



OFFICE OF ILLINOIS STATE TREASURER

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Roseland Hospital to Receive Loan Through Illinois Treasurer Frerichs' Office

\$4 Million to Help Serve Underserved on Chicago's Far South Side

CHICAGO – A historic south side hospital that cares for the poor and indigent in the middle of a healthcare desert will receive a \$4 million loan through the office of Illinois State Treasurer Michael Frerichs.

Roseland Community Hospital will use the money to refinance debt so it can continue to serve as the area's only option for emergency and health care.

The 92-year-old safety-net hospital qualifies for the loan because it has taken dramatic steps to stabilize its finances after poor record-keeping and questionable leadership threatened to close the hospital in 2013, Frerichs said today.

“Four years ago, the state of Illinois offered Roseland the financial lifeline it so greatly needed in return for the promise that it would put its financial house in order,” Frerichs said. “The leadership of the hospital and the greater community rose up to meet that challenge and, as a result, have earned the trust and the high expectations that come with this financial assistance.”

The Illinois treasury will collateralize the loan with Signature Bank, which will provide a below-market loan to Roseland Community Hospital. Roseland chose Signature because they have worked together previously. Had Roseland secured a loan without the assistance of the treasurer's office, it would have paid a significantly larger interest rate.

“The entire New Roseland Hospital Family is thrilled to continue our partnership with the State of Illinois and our outstanding Treasurer Michael W. Frerichs,” said Tim Egan, CEO/President of Roseland Community Hospital.

Roseland faces unique financial challenges as a small, independent hospital. An estimated 71 percent of its revenue comes from Medicaid and Medicare. Very few of its patients benefit from private health insurance which typically is used to offset below-market payment rates of government insurance. Roseland's treatment options also are limited because it is not a trauma center nor affiliated with a large healthcare system.

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In June of 2013, the state of Illinois granted the hospital \$350,000 so that it could meet payroll and keep open its doors. Tied to the funding was Roseland's commitment to an independent financial review and the selection of an independent chief restructuring officer to oversee the operation and develop a long-term plan.

That same month, Egan, a vice president at Norwegian American Hospital on Chicago's west side, was tapped to be the restructuring officer. Egan and the new administration created a three-year strategic plan based on five pillars: Patients, Physicians, Employees, Community and Collaboration.

The greater public took notice. Earlier this year, the Chicago Healthcare Executives Forum honored Egan with the 2016 American College of Healthcare Executives Regents Healthcare Leadership Award. Significant to the honor was Egan's leadership at Roseland to stabilize finances, implement an electronic health records conversion, obtain new medical equipment, and increase employment.

"Roseland Community Hospital saves lives," Frerichs said. "Roseland serves our poor and most vulnerable and deserves our assistance because we must all look after each other."

About the Illinois Treasurer

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. The portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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