



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-05	BOARD MEETING: January 23, 2024	PROJECT NO: 23-041	PROJECT COST:
FACILITY NAME: Advocate Condell Ambulatory Surgery Center, LLC		CITY: Libertyville	Original: \$0
TYPE OF PROJECT: Non-Substantive			HSA: VIII

PROJECT DESCRIPTION: The Applicants (Advocate Condell Ambulatory Surgery Center, LLC, Advocate-SCA Partners, LLC., Surgical Care Affiliates, LLC, Evangelical Services Corporation, CASC, LLC, Neuro II, LLC., Surgicenter Holdings, LLC) propose to add pain management surgical services to an existing multi-specialty ASTC located at 825 S. Milwaukee Avenue, Libertyville, Illinois. There is no cost to this project and the expected completion date is March 1, 2024.

Information on this Application for Permit can be found at

<https://hfsrb.illinois.gov/projects/project.23-041-advocate-condell.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Advocate Condell Ambulatory Surgery Center, LLC, Advocate-SCA Partners, LLC., Surgical Care Affiliates, LLC, Evangelical Services Corporation, CASC, LLC, Neuro II, LLC., Surgicenter Holdings, LLC) propose to add pain management surgical services to an existing multi-specialty ASTC located at 825 S. Milwaukee Avenue, Libertyville, Illinois. There is no cost to this project and the expected completion date is March 1, 2024.
- The State Board approved this ASTC in June of 2015 as Permit #15-017 at a cost of approximately \$8.9 million. The ASTC has three operating rooms and has been approved to provide the following surgical services: **Orthopedics - General - Neurosurgery - Urology – Otolaryngology**. In 2022 the ASTC reported 2,022 cases with 55% of the patients being male and 45% female. Approximately 33% of the patients were over the age of 65.
- Below is the number of cases performed at the Surgery Center by Surgical Specialty for the years 2018-2022. The **State Board Staff Notes** that the ASTC provided surgical specialties in which they were not approved: **Pain Management, Plastic Surgery, and Podiatry**.

TABLE ONE
Executive Summary

Year	2022	2021	2020	2019	2018
General Surgery	310	149	134	200	179
Neurological	418	439	438	507	564
Orthopedic	754	633	560	628	481
Otolaryngology	86	73	137	131	45
Pain Management	0	0	0	11	30
Plastic Surgery	0	12	0	1	0
Podiatry	7	224	158	0	11
Urology	447	453	236	352	352
Total Cases	2,022	1,983	1,663	1,830	1,662
Total Hours	2,216	3,228	2,642	2,047	2,440

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project proposes the addition of a surgical specialty.

PUBLIC HEARING/COMMENT:

- A public hearing was offered but was not requested. No letters of support or opposition were submitted regarding this project.

SUMMARY:

- According to the referring physician *“We have previously performed at Hawthorn Surgical Center in Vernon Hills, IL. This surgery center does not accommodate Advocate Physician Partners patients. Furthermore, we have also been limited more and more on block time at the center and thus volume has decreased. Therefore, we are seeking to perform our cases at another surgical center that can provide us more clinical block time and accommodate our outpatient surgical center volume.”*

- The Applicants addressed 14 criteria, and failed to meet the following:

State Board Standards Not Met	
Criterion	Reasons for Non-Compliance
77 ILAC 1110.120 (b) – Projected Utilization	The Applicants were not able to justify the 3 operating rooms based upon the 2,528 hours estimated by the first year after project completion. ($2,528 \text{ hours} \div 1,500 \text{ hours} = 1.685$ rooms or 2 operating rooms).
77 ILAC 1110.235 (c)(5) – Treatment Room Need Assessment	The Applicants are estimating 2,528 hours by the first year after project completion which will justify the 2 operating rooms based on the State Board standard or 1,500 hours per operating room ($2,528 \text{ hours} \div 1,500 \text{ hours} = 1.685$ rooms or 2 operating rooms). Average case time per pain procedure is estimated to be approximately 40 minutes. Based upon the information provided and reviewed the Applicants have not met the requirements of this criterion.
77 ILAC 1110.235 (c) (7) – Unnecessary Duplication of Service	It is difficult to understand how the movement of pain management procedures from an underutilized ASTC (Hawthorne Place Outpatient Surgery Center) to another ASTC has any effect on cost containment. The establishment of pain management surgical services will result in an unnecessary duplication of service and will impact an existing ASTC.

STATE BOARD STAFF REPORT

Project #23-041

Advocate Condell Ambulatory Surgery Center, LLC.

APPLICATION/SUMMARY	
Applicant(s)	Advocate Condell Ambulatory Surgery Center, LLC, Advocate-SCA Partners, LLC., Surgical Care Affiliates, LLC, Evangelical Services Corporation, CASC, LLC, Neuro II, LLC., Surgicenter Holdings, LLC
Facility Name	Advocate Condell Ambulatory Surgery Center, LLC
Location	825 S. Milwaukee Avenue, Libertyville, Illinois
Permit Holder	Advocate Condell Ambulatory Surgery Center, LLC, Advocate-SCA Partners, LLC., Surgical Care Affiliates, LLC, Evangelical Services Corporation, CASC, LLC, Neuro II, LLC., Surgicenter Holdings, LLC
Owner of Site	Advocate Condell Medical Center
Application Received	09/29/2023
Application Deemed Complete	10/02/2023
Anticipated Completion Date	03/01/2024
Review Period Ends	11/28/2023
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicants (Advocate Condell Ambulatory Surgery Center, LLC, Advocate-SCA Partners, LLC., Surgical Care Affiliates, LLC, Evangelical Services Corporation, CASC, LLC, Neuro II, LLC., Surgicenter Holdings, LLC) propose to add pain management surgical services to an existing multi-specialty ASTC located at 825 S. Milwaukee Avenue, Libertyville, Illinois. There is no cost to this project and the expected completion date is March 1, 2024.

II. Summary of Findings

- A. State Board Staff finds the proposed project is not in conformance with all relevant provisions of Part 1110 (77 Ill. Adm. Code 1110).
- B. Part 1120 is not Applicable to this Project because there are no capital costs (77 Ill. Adm. Code 1120).

II. General Information

Advocate Condell Ambulatory Surgery Center, LLC, Advocate-SCA Partners, LLC., Surgical Care Affiliates, LLC, Evangelical Services Corporation, CASC, LLC, Neuro II, LLC., Surgicenter Holdings, LLC) have applied for the addition of pain management surgical services. Currently the ASTC has been 3 operating rooms and 7 recovery stations in approximately 11,000 GSF of space. The ASTC has been approved for **Orthopedics - General - Neurosurgery - Urology – Otolaryngology**. There are no capital

costs associated with this application for permit. Financial commitment will occur after permit approval. This project is subject to a Part 1110 Review.

IV. Project Uses and Sources of Funds

There are no capital costs associated with this project.

V. Background of the Applicant, Safety Net Impact Statement, Purpose of the Project

- A. Criterion 1110.110 (a) – Background of the Applicant
- B. Criterion 1110.110 (b) – Purpose of the Project
- C. Criterion 1110.110 (c) – Safety Net Impact Statement
- D. Criterion 1110.110 (d) – Alternatives to the Project

A) Background of the Applicant

The Applicants have certified there have been no adverse action taking against any facility owned and/or operated by the Applicants during the three years prior to filing of the application. The Applicants also certify there have been no individuals cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. The Applicants permit the HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

Advocate Condell Ambulatory Surgery Center, LLC

Advocate Condell Ambulatory Surgery Center, LLC is owned 51% by Advocate-SCA Partners, LLC, with the remainder owned by unrelated parties including CASC, LLC with 20.3548% ownership, Neuro II, LLC with 6% ownership, and Surgicenter Holdings, LLC with 5.6452% ownership.

Evangelical Services Corporation

Evangelical Services Corporation is part of Advocate Health. Advocate Health is a multi-state integrated health system that operates 9 hospitals in the State of Illinois. In 2022, Advocate Aurora Health and Atrium Health combined to create Advocate Health, the third-largest nonprofit integrated health system in the U.S. Evangelical Services Corporation maintains its ownership interest in the facility through a joint venture with Advocate-SCA Partners, LLC.

Surgical Care Affiliates, LLC

Surgical Care Affiliates is a leader in specialty care providing quality outcomes for patients and providers at a lower total cost of care. Surgical Care Affiliates has over 320 surgical facilities, over 9,200 physicians, 11,300 employees, and treats 1.43 million patients each year.

CASC, LLC and Neuro II, LLC

CASC, LLC and Neuro II, LLC are limited liability companies whose membership is made up of individual physicians who perform procedures at the applicant facility. Their respective medical practices include expertise in Neurology, Urology, Otolaryngology, Orthopedics, Plastic Surgery and General Surgery. None of the individual physicians maintain an ownership interest of greater than 5% in any other health care facility. **At the conclusion of this report is the organizational chart for the ASTC.**

B) Purpose of the Project

The Applicants seek approval from the State Board to add Pain Management to its surgical procedures offered at its existing surgery center. According to the Applicants adding pain management surgical services to the existing ambulatory surgical treatment center will improve utilization at the ASTC and address unmet patient needs at Advocate Condell Ambulatory Surgery Center, LLC. The Applicants state Pain Management surgical services will help address a gap in available services for those visiting the Surgery Center and nearby facilities.

C) Safety Net Impact Statement

This is a non-substantive project; a safety net statement is not required. Table One documents the number of patients by Payor Source for years 2018 thru 2022.

TABLE ONE

Number of Patients by Payor Source							
Year	2018	2019	2020	2021	2022	Ave	%
Medicaid	40	41	40	150	90	72	3.84%
Medicare	494	548	387	500	609	508	27.00%
Other	98	111	107	0	161	95	5.07%
Commercial	1,022	1,119	1,085	1,196	1,150	1,114	59.28%
Private Pay	8	11	14	407	12	90	4.81%
Charity Care ⁽¹⁾	0	0	0	2	0	0	0.02%
Total	1,662	1,830	1,633	2,255	2,022	1,880	100.00%
*"Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. [20 ILCS 3960, Section 3] Charity care does not include bad debt or the unreimbursed cost of Medicare, Medicaid, and other federal, State, or local indigent health care programs, eligibility for which is based on financial need							

C) Alternatives to the Project

The Applicant considered three alternatives to the proposed project.

1) Status Quo/Do Nothing (no cost)

The first alternative considered was to maintain the status quo, whereby the Applicants would continue to perform previously approved surgical specialties at the ASTC. The primary purpose of this project is to improve access to pain management surgical services to patients within the Applicants' geographic service area and to increase utilization at ASTC which currently has capacity.

2) Establish a new ASTC (\$5-\$15 million)

This alternative was rejected because the existing ASTC has capacity and the spending of between \$5 and \$15 million could not be justified to establish a new ASTC to perform pain management surgical services.

3) Utilize Other Health Care Facilities

The Applicants considered utilizing existing other health care facilities to provide pain management surgical services. According to the Applicants it is an unrealistic expectation for the Advocate Health system, to utilize ASTCs that are not affiliated with Advocate hospitals. The Applicants believe utilizing other ASTCs would yield the fracturing of a patient population, administrative and practical hardships

upon practitioners and patients, and would ultimately yield individuals suffering from chronic pain to unnecessarily endure that pain for longer periods of time. This alternative was rejected.

VI. Size of the Project, Projected Utilization

Criterion 1110.120 (a) – Size of the Project

Criterion 1110.120 (b) – Projected Utilization

A) Size of the Project

The Applicants are not proposing new construction or modernization for this project. The current reviewable spatial configuration for this facility is 8,000 GSF, which is within the State standard of 8,250 GSF for an ASTC containing 3 operating rooms ($2,750 \text{ gsf/room} \times 3 \text{ operating rooms} = 8,250 \text{ gsf}$).

B) Projected Utilization

The referring physicians are estimating referring 400 patients or approximately 267 hours to the ASTC in the first year after project. In 2022 the ASTC reported 2,216 hours at the ASTC. In March 2023 the Applicants added a third operating room for a total of 3 operating rooms. The cost of this addition was below the capital expenditure in effect at that time and did not require State Board Approval. The State Board Standard is 1,500 hours per operating room.

$$\begin{aligned} 2,216 \text{ hours (2022 hours)} + 267 \text{ hours (additional hours from pain management)} &= 2,528 \text{ hours.} \\ 2,528 \text{ hours} \div 1,500 \text{ hours} &= 1.685 \text{ rooms or 2 rooms.} \end{aligned}$$

The Applicants have not met the State Board utilization requirements of 1,500 hours per operating procedure room.

Section 1110.235 Non-Hospital Based Ambulatory Surgical Treatment Center Services

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
Establishment of ASTC Facility or Additional ASTC Service	(c)(2)(B)(i) & (ii)	– Service to GSA Residents
	(c)(3)(A) & (B) or (C)	– Service Demand – Establishment
	(c)(5)(A) & (B)	– Treatment Room Need Assessment
	(c)(6)	– Service Accessibility
	(c)(7)(A) through (C)	– Unnecessary Duplication/ Maldistribution
	(c)(8)(A) & (B)	– Staffing
	(c)(9)	– Charge Commitment
	(c)(10)(A) & (B)	– Assurances

2) Geographic Service Area Need

The applicant shall document that the ASTC services and the number of surgical/treatment rooms to be established, added, or expanded are necessary to serve the planning area's population, based on the following:

A) 77 Ill. Adm. Code 1100 (Formula Calculation)

As stated in 77 Ill. Adm. Code 1100, no formula need determination for the number of ASTCs and the number of surgical/treatment rooms in a geographic service area has been established. **Need shall be established pursuant to the applicable review criteria of this Part.**

B) Service to Geographic Service Area Residents

The applicant shall document that the primary purpose of the project will be to provide necessary health care to the residents of the geographic service area (GSA) in which the proposed project will be physically located.

i) The applicant shall provide a list of zip code areas (in total or in part) that comprise the GSA. The GSA is the area consisting of all zip code areas that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the project's site.

ii) The applicant shall provide patient origin information by zip code **for all admissions** for the last 12-month period, verifying that at least 50% of admissions were residents of the GSA. Patient origin information shall be based upon the patient's legal residence (other than a health care facility) for the last 6 months immediately prior to admission.

The established radii for a facility located in Lake County is 10-miles (per 77 Ill. Adm. Code 1100.510(d)(2)). The Applicants identified 21 zip codes in this 10-mile service area with a population of approximately 557,850 residents. The Applicants identified 400 historical referrals by zip code of residence for the latest 12-month period that resided in this 10-mile GSA. [Application for Permit pages 88-89]. Approximately 250 of the 400 referrals resided in the 10-mile GSA which is more than 50% of the referral coming from the 10-mile GSA. The Applicants have met the requirements of this criterion.

3) Service Demand – Establishment of an ASTC Facility or Additional ASTC Service

The applicant shall document that the proposed project is necessary to accommodate the service demand experienced annually by the applicant, over the latest 2-year period, as evidenced by historical and projected referrals. The applicant shall document the information required by subsection (c)(3) and either subsection (c)(3)(B) or (C):

A) Historical Referrals

The applicant shall provide physician referral letters that attest to the physician's total number of treatments for each ASTC service that has been referred to existing IDPH-licensed ASTCs or hospitals located in the GSA during the 12-month period prior to submission of the application. The documentation of physician referrals shall include the following information:

- i) patient origin by zip code of residence.
- ii) name and specialty of referring physician.
- iii) name and location of the recipient hospital or ASTC; and
- iv) number of referrals to other facilities for each proposed ASTC service for each of the latest 2 years.

B) Projected Service Demand

The applicant shall provide the following documentation:

- i) Physician referral letters that attest to the physician's total number of patients (by zip code of residence) who have received care at existing IDPH-licensed ASTCs, or hospitals located in the GSA during the 12-month period prior to submission of the application.
- ii) Documentation demonstrating that the projected patient volume, as evidenced by the physician referral letters, is from within the GSA defined under subsection (c)(2)(B).
- iii) An estimated number of treatments the physician will refer annually to the applicant facility within a 24-month period after project completion. The anticipated number of referrals cannot exceed the physician's experienced caseload. The percentage of projected referrals used to justify the proposed establishment cannot exceed the historical percentage of applicant market share within a 24-month period after project completion.
- iv) Referrals to health care providers other than IDPH-licensed ASTCs or hospitals will not be included in determining projected patient volume.
- v) Each physician referral letter shall contain the notarized signature, the typed or printed name, the office address, and the specialty of the physician; and
- vi) Verification by the physician that the patient referrals have not been used to support another pending or approved CON application for the subject services.

The Applicants state the primary purpose of this project is to improve access pain management surgical procedures to patients within the Applicants' geographic service area and to increase utilization at the Surgery Center, which currently has capacity. The Applicants provided two physician referral letters indicating that the two physicians will refer 400 patients to the Surgery Center. It is the State Board Staff's understanding these 400 procedures or approximately 267 hours will be coming from Hawthorne Place Outpatient Surgery Center. In 2022 Hawthorne Place Outpatient Surgery Center was underutilized.

TABLE TWO					
Hawthorne Place Outpatient Surgery Center					
ASTC	City	Surgical Procedures	Rooms	2022 hours	Utilization
Hawthorne Place Outpatient Surgery Center	Vernon Hills	general surgery, neurological, otolaryngology, urology, pain management, podiatry, urology	5	4,901	52.28%

It is difficult to understand how cost savings are going to be realized when the proposed referrals are coming from a facility that is currently underutilized.

5) Treatment Room Need Assessment – Review Criterion

A) The applicant shall document that the proposed number of surgical/treatment rooms for each ASTC service is necessary to service the projected patient volume. The number of rooms shall be justified based upon an annual minimum utilization of 1,500 hours of use per room, as established in 77 Ill. Adm. Code 1100.

B) For each ASTC service, the applicant shall provide the number of patient treatments/sessions, the average time (including setup and cleanup time) per patient treatment/session, and the methodology used to establish the average time per patient treatment/session (e.g., experienced historical caseload data, industry norms or special studies).

The Applicants are estimating 2,528 hours by the first year after project completion which will justify the 2 operating rooms based on the State Board standard or 1,500 hours per operating room ($2,528 \text{ hours} \div 1,500 \text{ hours} = 1.685 \text{ rooms}$ or 2 operating rooms). Average case time per pain procedure is estimated to be approximately 40 minutes. Based upon the information provided and reviewed the Applicants have not met the requirements of this criterion.

6) Service Accessibility

The proposed ASTC services being established or added are necessary to improve access for residents of the GSA. The applicant shall document **that at least one of the following conditions** exists in the GSA:

A) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project.

B) The other IDPH-licensed ASTC and hospital surgical/treatment rooms used for those ASTC services proposed by the project within the identified GSA are utilized at or above the utilization level specified in 77 Ill. Adm. Code 1100.

C) The ASTC services or specific types of procedures or operations that are components of an ASTC service are not currently available in the GSA or that existing underutilized services in the GSA have restrictive admission policies.

D) The proposed project is a cooperative venture sponsored by 2 or more persons, at least one of which operates an existing hospital. Documentation shall provide evidence that:

i) The existing hospital is currently providing outpatient services to the population of the subject GSA.

ii) The existing hospital has sufficient historical workload to justify the number of surgical/treatment rooms at the existing hospital and at the proposed ASTC, based upon the treatment room utilization standard specified in 77 Ill. Adm. Code 1100.

iii) The existing hospital agrees not to increase its surgical/treatment room capacity until the proposed project's surgical/treatment rooms are operating at or above the utilization rate specified in 77 Ill. Adm. Code 1100 for a period of at least 12 consecutive months; and

iv) The proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

There are 8 ASTCs and 3 hospitals within the 10-mile GSA. There are existing ASTCs, and hospitals currently underutilized in this 10-mile GSA. Pain management surgical procedures are available within the 10-mile GSA. The proposed project is a joint venture with a hospital. At the time of approval of Advocate Condell Ambulatory Surgery Center (Permit #15-017) this ASTC was considered a joint venture between Advocate Condell Medical Center, Surgical Care Affiliates, Inc. and twenty referring physicians. The ASTC remains a joint venture with a hospital. The Applicants **have met one of the requirements of this criterion.**

TABLE THREE Facilities within the 10-mile GSA					
Name	City	Specialties	Rooms	Hours	Utilization
Lurie Children's Hospital ASTC	Northbrook	dermatology, general surgery, gastro, neurological, ophthalmology, oral/max, orthopedic, otolaryngology, pain management, plastic surgery, urology	3	4,402	78.26%
Northwestern Grayslake Endoscopy Center	Grayslake	gastro-intestinal	2	3,484	92.91%
Northwestern Grayslake Ambulatory Surgery Center	Grayslake	general surgery, OB/GYN, Ophthalmology, oral/max, orthopedic, otolaryngology, plastic surgery, podiatry, urology	4	4,808	64.11%
Vernon Square Surgicenter	Vernon Hills	pain management, plastic surgery	2	3,966	105.76%
Hawthorne Place Outpatient Surgery Center	Vernon Hills	general surgery, neurological, otolaryngology, urology, pain management, podiatry, urology	5	4,901	52.28%
Advocate Condell Ambulatory Surgical Treatment Center	Libertyville	general surgery, neurological, otolaryngology, urology	3	2,216	39.40%
North Shore Endoscopy Center	Lake Bluff	gastro-intestinal	2	40	1.07%
Winchester Endoscopy Center	Libertyville	Not operational			
Advocate Condell Medical Center	Libertyville		18	23,200	68.74%
Northwestern Lake Forest Hospital	Lake Forest		13	15,608	64.03%
Highland Park Hospital	Highland Park		17	37,416	117.38%

7) Unnecessary Duplication/Maldistribution – Review Criterion

A) The applicant shall document that the project will not result in an unnecessary duplication. The applicant shall provide the following information for the proposed GSA zip code areas identified in subsection (c)(2)(B)(i):

- i) the total population of the GSA (based upon the most recent population numbers available for the State of Illinois); and
- ii) the names and locations of all existing or approved health care facilities located within the GSA that provide the ASTC services that are proposed by the project.

B) The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the GSA has an excess supply of facilities and ASTC services characterized by such factors as, but not limited to:

i) **a ratio of surgical/treatment rooms to population that exceeds one and one-half times the State average.**

ii) historical utilization (for the latest 12-month period prior to submission of the application) for existing surgical/treatment rooms for the ASTC services proposed by the project that are below the utilization standard specified in 77 Ill. Adm. Code 1100; or

iii) insufficient population to provide the volume or caseload necessary to utilize the surgical/treatment rooms proposed by the project at or above utilization standards specified in 77 Ill. Adm. Code 1100.

C) The applicant shall document that, within 24 months after project completion, the proposed project:

i) will not lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm. Code 1100; and

ii) will not lower, to a further extent, the utilization of other GSA facilities that are currently (during the latest 12-month period) operating below the utilization standards.

There are 557,850 residents within the 10-mile GSA. There are 71 operating procedure rooms within this 10-mile GSA. The ratio of operating procedure rooms to population is 1 operating procedure room per 7,857 residents within the 10-mile GSA. There are 12,671,469 residents in the State of Illinois with approximately 2,626 operating procedure rooms in the State of Illinois. The ratio of operating procedure rooms to population is 1 operating procedure room per 4,825 residents. There is not a surplus of operating procedure rooms within this 10-mile GSA.

There are 8 ASTCs and 3 hospitals within the 10-mile GSA. Of the 8 ASTCs only two are fully utilized based upon 2022 information. Of the three hospitals only one hospital's surgical and procedural rooms are fully utilized. Three of the ASTC have been approved to provide pain management surgical services (Lurie Children's Hospital ASTC, Vernon Square, and Hawthorne.

As mentioned above it is difficult to understand how the movement of procedures from an underutilized ASTC (Hawthorne Place Outpatient Surgery Center) to another ASTC provides cost savings or has any effect on cost containment. The establishment of pain surgical services will result in an unnecessary duplication of service and will impact an existing ASTC.

8) Staffing

A) Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that the staffing requirements of licensure and The Joint Commission or other nationally recognized accrediting bodies can be met. In addition, the applicant shall document that necessary staffing

is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

B) Medical Director

It is recommended that the procedures to be performed for each ASTC service are under the direction of a physician who is board certified or board eligible by the appropriate professional standards organization or entity that credentials or certifies the health care worker for competency in that category of service.

The Applicants state the facility's Medical Director is Raghavender (Raghu) Thunga, M.D., who is an Anesthesiologist. According to the Applicants the facility has not traditionally had any difficulties in staffing their existing facility nor do they anticipate difficulty in staffing the ASTC. As needed additional staff will be identified and employed utilizing existing job search sites and professional placement services. The Applicants have met the requirements of this criterion.

9) **Charge Commitment**

In order to meet the objectives of the Act, which are *to improve the financial ability of the public to obtain necessary health services; and to establish an orderly and comprehensive health care delivery system that will guarantee the availability of quality health care to the general public; and cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process* [20 ILCS 3960/2], the applicant shall submit the following:

- A) a statement of all charges, except for any professional fee (physician charge); and
- B) a commitment that these charges will not increase, at a minimum, for the first 2 years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).

The Applicants have provided the required attestation that charges will not increase at a minimum for the first 2 years of operation unless a permit is first obtained. The Applicants have met the requirements of this criterion.

10) **Assurances**

- A) The applicant shall attest that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.
- B) The applicant shall document that, in the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100. Documentation shall include, but not be limited to, historical utilization trends, population growth, expansion of professional staff or programs (demonstrated by signed contracts with additional physicians) and the provision of new procedures that would increase utilization.

The Applicants provided the required information at page 113 of the Application for Permit. The Applicants have successfully addressed this criterion.

TABLE FOUR					
Advocate Condell Medical Center					
	2018	2019	2020	2021	2022
Total Patient Revenue	\$1,518,887,705	\$1,527,177,430	\$1,415,880,447	\$1,602,653,570	\$1,602,653,570
Less Contractual Allowances	\$1,163,843,622	\$1,163,503,081	\$1,086,529,594	\$1,235,434,529	\$1,235,434,529
Net Patient Revenue	\$355,044,083	\$363,674,349	\$329,350,853	\$367,219,041	\$367,219,041
Operating Expenses	\$312,224,725	\$329,101,886	\$340,452,266	\$348,537,746	\$365,208,154
Net Income from Service	\$42,819,358	\$34,572,463	-\$11,101,413	\$18,681,295	\$2,010,887
Other Income	\$3,704,908	\$4,184,419	\$41,766,432	\$25,689,642	\$9,019,234
Net Income	\$45,002,988	\$38,117,089	\$27,728,133	\$24,588,442	\$9,019,234

23-041 Advocate Condell ASTC - Libertyville

