



West Suburban: On-Site Visit Analysis

February 17, 2026

PRELIMINARY - SUBJECT TO FURTHER REVIEW & DISCUSSION

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Background

Executive Summary

Overview

- West Suburban Hospital requested assistance from the state to avoid closure, citing severe financial distress.

Analysis

- On Thursday February 5, 2026, an on-site visit and interview with West Suburban (WS) leadership was performed on behalf of Illinois HFS by HMA consultants:
 - Debra Carey
 - Greg Uszak

Findings

- West Suburban leadership team has not, and likely cannot, develop an operating or strategic plan to remedy the severe financial conditions the organization faces.
- **Without a viable financial stabilization strategy, any financial relief provided will only serve to partially meet short-term obligations rather than the necessary runway to implement a financial stabilization plan**

Executive Summary – Significant Findings

1. **Failed implementation of the new EMR system** leading to the inability to process claims has led to a near total reduction in cash receipts (less than 10%) since March 2025.
 - a. WS decided to move another EMR system ([Clinicomp](#)); the second major conversion in a year. Clinicomp is not an established acute hospital EMR platform. Conversion will again limit cash receipts for at least 3-6 months. Question WS ability to fund new system and effectively implement without key leadership positions (CFO, CIO.)
2. **No cash reserves, operating expenses of \$10M per month, significant outstanding debt.** Any short term support must cover all expenses given the destruction of revenue cycle.
3. **Hospital volumes have declined year over year including the loss in 2025 of OB, service.** WS leadership does not plan to seek partner or new owner
4. **Significant leadership gaps** - Key leadership positions have only been recently filled (CNO, Controller) or are vacant unfilled (CFO, CIO,RCM).
5. **WS lacks a documented, realistic data-driven strategy to stabilize operations or rebuild service lines.**
6. **Finance team lacks basic cost accounting, budgeting, and revenue cycle capability.**
7. **Lack of audited financial statements.** Two different firms working on 2023, 2024, 2025. Based upon the website of RAM and Associates, it does not appear Hospitals are a focus. Also found a 2023 Public Company Accounting Oversight Board (PCAOB) sanction for quality control and other violations.

Category Analysis

Operations

Summary

- Operationally, West Suburban is functioning at minimal capacity, with several inpatient units offline and a heavy reliance on the Emergency Department (ED) to sustain volumes. The hospital lacks reliable data to assess clinical activity, utilization, or service line performance due to failing EMR and fragmented charge-capture processes. Transfers out remain high, especially for obstetrics (OB) and behavioral health (BH), and staffing appears adequate.

Key Data Points

- Several inpatient areas offline; facility underutilized (Average Daily Census (ADC)=62))
- 60-70 daily ED visits (~20 EMS runs/day); ~125 transfers out/month (OB & BH)
- Charge capture is now a paper process
 - Pain points: ED, imaging, pharmacy
- Staffing is adequate; agency use in ED/Critical Care Unit (CCU) only
- Plan to grow volume not actionable or realistic, appears to rely on ED and future expansion of primary care
- Lack actionable plan to replace former medical staff



Operations – Volume Analysis

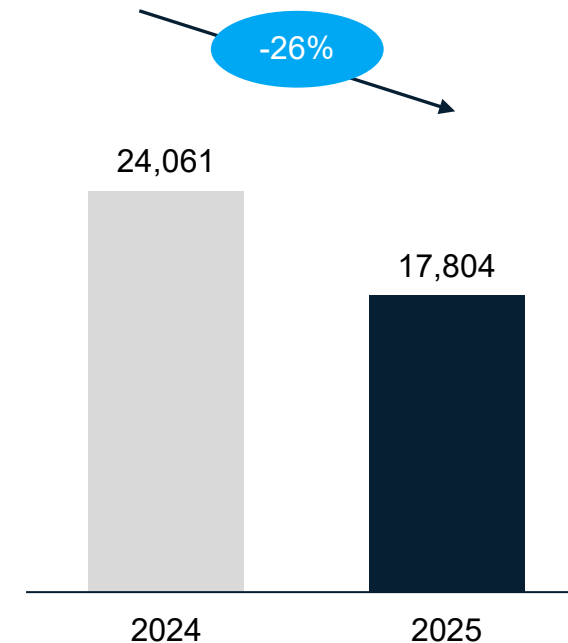
Summary

- WS provided a summary of their 2025 patient volumes. The data is incomplete and appears to be inaccurate.
- Missing data appears to be attributed to the EMR conversion, and only data from Paragon is accessible for 2025.
- Comparing the 2025 WS data to the 2024 IHFSRB report indicates that there was a **26% decline in annual patient days**.
 - This presents a potentially material missed operating revenue opportunity.



Key Data Points

Annual Patient Days



Operations *Continued*

1. New Initiatives under consideration
 - a. Electronic Medical Record (EMR)
 - b. Creating service lines and expanding primary care via look-a-like Federally Qualified Health Center (FQHC).
2. Plans underway to:
 - a. OB restart effective 7/1/2026 (acknowledged money losing service)
 - b. BH, create a service line including Medical Psychiatric unit and addiction services
 - c. Primary care expansion (replacing local FQHC, Parent Child Center (PCC) Wellness) created company to start a look-a-like FQHC, transfer outpatient pharmacy to FQHC to access 340B
3. Outreach and partnerships:
 - a. The hospital is trying to rebuild medical staff through hiring, engaging independent physicians or with partnerships (e.g. BH)
 - b. Did not indicate specific initiatives with local communities, although noted community's strong desire to have OB at the medical center.

Leadership

Summary

- Leadership is unstable and overstretched, with the CEO filling multiple roles and newly hired leaders lacking experience in hospital administration. Critical roles such as CIO, Revenue Cycle, and CFO remain unfilled, weakening oversight and decision-making.
- Decision-making is solely with the CEO, undermining the development of a competent, strong leadership team able to plan and implement necessary financial improvement plans. There is a board, but the depth of oversight is unclear.



Key Data Points

- Met with Dr. Prasad (CEO), Daisy Rodriguez (CNO/COO), Dr. Fitzpatrick (CMO)
- CEO is also serving as the CIO and CFO
- New CNO/COO onsite ~1 month
- New Controller and Finance Manager lack leadership experience, healthcare experience, cost accounting, and revenue cycle expertise
- Vacant CIO, CFO, and revenue cycle lead
- 11-member governing body; recent reorganization efforts

Strategy (Lack of)

Summary

- West Suburban lacks a data-driven strategy to stabilize operations or rebuild service lines. Planned expansions such as OB restart and BH expansion lack financial modeling, staffing plans, or validated assumptions. Leadership expects EMR transition to solve structural issues despite lacking foundational financial infrastructure.
- There are proposed new but unvetted initiatives. Unclear if and how can be successful. Actions are determined day to day.



Key Data Points

- OB restart planned despite financial losses; Behavioral Health and Primary Care expansion lacks detailed planning
- Assumptions tied to EMR transition unrealistic (3–6 months; no contract signed)
- No medical staff roadmap to replace former physicians
- No data-supported plan for volume growth or service line profitability

Facilities

Summary

- Facilities are clean, welcoming, structurally sound, and have significant unused capacity. No major capital repairs are needed, though many units remain offline and underutilized.

Key Data Points

- Location accessible to the community
- Large, clean facility with no major repair needs
- Facility not busy; underutilized capacity
- Several inpatient areas offline; space previously used for residency programs
- Two outpatient areas: PCC Wellness and a 'super clinic' (under development)
- River Forest Medical Office Building (MOB) available with diagnostics and specialist space



Finance

Summary

- Financial distress is severe, with only three days cash on hand and no reliable financial reporting due to EMR failure. Hundreds of million in charges are uncaptured, and the finance team lacks basic cost accounting, budgeting, and revenue cycle capability.
- All financial data is housed in Paragon (failed EMR and ERP) and unreliable. No reliable forecasting has occurred, and data cannot be validated by finance team.



Key Data Points

- 3 days cash on hand
- ~\$500M in uncaptured charges for services already provided – and claims may not be recoverable (documentation, timeliness, etc.)
- Only ~30% claims posting;
 - 21%–30% denial rate on posted claims
- 39 days in 2025 with zero claims posted
- Finance team (7 FTEs) lacks key competencies; no cost centers or business units to perform analysis
- Revenue cycle outsourcing under negotiation; audits ongoing

Finance *Continued*

1. 96 Days payable, but don't have Accounts Receivable (AR) Days available
 - a. Team does not have any concerns regarding any specific vendors. Believe they have done a good job paying everybody "just enough" to keep outsourced services running.
2. No financial data can be validated due to the Paragon challenges.
 - a. All finance data (Financials, Cost Accounting, Rev Cycle) housed in Paragon.
 - b. Cannot track NPSR or Expenses tied to patient volume.
 - c. Third Party vendor for payroll
3. Internal Financial Analysis
 - a. WS is moving to a service line model for the first time from operations and finance perspective. No department budgets or historical financials have ever been prepared on a service line basis.
 - i. Despite this WS team believes every service line is profitable (except OB which they want to open again effective July 1, 2026).
 - ii. WS believes (but has not forecasted) about 80-90 deliveries a month needed to break even.
4. Currently finalizing 2023 audit with firm FGMK
 - a. 2024-2025 audit engagements will be performed by Ram & Associates

Finance *Continued*

1. Only annual budget is performed. Finance teams sends resource request forms to each department to identify resources needed, and Dr. Prassad reviews and approves/deny all requests.
 - a. 15-day average month-end close process – likely not enough time to perform meaningful monthly analysis in the new service line model.
2. Team (Operations and Finance) is relying heavily on the assumption that transition from Paragon to Clinicomp will solve problems, as the software will automatically perform service line budgeting and dashboard prep.
 - a. Integration analysis to Clinicomp supposed to commence week of 2/9, but no contract has been executed. WS believes this transition will take 3-5 months.
 - i. Finance team only has a basic General Ledger (GL), they do not have cost centers or business units established, so it's inaccurate to assume that the new system will provide meaningful analysis.
 - ii. **Data from Cerner is still being converted to Paragon from February 2025 new EMR implementation. This would disrupt another conversion to Clinicomp.**
 - b. New COO/CNO identified that pro fees for radiology and imaging were not being billed and could be a ~\$1M net benefit. Had to move to Athena system to be able to bill Outpatient claims.
 - i. Revenue Cycle will be outsourced to third party on a contingency fee basis, utilizing benchmarks from Cerner days as baseline. This contract is still under negotiation.

Next Steps

Next Steps

1. Given the lack of reliability and uncertainty, HFS may request additional information including:
 - a. **Tax Returns** - Absent having audited financial statements to evaluate historical performance, and evaluate the reasonableness of 2026 budget assumptions, requesting tax returns is a sound alternative information sources.
 - i. As a for profit enterprise, parent company (Resilience) is likely filing an IRS form 1120 or 1065. Request for the 2022 – 2024 tax returns, and all supporting workpapers would be helpful.
 - Tax return Schedule K can show cash distributions to owners even if the entity reports tax losses for the year. Losses and distributions are tracked separately for tax purposes.
 - ii. This imposes no administrative burden on WS as these are required regulatory filings, and the latest that the tax return for 2024 could have been filed is October 15, 2025.
 - If tax returns have not been filed, additional compliance issues could exist.
 - b. **Clinicomp Contract** – As of 2/5/2026, the new EMR system contract had not yet been executed. Given the limited cash resources, a copy of the executed contract should be reviewed to see the reasonableness of the terms to see if the EMR conversion is viable.
 - c. **Resilience Board of Directors Information:**
 - i. Listing of Board members by Name, Board Position, and Professional Occupation
 - ii. Board meeting minutes for all meeting from 2025, and scheduled meeting for 2026.
 - iii. Board bylaws