



Rockford Ambulatory
SURGERY CENTER

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

February 18, 2014

Mr. Mike Constantino, Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street – 2nd floor
Springfield, IL 62761

Via Fax: 217-785-4111

RE: NorthPointe Health Ambulatory Surgical Treatment Center, Roscoe, IL
Project No: 13-072

Dear Mr. Constantino & HFSRB:

I was unable to attend the February 10, 2014 public hearing in Roscoe on the proposed NorthPointe ASTC project so I would like to make the following comments to be included in the review of this project.

1) Rockford Ambulatory Surgery Center is listed in the NorthPointe application (Attachment #27) as being an existing multi-specialty licensed existing ASTC with 5 ORs and 2 Procedure Rooms but only 5,066 surgical hours in 2012. Using the state utilization formula, our ASTC justifies 3.37 rooms, which the applicant listed as 4 ORs.

2) NorthPointe proposes to relocate most of its Wisconsin & Illinois outpatient surgical cases to the Roscoe, IL site and need 1.5 ORs plus 1.2 procedure rooms. Our existing ASTC can accommodate all of the proposed cases from the NorthPointe project at our facility. Their 2,282 OR case hours plus their 1,800 procedure room hours equal 4,082 total hours that they could easily add at our ASTC.

a) The added cases (4,082 total case hours) plus our existing 5,066 hours would increase utilization at Rockford ASC to a total of 9,148 hours.

b) The 9,148 resulting hours at Rockford ASC would require 6 of our existing 7 ORs and procedure rooms. This alternative was not listed by the applicant. This alternative does two things: 1) It eliminates the need for the almost \$9M in clinical and non-clinical new construction costs. This is a major cost savings; and 2) The addition of these cases to be performed at Rockford ASC will increase not only our utilization but will help address the excess OR capacity within the area.



3) As a quality ASTC provider, I cannot help but point out the inefficiencies proposed in the NorthPointe application. They list in their application (Attachment #27) that the average time per case for each eye case (typically Cataract w IOL) is 1.11 hours per case. Our ASTC and other ASTCs usually perform one Cataract case every 15-20 minutes (including prep and clean-up) as this is what it takes our surgeons and this is why our surgeons come to our ASC, not to the hospital where it is typical for each case to inefficiently take one hour or more time. The same is true of the Pain Management cases where NorthPointe suggests that each case will take 1.0 hour whereas at our ASTC these cases take 15-20 minutes each.

NorthPointe has either grossly inflated their procedure times to justify a predetermined number of rooms that they want to build or they have no concept of the efficiencies that should result from a well-run ASTC. I would suggest that you not allow for approval of their proposed project as it will increase system inefficiencies.

4) Nowhere in the NorthPointe application can I find a commitment by the applicant that all of its surgical cases performed on patients covered under the federal Medicare program will be billed to the federal government as ASC cases and not at the higher Medicare hospital outpatient (HOPD) rate. This is very important because of the difference between ASC and HOPD rates.

For example, NorthPointe wants to perform 593 ophthalmic cases (Attachment #27). At ASC rates of about \$975, Medicare would be paying about \$780 per case (80%) while the elderly patient would pay the remaining \$195 (20% co-pay). The total ASC bill to the Medicare system would be \$578,175. If NorthPointe, because of their hospital affiliation with Beloit Memorial Hospital, uses that affiliation to bill these cases at the HOPD Medicare rate of about \$1,750 per case, the Medicare system will pay \$1,037,750 (almost 100% higher), and, just as importantly, the senior on Medicare will have to pay NorthPointe a 20% co-pay on the higher \$1,750 charge or about \$350 per case for the exact same procedure that we charge our Medicare patients here at Rockford ASC just \$195 for their co-payment.

The NorthPointe ASTC must commit to you that all cases will be charged at ASC rates or else they will actually increase the cost of ambulatory surgery care here in Illinois.

5) Finally, I do not know if this speaks to the background of the applicant or elsewhere in your review of this proposed project but I must point out to you that almost none of the cases that Beloit Memorial Hospital wishes to relocate to the proposed NorthPointe ASTC can be performed here in Illinois. Maybe this Wisconsin-based provider does not understand Illinois laws and regulations but the HFSRB does as you constantly review ASTC projects.

The Illinois ASTC Licensing Act [210 ILCS 5/6] at Section 6 clearly states:

The Director shall only issue a license if he finds that the applicant facility complies with this Act and the rules, regulations and standards promulgated pursuant thereto and:...

(b) permits a surgical procedure to be performed only by a physician, podiatric physician, or dentist who at the time is privileged to have his patients admitted by himself or an associated physician and is himself privileged to perform surgical procedures in at least one Illinois hospital; [emphasis added]

The NorthPointe physicians and surgeons listed in the NorthPointe application (Attachment 27) do not appear to meet this significant requirement and therefore these doctors cannot perform cases in any licensed Illinois ASTC.

We were able to obtain information on each physician/surgeon listed in the NorthPointe application (Attachment #27) from two readily available and publically accessible online sources, Healthgrades® and the Illinois Department of Financial and Professional Regulations (IDPR) current license lookup. In all cases except as noted specifically below, all physicians are only affiliated with Beloit Memorial Hospital located in Beloit, WI. That hospital is not an Illinois-licensed hospital and therefore, these physicals are not privileged to perform surgical procedures in at least one Illinois hospital and, by Illinois law, cannot be allowed to perform cases at any Illinois licensed ASTC.

Drs. Karne, Golner, Johnson, Ojeda, Donnelly Kind, Sage, Reinicke, Rojas, Townshend, Johanson, Wang (Tsu), Tse, Wang (Hailong), Balabanova, Bhaskar, Tan and Albert are all listed in Healthgrades® and also cross-listed in the IDPR license lookup as only on staff at Beloit Memorial Hospital in Beloit, WI.

Dr. Leighton Johnson, MD, is also listed as being affiliated with St. Joseph's Medical Center in Stockton, CA.

Dr. Charles Kind, DPM is listed in IDPR as having a currently inactive Illinois license.

Dr. Hemal Petel, MD, is listed as being affiliated with Henry Ford Hospital in Detroit, MI.

Dr. Tania Balabanova. MD, IDPR license does not list a hospital affiliation.

Dr. Mohammed Mohiuddin, MD is listed in Healthgrades® as being affiliated with OSF Saint Anthony Medical Center in Rockford, IL but we were unable to lookup his IDPR license.

This requirement is not an option; it is a state law and an Illinois ASTC licensing requirement so why would the HFSRB, as an Illinois state agency, approve any project that does not comply with Illinois law and allow Illinois capacity to be taken by physicians who are not legally allowed to perform cases at an Illinois-license ASTC because they are not privileged at an Illinois-licensed hospital?

Because of these objections and the other objections raised during the public hearing on February 10, 2014, I urge the state agency to deny the request from NorthPointe to build an unnecessary and very expensive ASTC.

I agree with other commenters that the project costs are excessive and unnecessary unless you buy into NorthPointe's demand that the ASTC be built to hospital standards. I agree with others that the proposed project is excessive in size which also contributes to their higher costs. It is unfair that these higher costs would be passed along to Illinois patients.

I will look to see how the HFSRB addresses these concerns and I again urge you to reject this proposed unnecessary and duplicative ASTC.

Sincerely,

Rockford Ambulatory Surgery Center



George R. Arends, M.D.
Clinical Medical Director