

Chicago hospital on the financial brink: St. Anthony's fights for survival, sues state for money owed



By [Stacy St. Clair](#)

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In a workshop at St. Anthony Hospital, maintenance crews spend time each morning making the sanitizing wipes the medical center can no longer afford to buy. After soaking paper towels in a liquid mixture developed by an infection preventionist, they deliver the 3.5-gallon buckets — bright green drums with “Menards” printed on them — throughout the 151-bed hospital.

The regular vendor stopped supplying the wipes weeks ago when the medical center struggled to pay its bills on time. And a worldwide shortage has made them difficult to find on the open market, where hospitals now try to outbid each other for precious stock.

With a century-old mission to care for people living in Little Village and other nearby neighborhoods, this is the unorthodox approach St. Anthony must take as it battles both insolvency and a deadly virus that has hit the neighborhoods it serves harder than other parts of the city.

“We needed a solution and we found one,” said Dr. Alfredo Mena Lora, the hospital’s medical director of infection prevention. “There has been a lot of difficult problem-solving since the pandemic began, but it had to be done because we’ll be dealing with COVID for a long time.”

If, that is, St. Anthony can survive.



Dr. Alfredo Mena Lora, medical director of infection prevention, enters a COVID-19 patient room in the ICU. (Brian Cassella/Chicago Tribune)

The hospital recently sued the Illinois Department of Healthcare and Family Services, alleging that flaws in the state's Medicaid program are threatening its survival in the midst of the pandemic.

Hospital officials contend they already were owed \$22 million for services provided to Medicaid patients as of mid-February. The financial situation became even more dire after the outbreak began and St. Anthony had to expand its intensive care unit capacity, purchase additional ventilators and outfit its emergency department bays with plastic sheeting to prevent the virus's spread.

Coupled with the loss of revenue from elective procedures and unplanned expenses, the hospital estimates COVID-19 has cost it \$10 million, according to court records. About 60% of St. Anthony patients are on Medicaid, the government-subsidized health insurance program, hospital President and CEO Guy A. Medaglia said.

The lawsuit blames former Republican Gov. Bruce Rauner for the shortfall, alleging that the system his administration revamped and expanded to handle Medicaid reimbursements harms safety net hospitals that serve primarily low-income patients. Called Medicaid managed care, the program, **in which health insurance companies and organizations administer Medicaid benefits for the state**, initially held the promise of improving patient care.

But reimbursements for health care are often late. And sometimes they don't come at all.



Radiology technologist Vincent Rodriguez moves his equipment into a patient screening area that has been divided with plastic walls to prevent the spread of COVID-19. (Brian Cassella / Chicago Tribune)

Under the current system, about 40% of St. Anthony's claims are denied, Medaglia said. That's about four times higher than the previous program, according to the suit. "We were doing OK before this new system," Medaglia said. "We weren't rich. We weren't part of the 'haves,' but we always managed to take care of our employees, our patients and our community. Now we're in real trouble."

It's a complaint other safety net hospitals — medical facilities that exist on slim margins and treat anyone regardless of ability to pay — **also have made in recent years**. Their cries for help, however, have only grown louder during the pandemic as treating the virus requires more personnel, more medical supplies and more personal protective equipment.

"St. Anthony may have been the first to file a lawsuit, but I guarantee you that they won't be the last," said Tim Egan, **president of Roseland Community Hospital on the far South Side**. "We're waiting to see if the heroics we delivered will be rewarded with the right funding, but we can't be sure it will."

The Illinois Department of Healthcare and Family Services worked with St. Anthony on its claims, but the two sides could not find a resolution, an agency spokesman said.

"To date, the hospital has not yet provided to the state any information demonstrating that it is due any payment," spokesman John Hoffman said. "It is unfortunate that the

hospital chose the path of litigation instead of continuing to discuss its concerns with us.”

Claiming less than \$500,000 cash on hand — about two days’ worth — St. Anthony petitioned a federal judge last month for an emergency hearing to recoup some of the money it’s owed. The request is unlikely to be heard before the end of June.

The hospital has managed to stay open through donations and about \$21 million in federal stimulus money, Medaglia said. But with a \$5.5 million monthly payroll and another \$19 million owed to vendors, those dollars will not last long.



Maintenance mechanic Roy Carrera pours water and bleach over paper towels to make sanitizing wipes.(Brian Cassella / Chicago Tribune)



Maintenance mechanic Roy Carrera checks the water and bleach solution that is poured over the paper towels.(Brian Cassella / Chicago Tribune)

“If we were paid what we were supposed to be paid and we were paid on time, we would be fine. We would have a future,” Medaglia said. “If the current system is not fixed, there is no future. We can’t keep doing this forever.”

Last week, Gov. J.B. Pritzker earmarked \$834,494 for St. Anthony as part of a [\\$75 million](#) aid package for medical centers statewide. About \$21 million went to safety net hospitals, and the department is working on getting more support to those facilities, Hoffman said.

“The critical importance of health care equity has never been so vital, and we are committed to responding to the concerns of safety net hospitals to continue advancing this goal,” he said.

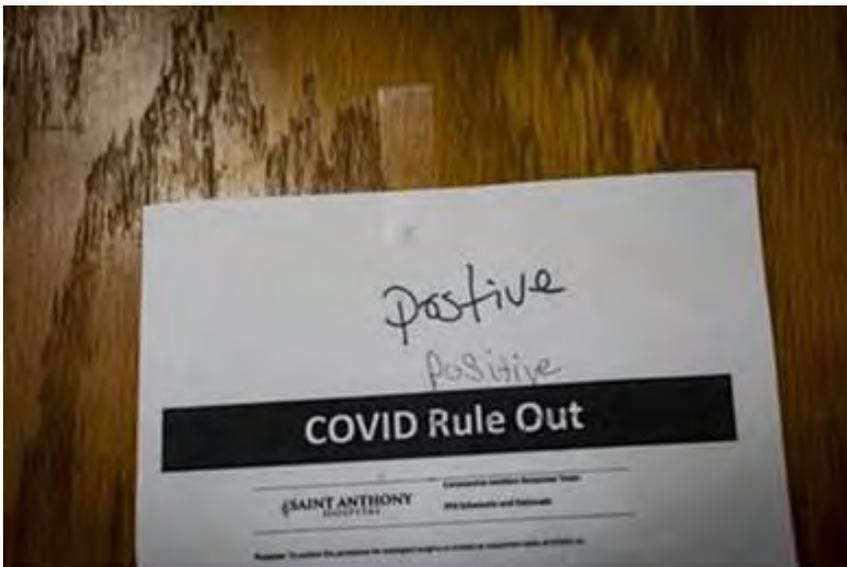
The aid St. Anthony has received so far, however, is a fraction of what the hospital needs to keep operating as the virus tears through the neighborhoods it serves at a rate higher other parts of the city.

As of last week, a ZIP code in the South Lawndale community, which includes Little Village, had the highest number of cases in the state. That same ZIP code was among the city neighborhoods with the greatest number of fatalities, with 72 deaths. Little Village is a Latino neighborhood, and it’s been harder to count the number of Latinos who have died of the coronavirus because the Cook County medical examiner only recently began labeling cases with that identifier.

COVID-19 testing also illustrates the impact. Across Illinois, [roughly 15% of tests](#) come back with a positive result. At St. Anthony, that figure is about 50%, officials said. The hospital tests about 250 patients per week at its walk-up and drive-thru sites. The virus’s toll was evident in the St. Anthony intensive care unit on a recent Monday morning. Ten of 13 patients were on ventilators, and many had organs beginning to fail.



Respiratory therapist Bessy Piusten works with a COVID-19 patient on a ventilator in the ICU.(Brian Cassella / Chicago Tribune)



A sign on a door in the ICU warns medical staff that the patient inside is COVID-19 positive.(Brian Cassella / Chicago Tribune)

The 15-bed ICU has been at capacity for weeks, though there were two open beds in the unit shortly before noon. A few hours earlier, two patients had died, and a housekeeper furiously scrubbed the room with disinfectant so another COVID patient could move in.

“We have four people in the emergency department waiting for beds up here,” said Dr. Mohamed Dahodwala, the hospital’s chairman of medicine. “We always having people waiting. We are a hot spot within a hot spot.”

The volume has been so heavy that Dr. Juan Bosco Ayala, who specializes in critical care and pulmonary disease, did not take a single day off in April, hospital

administrators said. The patients were just too sick; their needs too great for him to stay home.

Nearly 30 patients died during that time period, according to the hospital's data, a level of death that Ayala has not experienced at any other time in his career.

He keeps pictures of patients who survived and those who didn't. Families shared the photos with staff during the patients' ICU stays, along with details about the patients' lives and those who loved them.

On the morning the unit lost two patients, Ayala scrolled through his phone, looking at photos of his patients during healthier times.



Dr. Mohamed Dahodwala, chair of medicine, looks over in the ICU. (Brian Cassella / Chicago Tribune)

“It definitely makes you feel desperate, like your back is against the wall,” he said. “The virus wants to demoralize you, but then we go to the next room and realize we have our reason to keep fighting.”

To a person, everyone working in the ICU has a reason to keep fighting even if their hazard pay is lower than at other facilities, and they might have been able to take better-paying jobs elsewhere.

For Arlene Ramirez, an X-ray technician who used to live in Little Village, the old neighborhood serves as motivation.

She enters patients' rooms with a portable X-ray and captures images of their infected lungs as their chests heave in a rapid staccato rhythm. The sicker the patient, the

cloudier their lungs appear on the screen. Though Ramirez expects it, a cloudy image never ceases to dishearten her.



Arlene Ramirez, an MRI technologist, reviews a chest X-ray from a COVID-19 patient.(Brian Cassella / Chicago Tribune)

She says she had job offers, but wanted to be part of a bilingual hospital where patients could communicate with the staff and not worry about being turned away. Only 4% of St. Anthony patients have private insurance, while 70% are either uninsured or on Medicaid.

“People come here because they trust us to care for them,” Ramirez said. “It means a lot to me to help them, especially now.”

As Ramirez finished her work, Mena Lora, the hospital’s only infectious disease specialist, entered the ICU. He has spent most of the pandemic separated from his pregnant wife and children, who quarantined with her parents in Ohio until she gave birth to their third child in late April.

Mena Lora took two weeks off to be with his family, though he wore a mask and stayed in a hotel until he took a COVID test and it came back negative. He returned to work Monday, while his wife and children planned to stay in Ohio a little bit longer.

After accepting congratulatory elbow bumps from the ICU staff, he shared even more good news: St. Anthony **had received its first shipment of remdesivir**, the antiviral medication that is being tested as an effective treatment for COVID-19. The

hospital was one of 14 statewide to receive the drug based on hospitalization data and its full ICU.

“We are hopeful this could make a significant difference,” Mena Lora said.



Dr. Mohamed Dahodwala, left, chair of medicine, helps Dr. Alfredo Mena Lora, medical director of infection prevention, tie his gown as he enters a COVID-19 patient room.(Brian Cassella / Chicago Tribune)

St. Anthony has been burned by such hopes. More than a month ago, it was given a rapid COVID-19 test machine as a gift, but staff could not use it for weeks because the hospital wasn't considered a high enough priority for the reagents and the software needed to run the equipment.

Instead of getting tests back in 48 hours, the hospital had to rely upon private labs that were taking up to 10 days for results.

The hospital finally secured the reagents Wednesday, the same day figures showed Little Village had crossed a threshold of **2,200 confirmed cases**. They are expected to be delivered Monday.

“The most significant health care disparity, especially early on in the pandemic, has been the access to testing,” said Mena Lora, who is also an assistant professor at the University of Illinois Hospital in Chicago. “Larger hospitals and university hospitals were able to develop their own internal testing, and smaller hospitals like ours, hospitals that are financially constrained, can't just buy the equipment or get access to testing immediately.”

Mena Lora understands the financial pressure St. Anthony is under, but he said he makes a concerted effort to keep money out of his decision-making process. When the hospital could no longer get disposable surgical gowns from its supplier, for example, he recommended purchasing reusable smocks that can be washed and worn again. The smocks cost \$30 apiece, and he needed about 2,000. He and Dahodwala put the request through, and it was granted.



Nurse Kaylea Karas steps out of a patient room in the emergency department.(Brian Cassella / Chicago Tribune)



A crucifix hangs above medical equipment in the ICU where COVID-19 patients are treated.(Brian Cassella / Chicago Tribune)

“My worry was certainly there in the beginning, but once we crossed that threshold and it became a national crisis that was bigger than us, I stopped worrying excessively

about how much things cost and focused on the problem at hand," Mena Lora said. "I'm sure it's extremely difficult for our financial guys, but they make it happen."

The hospital's number crunchers have been equally supportive about the decision to hold off on elective procedures despite their role as a hospital's financial lifeblood, he said. With as much as two-thirds of the hospital's beds occupied by COVID-19 patients on any given day, the hospital does not meet the guidelines established by the state health department to resume such services.

"We're reviewing them on case-by-case basis, but there has to be an urgent need," he said. "It wouldn't be responsible to do anything else."

As he walked out of the Emergency Department after checking on patients' conditions, Mena Lora stopped, pulled a sanitizing wipe from the Menards bucket and scrubbed down the counter he had touched.

"This hospital survived the 1918 flu pandemic," he said. "We're doing everything we can to survive this one too."

Chicago Tribune's Cecilia Reyes contributed.

<http://www.chicagotribune.com/coronavirus/ct-coronavirus-hospital-medicaid-funding-st-anthony-chicago-20200518-nvjnpwwcoza27bjotoxsibc5au-story.html>