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Ambulatory Surgery Center

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

October 15, 2013

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, IL 62761

Re: Project # 13-052
Massac County Surgery Center

Dear Ms. Avery,

This letter is being written to voice opposition to the proposed Ambulatory Surgery Center in Massac County.

The goal of the original Health Planning/CON legislation to reduce the rapid increase in the cost of health care would not be served by the addition of another surgical facility in Metropolis, Illinois. As a senior health care administrator who has served as a hospital administrator in several states, I have been witness to the inevitable decline of a community hospital which agrees to transfer one of its primary revenue centers (the OR) to an external organization. Even though, according to the application, Massac Memorial Hospital will be a partner in the project, the revenue which will be lost as it is shared with Western Kentucky Orthopedics may well be a prohibitively critical blow to the hospital. The ultimately unused surgical space at Massac Memorial Hospital will also increase the cost of other procedures as the fixed costs of the facility will have to be shared between fewer revenue-producing centers. The lost revenue and increased cost of other procedures will inevitably result in higher rate structures for Massac Memorial Hospital.

Furthermore, as the application makes it clear that the primary source of patients will be from Western Kentucky, the surgical centers in Paducah, Kentucky, namely Baptist Health, Lourdes Hospital, and the Ambulatory Surgery Center will, again inevitably, see a drop in the utilization of their not yet maxed-out surgical facilities. Once again this will lead to an increase in costs for other procedures.

In addition, the history of Western Kentucky Orthopedics has been one of restricted access to the Medicaid population. During the time the orthopedic surgeons from Western Kentucky Orthopedics were performing surgical procedures at the Ambulatory Surgery Center their payer mix never exceeded 10 % Medicaid. This was at a time that the average Medicaid population for pain management procedures at the Ambulatory Surgery Center was running closer to 37%. This percent Medicaid volume is even higher at the Pain Care Surgery Center in Marion, Illinois (48%). If the Massac County Surgery Center follows Western Kentucky Orthopedics practices, the number of Medicaid patients at all surrounding surgical facilities will increase, thus decreasing their fiscal viability, and again leading to increases in the overall cost of care. Pain Care Surgery in Marion will be very hard- pressed to handle any increases in its Medicaid population. It would be interesting to know what the percentage of Medicaid patients is at Southern Illinois Orthopedics, the sister organization to Western Kentucky Orthopedics.

Finally, Western Kentucky Orthopedics has announced a soon- to-be-opened Pain Management Clinic and Urgent Care Center in Paducah, Kentucky. The Massac County application does not mention performing pain management procedures in the proposed ambulatory surgery facility, but one would certainly question the timing.

In closing, I respectfully request that the Board look much more closely into the financial ramifications of this proposed Ambulatory Surgery facility. The Board may well find that costs are increasing while access to certain populations is decreasing.

Sincerely,



James M. Sprouse, III

Administrator

Pain Management Centers of Paducah and Marion

Ambulatory Surgery Center

Pain Care Surgery