Investor-Owned Hospitals Represent Almost 15% of Illinois Hospitals

Illinois’ 31 investor-owned hospitals represent 14.8% of the state’s 210 hospitals.¹ They form a critical component of the specialty care delivery system, representing more than half of Illinois’ specialty hospitals.

Fourteen (45%) of investor-owned facilities are general medical surgical hospitals, while the remaining provide specialty services, including psychiatric care (n=8), long-term acute care (LTAC, n=7), and other services such as rehabilitation (n=1) and cancer care (n=1).

In fact, although they represent about one in seven Illinois institutions, investor-owned hospitals are 61% of the state’s specialty hospitals, including 80% of the state’s psychiatric hospitals (non state-owned) and 70% of its LTAC hospitals.

Investor-Owned Hospitals are Located Throughout Illinois

Investor-owned hospitals serve both urban and rural populations and are located throughout Illinois. Those in rural areas provide a crucial service to communities that might otherwise not have immediate access to health care.

Two investor-owned hospitals are designated as Critical Access Hospitals. With 20 designated as Disproportionate Share Hospitals and/or Medicaid Percentage Adjustment Hospitals, investor-owned hospitals care for some of the state’s most vulnerable individuals.

¹ There are 222 hospitals in Illinois. The data presented in this paper exclude the hospitals that are either operated by the federal government (e.g., the Veterans’ Administration, n=5) or that are state psychiatric hospitals (n=7).
A hospital contributes directly to the economic well-being of its community by providing employment and the salaries and benefits that flow from that employment. In 2012, investor-owned hospitals employed nearly 13,000 full-time equivalent employees (FTEs), compensating them with $929 million in salaries and benefits. These hospitals spent an additional $1.5 billion in the purchase of goods and services and another $131 million in capital expenditures to operate and improve their facilities and provide patient care.

Investor-owned hospitals paid nearly $32 million in taxes to state and local governments in 2013. In addition to state and local taxes, investor-owned hospitals provided almost $120 million in assessment payments to the State of Illinois for State FY 2014 to help fund the Illinois Medicaid program.

**Investor-Owned Hospitals Provide Significant Community Benefits**

In 2013, investor-owned hospitals provided over $27 million in charity care cost to patients most in need and $94 million in other community benefits, including Medicare shortfalls, Medicaid shortfalls, donations, education and subsidized services. Investor-owned hospitals also provided $105 million in care where patients were not able to pay their bills.

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2 One system reported 2014 data.
Services Provided by Investor-Owned Hospitals are Crucial to Their Communities

Investor-owned hospitals, whether they provide specialty or general acute medical care, are the site of many important community health care services.

- Fourteen have comprehensive emergency services (vs. basic or standby)
- Eight care for high-risk pregnant women and their babies and are designated as Level II or II+ perinatal centers
- Three are designated as Level II Trauma Centers
- Five are teaching hospitals, and three are considered major teaching hospitals

Medicaid/Medicare Providers

Investor-owned hospitals provide significant amounts of care to Medicaid patients and represent 30% of the Illinois hospitals that qualify for Medicaid disproportionate share (DSH) and/or Medicaid Percentage Adjustment (MPA) payments. On average, 28% of investor-owned hospital patients are covered by Medicaid and 26% by Medicare.

Psychiatric Services

One of the vital services provided by investor-owned hospitals is psychiatric care; more than one-half of all investor-owned hospitals provide this service. Eight are freestanding psychiatric institutions and another eight provide inpatient psychiatric care in a specialized unit within a general acute care hospital.

The number of psychiatric beds available at investor-owned hospitals has increased by more than 50% over the last ten years. This is especially crucial, because other psychiatric providers have been dropping behavioral health services and/or reducing the number of beds dedicated to psychiatric care. Since 2002, four Illinois state psychiatric hospitals have closed and another 44 general acute care hospitals have eliminated this service or reduced the number of inpatient beds dedicated to psychiatric care. More than one-third of the state’s private psychiatric beds are in investor-owned hospitals. The continued provision of this service by investor-owned hospitals remains a significant community resource.

Did You Know…

In 2013, investor-owned hospitals:
- welcomed more than 8,400 babies into the world,
- performed almost 54,000 surgeries
- provided over $27 million in charity care
Illinois Investor-Owned Hospitals (n=31)

Chicago Behavioral Hospital, Des Plaines
Chicago Lakeshore Hospital, Chicago
Community First Medical Center, Chicago
Crossroads Community Hospital, Mount Vernon
Galesburg Cottage Hospital, Galesburg
Garfield Park Behavioral Hospital, Chicago
Gateway Regional Medical Center, Granite City
Hartgrove Behavioral Health System, Chicago
Heartland Regional Medical Center, Marion
Kindred Chicago Central Hospital, Chicago
Kindred Chicago Lakeshore Hospital, Chicago
Kindred Hospital Chicago North, Chicago
Kindred Hospital Chicago Northlake, Northlake
Kindred Hospital Peoria, Peoria
Kindred Hospital Sycamore, Sycamore
Lincoln Prairie Behavioral Health Center, Springfield
MacNeal Hospital, Berwyn
MetroSouth Medical Center, Blue Island
Midwestern Regional Medical Center, Zion
Red Bud Regional Hospital, Red Bud
Riveredge Hospital, Forest Park
Streamwood Behavioral Healthcare System, Streamwood
The Pavilion, Champaign
Union County Hospital, Anna
Van Matre HealthSouth Rehab Hospital, Rockford
Vibra Hospital of Springfield, Springfield
Vista Medical Center East, Waukegan
Vista Medical Center West, Waukegan
Weiss Memorial Hospital, Chicago
West Suburban Medical Center, Oak Park
Westlake Hospital, Melrose Park

- Note that Chicago Behavioral Hospital (formerly Maryville Behavioral Health Hospital) and Community First Medical Center (formerly Presence Our Lady of Resurrection Medical Center) converted to investor-owned status in late 2014. Data included reflects prior ownership; taxes paid and community benefits may be understated.