

CITY OF JOLIET OPPOSES SILVER CROSS' PROPOSED CLOSURE

On behalf of the City of Joliet, its citizens, and the entire Joliet community, we write to call your attention to the plans of Silver Cross Hospital and its administration to close our community hospital in Joliet. For more than 100 years, Silver Cross Hospital has been a pillar of the community as a critical service provider, an East side landmark and a major employer for the City of Joliet. If the plan to close the Joliet hospital and abandon our community moves forward, it will be a devastating loss for the City of Joliet and its residents.

I. The Proposed Closure of Silver Cross

Silver Cross Hospital ("Silver Cross") intends to close its hospital in Joliet and establish a new facility in New Lenox. For the past century, Silver Cross has been an anchor institution, major employment engine and provider of crucial health services for the City of Joliet. Generations of Joliet residents have been able to point to the hospital with a feeling of pride that such an outstanding facility has been deeply committed to our community. That is why we are disheartened to learn of Silver Cross' plans to close our hospital and to develop a new hospital four miles east of its present location, in New Lenox.

II. The Impact

The proposed relocation would have tremendous negative consequences for the City of Joliet and its residents. While our analysis of this potential move is still in process, it is clear that it would, at a minimum: (1) adversely impact the access to health care in Joliet; (2) adversely impact the safety of all residents; and (3) have a potentially devastating economic impact on Joliet.

. Health Care Access Concerns

In its current location, the demand for health care services is significant. With a population currently over 145,000, Joliet remains one of the largest and fastest growing cities in Illinois. Since 2000, Joliet's total population has increased 15.9%. By contrast, the state of Illinois' population has increased 3.3% over that same time period. New housing starts in Joliet have averaged over 1,400 a year.

Not surprisingly, this growth has led to an increased need for health care services. Inpatient hospital utilization in Joliet in the last five years has increased by 20%. Silver Cross, as one of only two Joliet-based hospitals serving this rapidly growing community, has been instrumental in providing necessary health care services to this growing population. The loss of Silver Cross would obviously have an adverse impact on the ability of Joliet residents to receive the health care they need.

The impact of the closure of Silver Cross will also cause a ripple effect that will affect all aspects of health care, well beyond the closure of the hospital itself. Every hospital, including Silver Cross, has a veritable constellation of centers and clinics that depend on and are located close to a primary hospital that they serve. The loss of the hospital would not simply mean the loss of an emergency room and hospital beds, but also the doctors' offices, MRI clinics and other services that are currently dependent on Silver Cross.

The proposed closure of Silver Cross would also exacerbate the already apparent health disparities for the low income and minority residents of Joliet. Along with treating illness and disease, a core element of the mission of a community hospital is developing programs that address the root causes of health problems. The hospital's support of neighborhood economic development and community health advocacy is essential to ensure a brighter future for the residents of Joliet. The emerging health crisis that the entire country faces with the epidemics of diabetes, obesity, and hypertension is a constant reminder of the widening inequalities in health care and socio-economic status in this city as well as our country.

In 2006, over 55% of patients seeking inpatient care and nearly 40% of those seeking outpatient care at Silver Cross receive Medicare or Medicaid, and many other patients have no health coverage at all. Nonetheless, Silver Cross has been enjoying great financial success, reporting profits of nearly \$45 million between 2002 and 2005 alone. For Medicare and Medicaid patients, many of whom are elderly, transportation is often a struggle. Their ability to receive the medical care they need will be put in jeopardy should Silver Cross leave Joliet.

Safety Concerns

Silver Cross' proposed relocation would have numerous negative consequences on Joliet's public safety operations. The main benefit of the current site of Silver Cross to those providing emergency services to Joliet, including the Police and Fire Departments, is the centralized location of Silver Cross on the east side of Joliet. Despite Joliet's irregular borders, prior to the City's most recent annexations, Silver Cross Hospital and Provena St. Joseph Medical Center occupied the relative centers of the east and west sides of Joliet, respectively.

Historically, those injured in the city on the west side of the Des Plaines River were transported to Provena St. Joseph Medical Center, and those injured on the east side of the river were transported to Silver Cross. If Silver Cross would relocate to its proposed site in New Lenox, it is anticipated that the border of the two service areas, currently the river, would be moved east to Walnut Street.

Traveling this added distance, to the eastern-most border of our jurisdiction, may prove to be more difficult than anticipated, especially in consideration of the aging two-lane highway (Route 6) and the predictable increase in traffic along this main roadway. In addition, the juncture of I-355 and US Route 6, where Silver Cross intends to relocate, is anticipated to have significant commercial development similar to Schaumburg's

Woodfield Mall area. In fact, two malls are planned for this area. This increase in consumer-driven commercial development will inevitably bring with it traffic congestion.

As a result of the added distance alone, city public safety and ambulance personnel would experience dramatic increases in travel times when transporting patients to a new facility in New Lenox. Those increased travel times, in turn, will impose considerable budgetary strains on the City of Joliet while potentially preventing city personnel from performing other activities necessary for community safety.

Other area hospitals would also feel the effects of Silver Cross' relocation. For example, some residents from the East side will likely require access to emergency care at Provena Saint Joseph Hospital, resulting in an estimated 4200 additional ambulance deliveries per year to that facility. This raises the concern whether neighboring health care facilities have the resources and personnel to absorb significant increases in patient numbers. As Silver Cross has only recently expanded its emergency department to meet increasing demands, the remaining hospital could face a nightmare scenario in trying to meet the demand for these services, with its caseload potentially doubling.

In addition, Joliet's public safety operations will certainly see cost increases and service changes. Currently, residents west of the Des Plaines River typically receive ambulance transport to Provena St. Joseph, and residents east of the river are transported to Silver Cross. A shift in the dividing line east to Walnut Street would cause increased cost for Joliet emergency services through higher patient transport time and longer time periods where emergency personnel and vehicles will be out of service and out of their jurisdiction. Also, the cost of transportation and other infrastructure improvements that would be needed to connect Joliet with the proposed site would be substantial.

Economic Concerns

This proposal would jeopardize the economic development that our community leaders and residents have worked so hard on in past decades. Silver Cross' continuing support for the myriad of Joliet's community initiatives, such as neighborhood revitalization, economic development, and preventative healthcare advocacy, is essential to ensure community enhancement and a bright future for Joliet residents. As a cornerstone of downtown Joliet and the East Side in particular, Silver Cross is instrumental to the status of Joliet as the regional center of Chicago's southwest suburbs. The desertion of Silver Cross from Joliet would impair Joliet's image, as well as its economic revitalization and development efforts.

Silver Cross is also one of the largest employers in Joliet. Silver Cross' move would further erode employment of Joliet residents and contribute to greater economic hardship. In addition, the Silver Cross move will affect the vendors, contractors and subcontractors currently located in Joliet and dependent on the hospital for their viability.

Moreover, one of the most prominent issues facing Joliet's East Side in general and Silver Cross in particular has been economic struggles of the surrounding community. While Silver Cross has been a leader in helping to revitalize the neighborhoods surrounding its current location, it will now abandon that community. Aside from the current economic struggles these neighborhoods face, they will face an even bigger challenge if the blight of vacant buildings are left behind after Silver Cross' proposed move.

III. There Is No Justifiable Reason For The Move

. Silver Cross is Thriving Financially

Silver Cross cannot claim that financial pressures are the impetus for any move. It has demonstrated that it can serve the needs of the poor and underprivileged of the community while at the same time making a handy profit. As set forth in the chart below, between 2002 and 2005 alone, it reported profits of nearly \$45 million:

	2002	2003	2004	2005	Totals
Revenue	\$146,598,472	\$160,746,998	\$164,264,278	\$184,227,709	\$655,837,457
Expenses	\$138,016,006	\$148,318,119	\$155,490,296	\$169,394,829	\$611,219,250
Profits	\$8,582,446	\$12,428,879	\$8,773,982	\$14,832,880	\$44,618,187

During that same time period, its net assets increased over 50%, from approximately \$103 million in 2002 to nearly \$155 million in 2005. Despite its financial strength, Silver Cross has made plans to leave behind a needy population in favor of the more affluent communities that lie to the east.

. The Current Facility Does Not Need Renovation

Given the enormity of the capital expenditures by Silver Cross over the past several years, there can be no question that the condition of its facilities is not driving any need to relocate. It recently completed an \$18 million project modernizing and expanding its emergency department. In July of 2001, it received permission from the State to spend nearly \$17 million on a four-story professional building adjacent to the hospital. In that same year, Silver Cross opened its newly constructed \$6 million birthing center. In 2003, it received approval to invest an additional \$3.8 million for a cardiac catheter lab in that building. 2003 was also the year when Silver Cross opened its new Specialty Care Pavilion, as well as the Brown Cardiovascular Institute. According to its own website, over the last decade, Silver Cross has invested nearly \$150 million in capital programs. The Silver Cross website elaborates stating that "by 2007, Silver Cross will invest another \$25 million to double the size of the emergency department to 30,000 sq. ft with 26 private treatment rooms, 6 dedicated observation beds and expanded diagnostic and reception facilities. Silver Cross has also added a high-tech, hotel-like 35-bed unit for surgical patients on the hospital's sixth floor." According to the Will County Chamber of Commerce Will County Healthcare profile, this unit features 289

square foot private rooms with a separate desk area with a connection for a laptop computer and phone and a comfortable pull-out bed so a patient's loved one can stay overnight."

. **The Current Site Provides Plenty of Room for Expansion**

The lack of space to expand, or build a replacement facility, cannot be a valid concern. Many area hospitals thrive on plots much smaller than Silver Cross' current 50-acre site. Even if there was truly a need to move, there are a number of sites within Joliet that could accommodate a new Silver Cross facility.

IV. Conclusion

We are greatly disappointed that the Silver Cross administration made this decision without timely or meaningful input from the City of Joliet and other constituent representatives. Our community will not take this relocation proposal sitting down. While we hope the Board will rethink its decision, the City of Joliet will challenge Silver Cross' application for the requisite certificate of need permit in proceedings before the Illinois Health Facilities Planning Board.

The City of Joliet would like to work with Silver Cross to find an alternative solution that meets both the needs of the hospital and the residents of Joliet. Over the years, the City has proven itself an effective partner to businesses and institutions looking to strengthen or enhance its position in our community. We know it is not too late for that collaboration and are optimistic that this community will be given a meaningful opportunity to preserve our hospital in our community going forward. We appeal to the Silver Cross Board, major donors to Silver Cross, area physicians and community leaders to urge Silver Cross to reconsider its proposed move.