



1 SENATE RESOLUTION

2 WHEREAS, The Health Facilities Planning Board (the Board)
3 was created by the passage of the Illinois Health Facilities
4 Planning Act (the Act), which was originally approved and
5 became effective on August 27, 1974; and

6 WHEREAS, The Act has as its stated purposes: (1) "to
7 establish a procedure to reverse the trends of increasing costs
8 of health care resulting from unnecessary construction or
9 modification of health care facilities"; and (2) to establish a
10 procedure for the "orderly and economic development of health
11 care facilities"; and

12 WHEREAS, The Governor appointed 9 new members and a new
13 Executive Secretary of the Board; and

14 WHEREAS, Mercy Crystal Lake Hospital and Medical Center
15 filed an application on or about July 8, 2003 seeking a
16 Certificate of Need to construct a 70-bed hospital in Crystal
17 Lake, Illinois; and

18 WHEREAS, Questions have been raised as to whether that
19 application complied with the Board's rules; and

20 WHEREAS, A public hearing was held to allow the public to
21 comment on the application, and the comments were
22 overwhelmingly negative; and

23 WHEREAS, Six hospitals objected at the public hearing and
24 provided extensive testimony and documentation to the effect
25 that:

26 (a) The project is not cost effective and is counter to
27 the cost containment purpose of the Act;

28 (b) The project does not improve access to necessary
29 health care;

1 (c) The project does not improve the quality of
2 available health care;

3 (d) The project represents unnecessary duplication of
4 health care services; and

5 (e) The application does not comply with the rules of
6 the Board; and

7 WHEREAS, Two of the objecting hospitals, located in McHenry
8 County, provide substantial community services, including
9 behavioral health services and rehabilitation services, as
10 well as support for local clinics that provide care to the
11 uninsured; and

12 WHEREAS, According to studies prepared by financial
13 experts, the construction of the hospital as proposed by Mercy,
14 will, to the detriment of overall community health,
15 substantially undermine the financial ability of these
16 hospitals to continue providing these services; and

17 WHEREAS, The Board's staff prepared a report analyzing the
18 application's compliance with the Board's rules and found that
19 it did not comply with 9 of 13 major rules; and

20 WHEREAS, The application was first considered by the Board
21 at its meeting held on December 17, 2003, and the comments of
22 the Board members were openly negative prompting a vote of 8 to
23 zero to deny the application; and

24 WHEREAS, The applicant subsequently submitted additional
25 material to the Board that argued that the Board's rules were
26 outdated; and

27 WHEREAS, The Board again considered the application on
28 April 21, 2004, and, despite a negative staff report, the Board
29 voted to approve the Certificate of Need for Mercy Crystal Lake
30 Hospital and Medical Center; and

1 WHEREAS, The record is devoid of any testimony to refute
2 the Board's own staff report or the extensive oral and written
3 testimony submitted by objectors; and

4 WHEREAS, The Board has failed to reasonably explain the
5 reason for its reversal on this matter; and

6 WHEREAS, According to physician manpower studies prepared
7 by experts in the field, the hospitals located within 30
8 minutes of the site all recruit physicians to try to keep pace
9 with a rapidly expanding population; and

10 WHEREAS, Our society is one of laws, and the General
11 Assembly created the Board and approved its rules to fulfill
12 the intended objectives of the Act and provide predictability
13 to the health care community; and

14 WHEREAS, The actions by the Board contravene its own rules
15 and appear contrary to the intent of the General Assembly; and

16 WHEREAS, Section 3-4 of the Illinois State Auditing Act,
17 which implements subsection(b) of Section 3 of Article VIII of
18 the Illinois Constitution, provides that the Auditor General
19 shall make such investigations as are directed by either house
20 of the General Assembly in a resolution specifying the acts,
21 transactions, or practices to be the subject of the
22 investigation; therefore be it

23 RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL
24 ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is
25 directed to conduct an investigation to examine the Illinois
26 Health Facility Planning Board's approval of a Certificate of
27 Need for Mercy Crystal Lake Hospital and Medical Center and to
28 investigate the way the Board makes determinations concerning
29 Certificates of Need in general; and be it further

1 RESOLVED, That on or before January 1, 2005, the Auditor
2 General shall submit a report of his or her findings and
3 recommendations to the Governor, the General Assembly, and the
4 Legislative Audit Commission and shall make copies of the
5 report available to the public upon request; and be it further

6 RESOLVED, That we urge the Attorney General to conduct an
7 investigation to examine the propriety of the Illinois Health
8 Facility Planning Board's approval of a Certificate of Need for
9 Mercy Crystal Lake Hospital and Medical Center and to
10 investigate the way that the Board makes determinations
11 concerning Certificates of Need in general; and be it further

12 RESOLVED, That a copy of this resolution be delivered to
13 the Auditor General, the Attorney General, the Governor, the
14 Legislative Audit Commission, and the Illinois Health
15 Facilities Planning Board.