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**RECEIVED**

SEP 18 2017

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

Dear Ms. Avery and Atty. Mitchell:

Re: Centegra Health System Project Nos. E-036-17, E-037-17, 17-036, and 17-037;  
Compliance Issues

We are writing on behalf of our client, Mercy Health Corporation ("Mercyhealth"), in follow-up to Mercyhealth's previous letters regarding Centegra Health System's ("Centegra") partial closure of Centegra Hospital - Woodstock. We are writing this letter because we believe Centegra's action in failing to seek certain Certificate of Need permits ("CON") or Certificate of Exemptions ("COE") prior to implementing substantial changes in the scope of services at Woodstock violated the Illinois Health Facilities and Services Review Board's ("HFSRB", the "Board" or the "Review Board") rules and regulations. Fundamental fairness and proper planning under the Illinois Health Planning Act is only guaranteed when all parties comply with the rules. Therefore, we urge the Review Board to consider utilizing any and all enforcement tools at its disposal to address this noncompliance.

Centegra's closure of the ICU and medical-surgical units at Woodstock on August 12, 2017 without State approval was in disregard of state law. In Centegra's August 15, 2017 letter to the State, Centegra referred to its action as a "temporary suspension of service." That is a mischaracterization of its own actions, however, as the cessation of admissions to the ICU and medical-surgical units appears to be a discontinuation of two categories of service. Centegra itself stated in its June 21, 2017 memorandum announcing the closure that it would, "stop

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performing surgeries and accepting admissions to the Intensive Care Unit, Medical-Surgical Unit (2West and 2South) and Telemetry (IMC). The Woodstock Emergency Department will become a Basic Emergency Department . . . ."<sup>1</sup> Also, even if this was a temporary suspension, Centegra needed to detail what "unanticipated or unforeseen circumstances" necessitated the suspension of services. Centegra did not do this in its August 15, 2017 letter, and no unanticipated or unforeseen circumstances appeared to be present. Thus, Centegra's action is noncompliant because they discontinued two categories of service without Board approval, and even assuming the suspension of services was temporary, Centegra did not detail what circumstances required the suspension.

With regard to Centegra's closure of Woodstock specifically, we emphasize that this is a matter of significant public concern. The City of Woodstock on August 21, 2017, and again on August 29, 2017, formally requested hearings regarding each of Centegra's CON and COE applications, CON 17-036, CON 17-037, COE E-036-17, COE E-037-17, and stated, "All four applications appear to be interconnected and involve operation changes to Centegra's service levels that will impact our community." Consistent with this, public hearings for all four applications are scheduled for October 2, 2017. There is tremendous community concern as you can see from multiple local editorials and community comments.<sup>2</sup>

The community of Woodstock is rightly outraged. Centegra's actions are inconsistent with community and patient interests. Centegra closed the primary acute-care facility in the seat of McHenry County. Centegra, without public comment or Board oversight, removed public access to necessary acute-care services, including the ICU unit, medical-surgical unit, and the emergency department. Reports have circulated that EMS providers in the county are overburdened with a higher volume of longer transportations. Centegra now seeks to replace essential health care services with lower acuity, nonessential rehabilitation services. Therefore, further review of Centegra's Woodstock closure and future plans is necessary to ensure proper public health planning.

As we understand, there are at least two enforcement tools that the Board can consider using at this juncture. The Board could fine Centegra for its action in apparently temporarily suspending two categories of service without any "unanticipated or unforeseen circumstances" present, or for discontinuing those categories at Woodstock without first obtaining approval. Also, the Board can consider deferral of Centegra's applications until Centegra's compliance issues are resolved, thus allowing sufficient time for meaningful public health planning.

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<sup>1</sup> See June 21, 2017 memorandum from Michael Eesley to Centegra Medical Staff, Associates and Volunteers.

<sup>2</sup> See, e.g., Brittany Keeperman, *Centegra Health System to suspend most inpatient care at Woodstock hospital*, NORTHWEST HERALD, June 22, 2017, available at <http://www.nwherald.com/2017/06/21/centegra-health-system-to-suspend-most-inpatient-care-at-woodstock-hospital/a2g4nlo/>; Katelyn Stanek, *Inpatient Units Set to Close*; <http://www.savewoodstockshealthcare.com/>.

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As always, we appreciate your consideration in matters that affect the citizens of the State of Illinois and the health facilities planning process.

Best regards,

*Tracey L. Klein* *ljk*

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