2 McHenry County hospital proposals compete for OK to proceed
Board should reject both to ensure existing hospitals thrive, opponents say
By Lawerence Synett
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A state regulatory panel is expected to vote Tuesday on whether to approve up to two new hospitals in McHenry County.

Critics have argued that the competing plans — a Mercy Health System hospital in Crystal Lake and a Centegra medical center in Huntley — would oversaturate the area. They would be the first new acute care hospitals approved in the state since 2004.

The hospitals would serve similar needs and be less than 10 miles apart, creating a rare situation for the Illinois Health Facilities and Services Review Board. The state agency, which will meet Tuesday in Joliet, decides on building and expansion plans for hospitals in the state.

"We have had multiple hospitals come up on the same agenda, but not like this," said Courtney Avery, a review board administrator. "They are almost identical. Approvals like this are tough in today's economy."

Chicago-area health care providers have lined up to oppose the 128-bed plans, while officials with both Centegra and Mercy health systems contend that each of their plans is the right fit.

Mercy's $200 million hospital in the southeastern part of the county would be near hospitals in McHenry, Woodstock and Barrington. Centegra's $233 million facility in southern McHenry County would be on the site of its fitness center and primary care center.

Centegra hospital officials said a new facility is needed in an area of the county where the population is expected to grow. The hospital would offer primary care, specialty physicians, private patient rooms, a dedicated women's center, a full-service emergency department and noninvasive cardiology services.

"This isn't about taking patients from other providers. When this hospital is built, not only will Centegra be filled with patients, so will the other hospitals in the area," said Susan Milford, senior vice president of strategic marketing and planning. "We are in the latest urban sprawl of Chicago. It is where the growth is happening."

Mercy Hospital Vice President Rich Gruber said a new Crystal Lake facility would complement existing services. The hospital would focus on geriatrics and include an emergency department and a multispecialty clinic with 45 physicians.

"We are going to be putting in play a general acute care hospital, not focusing on tertiary services," he said. "We would continue using providers within the area for those procedures."
But both proposals could have an impact on Advocate Health Care, which has 10 hospitals and numerous outpatient facilities in the Chicago area, said Michael Deering, director of public affairs at Advocate Good Shepherd Hospital in Barrington.

"The hit that gets taken at Good Shepherd will be felt elsewhere," Deering said. "We have to be able to spread the margin around to support what we do."

Officials at Sherman Health in Elgin also are concerned. They have grappled with empty beds since moving into a renovated $325 million hospital in December 2009 and fear a new hospital 10 miles away would lead to a drop in service. The hospital system has facilities in Kane, Cook and McHenry counties.

"We are trying to protect quality health care," said Linda Deering, chief operating officer at Sherman Health. "It's important to know that in order to provide that, you need a reasonable amount of business."

Some opponents also argue that new hospitals are not needed as outpatient services and urgent care centers increase.

"These plans are going against the grain of where we are headed," said James Unland, president of the Health Capital Group, a Chicago health care consulting firm, and a part-time faculty member at the Loyola University Chicago School of Law. "I'm skeptical about the need for another hospital in that area."

A full nine-member review board will vote on the proposals Tuesday; Gov. Pat Quinn filled three vacancies this month. The board also will vote on a proposal to build Memorial Hospital-East in Shiloh, near St. Louis. The $118 million hospital would have 94 beds.