



Illinois Health & Facilities State Review Board  
c/o Bolingbrook Golf Club  
2001 Rodeo Dr.  
Bolingbrook, IL

December 7, 2019

Dear IHFSRB:

We are writing to inform you of our recent communication with Pipeline Health and Weiss PropCo regarding questions about Weiss Memorial Hospital, a valuable hospital on Chicago's north side and the largest employer in our neighborhood.

Pipeline Health (including Pipeline Hospital Holdings, LLC, Pipeline-Weiss Memorial, LLC and SRC Hospital Investments II, LLC) has requested an exemption application (E-044-19) for change of ownership (<https://www2.illinois.gov/sites/hfsrb/rules/Pages/PN-E-044-19.aspx>). An IHFSRB meeting originally scheduled for October 22, 2019, was delayed until December 10, 2019, at the request of our state representatives, Rep. Sara Feigenholtz and Leader Greg Harris. The delay was requested in order to obtain answers from Pipeline as articulated in a letter dated October 17, 2019.

As the news reported repeatedly, Pipeline promised two community meetings on November 4 and November 19 to answer questions and confirm their intentions for our hospital.

Indeed, Pipeline did attend community meetings on both November 4 and November 19, and a representative from WeissPropCo also attended the November 19 community meeting. (Weiss physical plant and real estate are not owned by Pipeline but by WeissPropCo.) Our state representatives, Rep. Sara Feigenholtz and Leader Greg Harris, were also both present at both meetings. Unfortunately, some questions remain unanswered. Pipeline's CEO, Jim Edwards, and a representative from WeissPropCo, Pat Schultz, refused to comprehensively disclose who composed the entity WeissPropCo. WeissOpCo is the corporate hospital entity, the parties to which Pipeline's CEO likewise refused to identify. Even after two meetings, we still have no knowledge of how these interlocking private corporate entities impact the delivery of healthcare for our community and greater Chicago.

At the conclusion of the November 19 meeting, Pipeline agreed to *consider* participating in a memorandum of understanding (MOU) with the community. Given the short timeline between November 19 and the IHFSRB meeting on December 10, a meeting has not happened and no such document has yet been discussed. After the IHFSRB meeting, we as a community intend to closely pursue the development of the MOU.

We write this letter to you with the hope that Pipeline follows through on their promise to meet and draft a community benefits agreement or memorandum of understanding that will result in a positive relationship between Pipeline and that Pipeline's future access to public resources is dependent on their generation of a net benefit to the community.



So far Pipeline has given us a verbal commitment expressing their intention to keep Weiss open. While we would like to take them at their word, we remain cautious after what we witnessed after the Westlake closure. Pipeline made verbal and written promises to both the community and IHFSRB and two weeks later Pipeline announced plans to close Westlake hospital. Prior to Westlake's closure, an exemption application was submitted for Westlake similar to the one currently pending for Weiss. (Likewise, a third exemption is pending for West Suburban, also for the December 10 meeting.)

Furthermore, various members of our community continue to hear reports from physicians at Weiss, and from surrounding hospitals, that they believe that Pipeline is preparing to close Weiss.

WeissPropCo owns the surface parking lot adjacent to the hospital ER and main entrance, the two busiest entries for the hospital. As a neighborhood group, we were presented with CBRE's 2019 real estate prospectus indicating the lot's sale and value. Pipeline has explained that Weiss's continued operations and expanded services are financially contingent on the lot's sale, and WeissPropCo will be reinvesting a fraction of the proceeds into Weiss Hospital. The land surrounding Weiss is limited to accommodate its proposed expanded footprint, and we struggle to understand why WeissPropCo would immediately seek to sell rather than retain the property at 4600 N. Marine Drive for Pipeline's vision of expanding healthcare in Uptown and on Chicago's north side.

The lakefront property in question is currently zoned for hospital and related uses only and not for residential use. Although CBRE presented residential use of the property in their prospectus, no public discussion of such a dramatic change in permitted use from hospital to residential has occurred. In this sense, the prospectus seems both premature and ominous. We are optimistic that a memorandum of understanding with Pipeline will include alignment on the sale and potential development of this land. Our intention as a neighborhood group is to have no building erected on the site of the surface parking lot, especially not the high-rise market-rate apartment building proposed by CBRE. We would prefer for the space to be reserved for further investment and expansion of medical and health services. Questions about potential developments asked by our state representatives in October remain unanswered—including why the ownership of the real estate has been separated from the ownership of the hospital, how the community will be involved in development decisions, and whether this requested exemption will impact the development of the parking lot.

The closure of Weiss hospital would pose a significant public health problem. Weiss serves a significant volume of patients whose healthcare is supported by Medicare and Medicaid, rather than patients carrying commercial insurance. The Uptown neighborhood encompasses the second highest poverty census tract on Chicago's north side and is a Department of Mental Health catchment area. To further stress the value of Weiss to the community, nearby hospital St. Francis in Evanston has recently been forced to close their obstetrics unit. This closure makes Weiss the next nearest hospital with an obstetrics unit to neighbors in Chicago's north side communities of Rogers Park, Ravenswood, North Center, and Edgewater. Keeping Weiss open is not only in the best economic interest of our neighborhood but is a matter of social justice and equitable access to healthcare.



We remain unclear why Pipeline is seeking this exemption from the IHFSRB. The process seems rushed given that discussions leading to an MOU have yet to occur. Pipeline's CEO explained to us that the goal of the exemption, which divides the entity into several separate LLCs, is to resolve a cash flow issue that allows Pipeline to transfer cash from one entity to another. For example, cash could be transferred from their Avanti Hospital system in Los Angeles to Weiss in the event of late payments from the state. While we acknowledge this goal of the exemption application, we are left wondering if this is Pipeline's sole motivation or if there remain other unspoken objectives.

This letter is intended to serve as a matter of record that our community still has grave concerns about the sincerity of the meetings and true willingness on Pipeline's behalf to hear what the community concerns and requests are—they may be willing to say anything to get the COE on December 10th.

While they fulfilled their basic commitments to meet with us, questions remain unanswered and we are uncomfortable with our current understanding of why Pipeline needs this exemption to move forward in the first place. Our priority is to keep Weiss hospital open, maintaining access to quality healthcare for our underserved populations, and to secure the future use the surrounding land for what we perceive as a tangible community benefit. We are an active, impassioned community group and will do everything in our power as citizens to ensure the continued success of our community hospital.

A handwritten signature in black ink that reads "Marianne Lalonde". The signature is written in a cursive, flowing style.

Marianne Lalonde  
President, Lakeside Area Neighbors Association