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February 19, 2010

George Roate
CON Reviewer
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Project 09-050, Ambulatory SurgiCenter of Downers Grove, Ltd.

Via: Email, FedEx and Fax

Dear Mr. Roate:

Murer Consultants is submitting this letter and the enclosed attachments on behalf of our client, the Ambulatory SurgiCenter of Downers Grove. We have reviewed the state agency report related to our project, which was posted online on February 16, 2010.

Based on our review of the report, we wish to clarify several aspects of the proposed project and to rebut some of the initial findings made by the Illinois Department of Public Health in its analysis of our Certificate of Need application. We understand that members of the public have the opportunity to submit written responses to the state agency report in advance of the meeting.

Please accept the enclosed attachments in anticipation of our hearing at the Board's March 2010 meeting. We appreciate your consideration of these responses, which we hope will help to provide a more complete picture of our proposal and its impact.

If additional information is needed, please contact the undersigned at 815-727-3355.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Amber Bollman'.

Amber Bollman, JD
Vice President

COMMENT ON STATE AGENCY REPORT

The Ambulatory SurgiCenter of Downers Grove is a limited-specialty ambulatory surgical treatment center located in DuPage County, in the western suburbs of Chicago. Established in 1993, the facility provides primarily gynecological services and works to help treat couples struggling with infertility.

In order to keep pace with the evolution of the fertility industry and better serve the needs of couples trying to conceive, the Ambulatory SurgiCenter of Downers Grove proposes to add two specialties (urology and general surgery) to its existing license, thereby requiring reclassification from the Illinois Department of Public Health as a multi-specialty ASTC.

Expansion of the facility's existing license will require no new construction, remodeling or modernization. The Ambulatory SurgiCenter of Downers Grove anticipates continuing to operate within its existing physical space but to expand the range of services available to patients, who often require urological and general surgery services in addition to the gynecological procedures being performed at the facility.

In its state agency report, the Illinois Department of Public Health (IDPH) identified five criteria that the proposed project does not appear to meet:

- Criterion 1110.234 – Project Services Utilization
- Criterion 1110.1540(c) – Projected Patient Volume
- Criterion 1110.1540(e) – Impact on Other Facilities
- Criterion 1110.1540(h) – Change in Scope of Service
- Criterion 1110.210(a) – Financial Viability

These written responses are intended to clarify the nature and intent of the proposed project and to address the concerns raised by IDPH in its state agency report.

Criterion 1110.234 – Project Services Utilization: In the state agency report, IDPH indicated that based on the total number of surgical hours reported at the Ambulatory SurgiCenter of Downers Grove in 2008, “there is only a need for two operating rooms” at the facility.

However, in reality, three operating rooms already exist at the Ambulatory SurgiCenter of Downers Grove. The proposed project does not involve the addition of any new operating rooms or expansion of existing surgical space. Rather, the intent of the proposed project is to better utilize the existing physical space and make the organization more cost-effective by allowing physicians to perform urology and general surgery procedures, in addition to the gynecological procedures already being performed.

The proposed project would benefit patients and enables the facility to better utilize its existing operating rooms.

Criterion 1110.1540(c) – Projected Patient Volume: In a referral letter submitted to IDPH, Dr. George Sosenko, MD, wrote that he anticipates referring approximately 250 urological procedures to the Ambulatory SurgiCenter of Downers Grove in the coming year, if the Certificate of Need is approved. Likewise, Dr. Bernardo Duarte, wrote he expects to refer approximately 250 general surgery procedures to the facility. In their letters, the doctors neglected to provide information about the names and locations of the facilities to which they have referred patients in the last 12 months.

Dr. Duarte is chief of general surgery at Weiss Memorial Hospital on the north side of Chicago and typically refers general surgery patients to that facility. Because a significant portion of his patients reside in the western suburbs, this sometimes requires them to travel a great distance and contend with traffic in the city of Chicago in order to undergo general surgery procedures. The drive from Naperville to Weiss, for example, is nearly 40 miles and often requires well over an hour of time on the road. If the proposed project is approved, these patients would be able to undergo general surgery procedures closer to home and in an ASC environment, rather than a hospital.

Likewise, Dr. Sosenko, a urologist, primarily refers patients to a cluster of hospitals inside the city of Chicago. These facilities include Saint Joseph Hospital, Advocate Illinois Masonic Medical Center, Saints Mary and Elizabeth Medical Center, and Sacred Heart Hospital – all in Chicago. Dr. Sosenko's patients also reside largely in the western suburbs and would benefit from the ability to undergo surgical procedures in Downers Grove.

Criterion 1110.1540(e) – Impact on Other Facilities: IDPH indicated in its report that a number of hospitals and ASCs operating within the proposed geographic service area have excess surgical capacity, based on information reported to the state. However, upon closer examination, the majority facilities listed do not perform the same types of procedures as the Ambulatory SurgiCenter of Downers Grove and are not able to provide the same level of expertise in treating infertility.

The Ambulatory SurgiCenter of Downers Grove has been a pioneer in the field of reproductive endocrinology for nearly 20 years. Physicians at the facility perform in vitro fertilization, provide specialized treatment for women experiencing endometriosis, and perform tubal ligation reversals – that is, the reversal procedure that allows women who have had their fallopian tubes tied to become pregnant again. The Ambulatory SurgiCenter of Downers Grove offers a safe a discrete environment for women and couples to undergo an array of treatments related to assisted reproduction.

Many of the facilities listed in the state agency report do not perform gynecology, urology and general surgery procedures in conjunction. More importantly, to the best of our knowledge and information, none of the facilities listed in the state agency report perform in vitro fertilization.

If the Ambulatory SurgiCenter of Downers Grove's expansion of licensure is approved, the impact on other local facilities would be minimal. The goal of the Ambulatory SurgiCenter of Downers Grove is not to shift patients from other ASCs and hospitals in the area, but rather to

avoid the unnecessary complications and risks associated with forcing patients to undergo two and three separate surgeries, at separate locations. As a multi-specialty ASC, the Ambulatory SurgiCenter of Downers Grove will be able to address a more complete and complex range of fertility problems rather than requiring couples to drive more than an hour to receive treatment in the city of Chicago.

Criterion 1110.1540(h) – Change in Scope of Service: IDPH reiterated its point that similar surgical services exist in the geographic service area and that excess capacity exists at said facilities. Therefore, the Board may have concerns about the Ambulatory SurgiCenter of Downers Grove's request to expand its scope of service.

However, while the proposed project would expand the types of surgical procedures performed at the facility, its aim is not to move into new industries or solicit new groups of patients. Since its establishment in 1993, the Ambulatory SurgiCenter of Downers Grove has always catered to women suffering from infertility. At the time the facility was established, the needs of those women could be met largely with gynecological procedures and services.

In the intervening 17 years, however, technology has improved, along with the medical community's understanding of infertility. Procedures that were not possible in 1993 have now become routine, and some of those procedures involve not just the specialty of gynecology, but also urology and general surgery.

One type of procedure in particular, Intracytoplasmic Sperm Injection (ICSI), involves sperm being surgically extracted from a male's testicle and immediately injected into a woman's egg. ICSI is widely regarded as an extremely effective method to fertilize eggs in vitro, after they have been removed from the female. Because of the logistics of the procedure, the only efficient and effective approach is to have both phases of the procedure – the sperm extraction and the injection – performed in the same location. Not only does this yield better results, it also provides a couple the convenience of receiving treatment in the same location and the comfort of working with one set of physicians and staff.

The proposed licensure expansion at the Ambulatory SurgiCenter of Downers Grove would allow the facility to perform ICSI and provide the best medical care to its patients, thereby reducing the inconvenience to patients and improving their chances of conception. Although this project would technically represent a change in the facility's scope of service, its real-world effect is to allow the Ambulatory SurgiCenter to keep pace with an ever-evolving industry, adapt to the availability of improved technology, and provide patients with a full range of assisted reproduction services for which the center was initially built and approved.

It would also allow physicians to address unforeseen circumstances that may arise when a woman is undergoing a gynecological procedure. It is not uncommon for issues or problems to arise that also require general surgery services. Rather than sending a woman to a separate location to again undergo anesthesia and a second operation, the proposed licensure change would allow her needs to be met in the same facility.

Criterion 1120.210(a) – Financial Viability: IDPH noted that the Ambulatory SurgiCenter of Downers Grove does not appear to meet the current ratio standards for financial viability. However, the proposed project does not require the facility to assume any new debt or liabilities. The minimal costs associated with this project (\$50,000, mostly spent on consulting services) are being paid out of funds already available at the facility. No new financial obligations are necessary. Nonetheless, the Ambulatory SurgiCenter has come to an agreement with the Midwest Fertility Center whereby the Midwest Fertility Center will assume legal responsibility to meet the debt obligations associated with this project should the Ambulatory SurgiCenter of Downers Grove default.

Again, it is important to note that no debt obligations are being assumed in furtherance of this project.

Conclusion

If approved, the proposed project would allow the Ambulatory SurgiCenter to enhance the level of care provided to its patients and better utilize its existing physical space. Further, licensure as a multi-specialty ASTC would allow the facility to adapt appropriately to new developments in the fields of fertility and reproductive endocrinology and provide the most current and effective treatments to patients in an convenient and comfortable environment. The project would improve patient access to procedures such as ICSI, enhance the quality of care for patients, and reduce costs for patients and payors.

These goals can be accomplished with no new construction or renovation, no major equipment purchases and no new debt for the facility. The Ambulatory SurgiCenter of Downers Grove respectfully requests that the Illinois Health Facilities and Services Review Board consider the information presented in this document, as well as the information presented in its application to the Board.