



Hospital Sisters
HEALTH SYSTEM

December 6, 2017

Breese, IL
HSHS St. Joseph's Hospital

Decatur, IL
HSHS St. Mary's Hospital

Effingham, IL
HSHS St. Anthony's Memorial
Hospital

Greenville, IL
HSHS Holy Family Hospital

Highland, IL
HSHS St. Joseph's Hospital

Litchfield, IL
HSHS St. Francis Hospital

O'Fallon, IL
HSHS St. Elizabeth's Hospital

Shelbyville, IL
HSHS Good Shepherd Hospital

Springfield, IL
HSHS St. John's Hospital

Chippewa Falls, WI
HSHS St. Joseph's Hospital

Eau Claire, WI
HSHS Sacred Heart Hospital

Green Bay, WI
HSHS St. Mary's Hospital
Medical Center
HSHS St. Vincent Hospital

Oconto Falls, WI
HSHS St. Clare Memorial
Hospital

Sheboygan, WI
HSHS St. Nicholas Hospital

HSHS Medical Group

Prairie Cardiovascular

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Hospital Sisters Ministries

Honorable John M. Shimkus
2217 Rayburn House Office Building
Washington, DC 20515
Fax: (202) 225-5880

Dear Congressman Shimkus:

Congratulations on your appointment by Speaker Paul Ryan to represent the House Republicans in negotiations with the Senate on tax reform legislation.

On behalf of Hospital Sisters Health Systems and the five HSHS hospitals you represent (HSHS St. Anthony's Memorial Hospital in Effingham, HSHS St. Joseph's Hospital in Breese and HSHS St. Joseph's Hospital Highland, HSHS Holy Family Hospital in Greenville, and HSHS Good Shepherd Hospital in Shelbyville) I am writing to share our concerns regarding a specific tax reform proposal that would eliminate the tax exemption for private-activity bonds (PABs).

As you are likely aware, HSHS uses PABs to finance hospital renovation and modernization projects that are critical to delivering high quality care to the residents you represent. Currently, HSHS has nearly \$700 million in PABs, with more than \$480 million used to finance projects in downstate Illinois. Among the projects supported by these bonds include replacement hospitals for HSHS St. Elizabeth's Hospital in O'Fallon and St. Joseph's Hospital in Highland; major renovations at HSHS St. John's Hospital in Springfield, HSHS St. Mary's Hospital in Decatur, and St. Joseph's Hospital in Breese; and a new Ambulatory Care Center for St. Anthony's in Effingham. We estimate that these projects combined have created more than 1,300 new construction jobs in our state during the past four years.

If tax exempt financing is eliminated, the borrowing costs for HSHS and other non-profit health systems would increase in future years by as much as 35 percent. Such an increase in financing would mean fewer resources would be available to support patient care services and would result in slower implementation of construction projects at our facilities.

I respectfully ask for your help in keeping this PAB provision out of the final tax reform legislation. These bonds are extremely important for HSHS to access lower cost financing for new construction projects that benefit our patients and the residents of the 15th District.

Thank you for your consideration.

Sincerely,

Mary Starmann-Harrison
President and CEO

Cc: Brian Looser, Legislative Director