



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-01	BOARD MEETING: September 22, 2020	EXEMPTION NUMBER: #E-032-20
EXEMPTION APPLICANT(S): Mercy Health Corporation, Javon Bea Hospital		
FACILITY NAME and LOCATION: Javon Bea Hospital – Rockton Avenue		

PROJECT DESCRIPTION: The Applicants (Mercy Health Corporation and Javon Bea Hospital) propose the discontinuation of the 20 bed Acute Mental Illness inpatient unit at the Rockton Avenue Campus of the Javon Bea Hospital. There is no cost to the project and the expected completion date is September 30, 2020.

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

I. The Exemption Application

The Applicants (Mercy Health Corporation, Javon Bea Hospital¹) propose the discontinuation of 20 bed Acute Mental Illness² inpatient unit at Rockton Avenue Campus of the Javon Bea Hospital. There is no cost to the project and the expected completion date is September 30, 2020.

A public hearing was conducted by the State Board Staff on September 3, 2020 at the Rockford Public Library Nordlof Center in Rockford. A transcript from that hearing is attached at the end of this report along with the letters of opposition.

II. General Information/Background of the Applicants

The Applicants are Mercy Health Corporation and Javon Bea Hospital. Mercy Health Corporation is the parent corporation of Javon Bea Hospital. Mercy Health Corporation owns three hospitals in Illinois.

- Javon Bea Hospital – Rockton Avenue Campus, Rockford, Illinois
- Javon Bea Hospital – Riverside Campus, Rockford, Illinois
- Mercy Harvard Hospital – Harvard, Illinois
- Van Matre Rehabilitation Hospital, Rockford, Illinois

Mercy Health Corporation and Javon Bea Hospital have not had any adverse actions taken against any facility owned and operated by the Applicants during the three (3) year period prior to the filing of this application, and Mercy Health Corporation authorizes the State Board and the Illinois Department of Public Health (“IDPH”) access to any information to verify documentation or information submitted or to obtain any documentation or information which the State Board or IDPH finds pertinent to this application.

¹ Javon Bea Hospital has two campuses in Rockford under one Hospital License – Javon Bea Hospital -Rockton Avenue and Javon Bea Hospital -Riverside.

² "Acute Mental Illness" means a crisis state or an acute phase of one or more specific psychiatric disorders in which a person displays one or more specific psychiatric symptoms of such severity as to prohibit effective functioning in any community setting. Persons who are acutely mentally ill may be admitted to an acute mental illness facility or unit under the provisions of the Mental Health and Developmental Disabilities Code [405 ILCS 5], which determines the specific requirements for admission by age and type of admission.

"Acute Mental Illness Facility" or "Acute Mental Illness Unit" means a facility or a distinct unit in a facility that provides a program of acute mental illness treatment service (as defined in this Section); that is designed, equipped, organized and operated to deliver inpatient and supportive acute mental illness treatment services; and that is licensed by the Department of Public Health under the Hospital Licensing Act [210 ILCS 85] or is a facility operated or maintained by the State or a State agency.

III. Health Service Area

Javon Bea Hospital is in the HSA I AMI Planning Area. The State Board is estimating an increase in the population of 5.5% in this planning area—from 665,800 in 2017 to 702,200 by 2022. The HSA I AMI Planning Area includes the Illinois Counties of Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, and Winnebago.

The State Board minimum number of AMI beds in an AMI planning area is 11 beds per 100,000. This number is then compared to the experienced usage rate (most recent number of AMI patient days per 100,000 population in the Planning Area) to determine the need or excess of AMI beds at the 85% target occupancy for AMI beds. As of July 2020, there is a **calculated excess of 9 Acute Mental beds** in this planning area. Should the State Board approve this project there will **be a calculated need for 11 AMI beds** in this AMI Planning Area.

TABLE ONE
Hospitals in the HSA I AMI Hospital Service Area

Hospital	City	Miles	Bed	Occupancy
Javon Bea Hospital-Rockton Campus	Rockford	0	20	48.23%
SwedishAmerican Hospital ⁽¹⁾	Rockford	3.4	42	43.50%
Katherine Shaw Bethea Hospital	Dixon	46	14	39.40%
CGH Medical Center ⁽²⁾	Sterling	66	10	0.00%

1. SwedishAmerican Hospital approved to add 10-AMI beds in February of 2018 for a total of 42 AMI beds (Permit #17-019). Of the 42 AMI beds 12 AMI beds are dedicated to Adolescent patients.
2. Permit #19-049. Established 10-bed acute mental illness category of service. No data is available.

IV. Discontinuation

The Applicants are proposing the discontinuation of the AMI service “because of insufficient patient census for the continued operation of an inpatient acute mental illness category of service at the Hospital.” Over the past five years this service has had an average ADC of 11 patients and an ALOS of 6.2 days. The Applicants stated “*there is an insufficient patient census for the continued operation of an inpatient acute mental illness category of service at the Javon Bea Hospital. This is evidenced by the graph below, which shows the historical utilization data of the unit since 2015 through 2018 (the most recently available published utilization data). Utilization at the facility has steadily declined and utilization for 2019 continued to decline with a projected utilization of 45.1%, well below the state’s target utilization rate. We are not seeing a shift in that trend this year, thus necessitating this discontinuation.*”

The Hospital believes the decline in utilization at the AMI inpatient unit is due to the increased utilization of outpatient services and is generally reflective of patient and provider preference for those treatment settings. According to the Applicants “*while Mercyhealth is recognized as a Center for Excellence in AMI care at its Wisconsin*

facilities, in the Rockford community that designation has been given to SwedishAmerican Hospital. This has led to an increase in bed capacity at Swedish American which undoubtedly has had an impact on the utilization of the Javon Bea Hospital AMI unit.”

In a letter dated August 14, 2020 the Hospital notified the State Board that the hospital had temporary suspended AMI service at the hospital stating “the hospital’s only full-time psychiatrist separated his employment effective July 19, 2020. That left the facility with insufficient staff to adequately provide the service.”

Use of the space housing the acute mental illness beds has not been determined as of the date of this report. All records will be maintained by the hospital in accordance with all federal and state legal requirements.

TABLE TWO
Javon Bea Hospital – Rockton Avenue Campus
Acute Mental Illness Utilization
CY 2014-2018

Year	# of Beds ⁽¹⁾	Admissions	Days	ALOS	ADC	OCC
2018	20	593	3,521	5.94	9.65	48.23%
2017	20	596	3,447	5.78	9.44	47.22%
2016	20	579	3,733	6.45	10.23	51.14%
2015	20	570	3,883	6.81	10.64	53.19%
2014	20	681	4,120	6.05	11.29	56.44%
Ave	20	604	3,741	6.21	10.25	51.24%

1. For the years 2014 thru 2018 14 AMI beds were staffed.

TABLE THREE
Javon Bea Hospital
Beds at Hospital

Category of Service	Current Beds	Change	After Approval Beds
Medical Surgical Beds	70	0	70
Intensive Care	4	0	4
Acute Mental Illness	20	-20	0
Long Term Care ⁽¹⁾	17	0	17
Total	111	0	91

1. Approved as Permit #19-056, not yet complete.

V. Impact on Access

The Applicants believe there will be no adverse impact on the AMI service in this Planning Area. According to the Applicant “inpatient AMI units at both Swedish American Hospital

and Kathryn Shaw Bethea Hospital are both underutilized and should be able to accommodate referrals following the closure of the inpatient unit at Javon Bea Hospital - Rockton Avenue Campus. The AMI unit at Swedish American Hospital, which is located 3.1 miles from Javon Bea Hospital - Rockton Avenue Campus, has seen steady decreases in utilization, and the most recently available data reflects a 43.5% utilization or 18 available beds. Additionally, Katherine Shaw Bethea Hospital has on average 8 available beds in its inpatient AMI unit.”

Patients that present in the Emergency Room

The Hospital states when a patient presents in the emergency room, as with any patient, the initial assessment is performed by ED personnel to determine patient acuity and assess the emergent nature of treatment required. There are times where the circumstances are medical, circumstances in which the concerns relate to mental illness and, obviously, circumstances in which there are a multitude of issues facing the patient. Ensuring the stability and safety of the patient will remain the first and foremost priority.

In circumstances in which it is determined that there is reason to believe that the patient may require admission to an AMI facility (either voluntarily or involuntary admission) that patient will be assessed by our team of social workers who are trained and experienced in performing the necessary patient assessments, obtaining relevant information from patients, family members, treating mental health professionals, and medical personnel. That information is then organized to allow for a team assessment of the best course of action necessary to treat the patient’s medical and mental health needs. If a patient presented with both medical and behavioral conditions, Javon Bea Hospital would admit and treat both until the medical condition was stabilized. Javon Bea Hospital would then discharge or transfer to the appropriate level of care for any continued behavioral health needs. In the event that the patient requires admission to an AMI unit, the social work crisis team will help facilitate that admission with one of our local partners. In the event there is a need for coordination of care on an outpatient basis, those services will also be facilitated by our crisis intervention team in working treating providers, local resources, and the patient/patient representative.

As the transition takes place, EMS providers who believe that they are dealing with a patient in acute mental distress will be more likely (when medically appropriate) to take patients to the Swedish American ED where direct admission to their AMI unit can be facilitated. In circumstances where patients requiring admission to an AMI unit arrive in our ED, all of the appropriate steps will be taken to facilitate their transfer to the appropriate facility after their assessment and stabilization. The process would be very similar to how things would be handled if a patient arrived requiring care and, due to a full census, and Javon Bea Hospital was unable to admit them into our AMI unit.

Should the State Board approve this discontinuation there will be a **calculated need for 11 AMI beds** in the HSA I AMI Hospital Planning Area.

VI. Safety Net Impact

According to the Applicants:

This proposed modification is designed to reflect the evolving healthcare delivery preferences of the community. As is evidenced by the most recent hospital profile data, the utilization reported at Javon Bea Hospital was below 50% for its Acute Mental Illness (“AMI”) category of service. This is, in part, due to the availability of other quality providers in the community (including Swedish American who recently expanded its services to provide a juvenile AMI component) but also reflects the availability of other quality community options such as Rosecrance and Mathers. Accordingly, we are confident that the impact upon any essential safety net services will be minimal.

Net Patient Revenue	\$369,089,652	\$387,363,902	\$357,923,621
CHARITY CARE			
Charity (# of patients)	2016	2017	2018
Inpatient	313	332	52
Outpatient	1,720	2,036	376
Total	2,033	2,368	428
Charity (cost In Dollars)			
Inpatient	\$731,425	\$447,125	\$493,290
Outpatient	\$591,477	\$651,124	\$1,245,389
Total	\$1,322,902	\$1,098,249	\$1,738,679
% of Charity Cost to Net Patient Revenue	0.36%	0.28%	0.49%
MEDICAID			
Medicaid (# of Patients)			
Inpatient	3,911	4,770	4,490
Outpatient	43,081	46,362	49,411
Total	46,992	51,132	53,901
Medicaid (revenue)			
Inpatient	\$63,808,298	\$77,974,985	\$72,895,865
Outpatient	\$21,971,736	\$24,450,551	\$24,740,328
Total	\$85,780,034	\$102,425,536	\$97,636,193
% of Medicaid Revenue to Net Patient Revenue	23.24%	26.44%	27.28%

VIII. 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 or discontinue a category of service 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 – Review Criteria

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 HFSSRB 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 as 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 the number of treatments provided (as applicable) during the latest 24 month period.

STATE BOARD STAFF FINDS THE EXEMPTION FOR DISCONTINUATION OF A CATEGORY OF SERVICE IN CONFORMANCE WITH CRITERIA (77 ILAC 1130.500 & 77 ILAC 1130.525 and 77 ILAC 1110.290)

