



ALEXIAN
BROTHERS
Health System

RECEIVED

JAN 27 2011

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

January 21, 2011

Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Project ~~011-022~~ 11-002

Dear Chairman Galassie:

I am writing to provide a record of Alexian Brothers Health System's strong opposition to the proposed ambulatory surgery center application from Apollo Health Center, Ltd. at 2750 South River Road in Des Plaines, IL.

Central to our opposition is the issue of overcapacity in the healthcare system. For example, Northwest Surgicare in Arlington Heights with 4 operating rooms and 1 procedure room functioning at 40% and 42% capacity, respectively, resides in the same planning area as the applicant. This site offers all of the same procedures that Apollo Health Center would provide according to their application. Another ambulatory surgery center in the same planning area simply is unnecessary, cannot be supported and will only divert patients from already underutilized facilities.

It is our understanding that the rules governing the Illinois Health Facilities and Services Review Board were developed to prevent unnecessary duplication of services. This is a vitally important policy in these times of dwindling reimbursement if we are to prevent over capacity from further deteriorating the ability of existing facilities to survive and serve all patients, not just those who can pay.

January 21, 2011

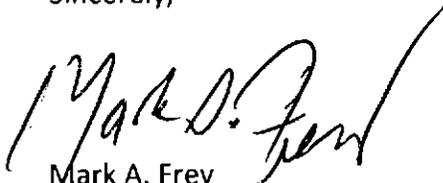
IHF SRB – Project 011-002

Page Two

Ambulatory surgical centers in HSA 7 serve very few Medicaid patients, to wit, only 0.9% overall and even fewer charity care patients at 0.23%. In contrast, Alexian Brothers Medical Center in Elk Grove has inpatient Medicaid volumes of 12.4% and at St. Alexius Medical Center in Hoffman Estates the percentage is 18.4%. Facilities that focus solely or primarily on patients covered by private insurance are particularly harmful to hospital providers, as it reduces their ability to pay for care of uninsured patients and unprofitable services.

As you know, the national agenda for healthcare reform seeks to take a significant step towards providing all Americans with affordable healthcare. In order to do so, we must all work together towards a rational, sustainable healthcare system that is able to remain viable in the new environment within which we find ourselves. I hope that you will carefully consider the issues that Alexian Brothers has raised relative to the application for Apollo Health Center. Thank you.

Sincerely,



Mark A. Frey

Executive Vice President

Alexian Brothers Health System

C: Edward Goldberg, President & CEO, St. Alexius Medical Center
John Werrbach, President & CEO, Alexian Brothers Medical Center