

# Huntley hospital gets green light on 3rd attempt

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BOLINGBROOK — It took three tries, pro and con testimony from hundreds of people in six hearings spread over more than a year, and three votes by the Illinois Health Facilities and Services Review Board.

But by a 6-3 vote on Tuesday, that board gave the green light to Centegra Health Systems to build a \$233 million, 128-bed hospital in Huntley.

The news was greeted with joy by many residents of southern McHenry County but less enthusiastically by employees and executives of the existing Sherman Hospital of Elgin, which now serves Huntley, and of Mercy Health Systems, which wants to build a 70-bed, \$115 million hospital in Crystal Lake.

The state board, whose “certificate of need” is required before any major new medical facility is built or expanded, is expected to rule on Mercy’s Crystal Lake proposal next month.

To be built at Reed and Haligus roads, Centegra Hospital-Huntley is only the second all-new hospital to be approved in Illinois in the past 30 years. Centegra expects it to open in 2016, to create 800 temporary construction jobs and to employ 1,100 people.

Centegra already owns and operates two other hospitals in McHenry County, in Woodstock and McHenry. Mercy owns and operates the only other one, in Harvard.

Every time the controversial Huntley proposal has come before the board, it received more votes than the time before. But, then, it had quite a hole to climb out of.

Meeting in June 2011, the board voted 8-1 to warn both Centegra and Mercy that the board “intended to deny” both proposals.

In hearings and arguments leading up to that vote, advocates from both Huntley and Crystal Lake tended to paint the projects as an either/or proposition. The unstated assumption of many arguments seemed to be, “McHenry County has room for only one more hospital, so should it be put in Crystal Lake or Huntley?” But the board’s 8-1 votes showed that board members’ opinion at that time was that the answer should be “neither in Huntley nor in Crystal Lake.”

What made the difference was concerted arguments by existing hospitals that serve the Crystal Lake and Huntley areas. Especially vocal were Sherman Health Systems of Elgin, Advocate Good Shepherd Hospital of Barrington and St. Alexius Medical Center of Hoffman Estates. They banded together and paid a consultant to study the impact of both new hospitals. The study concluded that the three competitors already had more patient beds than they could fill. The consultant predicted that a new hospital in either Crystal Lake or Huntley would financially harm those existing hospitals, forcing them to lay off employees and perhaps cut down how much charity care they could provide.

But when the state board met to make its final decision on each proposal last December, that warning turned out to be a bit premature. One board member, David Penn, was absent. The Mercy-Crystal Lake proposal, which by now had been trimmed down to a smaller, less expensive project in an effort to minimize its damage to the existing hospitals, was rejected by a vote of 6-2. But the Centegra-Huntley project this time split the board right down the middle, with four votes yes and four votes no.

Five votes are required for approval, so that 4-4 tie had the same impact as a “no” vote.

But hospital lawyers figured out a way to breathe new life into both projects, thanks to a clerical mistake. Someone accidentally had filed that Sherman-Advocate-Alexius study about the Crystal Lake hospital’s impact into the case file for the Huntley proposal, and had filed the report about the Huntley project’s impact into the case file for the Crystal Lake proposal. An administrative law judge ruled this spring that because of that, the board should reconsider its December 2011 decisions.

At Tuesday’s meeting, all nine board members showed up. The member who had missed the December meeting, Penn, voted in favor of the Centegra idea. Two members who voted “no” in December voted “yes” this time, and one member who voted “yes” last time voted “no” this time.

Bottom line: a 4-4 tie had become a 6-3 vote in favor of a hospital in Huntley.

“We are thrilled by the board’s decision,” said Centegra CEO Michael S. Eesley. “Residents of southern McHenry County and northern Kane County need better access to hospital care, and the state recognized that.”

Centegra Vice President Susan Milford said her organization will go ahead with the construction even if the review board also approves the Crystal Lake project next month.

Milford said Centegra changed the board members' minds by arguing that the Sherman-Alexius-Advocate studies were too focused on the present-day population and patient load, while McHenry County can expect rapid growth to resume once the economy perks up.

"We have the location where a hospital truly is needed," Milford said. "Southern McHenry County and Huntley are the epicenter of growth in our county." She said they also are farther from existing hospitals than Crystal Lake is.

Previous hearings have drawn hundreds of people arguing for and against the proposals, including village and chamber of commerce leaders, officers of the existing hospitals, busloads of Centegra and Mercy employees, and scores of ordinary Crystal Lake and Huntley residents who argued that they needed a hospital closer to where they live. But few residents testified at Tuesday's meeting.

In a written statement Tuesday afternoon, Sherman Health officials said they are "deeply disappointed."

"Nothing has changed since the review board last considered this proposal in December," said Sherman President and CEO Rick Floyd.

Sherman and its two partners in the impact studies "have presented volumes of information and testimony showing why no hospital is needed," the Sherman statement said.