

## ***Poverty Issues...Dateline Illinois***

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by Doug Dobmeyer

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***PI...DI*** was previously published between 1996 and 2001. This issue revives ***PI...DI*** which will continue to report on issues of poverty that need attention.

**In this issue:** What happened to the \$50 million in Lake County for medical needs of the poor? Will Victory Memorial stay open with a new hospital in the Lake County?

### **Where's Lake County's \$50 million? 30 Percent of Residents Uninsured**

A year ago Victory Memorial Hospital and St. Therese Medical Center in Waukegan were sold by Vista Healthcare, a non-profit to Community Health Systems (CHS), a for-profit of Franklin, Tennessee. The effective date was July 1, 2006. The name Vista is still retained for use locally.

A medical fund that is funded with an estimated \$50 million was created through this purchase agreement and negotiations by the Attorney General's office. State Attorney General Lisa Madigan said in a press release dated June 23, 2006 "And I am pleased that an estimated \$50 million will become available through the foundation to provide healthcare services to Lake County's neediest residents for many years to come."

Since that time the amount of money has been whittled down to \$44 million with a fall start date for the foundation's grants anticipated.

### **AG Now Calls \$44 Million Enough**

Assistant Attorney General Therese Harris, the Bureau Chief of the Charitable Trust section said, "We are monitoring the details of the sale."

She was not surprised by the \$44 million figure for the fund. Ms. Harris said, "The 'estimated \$50 million' was based on information available in June, 2006."

Health Reach one potential organization that services non-insured people requested to be funded, but was turned down in January despite assurances from the attorney handling the purchase funds could be provided for their needs. Charles Smith, Chair of the Victory Wind Down Company wrote to the Executive Director, Jim Zimmerman on January 25, 2007, “Your application for funding for your project needs to be approved by Access [the foundation]. If Access has a request for a particular level of funding for yours and other projects, they need to contact me and I will see that funds are made available for them.”

The foundation did not approve a grant to Health Reach. In an interview with that executive director he related the organization was saved by a grant from Abbott Labs.

Adequate healthcare is a major issue for poor people in Lake County. Jim Zimmermann, Executive Director of Health Reach operates two free clinics in Waukegan and Mundelein. He said, “Victory Memorial under CHS’s ownership continues to do half of the clinic’s lab work and their imaging.”

## **Foundation Readies to Move Ahead**

Sue McWilliams, Chair of the Health Care Foundation of Lake County related the \$44 millions would be available for healthcare in the county over the next five years. She said the foundation has received 10 million to date. Another \$22 million will be sent in the fall. The final \$12 million will be held in escrow and paid to the foundation in the next five years.

Foundations are to spend five percent of their assets annually. Expenses for the foundation will have to be taken out of the money too. She estimated expenses at least \$150,000 a year. Already approximately \$30,000 has been spent with an executive search firm in securing the executive director, Ernest Vasseur. Mr. Vasseur formerly worked for the Lloyd Fry Foundation handling healthcare grants.

Ms. McWilliams also related the timetable for providing grants. She indicated a board committee would recommend a criterion in mid-July. The full board of twelve members of a possible 15 would adopt a criterion at the end of July.

Ms. McWilliams hinted that one thing the foundation might do is provide scholarships for local people for a variety in healthcare fields. She said, “We would want them to commit to working for two years in the county in return for the financial help.”

## **Venerable Dr. Curns Disagrees**

Dr. Jack Curns (82) a twice wounded veteran of the Okinawa campaign and a doctor in Lake County for 54 years was the first chair of the foundation. He left earlier after the foundation refused to fund the Health Reach clinics. Dr. Curns had also worked to raise funds for the free clinics because of the service they provided to Lake County’s indigent.

Dr. Curns said the refusal to fund Health Reach “was a mystery to him.”

Dr. Curns also disagreed with the move to provide scholarships for people in the medical professions. He said, “Given the unmet health needs of indigent people in Lake County, scholarships can not be a priority now.”

He also expressed concern over the loss of the \$6 million that was originally cited in Attorney General’s estimate of cash for the foundation. He said, “This loss will only hurt people in medical need in the county.”

It is uncertain how the loss of \$6 million will hurt the poor of Lake County. One example is a MRI of the brain costs approximately \$1,600. The \$6 million would purchase 375 MRI’s about the amount needed by the poor in Lake County annually.

The western part of Lake County is the wealthier section. Waukegan in the Eastern part of the county that is poorer.

Dr. Curns said in the early 1950’s Lake County had a small public hospital. He thinks if people with money continue to use Victory, the hospital can survive.

## **State Rep Wants an Audit and More Accountability**

Rep. Ed Sullivan (R-51) is concerned anytime you lose \$6 million it will hurt people. He wants an audit of the sale of Victory and St. Therese. He also wants

any interest on the principle to be part of the fund. Interest on the monies held could add significantly to the final amount moving it closer to \$50 million.

## **Illinois Health Facilities Board to Decide**

Concern has also been raised that if CHS receives permission by the Health Facilities Planning Board to build a new 144 bed \$100 million facility in Lindenhurst, Victory Memorial may be closed or greatly reduced in service.

At the same time Advocate Health Systems wants to build a \$239 million, 144 bed hospital in nearby Round Lake, Illinois. Either facility would be the first hospital in Lake County in 30 years and the only one in the northwest area of the county

Several calls were made to Community Health Systems for comment, but calls were not returned.

**The issue is expected to be decided at an Illinois Health Facilities Board meeting on July 24 and 25<sup>th</sup> at the Harold Washington College in Chicago. .**

### **A few facts about the county:**

- Lake County's population is over 700,000 people;
- 7.1 percent of the population is below the poverty line;
- Blacks and Hispanics are disproportionately affected;
- Over half of Waukegan's population is Latino; &
- Approximately 30 percent of Lake County residents have no health insurance.

## **Unanswered Questions**

Can a county with 30 percent uninsured provide adequate for the indigent healthcare without a public hospital?

Will the \$6 million loss of expected healthcare dollars affect healthcare for the poor?

Can CHS as a goodwill gesture provide the \$6 million for indigent care, even if the dollars aren't available from the sale of Victory and St. Therese?

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Your comments on this article may be sent to [dcdobmeyer@aol.com](mailto:dcdobmeyer@aol.com).