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‘The ice is cracking around our feet’: Inside a Chicago hospital’s fight to stay open

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By: **Kelly Gooch** 3 days ago



Tim Egan, president and CEO of Chicago-based Roseland Community Hospital, is candid about the facility’s financial situation.

“We’re standing on the ice, and the ice is cracking around our feet,” he told *Becker’s* in a phone interview.

The South Side hospital made its June 30 payroll, but just. CountyCare, Cook County's largest Medicaid managed care organization, made a significant volume of claims payments in time to cover it, Mr. Egan said. A \$16 million state grant included in the Illinois fiscal year 2027 budget Gov. J.B. Pritzker [signed](#) June 16 offers a path to stability, but only if the application process moves quickly. A delay, Mr. Egan said, would put both vendor payments and future payroll in jeopardy.

"When we say that, here's this grant money that's there. This stabilizes us," Mr. Egan said. "This will help keep the doors open. As I told [Sameer Vohra, MD, director of the Illinois Department of Public Health], who was very compassionate and understands our situation, we're on our hands and knees begging."

Meanwhile, reimbursement challenges are compounding the pressure, said Mr. Egan, who walked through one recent example. He said after months of working through denials, a managed care organization allowed the hospital to resubmit and adjust nearly 100 claims. The MCO ultimately finalized payment on 22 claims with total billed charges of about \$133,817 but paid about \$4,672, he said.

The experience, he added, is an operating reality for safety-net hospitals navigating MCO denial rates, appeals processes and reimbursement structures that were not built for facilities without commercially insured patient volume to offset Medicaid losses.

Starting July 1, Roseland will implement an austerity plan. The senior executive team will take a 10% pay cut, while approximately 30 employees will be furloughed. The hospital has about 550 employees total.

Beyond that, Mr. Egan said all options remain open: "Service line cancellations, department closures, everything you can think of is on the table. Any way to save the hospital."

Roseland is the only hospital within a wide radius: nine miles to the north, six miles to the east, five miles to the west, with only distant suburban options to the south.

“If this hospital were to close, it’s death to 111th Street,” Mr. Egan said. “Not only would it lose 550 jobs, but people would lose their sole provider of healthcare.”

Asked about days cash on hand, Mr. Egan estimated Roseland had what he described as “negative 65” days.

“We don’t even have a second of cash on hand,” he said. “Every dollar that comes in is spoken for before we receive it.”

He illustrated the situation even further with a recent example from earlier in the month, when a pipe burst and he called the owner of the plumbing company personally to explain that the hospital would have to close without the repair. He said the plumber came, the office supplies vendor has put the hospital on credit hold and staff have been sent to Costco for toilet paper.

“It’s literally that bad,” Mr. Egan said.

SEIU Healthcare Illinois said in a statement shared with *Becker’s* that the union had been informed as of June 24 that Roseland would make full payroll and called for long-term funding solutions for community hospitals.

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