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the policy prescription

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The Implications of the Closure of Chicago's Lincoln Park Hospital on Access to Care

Lincoln Park Hospital, formerly known as Grant Hospital (until 2002), announced its intent to close on October 15, 2008 and stopped admitting new patients, closed its emergency room, and alerted ambulance companies and the Chicago Fire Department to no longer transport emergency patients to its facility. On October 16th, Lincoln Park Hospital discharged its last patient. Lack of access to capital was the reason management identified for this closure.

Lincoln Park Hospital was in dire need of capital because, in order to continue to function, they needed to make significant operational and structural changes, valued at $7 million. Both the Illinois Department of Public Health and the Joint Commission, an independent, not-for-profit organization that accredits and certifies health care organizations, cited the facility for serious violations in health and safety codes. During its last inspection in mid- October, the Joint Commission denied accreditation to Lincoln Park Hospital. Lincoln Park Hospital was unable to obtain necessary capital to update its facility and no other health system was interested in its purchase.

Lincoln Park Hospital (LPH) was a for-profit general hospital owned by Merit Health Systems of Louisville. The hospital had 420 licensed beds in the areas of medical/surgical, pediatric care, obstetrics/gynecology, acute mental illness, and rehabilitation. In 2007, LPH staffed and set-up 117 beds with an occupancy rate for these beds at 59%.

Lincoln Park Hospital was one of the eight general hospitals located on the North Side of Chicago. In 2007, these facilities had almost 2,800 authorized beds, with 1,773 that were set-up and staffed. Without Lincoln Park, the community will lose 15% of the authorized beds and 7% of the set-up and staffed beds. LPH provided over 10,200 emergency department (ED) visits (5% of area's total ED visits) and almost 19,000 outpatients (OP) visits (2% of the area's total OP visits).

Table 1: *Percentage Loss of Set-up and Staffed Beds with closure of Lincoln Park Hospital*

Service	% Loss
Rehabilitation	*-20%*
OB/GYN	*-17%*
Medical/Surgical	*-17%*
Acute Mental Illness	*-12%*

Data Source: IDPH Annual Hospital Questionnaire 2007

Labor and Delivery Services

Lincoln Park Hospital collaborated with local Federally Qualified Health Centers (FQHCs) to provide labor and delivery services. Health center providers, who had been following the patients throughout their pregnancy, were able to deliver babies at LPH. This collaboration potentially decreased risks because of the enhanced continuity of care. When LPH closed, the health centers had to find other locations for their patients' deliveries. One health center uses their physicians for labor and delivery and was able to bring their patients to another hospital where they previously had privileges. They are trying to obtain privileges at other hospitals, but this can be difficult because of their high rate of Medicaid patients. The other health center has midwives performing the majority of the patient births. In the short-term, another hospital agreed to accept their patients and the patients' medical record was shared between the providers. Most recently, another hospital, in Chicago but outside the health center's catchment area, agreed to have the health center midwives perform these deliveries.

In addition to the closure of LPH, other recent changes in hospitals on the North Side have affected available labor and delivery services for Medicaid patients. In 2007, Weiss Memorial Hospital discontinued its OB/GYN unit. Advocate Illinois Masonic Medical Center, which has almost 3,000 births annually, is not able to expand its unit due to limited space. In addition, Illinois Masonic will be focusing its new

efforts on high risk deliveries. Swedish Covenant Hospital has seen its live birth statistics increase by 27% from 2000 to 2007, with almost 2,500 births a year. Space and insurance liability concerns also limit its ability to collaborate with health centers for this type of care. Therefore, without LPH, FQHCs will have to look outside of the North Side to identify hospitals where they can provide comprehensive pregnancy and delivery services.

Acute Mental Illness
In 2007, LPH's acute mental illness (AMI) unit provided 1,124 admissions with 7,788 inpatient days. Its occupancy rate for set-up and staffed beds was 71%, the highest of all its services. Although all of the other seven community hospitals on the North Side have AMI units, their set-up and staffed bed occupancy rates are among the highest among all the service units in their hospitals, from 71% to 87%. One hospital within their region does have authorized AMI beds, but it does not have any set-up and staffed beds. In addition, the North Side does have one for-profit psychiatric hospital, which is operating at 76% of its occupancy rate.

Hospitals and the Evolving Capital Crisis
LPH's closure is another example that illustrates the changing landscape of health care delivery and financing within the Chicago market. Given the current global economic downturn, it is reasonable to assume that without some outside intervention or some newly created hospital infrastructure financing program, it will become increasingly difficult for aging hospitals to acquire the necessary capital to sustain or improve their hospitals and additional Chicago hospitals are likely to close, or drastically curtail their services.

Some may believe the recent Chicago hospital closures are simply the market correcting itself. Over the last decade or so, technology has allowed for many in-patient procedures to be shifted to an out-patient basis. Therefore, fewer beds may indeed be necessary to sustain the Chicago market and some hospital closures may be warranted. However, as there will continue to be a need for some inpatient capacity, it is important to continually assess the need for hospital-based services, especially as most Chicago hospitals that are in danger of closing are located in areas that already suffer from severe health disparities.

For profit vs. Non-Profit Hospital Closures
When a for-profit hospital closes its doors, they do not have the same responsibilities as non-profit hospitals because they do not receive any federal, state, or local tax exemptions. Therefore, unlike their non-profit hospital counterparts they are not required to distribute or assure the community benefits they have acquired over the years are returned to the community. However, for-profit hospital closures share the same administrative requirements as non-profit hospital entities. According to state regulations, 77 Illinois Administrative Code 1110.130, any Illinois hospital that wishes to close its doors must stipulate and provide certain documentation to the Illinois Health Facility Planning Board (IHFPB) prior its official closing. The following requirements must be addressed in a Certificate of Need Application to the IHFPB prior to any hospital closing. Yet, hospitals often do not follow these requirements and they discontinue their operations prior to the IHFPB approving the hospital closure.

To address these non-compliance issues, IDPH is in the process of amending their regulations to better assure the following items are documented: (1) identification of the categories of services and number of beds to be discontinued, (2) identification of all other clinical services and types of medical equipment to be discontinued, (3) the anticipated date of the closure, (4) the anticipated use of the physical plant and equipment, (5) the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time such records will be retained, (6) all IDPH or IHFPB required questionnaires or data must be submitted no later than 60 days following the date of the discontinuation. These changes are being proposed to better protect the community and the former patients of the hospital.