



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: C-05	BOARD MEETING: December 10, 2019	PROJECT NO: E-050-19	PROJECT COST:
FACILITY NAME: HSHS St. Joseph Hospital, Breese		CITY: Breese	Original: \$0
TYPE OF PROJECT: Exemption			HSA: XI

PROJECT DESCRIPTION: The Applicants (St. Joseph Hospital, Breese of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, Hospital Sisters Services, Inc.) is requesting the State Board to approve the discontinuation of a 4-bed intensive care category of service. There is no cost to the project and the expected completion date is upon State Board Approval.

Heath Facilities Planning Act (20 ILCS 3960/6)

(b) *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. Projects eligible for an exemption, rather than a permit, include, but are not limited to, change of ownership of a health care facility and discontinuation of a category of service.*

All the information required by the State Board has been submitted.

BOARD STAFF FINDS THE PROPOSED DISCONTINUATION OF A CATEGORY OF SERVICE IN CONFORMANCE WITH CRITERIA 77 ILAC 1130.500 AND 77 ILAC 1130.525

EXECUTIVE SUMMARY

PROJECT DESCRIPTION

- The Applicants (St. Joseph Hospital, Breese of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, Hospital Sisters Services, Inc.) is requesting the State Board to approve the discontinuation of a 4-bed intensive care category of service. There is no cost to the project and the expected completion date upon State Board Approval.
- St. Joseph Hospital, Breese is a 56-bed acute care hospital. Intensive Care Bed Utilization at the Hospital is in the table below.

Intensive Category of Service Utilization (2018-2014)					
Beds	2018	2017	2016	2015	2014
4	0.0%	0.0%	.2%	.4%	1.4%

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The proposed project is before the State Board because the project discontinues a category of service (20 ILCS 3960).

PUBLIC HEARING/COMMENT:

- No public hearing was requested, and no letters of support or opposition were received by the State Board.

SUMMARY:

- The Applicants have provided all the information required by the State Board.

STATE BOARD STAFF REPORT
Project #E-050-19
St. Joseph Hospital, Breese

APPLICATION/ CHRONOLOGY/SUMMARY	
Applicants(s)	St. Joseph Hospital, Breese of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, Hospital Sisters Services, Inc.
Facility Name	St. Joseph Hospital, Breese
Location	9515 Holy Cross Lane, Breese, Illinois
Exemption Holder	St. Joseph Hospital, Breese of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, Hospital Sisters Services, Inc.
Operating Entity/Licensee	St. Joseph Hospital, Breese of the Hospital Sisters of the Third Order of St. Francis
Owner of Site	St. Joseph Hospital, Breese of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, Hospital Sisters Services, Inc.
Application Received	October 19, 2019
Anticipated Completion Date	Upon State Board Approval

I. Project Description

The Applicants (St. Joseph Hospital, Breese of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Health System, Hospital Sisters Services, Inc.) is requesting the State Board to approve the discontinuation of a 4-bed intensive care category of service. There is no cost to the project and the expected completion date is upon State Board Approval.

II. Health Service Area

There are 11 Health Service Areas in the State of Illinois. There are 40 medical surgical pediatric planning areas within these 11 Health Service Areas. St. Joseph Hospital, Breese is in the F-01 Hospital Planning Area. F-01 includes Madison and St. Clair Counties; Monroe County Precincts 2, 3, 4, 5, 7, 10, 11, 14, 16, 17, 18, 19, 21, and 22; Clinton County Townships of Sugar Creek, Looking Glass, Germantown, Breese, St. Rose, Wheatfield, Wade, Sante Fe, Lake, Irishtown, Carlyle and Clement. There is a calculated excess of 11 ICU beds in the F-01 Planning Area as of October 2019. There are two hospitals within the 21-minute GSA that maintain intensive care services: Memorial Hospital – Shiloh and HSHS St. Elizabeth Hospital – O’Fallon.

TABLE ONE
Hospitals in the F-01 Hospital Planning Area
Number of ICU Beds, Utilization, and Miles from
St. Joseph Hospital, Breese

Facilities	City	ICU	Utilization	Minutes	Miles
Alton Memorial Hospital	Alton	12	54.10%	57	73
Anderson Hospital	Maryville	12	56.40%	47	32.5
Gateway Regional Medical Ctr.	Granite City	12	31.30%	60	42.4
Memorial Hospital	Belleville	20	55.70%	50	30.2
Memorial Hospital	Shiloh	6	48.10%	30	21.0
OSF Saint Anthony's Health Center	Alton	11	21.80%	57	73.0
HSHS St. Elizabeth's Hospital	O'Fallon	16	81.20%	35	21.0
HSHS St. Joseph's Hospital	Highland	0	0.00%	23	16.1
St. Joseph's Hospital Breese	Breese	4	0.00%	0	0
Touchette Regional Hospital	Centreville	8	22.90%	52	38.6
Total		101			

TABLE TWO
F-01
Intensive Care Beds

Approved ICU Beds	Calculated Beds Needed	Excess Beds
101	90	11
Source: State Board October 2019 Inventory Monthly Update		

III. Discontinuation

TABLE THREE
HSHS St. Joseph's Hospital, Breese

Categories of Service	# Beds	# of Beds after discontinuation
Medical Surgical	40	40
Pediatric	6	6
Intensive Care	4	0
Obstetric	6	6
Total Beds	56	52

The proposed discontinuation is the result of a lack of demand for intensive care services at the hospital. During 2017 and 2018, the hospital's intensive care unit reported no patients utilizing this service.

The Applicants stated:

“The Hospital has two special care rooms (medical surgical rooms) that are appropriate for treating more acute patients who require specialized care. Patients with more acute needs than can be addressed at the Hospital are transferred to a higher level of care, regardless of the availability of ICU beds. Patients who require ICU services are treated in the emergency department to stabilize the patient for transfer to a higher level of care. Patients whose acuity are appropriate for treatment at the Hospital can be admitted to one of two special care unit beds at Hospital.”

A final decision has not been made relating to the future use of the intensive care unit. The unit's equipment will be used in other areas of the hospital or utilized by other hospitals within the Southern Illinois Division of HSHS. The medical records will be retained by the hospital, consistent with licensure and accreditation requirements, as well as contemporary medical records retention practices.

IV. Impact on Access

The Applicants do not believe the Intensive Care Bed Category of Service discontinuation will have an impact on access primarily due to the fact the utilization / demand for this bed Category of Service has diminished over the last four calendar years (2015 through 2018) and no demand is expected in the future

V. Safety Net

The Applicants stated the following:
HSHS St. Joseph's Hospital, Breese believes that this project will not materially impact on the ability of other providers or healthcare systems to subsidize safety net services in that the proposed Intensive Care bed category of service has not had any recent utilization. Hence, the market has already accommodated this utilization.

**TABLE FOUR
HSHS St. Joseph's Hospital, Breese
Charity Care and Medicaid Information**

Year	2015	2016	2017	2018
CHARITY CARE				
Inpatient	49	44	72	67
Outpatient	1,618	1,591	1,655	1,496
Total	1,667	1,635	1,727	1,563
Charity (cost in dollars)				
Inpatient	\$113,159	\$131,979	\$153,248	\$87,272
Outpatient	\$669,172	\$889,233	\$801,891	\$861,327
Total	\$782,331	\$1,021,212	\$955,139	\$948,599
Medicaid				
Medicaid				
Inpatient	214	203	134	167
Outpatient	10,801	11,107	8,034	7,221

Total	11,015	11,310	8,168	7,388
Medicaid Revenue				
Inpatient	\$538,726	\$674,649	\$1,036,583	\$939,187
Outpatient	\$4,511,708	\$4,610,806	\$4,432,445	\$3,577,656
Total	\$5,050,434	\$5,285,455	\$5,469,028	\$4,516,843

VI. 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 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 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.

D) Section 1110.140 – Discontinuation

Discontinuation" means to cease operation of an entire health care facility or category of service on a voluntary or involuntary basis. A permit or exemption is required prior to a discontinuation. For discontinuations approved by HFSRB, the discontinued beds will be removed from the Inventory once the permit is issued. A facility or category of service that has ceased operation or has interrupted service on a temporary basis due to unanticipated or unforeseen circumstances (such as the lack of appropriate staff, or a natural or unnatural disaster) may be determined to not have discontinued, provided that the facility has exercised appropriate efforts to maintain operation, and has provided documentation of the circumstances and anticipated date of restoration to HFSRB within 30 days after the temporary interruption of the service. Discontinuation also includes a determination by HFSRB that:

a category of service approved after January 1, 1992 is not operating at utilization standards/target occupancy rates specified in 77 Ill. Adm. Code 1100 (Narrative and Planning Policies), for that category of service, by the end of the second year of operation after project completion and on average for any two-year period thereafter (based upon data reported by the facility to HFSRB pursuant to Section 13 of the Act), and that need no longer exists in the planning area based upon the existence of such factors as, but not limited to, access to other services in the planning area, excess service capacity in the planning area, and the facility's ability to adequately staff the existing service; or

an existing category of service is not operating at utilization standards/target occupancy rates specified in 77 Ill. Adm. Code 1100, for that category of service, on average for any two-year period commencing on January 1, 1995 and thereafter (based upon data reported by the facility to HFSRB staff pursuant to Section 13 of the Act), and that need no longer exists in the planning area based upon the existence of such factors as, but not limited to, access to other services in the planning area, excess service capacity in the planning area, and the facility's ability to adequately staff the existing service.

HFSRB NOTE: HFSRB may determine that a discontinuation has not occurred when a facility has complied with the requirements of this definition. Failure to obtain a permit or exemption prior to discontinuation may result in the imposition of sanctions or penalties as provided by the Act.

E-050-19 HSHS St Joseph Hospital - Breese

