



STATE OF ILLINOIS  
**HEALTH FACILITIES AND SERVICES REVIEW BOARD**

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<b>DOCKET ITEM:</b> C-05	<b>BOARD MEETING:</b> August 6, 2019	<b>EXEMPTION NUMBER:</b> #E-026-19
<b>APPLICANTS: Genesis Health System dba Genesis Medical Center-Silvis</b>		
<b>FACILITY NAME and LOCATION: Genesis Medical Center-Silvis</b>		

**STATE BOARD STAFF REPORT**  
**DISCONTINUATION OF A CATEGORY SERVICE**  
**EXEMPTION REQUEST**

**I. The Exemption Application**

The Applicant (Genesis Health System dba Genesis Medical Center – Silvis propose the discontinuation of the 8-bed pediatric category of service at Genesis Medical Center-Silvis located at 801 Illini Drive, Silvis, Illinois. There is no cost to this project. The expected completion date is August 7, 2019.

**II. Hospital – Pediatric Category of Service<sup>1</sup>**

Genesis Health System is a health system based in Davenport, Iowa that provides health services to a 10-county region of Eastern Iowa and Western Illinois. Genesis Health System operates a hospital with two campuses in the city of Davenport, hospitals in the cities of Silvis, Illinois, DeWitt, Iowa, and Aledo, Illinois. Genesis Health System also manages Jackson County Regional Health Center in Maquoketa, Iowa. Source: <https://www.genesishealth.com>

Genesis Medical Center-Silvis is a 145-bed acute care hospital located at 801 Illini Drive, Silvis, Illinois in the HSA X Health Service Area and the C-05 Hospital Planning Area. The HSA V Health Service Area includes the Illinois Counties of Alexander, Bond, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Wabash, Washington, Wayne, White, and Williamson. The C-05 Hospital Planning Area includes Rock Island, Henry and Mercer Counties.

**III. Discontinuation**

The Applicant is discontinuing the 8-bed pediatric service. The Applicant had ceased operating its pediatric unit as a distinct unit as of March 21, 2019. The Applicant will continue to provide pediatric emergency services in its emergency department. Pediatric patients admitted through the emergency department requiring surgery will continue to be admitted to the intensive care unit as medical overflow patients. All ICU nurses have the required Pediatric Advanced Life Support (PALS) certification. Pediatric patients can be admitted as inpatients if they are surgical candidates able to be admitted by a general surgeon. Pediatric patients may be transferred to other Genesis facilities for inpatient services.

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<sup>1</sup> "Pediatric Facility" or "Distinct Pediatric Unit" means an entire facility or a distinct unit of a facility, where the nurses' station services only that unit, that provides a program of pediatric service and is designed, equipped, organized and operated to render medical-surgical care to the zero to 14 age population.

"Pediatric Service" means a category of service for the delivery of treatment pertaining to the non-intensive medical-surgical care of a pediatric patient (zero to 14 years in age) performed at the direction of a physician on behalf of the patient by physicians, dentists, nurses and other professional and technical personnel.

Pediatric Age Group: 0-14 years old

Bed Occupancy Target: 1-30 Beds – 65%; 31+ Beds - 75%

The reason for the discontinuation is the declining census in the unit and most of the pediatric surgery and medical care has moved from inpatient to outpatient care settings, with the need for a dedicated pediatric unit has decreased. Additionally, the Applicant has had difficulty in recruiting nurses with the required Pediatric Advance Life (PALS) certification for a 24/7 pediatric unit. GMC Silvis lacked enough staff who had the PALS certification to continue operations.

The physical space will be used for a cancer clinic. Some of the pediatric unit equipment was kept at GMC Silvis for the continued treatment of pediatric patients while other equipment was sent to other facilities within Genesis Health System. The medical records will be retained by the health system as required by licensure and accreditation requirements as well as contemporary medical records retention practices

Patients that require inpatient care will be transferred to Genesis Medical Center, Davenport for their more acute care needs. Genesis Medical Center, Davenport is 11 miles from GMC Silvis. Pediatric patients that currently require the level of inpatient care that is beyond the scope of GMC, Silvis or any of the local hospitals will be transferred to OSF Saint Francis Medical Center in Peoria, Illinois, which is a referral location for these types of patients. Impact Letters were sent to Trinity Hospital – Rock Island and OSF St. Francis Medical Center in Peoria

<b>TABLE ONE</b>					
<b>Pediatric Category of Service</b>					
<b>CY 2017-2013<sup>(1)</sup></b>					
Year	2017	2016	2015	2014	2013
Beds	8	8	8	8	8
ALOS	2.4	2.5	4	2.7	2.9
ADC	3.7	3.5	1.3	5.1	5.7
Occupancy	46.60%	43.60%	16.10%	63.90%	71.80%
1. Information from Hospital Profiles 2017-2013					

**IV. Safety Net Impact**

The Applicant stated: *“The discontinuation of the dedicated pediatric unit as a separate unit will not, in the opinion of the applicant, have any material impact on safety net providers.”*

<b>TABLE TWO</b>			
<b>Safety Net Impact</b>			
	2015	2016	2017
Net Patient Revenue	\$76,660,176	\$81,930,333	\$88,566,462
<b>CHARITY CARE</b>			
Charity (# of patients)			
Inpatient	344	284	288
Outpatient	2,264	1,802	2,110
Total	2,608	2,086	2,398

<b>TABLE TWO</b>			
<b>Safety Net Impact</b>			
	2015	2016	2017
Charity (cost in dollars)			
Inpatient	\$481,960	\$345,479	\$400,270
Outpatient	\$821,263	\$637,685	\$751,094
Total	\$1,303,223	\$983,164	\$1,151,364
<b>MEDICAID</b>			
Medicaid (# of patients)			
Inpatient	1,133	1,101	1,043
Outpatient	27,059	28,775	30,217
Total	28,192	29,876	31,260
Medicaid (revenue)			
Inpatient	\$2,669,850	\$2,902,253	\$3,168,556
Outpatient	\$4,361,240	\$4,665,882	\$5,194,535
Total	\$7,031,090	\$7,568,135	\$8,363,091
% of Charity Care/Net Patient Revenue	1.70%	1.20%	1.30%
% of Medicaid/Net Patient Revenue	9.17%	9.24%	9.44%

#### **IV. Applicable Rules**

##### **A) Section 1130.500 - General Requirements for Exemptions**

*Only those projects specified in Section 1130.410 are eligible for exemption from permit requirements. Persons that have initiated or completed such projects without obtaining an exemption are in violation of the provisions of the Act and are subject to the penalties and sanctions of the Act and Section 1130.790.*

*a) Application for Exemption*

*Any persons proposing a project for an exemption to permit requirements shall submit to HFSRB an application for exemption containing the information required by this Subpart, submit an application fee (if a fee is required), and receive approval from HFSRB.*

*b) General Information Requirements*

*The application for exemption shall include the following information and any additional information specified in this Subpart:*

- 1) the name and address of the applicant or applicants (see Section 1130.220);*
- 2) the name and address of the health care facility;*
- 3) a description of the project, e.g., change of ownership, discontinuation, increase in dialysis stations;*
- 4) documentation from the Illinois Secretary of State that the applicant is registered to conduct business in Illinois and is in good standing or, if the applicant is not required to be registered to conduct business in Illinois, evidence of authorization to conduct business in other states;*

- 5) *a description of the applicant's organization structure, including a listing of controlling or subsidiary persons;*
- 6) *the estimated project cost, including the fair market value of any component and the sources and uses of funds;*
- 7) *the anticipated project completion date;*
- 8) *verification that the applicant has fulfilled all compliance requirements with all existing permits that have been approved by HFSRB; and*
- 9) *the application-processing fee.*

*HFSRB NOTE: If a person or project cannot meet the requirements of exemption, then an application for permit may be filed.*

**B) Section 1130.525 - Requirements for Exemptions Involving the Discontinuation of a Health Care Facility or Category of Service**

- a) *Submission of Application for Exemption*  
*Prior to any person discontinuing a health care facility or category of service, the person shall submit an application for exemption to the HFSRB, submit the required application-processing fee (see Section 1130.230), and receive approval from HFSRB.*
- b) *Application for Exemption*  
*The application for exemption is subject to approval under Section 1130.560 and shall include a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.130. The application shall be available for review on the premises of the health care facility.*
- c) *Opportunity for Public Hearing*  
*Upon a finding that an application to close a health care facility is complete, the State Board shall publish a legal notice on 3 consecutive days in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published on a daily basis, the additional legal notice shall be published on 3 consecutive days. The legal notice shall also be posted on the Health Facilities and Services Review Board's web site and sent to the State Representative and State Senator of the district in which the health care facility is located. [20 ILCS 3960/8.5(a-3)]*

**C) Section 1110.290 - Discontinuation**

*These criteria pertain to the discontinuation of categories of service and health care facilities.*

- a) *Information Requirements – Review Criterion*  
*The applicant shall provide at least the following information:*
  - 1) *Identification of the categories of service and the number of beds, if any, that are to be discontinued;*
  - 2) *Identification of all other clinical services that are to be discontinued;*
  - 3) *The anticipated date of discontinuation for each identified service or for the entire facility;*
  - 4) *The anticipated use of the physical plant and equipment after discontinuation occurs;*

- 5) *The anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be retained;*
  - 6) *For applications involving discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or the Illinois Department of Public Health (IDPH) (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation and that the required information will be submitted no later than 60 days following the date of discontinuation.*
- b) *Reasons for Discontinuation – Review Criterion*  
*The applicant shall document that the discontinuation is justified by providing data that verifies that one or more of the following factors (and other factors, as applicable) exist with respect to each service being discontinued:*
- 1) *Insufficient volume or demand for the service;*
  - 2) *Lack of sufficient staff to adequately provide the service;*
  - 3) *The facility or the service is not economically feasible, and continuation impairs the facility's financial viability;*
  - 4) *The facility or the service is not in compliance with licensing or certification standards.*
- c) *Impact on Access – Review Criterion*  
*The applicant shall document whether the discontinuation of each service or of the entire facility will have an adverse impact upon access to care for residents of the facility's market area. The facility's market area, for purposes of this Section, is the established radii outlined in 77 Ill. Adm. Code 1100.510(d). Factors that indicate an adverse impact upon access to service for the population of the facility's market area include, but are not limited to, the following:*
- 1) *The service will no longer exist within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the applicant facility;*
  - 2) *Discontinuation of the service will result in creating or increasing a shortage of beds or services, as calculated in the Inventory of Health Care Facilities, which is described in 77 Ill. Adm. Code 1100.70 and found on HFSRB's website;*
  - 3) *Facilities or a shortage of other categories of service at determined by the provisions of 77 Ill. Adm. Code 1100 or other Sections of this Part.*
- d) *The applicant shall provide copies of notification letters sent to other resources or health care facilities that provide the same services as those proposed for discontinuation and that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d). The notification letter must include at least the anticipated date of discontinuation of the service and the total number of patients that received care or*

No opposition or support letters were received and there was no request for a public hearing. The Applicants have provided the required information for this exemption application.

*The State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted (20 ILCS 3960/6b).*

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN IN CONFORMANCE WITH DISCONTINUATION OF A CATEGORY OF SERVICE OR HEALTH CARE FACILITY (77 ILAC 1130.500, 77 ILAC 1130.520 AND 77 ILAC 1110.290)**