



GENERAL ASSEMBLY
STATE OF ILLINOIS

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

October 17, 2019

Illinois Health Facilities and Services Review Board
Attn: Richard Sewell
525 W. Jefferson Street
2nd Floor
Springfield, IL 62761

Dear Mr. Sewell,

Please accept this letter as a follow-up request to defer the Pipeline exemption application E-044-19 for change of ownership scheduled for October 22, 2019.

In a statement made on October 7, 2019, I requested to reserve the right to ask for a deferral if Pipeline did not provide answers to questions they were asked at the meeting October 7.

Our community and its leaders need concrete answers of Pipeline's intention of ownership. On October 7th, we explicitly requested information about Pipeline's LLC structure and requested the names of owners of WeissPropCo, a named entity in their corporate structure. To date, this information has not been provided as to who the individuals within these entities are.

Prior to the public hearing on October 7, 2019 local elected officials met with representatives and executives from Pipeline. Pipeline was not forthcoming about the sale of the surface lot. We inadvertently learned about it when the Alderman, who attended the meeting, divulged that he had met with a developer about the sale of the surface lot.

Furthermore, when questioned about the sale of the property Pipeline stated improvement of medical services was contingent upon the sale of the property and the project could be in jeopardy absent the sale. These remarks trigger additional questions that remain unanswered. For example, if the targeted profit after the sale of the land is unrealized, it is unclear how will it impact the plans to improve the medical services to the community.

We also learned that the Weiss physical plant and real estate are owned by WeissPropCo. However, we have no idea who the real owners of Weiss PropCo are. The application to the IHFSRB is made by WeissOpCo--the corporate hospital entity, not



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WeissPropCo. Both hospitals and real estate are owned by separate corporations that are not parties to this process, and more information is needed about how these interlocking private corporate entities impact the delivery of health care for our community.

Additionally, it is public knowledge that Pipeline had made verbal and written promises in the past when applying to this board for ownership of three hospitals that they would continue to operate all three. One month after making such assurances they came back to the board with a closure application of one of their hospitals, Westlake.

As elected officials, we represent a community with great health care needs. This project requires further transparency and answers to basic questions that will directly impact the community. Therefore, we have requested a hearing of the Human Services Appropriations Committee and the Chair is in the process of scheduling that hearing very soon.

We request that IHFSRB defer from taking any action until answers are received in writing to the following questions:

- Does Pipeline Health Holdings or any of its investors or owners have a financial interest in WeissPropCo? If yes, what is the interest?
- Is the IHFSRB approval of this transaction required in any way to proceed with the proposed development of 4600 North Marine Drive? If yes, how?
- Could the 4600 North Marine Drive development occur if this proposal is denied by the IHFSRB?
- Under the proposed transfer in which Pipeline Healthy System Holdings (PHSH)(held by PHH) becomes sole member and interest holder of SRC (owner of Weiss Hospital), how will the transfer impact delivery of health care services at Weiss in the immediate future? In the next five years?
- Why has the ownership of the real estate been separated from ownership of the hospital and license?
- What are the plans for the real estate, including current proposals already being assembled by developers and how will the community be involved in those decisions?
- What assurances can Pipeline Hospital Holdings make to the community about its continuing ownership and operation of the hospital for the long term?



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- Who are the individual persons (investors and owners) of all the various layered LLCs and other corporate entities who have a financial interest in or will derive benefit from these transactions?

Thank you for your kind consideration on this matter.

We respectfully request that you distribute this communication to all of the Health Facilities and Services Review Board members prior to the scheduled October 22nd hearing.

Sincerely,

Sara Feigenholtz
State Representative, 12th District

Greg Harris
State Representative, 13th District

CC:

Ann Guild, Liaison, IHFSRB
Senate President John Cullerton
Senator Heather A. Steans
Representative Kelly Cassidy
Representative Robyn Gabel
Sol Flores, Deputy Governor
Alderman James Cappleman