West Suburban Medical Center

3 ERIE COURT
OAK PARK, ILLINOIS 60302
708-383-6200

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APR 10 2019
HEALTH FACILITIES & SERVICES REVIEW BOARD

April 9, 2019

***VIA EMAIL AND OVERNIGHT DELIVERY***

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761-0001

**Re: Notice of Temporary Suspension of Services**

Dear Ms. Avery:

This serves as notice of temporary suspension of inpatient admissions and of all surgeries at Westlake Hospital, located in Melrose Park, Illinois (the "Hospital"), pursuant to 77 Illinois Administrative Code 1130.240(d) (the "Temporary Suspension Rule"). This suspension is taking effect today, April 9, 2019. All current inpatients will be discharged when clinically appropriate or transferred to another health care facility.

As you know, SRC Hospital Investments II, LLC ("SRC") and Pipeline-Westlake Hospital, LLC ("Pipeline-Westlake") filed a Certificate of Exemption Application to discontinue the operations of the Hospital on February 21, 2019 ("COE Application"). This COE Application was deemed complete by Illinois Health Facilities and Services Review Board ("Board") staff on February 22, 2019. SRC owns and controls Pipeline-Westlake, and Pipeline-Westlake operates the Hospital.

Pursuant to Section 8.5(a-5) of the Illinois Health Facilities Planning Act (the "Act"), the Board is legally required to approve this COE Application. The COE Application is tentatively scheduled to be heard at the Board's meeting on April 30, 2019.

The Hospital has begun to experience staff attrition and a suboptimal clinical staffing mix. These staffing challenges have necessitated extraordinary measures, such as the pulling of staff from West Suburban Medical Center (which is also owned and operated by a subsidiary of SRC) and the increased use of registry nurses.

In addition, a number of Hospital medical staff members have requested relocation of their hospital practices to West Suburban Medical Center. As these physician practices move to

West Suburban Medical Center, clinical staff supporting these practices also must move from the Hospital to West Suburban Medical Center. In other instances, recent lack of responsiveness by Hospital medical staff members to immediate patient needs has raised legitimate concerns about patient care on the part of the Hospital's leadership.

In anticipation of permanent discontinuation of the Hospital, and in fairness to Hospital employees, we are issuing today Worker Adjustment and Retraining Notification ("WARN") Act notices to all Hospital employees. As you may be aware, the federal and Illinois WARN Acts require that we furnish employees with at least sixty (60) days' advance notice of "plant closure".

Our utmost priority and, we believe, that of everyone involved in this process, simply must be appropriate quality of health care services. The combination of recent employee and medical staff deterioration, along with anticipated absenteeism and accelerated attrition after today's WARN Act notice issuance, require us to take this measure in the interest of patient safety. As a result, we are notifying the Board of the temporary suspension of inpatient admissions and of all surgeries.

We will take all reasonable measures to facilitate the transition of Hospital services pursuant to this temporary suspension. We expect this will include substantially increased use of West Suburban Medical Center operations, as well as coordination with the Illinois Department of Public Health and with other area hospitals.

We are filing this notice on the same day services are being suspended, in the interest of transparency, even though the Temporary Suspension Rule permits the notice to be filed up to thirty (30) days after the suspension is implemented. Should significant and pertinent developments come to light within the next thirty (30) days that impact this temporary suspension, we intend to supplement this notice. We also will file periodic reports in accordance with the Temporary Suspension Rule, as applicable.

The timetable and circumstances for resolution of this temporary suspension are not fully known at this time. We remain ready to proceed with the COE Application, and hope to do so on April 30. We also have been fully prepared to discuss with elected officials and others the possible transfer of Hospital operations to a third party that has the interest and means to do so. We caution, however, that the Hospital's dire operating and financial realities would create substantial challenges to such a third party. And finally, we are interested in executing our overall plan to consolidate Hospital services at West Suburban Medical Center.

In filing this notice of temporary suspension, we bring to your attention recent precedent that fully supports this action. On December 14, 2018, Vibra Hospital of Springfield, LLC filed notice of suspension of hospital admissions effective December 18, 2018. The notice of temporary suspension cited an intention to file a Certificate of Exemption application to discontinue the facility within sixty (60) days following suspension of admissions. The notice indicated that "[t]he suspension of services is the result of staffing difficulties, the desire to staff

the Hospital with appropriately trained individuals, and a low patient census." It is our understanding that the Board did not object to this temporary suspension, and that all clinical operations at the hospital ceased shortly after the filing of the notice. As you know, the COE application was filed on January 22, 2019, and approved by the Board on March 5, 2019.

Please feel free to contact me with any questions or concerns you may have regarding this notice.

Very truly yours,

Joseph Ottolino

Chief Executive Officer

cc: Karen Senger,
Illinois Department of Public Health