Mercyhealth McHenry. More importantly, I have been a member of McHenry County for 18 years.

I personally am excited about the proposal of Mercyhealth to build a micro-hospital and medical center in Crystal Lake.

In my position, I hear physician concerns regarding the coordination of care for their patients. "Too many providers from multiple health systems ; the inability to get vital patient information in a timely manner and having to work across different electronic medical record systems – all these factors play a role in increased risk for error and not to mention the duplication of services for laboratory and radiology services ." Physicians and their nursing partners spend an enormous amount of time attempting to track down patient information from other health systems both through phone calls and other computer systems.....time that could better spent providing direct patient care.

Physicians also mention the concerns that they hear from their patients – including the excessive wait times and lack of communication between other health systems and their own Mercyhealth primary care provider. Patients like utilizing Merchealth Harvard and Walworth for outpatient services because it keeps their healthcare within one system; however would prefer a Mercyhealth hospital in Crystal Lake as it would be within a reasonable driving distance.

Thank you for time and consideration.

Jennifer Whitwell

February 21, 2017
Melissa Ryan, BSN, RN
Speaking in support of Mercyhealth Micro-Hospital and Medical Center projects

As a Mercy Nurse, I believe we provide value to our community by working collaboratively between our hospital and ambulatory clinics which helps us to reach a broader area of our community to assess the needs and bring needed events and support in the communities we live in and serve. We are bringing our excitement, expertise and strong focused goal to bring wellness and resources to our community.

Having the perspective of working on both the ambulatory side and now the hospital side, and chair of our McHenry County volunteer committee we have been working to provide needed volunteering in our community which helps all involved business, schools hospital and community members alike. In the past year we have reached across the community to provide:

- Nursing Wellness Library Events (Algonquin, Harvard, Woodstock, McHenry), which allowed to educate the community on stroke, blood pressure, vaccinations (flu and pneumonia), provided education on becoming a nurse, healthy eating, seasonal affective disorders, suicide prevention, BMI screening and avoiding frostbite and hypothermia, heart health, child safety (bike safety, Halloween safety, seatbelt, and sun safety) and seasonal wellness (avoiding falls, surviving the holidays, winter exercise).
- High School for stress management directed towards teens and promoting positive self-image
- We have supported Crystal School by participating in their 5K events to get needed PE equipment.
- Helped the Crystal Lake Food Pantry in the "Pack the New Food Pantry Food Drive" and volunteered to pack boxes
- We helped to get needed mental health funds for the Home of the Sparrow.
- We have incorporated nursing blood pressure screening booths at all of our marking events to help screen our community against hypertension and educate on heart disease.

In the coming year and years to come we are planning to expand our outreach to include but not limited to, more schools within our communities by having more health fairs, reading to students, participating in school drives to offset costs of school supplies and finding the need with in our niche communities to support them as needed. We are working within our own nurse practice councils and committees to provide more these valuable services and do this with the best intentions to make the people within the communities we serve lives better!

Hello, my name is Carol Lucas. I am a bedside nurse in the medical unit at Mercyhealth Harvard Hospital. I am support both Mercyhealth projects.

Harvard Hospital is vitally important to the Harvard community and I know Mercyhealth will continue its long-standing commitment to the community. There are many patients that I have had the privilege to care for that would not have their support system available to aide in their recovery, if they have been treated elsewhere. Harvard is a small rural community that has many people unable to travel to visit their loved ones in the hospital. Harvard allows and welcomes support systems to visit patients. Harvard is also very family friendly and open to the community.

I began my career at Mercyhealth Harvard when I graduated from college. During my first year of nursing, I found that Harvard Hospital offers superior care to their patients. As a nurse at Harvard, I am allowed to spend time with my patients to care for them holistically. For example, finding other non-pharmacological means of pain control like a back massage or a diversion activity. At Harvard, nurses are allowed to care for not just a person's illness but also the person themselves. I am able to go above and beyond to care for my patients.

I once cared for a patient who was recently diagnosed with cancer. Being able to spend time with the person allowed me to discover that they were not concerned with chemo or treatment but how cancer would affect their young children. That extra time I spent with the patient allowed me to discover what was most concerning to them. With that information, I was able to research activities available locally that the family can do together with other families facing the same challenge of a parent with cancer.

Mercyhealth Harvard is a place that offers the best quality nursing care that the community appreciates, and I'm proud that we are a vital part of the community, both now and well into the future. Thank you.

Carol Lucas

February 21, 2017

Tracy Perkins. MSN, RN, Supervisor Nursing

In Support of Mercyhealth Micro-Hospital and Medical Center

Hello, my name is Tracy Perkins and I'm the supervisor of medical, ICU and emergency dept. at Mercy Harvard Hospital.

I'm here today in support of Mercyhealth's proposed project to build a hospital and medical center in Crystal Lake.

As a small hospital, Mercy Harvard Hospital cares for the same type of patients that larger hospitals do. We care for medical, telemetry and surgical, such as vascular and major abdominal surgeries. The Direct Care nursing staff have vast experience from a variety of environments and bring that knowledge and quality care to the patients at Harvard Hospital.

As the supervisor, I oversee the clinical staff, including nurses, CNAs, nursing students, and nurse techs. We have multiple layers of achieving and maintaining competency of our clinic partners. They are trained in a variety of milieu. We also provide classroom opportunities through our sister facilities. Harvard Hospital provides top quality outcomes and evidence-based care. We will continue to do so long into the future.

I strongly suggest you approve both Mercyhealth's projects in Crystal Lake. The community needs this.

Thank you.

Tracy Perkins

Dr. Shailesh Virani

- Good morning, I am Dr. Shailesh Virani. I am a board certified family medicine physician at Mercyhealth Harvard Clinic South, and I am a member of the Mercyhealth Harvard Hospital Medical Staff. I am also past president of the hospital.
- I want to express my strong support for both the medical center and micro-hospital projects being discussed today.
- Harvard Hospital is a small critical care access hospital that has performed exceptionally well in terms of quality. Part of that commitment to always striving to be the best and be better than we were yesterday means regularly evaluating ourselves. After extensive review, it is clear that the reallocation of beds from the Harvard area to Crystal Lake is in the best interest of all, in both regions, and we fully and unconditionally support this effort.
- This project requires the shifting of beds to where they are MOST needed. It is not a project that asks for additional beds. I think this is a key point.
- Harvard Hospital currently has 18 licensed beds. Over the last five years, due to the movement of patient care services from the hospital to outpatient facilities, the average daily inpatient census has been four, leaving a considerable number of unused beds throughout the year.
- By redistributing beds to where they are most needed, this project provides our patients with improved coordination of care, enhanced efficiencies and redistributes licensed beds in a manner that provides necessary health care services and care to a community we serve that lacks them.
- Mercyhealth will continue its track record of generous support and unwavering commitment to Harvard Hospital and the community. The same cutting-edge services will still be provided, ensuring that all Harvard patients have the same access to the highest quality care at the same breadth and depth as before. Transitioning the additional, unused capacity will only free this for those in need in Crystal Lake. A win-win for all.
- I am thankful for Mercyhealth's long-standing commitment to Harvard and look forward to being a part of our continued service to that community for many, many, many more years to come.

Most of people here comparing Big Macro hospital to Microhospital that Mercy is proproping is not to ~~Gold New~~ asking for More bed.

People are talking about Cost. Need to know by creating monopoly of one health system in county increase cost of health care tremendously.

My Collegue
does not understand
- how it ~~is~~ to have Access close by.
- ~~Access care~~ Fately
I have seen My Patient who refuse
to go even to Woodstock. If care
is delivered in their Hometown
It feels better to ~~sta~~ stay close to
home especially when you are sick
& especially elder folks.
- It is hard for people to understand
this when they are not direct provider for
Patient's health care
I am one of provider who work at Small hospital & also
In past wo
at bigge
hospita
& ~~Feels~~ It is Feels like family you are getting Health care, biggest compliment we
get from patient.

1

Good Afternoon. My name is Dr Mark Giacon
d I am an attending Emergency medicine physician
t Advocate Good Shepherd Hospital. I
lso serve as the medical Director
for Advocate's Crystal Lake Immediate
are center. I am here to oppose the
Proposed Mercy Crystal Lake Micro Hospital

2

I Feel that there is an abundance
of Emergency ~~care~~ and Immediate care
ervices for the Crystal Lake
ommunity. Mercy states that most
f the patients will come from Crystal Lake
ake in the Hills, Cary, Algonquin, and
ox River Grove.

My ~~Partner~~ colleagues and I are privileged to care for these communities. We see 33 thousand patients per year at Advocate Good Shepherd Emergency Department from the 5 communities I just mentioned. Good Shepherd is only 6 miles or 12 minutes from the proposed site.

We see 11 thousand patients per year at the Advocate Good Shepherd Crystal Lake Immediate Care Center. The Immediate Care site is less than 2 miles from Mercy's proposed site. Our Facilities serve the communities 365 days a year.

There are also several Centegra hospitals and Immediate care sites that serve these communities. As well I am concerned that an additional Emergency Department will dilute volume from the existing hospitals and ~~[illegible]~~ Immediate care centers.

6

It also seems that Mercy's hospital will only take low acuity patients. At Advocate Good Shepherd Emergency Department, we don't choose which patients are appropriate to be seen, we see all patients who present to the ED and treat them appropriately.

There are only so many qualified physicians and nurses to cover the area hospitals. By "cherry picking" lower acuity patients, Mercy will compromise the number of patients we will see and make it harder for us to be able to provide appropriate care with our resources.

8

We believe there is NO additional value to the community to have another ~~additional~~ Emergency Department in the area, especially ~~one that~~ in a hospital that offers no new services.

I urge you to vote NO to this unnecessary hospital and Emergency Department. Thank you for your time