In brief: Edward to fund $64 million expansion with cash

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Edward Hospital and Health Services intends to fund the $63.7 million expansion of two patient floors in a building on its Naperville campus with cash instead of issuing bonds, as it had previously said it intended to do. The project, which originally was approved by the Illinois Health Facilities and Services Review Board in 2012, is slated to add 48 beds to the hospital, bringing the total to 357. In a May 28 letter to the board, Edward Hospital says the change in funding was "re-evaluated in light of the proposed merger with Elmhurst Memorial Healthcare." The two systems are scheduled to combine on July 1, and managing Elmhurst's $500 million debt load is seen as key to the success of the merger. Asked if the financing change resulted from a desire to limit the combined system's debt, Edward CFO Vincent Pryor said, "With our recent strong financial and investment performance, we made a decision to finance the project out of internal cash reserves rather than issue additional debt."

Lawyer: Closure of Waukegan hospital would be a choice

An attorney for hospitals that oppose construction of a 132-bed competitor in north suburban Lindenhurst by Vista Health is countering Vista's contention that the new facility is needed to preserve services at its facilities in Waukegan. Vista, a subsidiary of Franklin, Tenn.-based Community Health Systems Inc., has asked the Illinois Health Facilities and Services Review Board to reconsider its rejection of the $131 million Lindenhurst plan, arguing that without the Lindenhurst hospital's revenue, it will be difficult to sustain operations at a current facility, Vista Medical Center West, a mental health and physical rehabilitation hospital in Waukegan. But Community Health, a $13.03 billion public company that operates 135 hospitals in 29 states, has the financial wherewithal to keep Vista West open, Joe Ourth, a partner at Chicago-based law firm Arnstein & Lehr LLP, wrote in a June 6 letter to the facilities board, which rejected the Lindenhurst project on March 27. "If CHS closes Vista West, it is because it chooses to do so, not because it lacks resources," writes Mr. Ourth, who is representing Northwestern Lake Forest Hospital and Advocate Condell Medical Center in Libertyville. A spokeswoman for Vista declined to comment. The facilities board is scheduled to revisit the Lindenhurst hospital proposal on June 26.

Health care law to boost self-employment

The number of entrepreneurs in Illinois could jump by 62,000 next year due to provisions in the Affordable Care Act intended to increase the affordability of health insurance, according to a study by researchers at Georgetown University and the Washington-based Urban Institute. The potential loss of health insurance is one of the biggest obstacles for employees who want to start their own businesses. The number who will become self-employed in Illinois will be 13 percent higher in 2014 than if the law was not passed, the report says. South Dakota will see a 14 percent increase, while some states will see less of an impact because they have already enacted their own attempts at health care reforms.