



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET ITEM: C-03	BOARD MEETING: January 15, 2019	EXEMPTION NUMBER: E-063-18
EXEMPTION APPLICANT(S): NorthShore University HealthSystem		
FACILITY NAME and LOCATION: NorthShore University HealthSystem d/b/a Highland Park Hospital, Highland Park, Illinois		

STATE BOARD STAFF REPORT
DISCONTINUATION OF A CATEGORY OF SERVICE

I. The Exemption Application

The Applicant (NorthShore University HealthSystem) proposes the discontinuation of a 6-bed pediatric category of service. The operating entity/licensee is Highland Park Hospital and owner of the site is NorthShore University HealthSystem. A Safety Net Impact Statement and Charity Care Information have been provided as required. Impact Letters were sent to hospitals within 10-miles of Highland Park Hospital that maintain pediatric services. The expected completion date is March 31, 2019.

The exemption is before the State Board because the transaction is a discontinuation of a category of service.

II. Background

Highland Park Hospital is a 139-bed hospital located in Highland Park, Illinois. The Inpatient Pediatric census at the hospital has declined in recent years;

562 days in calendar year 2015 – 25.7% occupancy;
500 days in calendar year 2016 – 22.8% occupancy; and
433 days in calendar year 2017 – 19.8% occupancy.

The hospital stated over the past three years the pediatric unit has operated with an average daily census of 2 patients.

2015 - 562 days ÷ 365 = 1.54 patients
2016 - 500 days ÷ 365 = 1.37 patients
2017- 433 days ÷ 365 = 1.19 patients

The Applicant (NorthShore University HealthSystem) will be combining pediatric care services at NorthShore University HealthSystem d/b/a Evanston Hospital. Evanston Hospital which according to the Applicant “*will allow for improved patient care as a result of the nursing care staff’s care for a greater volume of patients, resulting in an increased ability to maintain patient care skills.*” Medical records of past pediatric patients will be maintained by Highland Park Hospital in accordance with all regulatory requirements.

There are three hospitals within 10-miles of Highland Park Hospital; Advocate Lutheran General Hospital (15.9 miles), Advocate Condell Medical Center (12.1 miles) and NorthShore University HealthSystem d/b/a Evanston Hospital (14.4 miles) all with large pediatric units. The Applicant stated: *“The proposed discontinuation of Highland Park Hospital's pediatrics unit will have no material impact on access to care. In recent years, admissions to the hospital's pediatric unit have averaged fewer than five a week, and with the availability of larger nearby pediatric units, including Evanston Hospital, Advocate Lutheran General Hospital, and Advocate Condell Medical Center, future difficulties in securing a bed in the area are anticipated to be very rare. Consistent with the nationwide trend toward the provision of services on an outpatient basis, the hospital will continue to provide routine pediatric services on an outpatient basis, including the treatment of pediatric patients in the Emergency Department.”*

II. **Applicable Rules**

The Illinois Health Facilities Planning Act (20 ILCS 3960/6) states 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, discontinuation of a category of service, and discontinuation of a health care facility, other than a health care facility maintained by the State or any agency or department thereof or a nursing home maintained by a county.

The State Board’s rule (77 IAC 1130.500 & 77 ILAC 1130.525) specifies the requirements necessary for a discontinuation of a category of service exemption application to be filed with the State Board. The State Board may, by rule, delegate authority to the Chairman to grant permits or exemptions when applications meet all of the State Board's review criteria and are unopposed [20 ILCS 3960/5].

The State Board Staff Notes: No support or opposition letters were submitted and there was no request for a public hearing. All of the requirements of the State Board have been met.

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)

Table One

Charity Care - NorthShore University HealthSystem by Hospital			
Evanston Hospital			
	2015	2016	2017
Net Patient Revenue	\$493,138,242	\$511,714,578	\$511,985,214
Amount of Charity Care	\$28,014,009	\$17,340,131	\$27,759,681
Cost of Charity Care	\$7,250,834	\$6,938,078	\$6,938,078
Charity Care % of Net Rev.	1.47%	1.36%	1.36%
Skokie Hospital			
	2015	2016	2017
Net Patient Revenue	\$202,487,834	\$212,229,891	\$213,731,078
Amount of Charity Care	\$10,194,689	\$10,359,405	\$12,102,094
Cost of Charity Care	\$2,635,857	\$2,628,896	\$3,078,132
Charity Care % of Net Rev.	1.30%	1.24%	1.44%
Highland Park Hospital			
	2015	2016	2017
Net Patient Revenue	\$247,290,914	\$251,619,592	\$256,019,252
Amount of Charity Care	\$8,131,438	\$9,789,737	\$9,310,648
Cost of Charity Care	\$2,102,399	\$2,484,332	\$2,369,136
Charity Care % of Net Rev.	0.85%	0.99%	0.93%
Glenbrook Hospital			
	2015	2016	2017
Net Patient Revenue	\$277,501,890	\$292,266,712	\$288,746,879
Amount of Charity Care	\$12,799,664	\$14,365,092	\$13,604,314
Cost of Charity Care	\$3,309,378	\$3,645,415	\$3,460,217
Charity Care % of Net Rev.	1.19%	1.25%	1.20%

