



OFFICE OF THE GOVERNOR

NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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Gov. Blagojevich announces \$16 million financing to support updates and improvements at Holy Cross Hospital

Financing will help hospital to update aging facilities, expand emergency room, and reduce operating costs

CHICAGO – Governor Rod R. Blagojevich today announced a major financing on behalf of Holy Cross Hospital that will be used to update aging hospital facilities and improve access to healthcare on Chicago’s Southwest side. The project includes \$16 million of refunding bonds issued by the Illinois Finance Authority (IFA), which will provide significant savings to the hospital to be used for facility and infrastructure improvements. The financing is the latest step in the State’s support for this “safety-net” hospital, a designation given to hospitals that provide a significant level of care to low-income, uninsured, and vulnerable populations.

“With the number of Illinoisans who cannot afford health insurance continuing to rise, we need more hospitals like Holy Cross,” said Gov. Blagojevich. “Holy Cross has built a reputation for providing quality healthcare to people who may be underinsured or who might not have insurance at all. Everyone should have access to the medical services they need to keep them healthy, and I would like to thank Holy Cross Hospital for making sure the thousands of families on Chicago’s Southwest side have access to quality healthcare when they need it.”

Located close to Midway Airport, Holy Cross Hospital serves the communities of Chicago Lawn, West Englewood, Gage Park, Stockyards, Auburn Park, Englewood, and Garfield Ridge. 440,000 people live in its primary service area, and Holy Cross is the sole hospital in an over three-mile radius. A broad spectrum of area community, health and human service organizations have consistently ranked the long-term sustainability of Holy Cross Hospital as the number one priority for the Southwest side.

“Governor Blagojevich and his administration have consistently provided critical financial support to this hospital. I want to thank him for three key projects, in particular. Because of a

\$7.7 million grant from the Capital Development Board, work is in progress on the renovation of our emergency room to upgrade and expand services. We have a new mobile teen pregnancy unit to provide critical prenatal care to students at ten community schools, supported by a \$200,000 grant from the Department of Commerce and Economic Opportunity (DCEO). Several expensive and necessary projects remain to be done in the areas of infrastructure and technology to keep in compliance with basic regulatory, industry and efficiency standards. The \$16 million bond financing completed with the IFA will help us move rapidly toward this goal,” said Holy Cross Hospital President & CEO Wayne M. Lerner, D.P.H., F.A.C.H.E.

The emergency room at Holy Cross Hospital sees 51,000 patients per year, making it one of the busiest emergency rooms in the state, and receives the most fire and police ambulances of any healthcare facility in Illinois. A large number of patients do not typically receive preventive care or chronic disease management. Many patients are underinsured or uninsured, which places a financial and operational burden on the mission of providing high quality and affordable care. Nearly 25 percent of Holy Cross Hospital’s operating expenses in FY2007 were to provide free care.

“Four years ago the hospital came very close to closure. Since then, through new management structures, efficient operations, increased public resources and private funding, Holy Cross Hospital has been able to move from severe financial losses to near break even,” said Dr. Lerner. “The financing plan we just completed will result in significant long term savings.”

The financing includes \$16 million of tax-exempt 501(c)(3) refunding bonds, issued by the IFA on behalf of the hospital and underwritten by Cain Brothers. The Series 2007 bonds refinanced existing higher cost debt, providing operating savings that will allow Holy Cross to further improve facilities and services. Because of the recent low interest rates available for tax-exempt capital, the transaction provided Holy Cross a net present value savings of more than \$2 million.

“As an affordable financing resource, when the IFA helps an organization that in turn helps improve the lives of our citizens, we all benefit. Spurring community development is a mission Governor Blagojevich has given IFA to accomplish, and that is what we are doing,” said IFA Executive Director Kym M. Hubbard.

Financial responsibility for payment of the Series 2007 Bonds lies solely with Holy Cross Hospital.

“Holy Cross Hospital has served our community for 80 years offering quality, compassionate healthcare to a diverse population. Their commitment to expanding services in the face of growing need will improve the lives of the public, and I want to thank Governor Blagojevich for helping to make that expansion a reality,” said State Sen. Jacqueline Collins (D-Chicago).

“Governor Blagojevich and I agree that access to healthcare is a critical community priority. The continued support for Holy Cross Hospital and its mission is building opportunity for the Southwest side and is a boon to those who need it most,” said State Rep. Milton Patterson (D-Chicago).