

GOP senators challenge Health Facilities Planning Board

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Published Tuesday, December 26, 2006

A state board that decides the fate of large medical construction projects and equipment purchases is under fire from several fronts in the Illinois General Assembly.

A legislative fiscal commission and a coalition of Republican senators question whether the Illinois Health Facilities Planning Board should be changed - or whether it should exist at all.

The state law that authorizes the board is set to expire April 1, 2007. A Senate Republican task force has issued a report that recommends major changes in how the health planning board conducts business. Acting separately, the legislative Commission on Government Forecasting and Accountability has hired a consultant to review whether the board accomplishes its mission to reduce health costs and improve access to medical services.

"We don't think the current board is as effective as it could be," said Sen. Bill Brady of Bloomington, chairman of the Republican task force.

"There's certainly room for it to become more effective," said Jeffrey Mark, the board's executive secretary. "But I think this board has been exercising its role very well."

Before Illinois hospitals and other medical facilities can begin construction projects that cost at least \$7,167,063 or buy equipment valued at more than \$6,573,026, they must first get permission from the board. Created in 1974 in an attempt to control rising health costs and ensure that all Illinoisans can obtain nearby health care, the board's recent history has been fiery.

Fueling part of the debate is the "certificate of need" process, which the board uses to determine approval of large expenditures by medical facilities.

Supporters say the process keeps a lid on health-care costs by not allowing, for instance, two nearby hospitals to buy the same piece of state-of-the-art equipment and then pass on the cost to patients of both. It also prevents, some say, stand-alone medical businesses from "cherry-picking" profitable medical procedures, leaving hospitals to perform only low- or no-profit work.

"In a hospital, there are some services that lose money, like trauma centers and burn units and neonatal," said Bettina French, communications director

for the Illinois Hospital Association. "There are some services that tend to make up for that, like surgery and some diagnostic tests. The services that tend to be more profitable are the ones that people are likely to separate out and build a building and try to make money."

Critics of the process say it inhibits competition.

"I personally think that the board insulates hospital executives and their board members from bad financial decisions by guaranteeing market share," said Sen. Jeff Schoenberg, D-Evanston, co-chairman of the legislative fiscal commission.

"I support repealing the board ... but I'm going to step back and let the independent analysis take place and follow the facts," Schoenberg said.

The commission last week hired The Lewin Group, a Virginia-based health consulting firm, to study the effectiveness of the health planning board and issue a report by Feb. 15.

Fourteen states have repealed their health planning laws since 1986, when the federal requiring them was overturned, according to Illinois House Resolution 1497, which calls for the study.

The health planning board also was caught in a political firestorm in 2005, when former member Stuart Levine was indicted on federal criminal charges. Authorities said that when a suburban hospital sought board approval for a construction project, Levine steered business to a contractor that paid \$1.6 million as a kickback. The indictment also said Levine was instrumental in denying the application of another suburban hospital that did not hire the contractor.

Levine pleaded guilty in October and admitted charges of seeking kickbacks for steering investments by the State Teachers Retirement Board, on which he also served.

After the indictment, Gov. Rod Blagojevich and the General Assembly reduced the size of the health planning board to five members appointed by the governor. The new law also required members and their families to have no ties to health care facilities.

But the Republican senators say the board should be reconfigured again, to include nine members who represent various facets of the health-care industry.

Among other recommendations, they want the board to assume that a project is worthy unless proven otherwise. An applicant for a project now must prove

it is needed.

At a meeting last week, the board agreed with the Republican task force that it should have nine members but said the membership requirements should be geographical rather than occupational.

Mark says the board also does not agree that the burden of proof should lie with the board.

"We don't think that would be tenable," he said. "It's very difficult to prove a negative."

The Republican senators also want lawmakers to authorize the board to continue until June 30, 2011, to allow time to evaluate it and consider whether the certificate-of-need process is necessary.

Mark said the board is cooperating with the legislative fiscal commission's study and agrees with the Republican task force that it should continue to operate.

"We hope that it will result in a significant time extension," he said.

Meanwhile, Schoenberg said he and other fiscal commission members are "anxious to hear what the financial experts say about whether the board has actually succeeded in meeting its stated goal."

The recently commissioned study could determine the board's future beyond April 1, he said.

"We're on a relatively short time frame."

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