



GENERAL ASSEMBLY

STATE OF ILLINOIS

August 29, 2019

The Honorable Members of the Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Board Members,

We, the undersigned stakeholders, oppose the closure of MetroSouth Medical Center in Blue Island which would adversely affect the south suburban communities that depend on the hospital for health services and employment.

We are calling on the Illinois Health Facilities and Services Review Board (HFSRB) to **postpone its meeting on September 17th to allow for a proper review of the actions of MetroSouth's parent corporation, Quorum Health,** and to establish the facts concerning their decision to close our acute care hospital.

MetroSouth is a heavily utilized hospital that provides care to medically underserved communities across the south suburbs.

Quorum Health's irresponsible decision reflects the warped values of for-profit healthcare, which places earnings and profitability over patient care.

Quorum's leaders have been dismissive of both the communities impacted by the pending closure and the state regulators tasked with evaluating and ultimately approving the closure.

We contend that MetroSouth Medical Center and Quorum Health misled the Illinois Health Facilities and Services Review Board (HFSRB) in their Certificate of Exemption (COE) application to close the hospital and have acted to begin closing the hospital without a Certificate.

This must be investigated, and consideration of the application postponed.

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In particular:

1) Anticipated Date of Discontinuation

- MetroSouth/Quorum stated on its application to the HFSRB that the "anticipated date of discontinuation" for MetroSouth "is the fourth quarter of 2019 with a target date of November 1, 2019".
- Quorum leadership, however, contradicted this claim in the company's Second Quarter results and earnings call, stating that "operations will be discontinued by the end of the third quarter of 2019".
- Quorum CEO Robert Fish confirmed on the company's August 8th earnings conference call that planned closure of MetroSouth will "be effective for the end of the third quarter".
- Quorum/MetroSouth has misled the HFSRB about the hospital's "anticipated closure date."

2) Initiating a Closure before Receiving a Certificate

- Quorum executives also made statements on the company's earnings conference call that suggest MetroSouth has already begun to wind down services without HFSRB permission.
- CEO Robert Fish attributed declines in revenue and EBITDA compared to the second quarter of 2018 to "pending divestitures" MetroSouth and Watsonville Community Hospital.
- CFO Alfred Lumsdaine stated that "the 2 hospitals that are pending divestiture" accounted for a \$6 million decline in same facility operating revenue.
- There is no reason MetroSouth would experience severe declines in year-over-year revenue and EBITDA unless the facility has already begun to wind down services without a COE/HFSRB approval.
- In addition, at the hearing the physicians serving MetroSouth stated that the hospital had not reviewed their contract past September 30th, also an action toward closure.

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Illinois Administrative Code is clear that **initiating a closure before receiving a certificate is a violation of the law and is subject to penalties and sanctions** that include deferral of consideration of the application:

“Persons who have initiated or completed projects eligible for exemption without obtaining an exemption are in violation of the Act and are subject to the penalties and sanctions provided in the Act and Section 1130.790” (77 IAC 1130.550).

It is also clear that an allegation of noncompliance – as we are making in this letter – is grounds for deferral until the matter has been thoroughly investigated and resolved:

“If an individual or entity has failed to comply with the Act or HFSRB rules and has been notified by HFSRB about an allegation of noncompliance, this shall provide a basis for HFSRB to defer consideration of any and all applications, rulings, or advisory opinions filed before HFSRB until the noncompliant matter is resolved” (77 IAC 1130.790).

We assert that **Quorum/MetroSouth has violated the law** by initiating a closure without a Certificate of Exemption.

For this reason, we demand that the HFSRB postpone a decision on the MetroSouth closure currently scheduled for the September 17th meeting and take necessary corrective action against Quorum Heath/MetroSouth.

Sincerely,



State Representative Robert Rita, 28th District



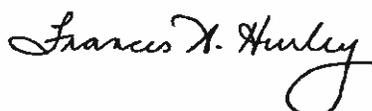
Senator Emil Jones, III, 14th District



State Representative Justin Slaughter, 27th District



State Representative Emanuel Chris Welch, 7th District



State Representative Frances Ann Hurley, 35th District



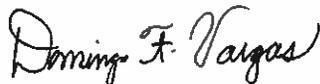
State Representative Kathleen Willis, 77th District



State Representative William Davis, 30th District



State Senator Bill Cunningham, 18th District



Domingo F. Vargas, Mayor of Blue Island

cc:

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