

Constantino, Mike

From: Jackson, Sara [SJackson@silvercross.org]
Sent: Tuesday, April 23, 2013 3:04 PM
To: Constantino, Mike
Cc: Colby, Ruth; Harmon, Kathy
Subject: Preferred SurgiCenter, LLC (Project #13-007)
Attachments: Preferred SurgiCenter Proj # 13-007 Comments.pdf

Importance: High

Attached are comments from Silver Cross Hospital about the above-referenced project. The original signed letter is being sent to you via fed ex today.

Sara Jackson

Director, Business Intelligence
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April 23, 2013

Mr. Mike Constantino
Project Review Supervisor
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, Illinois 62761

RE: Preferred SurgiCenter, LLC (Project No. 13-007)

Dear Mr. Constantino:

I would like to provide written comment on the above-referenced project – a proposed Ambulatory Surgery Treatment Center (ASTC) to be located in Orland Park, Illinois. This project is to establish a multi-specialty ASTC with five treatment rooms for pain management, gastroenterology, and general surgery services.

1) THE PROPOSED PROJECT WILL NEGATIVELY IMPACT EXISTING PROVIDERS IN THE MARKET

The Applicant affirmatively states that existing surgery providers will be impacted by the proposed ASTC. On page 67 of the application, it states that “. . . a number of cases currently performed at hospitals *will be relocated to this new ASTC.*” Existing ambulatory surgery centers will also be impacted by the proposed facility. The physician referral letters support this fact. Their physicians are expecting to refer 4,570 cases to this new facility – with 71.0% of their total volume performed at existing facilities.

Specialty	Type of Facility	Existing Facility Cases	Referrals to Proposed Facility
Gastro	ASTC	1275	
	Hospital	1079	
Gastro Total		2354	1495
Gen Surgery	ASTC	79	
	Hospital	1616	
	Other	384	
Gen Surgery Total		2079	450
Pain	ASTC	1040	
	Other	960	
Pain Total		2000	2625
GRAND TOTAL	ASTC	2394	
	Hospital	2695	
	Other	1344	
Grand Total		6433	4570

201
1-150

2) PHYSICIAN REFERRAL LETTERS USE VOLUMES FROM FACILITIES OTHER THAN HOSPITALS OR ASTCS

Section 1110.1540(c)(2) of the Illinois Health Facilities & Services Review Board (IHFSRB) rules states that, "(r)eferrals to health care providers other than ambulatory surgery treatment centers (ASTC) or hospitals **will not be included in determining projected patient volume.**" However, the Applicant's physician referral letters for Dr. Manglano (general surgery) and Drs. Rhaman and King (pain) include referrals from other types of facilities that are not allowed under current IHFSRB rules.

As noted on the table on the previous page, the physician referral letters indicate that 1,344 cases were referred to 'other' facilities – with the majority of those falling under the Pain Management service.

3) ANTICIPATED REFERRALS FOR PAIN

Drs. Rahman and King (Pain) indicate that they will be referring **44% more cases** to the proposed facility than they have performed historically, including the likely ineligible referrals (as mentioned above). If cases to 'other' facilities are not eligible and should not be included in their historical volumes, then these two physicians would refer **320% more cases to the proposed facility** than they have performed historically.

Physician	Specialty	Facility	Existing Facility Cases	Referrals to Proposed Facility	Growth Rate
Drs. Rahman & King	Pain	ASTC	500		
	Pain	Physician Office	960		
	Pain	All Sites	1460	2100	43.8%
	Pain	ASTC Only	500	2100	320.0%

With or without the ineligible historical referrals, these two physicians are suggesting some remarkable growth rates for pain procedures.

Additionally, it is stated throughout IHFSRB rules that "the anticipated number of referrals cannot exceed the physician's documented historical caseload." If this standard applies to all physician referral letters, including those used for ASTCs, then it would appear that the projected pain volumes would also be in violation of State Board rules.

4) COST OF CASES AT PROPOSED FACILITY

Section 1110.1540(g) states the purpose of the Act is to "improve the financial ability of the public to obtain necessary health services and to establish a procedure designed to reverse the trends of increasing costs of health care." The referrals to 'other' facilities that have been included in the Applicant's referral letters appear to be cases performed in a physician's office. However, the general surgery and pain procedures that the Applicant indicates will be shifting from a physician's office to the proposed facility will likely be charged higher

Mr. Mike Constantino

April 23, 2013

Page 3

rates – due to the fact that a facility fee can be added to the patient's bill under an ASTC designation. This additional fee will increase costs to the public and would appear to be in direct conflict with the stated purpose of the Health Facilities Planning Act.

5) THE PROPOSED PROJECT WILL RESULT IN THE UNNECESSARY DUPLICATION OF SERVICES OR FACILITIES IN THE AREA

The Applicant states on page 67 that "the proposed ASTC will not harm existing surgery centers and hospitals in the GSA that are in closest proximity to the proposed ASTC's site" arguing that the providers "*are meeting or notably exceeding State Board standards.*" However, our review of the 2011 AHQ data (the latest data available on the State's website) suggests that eight of the thirteen hospitals located in closest proximity to the proposed ASTC (within 30 minutes as defined by the Applicant) have existing capacity available.

The 2011 data for existing ASTC providers (as available on the State's website) indicates that six of the ten existing ambulatory surgery facilities located closest to the proposed facility and that perform a similar mix of specialties also are underutilized. We fail to see how the Applicant could make the statement that 1) the proposed facility will not harm existing providers or 2) that existing providers are already meeting or exceeding the state utilization standards. A number of area facilities appear to have more than enough capacity to accommodate the anticipated volumes proposed for this particular ASTC.

In summary, Silver Cross Hospital strongly opposes the project proposed by the Applicant because it negatively impacts existing providers, it fails to meet specific requirements of the Illinois Health Facilities Planning Act and the IHFSRB rules and it duplicates services already available in the market.

We urge the Illinois Health Facilities and Services Review Board to vote 'no' on this application.

Sincerely,

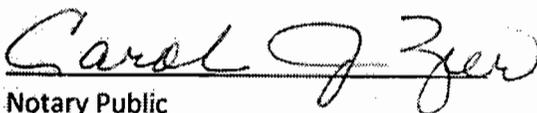


Ruth Colby

Senior Vice President, Business Development &
Chief Strategy Officer

SUBSCRIBED AND SWORN

to before me this 15th day
of April, 2013.



Notary Public

