



STATE OF ILLINOIS

HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-11	BOARD MEETING: March 12, 2024	PROJECT NO: 23-050	PROJECT COST: Original: \$0
FACILITY NAME: Olympian Surgery Center		CITY: Champaign	HSA: IV
TYPE OF PROJECT: Non-substantive			

PROJECT DESCRIPTION: The Applicants (Olympian Surgical Suites and OSF Healthcare System) propose the addition of pain management services at Olympian Surgical Suites at 1002 Interstate Drive, Champaign. Olympian Surgical Suites has two operating rooms, and provides general surgery, gastroenterology, and plastic surgery. There is no cost to this project and the completion date is June 1, 2024.

Information regarding this application can be found at this link:

<https://hfsrb.illinois.gov/projects/project.23-050-olympian-surgical-suites.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Olympian Surgical Suites and OSF Healthcare System) propose the addition of pain management services at Olympian Surgical Suites, 1002 Interstate Drive, Champaign. Olympian Surgical Suites has two operating rooms, and provides general surgery (bariatric surgery), gastroenterology, and plastic surgery. There is no cost to this project and the expected completion date is June 1, 2024.
- This surgery center was approved in January of 2008 at a cost of approximately \$5 million (Permit #07-004). At the time of approval, the State Board raised concerns during the discussion of the project. The State Board questioned the need for an ASTC specific to bariatric surgery in East Central Illinois and also the need for a new ASTC given the excess surgery capacity in the planning area. The State Board members at that time expressed concern with the impact the ASTC would have on the planning area as well as facilities which will be losing procedures as a result of the project. At that time the surgery center was approved for 2 operating rooms and 8 recovery stations. Below is the historic utilization at the ASTC for the years 2018 thru 2022.
- In June of 2023 the State Board approved a change of ownership of Olympian Surgical Suites (Exemption #E-020-23). At that time OSF Healthcare System acquired a 75% ownership interest in the ASTC at a cost of \$989,700. Sidney Rohrscheib, MD retains a 25% ownership interest in Olympian Surgical Suites, LLC.
- OSF Heart of Mary Hospital 15-room surgical suite in 2022 operated at 26% of capacity as can be seen in Table Two below. The Applicants propose to move approximately 1,000 cases from the Hospital to the ASTC (Application for Permit page 88). There is currently a surplus of operating procedure rooms in this 17-mile GSA.

TABLE ONE
Olympian Surgical Suites
5-year Historic Utilization

Year	2022	2021	2020	2019	2018	Average
Gastro						
Cases	112	94	103	28	216	
Hours	114	79	105	31	288	
General Surgery						
Cases	133	181	180	193	0	
Hours	195	270	273	314	0	
Plastic Surgery						
Cases	0	0	0	0	1	
Hours	0	0	0	0	2	
Total						
Cases	245	275	275	275	275	269
Hours	309	349	349	349	349	341

TABLE TWO
OSF Heart of Mary Medical Center

	2018	2019	2020	2021	2022
Rooms	14	14	12	13	15
Cases	8,779	7,216	3,755	4,397	4,155
Hours	15,064	12,344	7,109	7,740	7,145
Utilization	57.39%	47.02%	31.60%	31.75%	25.40%

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project adds a surgical specialty to a health care facility (ASTC) as defined by the Illinois Health Facilities Planning Act. [20 ILCS 3960/3]

PURPOSE OF THE PROJECT:

- The purpose of the project is to add pain management surgical services and increase utilization at the surgery center.

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but no public hearing was requested. In addition, no letters of support or opposition were received by the State Board Staff in regard to the proposed project.

SUMMARY:

- The State Board Staff reviewed the application for permit and any additional information provided by the Applicants. The Applicants are proposing the introduction of pain management services at Olympian Surgical Suite. In addition to introducing pain management services, OSF will relocate three general surgeons and two gastroenterologists from OSF Heart of Mary Medical Center to Olympian Surgical Suites. The five physicians will perform outpatient surgical and GI procedures at the ASTC, and according to the Applicants at a lower cost setting that will reduce costs to patients and insurers, as well as increase the use of the underutilize surgery center.
- The Applicants are moving outpatient surgical and GI procedures from OSF Heart of Mary Medical Center surgical suite that operated at approximately 26% utilization in 2022.
- The Applicants are anticipating the expected payor mix at the ASTC to be 10.6% Blue Cross/Blue Shield, 10.8% Commercial, 20.9% Medicaid, 51.9% Medicare, 2.1% Self Pay, and 3.6% Other.

Criteria	Reasons for Non-Compliance
77 Ill. Adm. Code 1110.235(c)(2)(A) &(B) - Service to Residents of GSA	There are 19 zip codes in the 17-mile GSA. The population within this 17-mile GSA is 165,527. The Applicants state only 23 of the 203 patients that had procedures at the ASTC in 2023 lived within the GSA. The Applicants state the procedures performed were primarily bariatric surgery, and the geographic area where these patients reside covers 113 zip codes throughout Illinois. The Applicants state the 17-mile radius from the site of Olympian Surgical Suites does not fit with the locations of patients who will be treated at the facility for pain management. The referring physician will be relocating to Champaign from Effingham and the Applicants state the 17-mile radius does not fit the

Criteria	Reasons for Non-Compliance
	locations of the patients to be treated at the ASTC. The Applicants believe the planning area for this project is Champaign and Vermillion County with a population of approximately 280,504. According to the Applicants this planning area is the source of 71% of the patients for the ASTC. State Board Staff Notes: This criterion requires that the GSA meet the requirements of 77 ILAC 1100.510 (d). 77 ILAC 1100.510 (d) requires for a ASTC located in Champaign County the GSA is a 17-mile radius. The Applicants have not met the requirements of this criterion.
77 Ill. Adm. Code 1110.235(c)(6) - Service Accessibility	There is one IDPH licensed ASTC within the 17-mile GSA other than Olympian Surgical Suites. The two hospitals and the surgery center (Champaign Surgery Center at the Fields) within the 17-mile GSA are not at the target occupancy of 80%. The proposed service (pain management) is available within the 17-mile GSA. The proposed project is a cooperative venture with OSF Heart of Mary Medical Center. However, OSF Heart of Mary Medical Center does not have sufficient volume to justify the number of operating procedure rooms at the Hospital and the ASTC. The Applicants have not met one of the requirements of this criterion as required.
77 Ill. Adm. Code 1110.235(c)(7) – Unnecessary Duplication of Service/Maldistribution/Impact on Other Facilities	Pain Management surgical services are available in the 17-mile GSA at Carle Foundation Hospital and Champaign Surgery Center at the Fields. Both facilities are currently underutilized. The Applicants do not believe the proposed establishment of pain management surgical specialty and the transfer of GI and general surgery cases from OSF Heart of Mary Medical Center to the ASTC will have very little impact on the facilities in 17-mile GSA. Given the low utilization of OSF Heart of Mary Medical Center as demonstrated in Table Two above the proposed movement of surgical procedure will impact the Hospital.



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STATE BOARD STAFF REPORT

Olympian Surgical Suites

Project #23-050

APPLICATION CHRONOLOGY

Applicant	Olympian Surgical Suites, OSF Healthcare System
Facility Name	Olympian Surgical Suites
Location	1002 West Interstate Drive, Champaign, Illinois
Permit Holder	Olympian Surgical Suites, OSF Healthcare System
Operating Entity/Licensee	Olympian Surgical Suites
Owner of Site	Champaign Healthcare Investors, LLC c/o MedCraft Investment Partners, LLC
Gross Square Feet	11,507 GSF
Application Received	December 23, 2023
Application Deemed Complete	December 26, 2023
Anticipated Completion Date	June 1, 2024
Review Period Ends	February 24, 2024
Review Period Extended by the State Board Staff?	No
Can the Applicant request a deferral?	Yes

I. Project Description

The Applicants (Olympian Surgical Suites and OSF Healthcare System) propose the addition of pain management services at Olympian Surgical Suites at 1002 Interstate Drive, Champaign. Olympian Surgical Suites has two operating rooms, and provides general surgery (bariatric surgery), gastroenterology, and plastic surgery. There is no cost to this project and the expected completion date is June 1, 2024

II. Summary of Findings

- A. The State Board Staff finds the project is **not** in conformance with all relevant provisions of Part 1110.
- B. The State Board Staff finds the provisions of Part 1120 are not applicable to this project because there is no capital cost.

III. General Information

The Applicants are Olympian Surgical Suites and OSF Healthcare System. The licensee is Olympian Surgical Suites. This project is classified as a non-substantive project subject to a Part 1110 review. Part 1120 is not applicable to this project because there is no cost. Financial commitment will occur at the time of State Board approval.

IV. Health Service Area/Health Planning Area

The ASTC is located in Champaign County in Health Service Area IV. HSA IV includes the Illinois Counties of Champaign, Clark, Coles, Cumberland, DeWitt, Douglas, Edgar, Ford, Iroquois, Livingston, Macon, McLean, Moultrie, Piatt, Shelby, and Vermilion.

V. Project Description

The project proposes the addition of pain management services at Olympian Surgical Suites in Champaign, Illinois. Olympian Surgical Suites has two operating rooms, and 8 recovery stations in 11,507 GSF of leased space and currently provides general surgery, gastroenterology, and plastic surgery specialties. In addition to initiating pain management surgical services the project includes the planned relocation of surgical cases by five surgeons from OSF Heart of Mary Medical Center in Urbana. These surgeons will conduct outpatient general surgery and gastroenterology surgical procedures at Olympian Surgical Suites, utilizing available capacity at the facility. There is no increase in the number of operating rooms or size of the existing ASTC. There are no modifications of the current facility or capital costs associated with the project. The ASTC will be following OSF Financial Assistance Policy.

VI. Purpose of the Project, Safety Net Impact Statement, Alternatives

A) Criterion 1110.110(a) - Background of the Applicant

To demonstrate compliance with this criterion the Applicant must provide documentation of the following.

1. Any adverse action taken against the applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed healthcare facility, or against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.
2. A listing of all health care facilities currently owned and/or operated by the Applicant in Illinois or elsewhere, including licensing, certification, and accreditation identification numbers, as applicable.

The Applicants (Olympian Surgical Suites and OSF Healthcare System) have provided proof of Certificate of Good Standing and licensure/accreditation credentials. Letters were provided by both Applicants, permitting the State Board and IDPH to verify any information contained in this application (see Application for Permit pages 72-82).

B) Criterion 1110.110(b) – Purpose of the Project

The Applicant is required to:

1. Document that the project will provide health services that improve the health care or wellbeing of the market-area population to be served.
2. Define the planning area or market area, or other area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.

4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The Applicants are proposing the introduction of pain management services at Olympian Surgical Suite. In addition to introducing pain management, OSF will relocate three general surgeons and two gastroenterologists from OSF Heart of Mary Medical Center to Olympian Surgical Suites. The five physicians will perform outpatient surgical and GI procedures at the ASTC, a lower cost setting that will reduce costs to patients and insurers, as well as increase the use of the underutilize surgery center.

The Applicants defined their planning area for this ASTC as Champaign and Vermilion Counties with a population of approximately 280,500 residents. The Applicants believe that 71% of the projected patient volume will come from Champaign and Vermilion Counties.

The Applicants identified three problems in the identified planning area.

1. limited pain management services in the Champaign-Urbana area
2. underutilization of the surgery center
3. with the change in ownership to OSF Healthcare System Medicaid and Medicare patients will be provided services at the surgery center.

C) Criterion 1110.110(c) – Safety Net Impact Statement

The project is classified as a non-substantive and a Safety Net Impact Statement is not required. In the table below is the net patient revenue, amount of charity care and the charity care expense for OSF Healthcare System. The Applicants are estimating the projected payor mix at the ASTC will be approximately 10.6% Blue Cross/Blue Shield, 10.8% Commercial, 20.9% Medicaid, 51.9% Medicare, 2.1% Self Pay, and 3.6% Other.

TABLE THREE
OSF HealthCare System Charity Care

	2020	2021	2022
Net Patient Revenue	\$2,383,901,200	\$2,978,991,756	\$3,211,070,549
Amount of Charity Care	\$201,864,109	\$195,002,654	\$217,695,250
Cost of Charity Care	\$41,284,835	\$40,559,889	\$54,215,573
% of Net Patient Revenue	1.73%	1.36%	1.69%

TABLE FOUR
Olympian Surgical Suites
Number of Patients by Payor Source

Year	2022	2021	2020	2019	2018
Medicaid	0	0	0	0	1
Medicare	0	0	2	0	2
Other Public	0	0	0	0	0
Insurance	227	246	239	177	152
Private Pay	19	30	45	45	62
Charity Care	0	0	0	0	0
	246	276	286	222	217
Revenue by Payor Source					
Medicaid	\$0	\$0	\$0	\$0	\$0
Medicare	\$0	\$0	\$291	\$0	\$709
Other Public	\$0	\$0	\$0	\$0	\$0
Insurance	\$948,538	\$1,288,793	\$1,060,874	\$1,314,461	\$1,369,306
Private Pay	\$252,732	\$289,326	\$339,634	\$181,750	\$386,953
Charity Care	\$0	\$0	\$0	\$16,500	\$0
	\$1,201,270	\$1,578,119	\$1,400,799	\$1,496,211	\$1,496,211

D) Criterion 1110.110(d) - Alternatives to the Project

To demonstrate compliance with this criterion the Applicant must document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.

The Applicants considered three alternatives to the proposed project.

1. Do Nothing
2. Add pain management services at OSF Heart of Mary Medical Center instead of Olympian Surgical Suites.
3. Add pain management services and other service lines not yet approved at Olympian Surgical Suites.

All of these alternatives were rejected by the Applicants.

As documented above in the Executive Summary **Table One** there is significant available capacity at the surgery center because of the low utilization at the surgery center. According to the Applicants part of OSF Healthcare System (“OSF”) plan with the purchase of 75% of the surgery center (Exemption #E-020-23) was to locate a pain management practice at the surgery center and recruit a known pain management specialist from outside the Planning Area. The Applicants believe this recruitment would enhance the availability of pain management expertise within the OSF system in central Illinois. OSF considered adding other new services not now approved at Olympian Surgical Suites in addition to pain management to meet area needs and increase utilization of the surgery center. The Applicants state any new types of surgery would also likely require different equipment than is currently in place at the surgery center, potentially

avoiding \$500,000 to \$1,000,000 in equipment costs. The Applicants decided not to initiate new services beyond pain management.

According to the Applicants OSF chose to transfer some outpatient general surgery cases and GI procedures now being done at OSF Heart of Mary Medical Center. The plan is to bring annual volume of 900 to 1,000 cases from OSF Heart of Mary Medical Center to the surgery center. The Applicants believe with the new pain management volumes, the outpatient surgery and GI procedures and continued bariatric cases the potential is there of fully utilizing the two ORs at Olympian Surgical Suites within a few years.

VII. Size of the Project, Projected Utilization of the Project

A) Criterion 1110.120(a) – Size of the Project

To demonstrate compliance with this criterion, the Applicant must document that the proposed surgical rooms and recovery stations meet the State Board's GSF Standard in Section 1110.Appendix B.

Total gross square footage approved by the State Board in January 2008 is 11,507 GSF. The Surgery Center space exceeds the State Norm because of the scope of the project approved in 2008 required extra-large equipment and furniture to accommodate patients of bariatric surgery. The Applicants are not adding any space to the existing ASTC with this Application for Permit. The Applicants have met the requirement of this criterion.

B) Criterion 1110.120 (b) – Projected Utilization

To demonstrate compliance with this criterion, the Applicant must document that the proposed surgical/procedure rooms will be at target utilization of 1,500 hours per operating/procedure room by the second year after project completion (see Section 1110.Appendix B).

The State Board standard is 1,500 hours per operating/procedure room. The Applicants report substandard utilization for the past five years at the ASTC. The Applicants state that they will be referring 1,447 cases and 1,675 hours to the ASTC. The projected number of hours does appear to justify the two operating rooms. The Applicants have met the requirements of this criterion.

TABLE FIVE Proposed Cases		
Pain Management		
Referring Physician	60 cases	105 hours
OSF Clinics	136 cases	238 hours
SafeWorks	127 cases	222 hours
Total	323 cases	565 hours
General Surgery		
Heart of Mary Hospital	921 cases	854 hours
Total	921 cases	854 hours
Bariatric and GI Surgery		
Olympian Surgical Center (projected)	203 cases	256 Hours
Total	203 cases	256 hours

TABLE FIVE Proposed Cases		
Total	1,447 cases	1,675 hours

VIII. 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

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.

There is no need calculation for the number of ASTCs and the number of surgical/treatment rooms in a geographic service area.

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.

There are 19 zip codes in the 17-mile GSA. The population within this 17-mile GSA is 165,527. The Applicants state only 23 of the 203 patients that had procedures at the ASTC in 2023 lived within the GSA. The Applicants state the procedures performed were primarily bariatric surgery, and the geographic area where those patients resided covers 113 zip codes throughout Illinois.

The Applicants state the 17-mile radius from the site of Olympian Surgical Suites does not fit with the locations of patients who will be treated at the facility for pain management. The referring physician will be relocating to Champaign from Effingham and the Applicants state the 17-mile

radius does not fit the locations of the patients to be treated at the ASTC. The Applicants believe the planning area for this project is Champaign and Vermillion County with a population of approximately 280,504. According to the Applicants this planning area is the source of 71% of the patients for the ASTC.

State Board Staff Note:

77 ILAC 1110.110 – Purpose of the Project allows an Applicant to identify the planning area or market area of the proposed project or other area, per the applicant's definition. The above criterion (Service to Geographic Service Area Residents) requires that the GSA meet the requirements of 77 ILAC 1100.510 (d). 77 ILAC 1100.510 (d) requires an ASTC located in Champaign County the GSA be a 17-mile radius. The Applicants have not 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 they will be referring 1,447 cases and 1,675 hours to the ASTC. The projected demand appears to justify the two operating rooms. The Applicants have met the requirements of this criterion.

TABLE SIX Proposed Cases		
Pain Management		
Referring Physician	60 cases	105 hours
OSF Clinics	136 cases	238 hours
SafeWorks	127 cases	222 hours
Total	323 cases	565 hours
General Surgery		
Heart of Mary Hospital	921 cases	854 hours
Total	921 cases	854 hours
Bariatric and GI Surgery		
Olympian Surgical Center (projected)	203 cases	256 Hours
Total	203 cases	256 hours
Total	1,447 cases	1,675 hours

5) Treatment Room Need Assessment

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 existing ASTC has two operating rooms and the number of hours projected (1,675 hours) meets the requirements of Part A above. The Applicants provided the average case time as required at page 107 of the Application for Permit. The Applicants have 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.

In June of 2023 OSF Healthcare System became the majority owner of Olympian Surgical Suites. OSF Healthcare System is proposing to add pain management surgical services and transfer outpatient general surgery cases and GI cases from OSF Heart of Mary Medical Center to Olympian Surgery Center. OSF Healthcare System financial assistance policies will be in place at the surgery center. According to the Applicants OSF Healthcare System will increase access to pain management and outpatient surgery for Medicare and Medicaid patients. According to the Applicants waiting times for pain management services in the area have increased and are now approaching two months for some patients. The recruitment of Dr. Ogan will assure the timely provision of pain management services at Olympian Surgical Suites.

The ASTC facility cost is significantly below the hospital-based rates charged for outpatient surgery at Heart of Mary Medical Center. As a result, costs to patients and insurers will be reduced compared to hospital charges, thereby increasing the affordability of and access to care.

There is one IDPH licensed ASTC within the 17-mile GSA other than Olympian Surgical Suites. The two hospitals and the surgery center (Champaign Surgery Center at the Fields) within the 17-mile GSA are not at the target occupancy of 80%. The proposed service (pain management) is available within the 17-mile GSA. The proposed project is a cooperative venture with OSF Heart of Mary Medical Center. However, OSF Heart of Mary Medical Center does not have sufficient volume to justify the number of operating procedure rooms at the Hospital and the ASTC. The Applicants have not met one of the requirements of this criterion as required.

TABLE SEVEN
Health Facilities within the 17-mile GSA

Facility	Specialties	Rooms	Hours	Utilization
Carle Foundation Hospital	cardiovascular, gastroenterology, general, neurology, OB/GYN, Oral/Max, Ophthalmology, Orthopedic, Otolaryngology, pain management , plastic, podiatry, thoracic, urology	30	41,304	73.43%
Champaign Surgery Center at the Fields	gastroenterology, general, OB/GYN, Oral/Max, Ophthalmology, Orthopedic, Otolaryngology, pain management , podiatry, urology	12	13,436	59.72%
OSF Heart of Mary Medical Center	cardiovascular, gastroenterology, general, OB/GYN, Oral/Max, Ophthalmology, Orthopedic, Otolaryngology, podiatry, thoracic, urology	15	7,145	25.40%
Olympian Surgical Suites	gastroenterology, general, plastic	2	311	8.29%
Total		59	62,196	56.22%

1. Information from 2022 IDPH Hospital and ASTC Annual Survey

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.

The 17-mile GSA has a total population of approximately 165,500. There are 59 operating/procedure rooms in this 17-mile GSA. There are approximately 2,756 operating/procedures rooms in the State of Illinois. As of July 1, 2023, the State of Illinois population is approximately **12,549,689**. The ratio of operating/procedure rooms in the 17-mile GSA is .0356 or 1 operating/procedure room per 2,805 residents. The ratio of operating/procedure rooms to population in the State of Illinois is .02196 or 1 operating/procedure room per 4,554 residents. Based upon the ratio of operating/procedure rooms to population there is currently a **surplus of operating/procedure rooms** in this 17-mile GSA. While the Board Staff notes a surplus of operating/procedure rooms in this 17-mile GSA no additional operating/procedure rooms are being added.

Pain Management surgical services are available in the 17-mile GSA at Carle Foundation Hospital and Champaign Surgery Center at the Fields. Both facilities are currently underutilized.

The Applicants do not believe the proposed establishment of pain management surgical specialty and the transfer of GI and general surgery cases from OSF Heart of Mary Medical Center to the ASTC will have very little impact on the facilities in 17-mile GSA. Given the low utilization of OSF Heart of Mary Medical Center as demonstrated in **Table Two** above the proposed movement of surgical procedure will impact the Hospital.

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 nurse staffing, recruitment and retention remains a focus for 2024 and beyond. According to the Applicants over the last two years, OSF Heart of Mary Medical Center has decreased turnover by over 50% since October 2022 and decreased reliance on travel staff by 11 Full Time Equivalent Staff. According to the Applicants, as of December 4, 2023, OSF Heart of Mary Medical Center does not have any RN travelers.

The Applicants state OSF Heart of Mary Medical Center works closely with Parkland College, University of Illinois Urbana and OSF College of Nursing to provide clinical education as well as employment opportunities to students enrolled in degree programs. Recruitment for ancillary and support staff including surgical technicians takes place at community related job fairs in the area and at their respective schools and colleges. The Hospital continues to expand clinical sites to area schools as a method for recruitment. In addition, OSF often uses web-based programs and traditional sites and methods such as nurse.com, monster.com, careerbuilder.com, National Healthcare career Network, Sun-Times Network, Chicago Tribune, and Job fairs.

According to the Applicants the proposed additional volume of cases at Olympian Surgical Suites will be supported by staff already on site providing bariatric surgery, and staff that can be relocated from OSF Heart of Mary Medical Center under an **employee lease agreement**.

All staffing requirements of licensure and the Joint Commission and other nationally recognized accrediting organizations will be met. Dr. Brian Ogan will serve as medical director of the pain management program. He has been a pain management specialist for all of his 17 years of practice and is board certified. The Applicants have met the requirements of this criterion at page 109 of the Application for Permit.

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 provided a table listing the facility charges **at** Olympian Surgical Suites for pain management procedures, as well as charges for other surgical procedures at the center. The Applicants affirmed that these charges **will** not be increased for a minimum of two years from the start-up of the operation of the pain management program. The Applicants have met the requirements of this criterion. (Application for Permit pages 109-111)

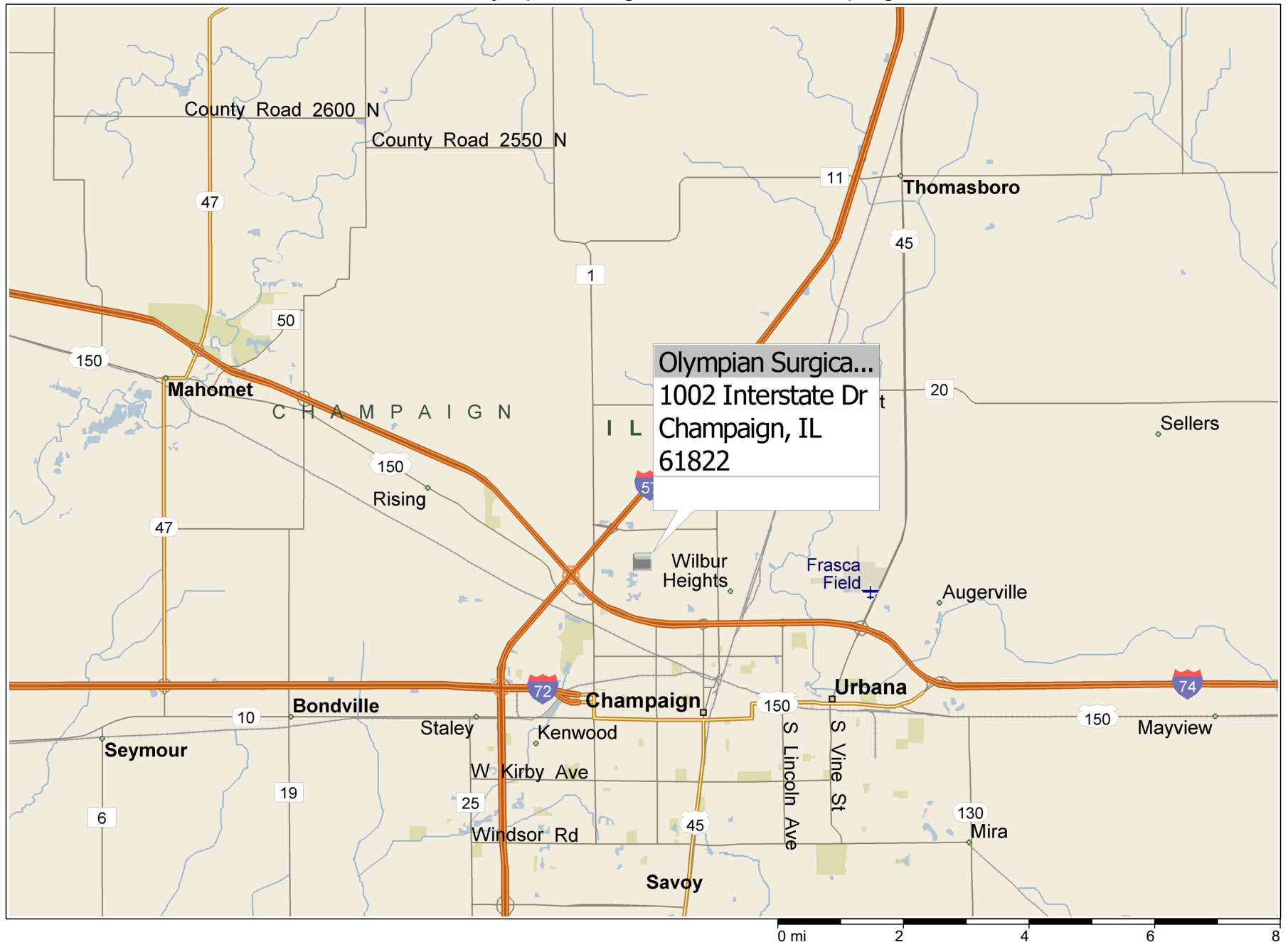
10) Assurances

- 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 necessary assurances at page 113 of the Application for Permit.

23-050 Olympian Surgical Suites - Champaign



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