



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-03	BOARD MEETING: May 9, 2024	PROJECT NO: 24-002	PROJECT COST: Original: \$0
FACILITY NAME: Blessing Hospital Surgery Center		CITY: Quincy	
TYPE OF PROJECT: Non-substantive			HSA: VII

PROJECT DESCRIPTION: The Applicants (Blessing Hospital d/b/a Blessing Hospital Surgery Center and Blessing Corporate Services, Inc. d/b/a Blessing Health System) propose to add Pain Management services to its existing ambulatory surgical treatment center (ASTC) in Quincy. There is no cost to this project. The project completion date is August 31, 2024.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Blessing Hospital d/b/a Blessing Hospital Surgery Center and Blessing Corporate Services, Inc. d/b/a Blessing Health System) propose to add Pain Management services to its existing ASTC on the campus of Blessing Hospital, in Quincy. There is no cost to this project. The project completion date is August 31, 2024.

- In August 2000, the Applicants were approved to establish a multi-specialty ASTC in Quincy (Permit #00-052), containing three operating rooms (ORs), and three procedure rooms for gastrointestinal procedures. In September 2019, the applicants were approved to discontinue the existing ASTC and relocate it to the Blessing Hospital campus (Permit #19-029). The newly remodeled ASTC added a fourth OR, and was approved for the following surgical services:
 - Cardiovascular
 - Colon & rectal surgery
 - Dermatology
 - General surgery
 - General dentistry
 - Neurological surgery
 - Obstetrics/Gynecology
 - Ophthalmology
 - Oral/maxillofacial surgery
 - Orthopedic surgery
 - Otolaryngology
 - Plastic Surgery
 - Podiatric Surgery
 - Thoracic surgery
 - Urology
 - Gastroenterology

- The Applicants propose to add Pain Management to its surgical services.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

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

PURPOSE OF THE PROJECT:

- The Applicants state the purpose of this project is to provide pain management services to a service area that currently lacks said services. The Applicants identified a 21-mile radius containing 15 zip codes, and a population of approximately 63,400 residents. The goal of this project is to provide pain management services in a lower cost setting than hospitals, in a facility licensed by the Illinois Department of Public Health.

PUBLIC HEARING/COMMENT:

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

SUMMARY:

- The State Board Staff reviewed the application provided by the Applicants and note the following:
The Applicants addressed 15 criteria and were not compliant with the following:

Criteria	Reasons for Non-Compliance
77 Ill. Adm. Code 1110.235(c)(5) – Treatment Room Need Assessment	The Applicants supplied a referral letter from Dr. Muhammad Iqbal, M.D. (application, p. 46) agreeing to refer 150 patients, which equates to 90 hours by the second year of operation. The Applicants predict the existing surgical services will continue to result in 6,744 hours of surgical utilization, for a total of 6,834 hours. These proposed utilization data would not increase the facility’s utilization to the State Board’s target utilization for a facility containing four ORs and three procedure rooms. The Applicants do not meet the requirements of this criterion.

STATE BOARD STAFF REPORT
Blessing Hospital Surgery Center
Project #24-002

APPLICATION CHRONOLOGY	
Applicants	Blessing Corporate Services, Inc. d/b/a Blessing Health System and Blessing Hospital d/b/a Blessing Surgery Center
Facility Name	Blessing Hospital Surgery Center
Location	1100 Spring Street, Quincy
Permit Holder	Blessing Health System
Operating Entity/Licensee	Blessing Hospital
Owner of Site	Blessing Hospital
Gross Square Feet	35,756 GSF
Application Received	January 30, 2024
Application Deemed Complete	January 31, 2024
Financial Commitment Date	N/A
Anticipated Completion Date	August 31, 2024
Review Period Ends	April 1, 2024
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicants (Blessing Corporate Services, Inc. d/b/a Blessing Health System, Blessing Hospital d/b/a Blessing Surgery Center) propose to add pain management services to an existing multi-specialty ASTC. The facility is located at 1100 Spring Street, Quincy. There is no cost associated with the project and the anticipated completion date is August 31, 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.

III. General Information

The Applicants are Blessing Corporate Services, Inc. d/b/a Blessing Health System and Blessing Hospital d/b/a Blessing Hospital Surgery Center. The proposed project will add a surgical specialty (Pain Management) to an existing multi-specialty ASTC located in Quincy. The facility currently provides 17 surgical specialties comprises 35,756 GSF of space, has four ORs and three procedure rooms. Blessing Surgery Center is a subsidiary of Blessing Hospital and Blessing Corporate Services, Inc.

IV. Health Service Area/Health Planning Area

The ASTC is in Adams County in Health Service Area III and in Hospital Planning Area (HPA) E-05. This HSA includes the following Illinois counties: Adams, Brown, Calhoun, Cass, Christian, Greene, Hancock, Jersey, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, and Scott. The E-05 HPA consists of Adams and Hancock counties, and the Schuyler county townships of Birmingham, Brooklyn, Camden, and Huntsville. The HPA also contains the Brown County townships of Pea Ridge, Missouri, Lee, Mount Sterling, Buckhorn, and Elkhorn. Per the December 2023 Inventory of Healthcare facilities, there are three hospitals and two ASTCs in the HPA (See Table One). The State Board Staff report notes that none of the facilities identified in Table One currently provide Pain Management services.

TABLE ONE				
Hospital/ASTCs in HPA E-05				
Hospitals				
Facility	City	ORs/Procedure	Operating Capacity	State Standard Met?
Blessing Hospital	Quincy	10/1	12,459/161	No
Memorial Hospital>	Carthage	2/0	1,088	No
QMG Hospital*	Quincy	N/A	N/A	N/A
ASTCs				
Blessing Hospital Surgery Center	Quincy	4/3	6,745/1,264	No
QMG Surgery Center	Quincy	5/3	6,223/1,858	No
*Facility under construction per CON permit #20-044				
>Facility is not located in the 21-mile GSA				
Data taken from the IDPH 2022 Hospital/ASTC Profile				
State standard: 1,500hrs/room				

V. Project Description

Blessing Hospital Surgery Center is an existing multi-specialty ASTC in Quincy. The facility currently provides 17 surgical specialties (application, p. 2). The applicants propose to add Pain Management via this application. The ASTC contains 35,756 GSF of space and is located on the Blessing Hospital campus. The ASTC contains four ORs and three procedure rooms. There are no costs associated with this project and there are no estimated start-up costs or operating deficit.

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.

Blessing Hospital is a wholly owned subsidiary of Blessing Corporate Services, Inc. d/b/a Blessing Health System, which was founded in December 1982, as a domestic corporation. Blessing Hospital was established as a domestic corporation in October 1873. The Applicants supplied proof of its Certificate of Good Standing and licensure/accreditation credentials. A letter was supplied, attesting that no adverse actions have been taken against the entity in the three years prior to application, and permitting the State Board and IDPH to verify any information contained in this application (see application page 32).

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 well-being 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 stated the purpose of this project is to provide pain management services to a service area that currently lacks said services. The Applicants identified a 21-mile radius containing 15 zip codes, and a population of approximately 63,400 residents. The goal of this project is to provide pain management services in a lower cost setting than hospitals, in a facility licensed by the Illinois Department of Public Health.

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

The project is classified as non-substantive and a Safety Net Impact Statement is not required. However, the Applicants did supply Charity Care data for years 2020, 2021, and 2022 (see Table Two).

TABLE TWO			
Charity Care			
Blessing Surgery Center			
	2022	2021	2020
Net Patient Revenue	\$21,992,945	\$25,069,011	\$21,803,612
Amount of Charity Care (charges)	\$1,079,892	\$663,848	381,133
Cost of Charity Care	\$250,613	\$132,750	\$74,816
Percentage	1.1%	.52%	.34%

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

To demonstrate compliance with this criterion, the Applicants 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.

Given the limited number of options to the project (add Pain Management), the Applicants identified an option to establish another ASTC to provide Pain Management services. The Applicants rejected this option, due to the significant cost to establish another facility. Based on these discoveries, the Applicants opted to add Pain Management services to its existing ASTC, a proposal that has no cost and would result in the same quality care provided by the Applicant facility.

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.

The Applicants proposes to add one surgical specialty (Pain Management) to an existing multi-specialty ASTC containing four ORs and three Procedure rooms. There are no intentions to increase space or perform any construction/modernization, and the reported clinical spatial allocations (7,300 GSF/ 3 surgical suites, 3 procedure rooms with 28 recovery stations) meets the state standard for size compliance and the requirements of the 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 OR. The Applicants note the facility currently operates more than the State standard of 1,500 hours/room and expects this level of utilization to continue. The introduction of Pain Management procedures will increase the utilization approximately 80-90 hours, exceeding the State Board standard for utilization.

VIII. Establish an Ambulatory Surgery Surgical Treatment Center

A) Criterion 1110.235(c)(2)(A) and (B) – Service to GSA Residents

To demonstrate compliance with this criterion, the Applicant must provide a list of zip codes that comprise the GSA. The Applicant must also provide patient origin information by zip code for the prior 12 months. This information must verify that at least 50% of the facility’s admissions were residents of the geographic service area.

By rule, the Applicants must provide a listing of all zip codes within the GSA of the ASTC (application, p. 44), and a referral letter including a listing of historical patient origin

information by zip code for the 169 historical referrals in 2023 (application, p. 46). By rule, the Applicants must document that 50% of the proposed referrals (surgeries) originated from within the GSA. In the 2022 referrals, the Applicants identified 5,070 patients served through the ASTC, with 2,560 (50.5%), patients originating from within the GSA (application, p. 44). The Applicants have met the requirements of this criterion.

B) Criterion 1110.235(c)(3) - Service Demand – Establishment of an ASTC Facility

To demonstrate compliance with this criterion, the Applicant must provide physician referral letters that attest to the total number of treatments for each ASTC service that was referred to an existing IDPH-licensed ASTC or hospital located in the GSA during the 12-month period prior to the application. The referral letter must contain:

1. *Patient origin by zip code of residence.*
2. *Name and specialty of referring physician.*
3. *Name and location of the recipient hospital or ASTC; and*
4. *Number of referrals to other facilities for each proposed ASTC service for each of the latest two years.*
5. *Estimated number of referrals to the proposed ASTC within 24 months after project completion.*
6. *Physician notarized signature signed and dated; and*
7. *An attestation that the patient referrals have not been used to support another pending or approved CON application for the subject services.*

By rule, the referrals to a proposed ASTC must be from IDPH licensed ASTCs or hospitals. The Applicants submitted a referral letter from Dr. Muhammad Sami Iqbal, attesting to the historical patient referrals for 169 surgeries/procedures in the past year (2023), and the approximate referral of patients for 150 procedures to the ASTC by the second year after project completion. The Applicants have met the requirements of this criterion.

C) Criterion 1110.235(c)(5) – Treatment Room Need Assessment

To document compliance with this criterion, the Applicant must provide the projected patient volume or hours to justify the number of ORs requested. The Applicant must document the average treatment time per procedure.

The State Board Staff notes the proposed project does not involve the addition of ORs or procedure rooms, and the Applicants anticipate operational volume to meet the State utilization standard for 2025, for a facility containing four operating rooms, and three procedure rooms. The Applicants supplied a referral letter from Dr. Muhammad Sami Iqbal (application, p. 46), projecting to refer 150 patients for pain management services. This equates to approximately 90 hours by the second year of operation. This, combined with the estimated 6,744 hours of non-pain management procedures would increase the facility's utilization to 6,834 hours, which does not meet the State Board's target utilization for facility with seven OR/procedure suites (10,500 hrs.). The Applicants do not meet the requirements of this criterion. Based on these projected utilization data, the Applicants can only justify having six ORs/procedure rooms.

D) Criterion 1110.235(c)(6) - Service Accessibility

To document compliance with this criterion the Applicant must document that the proposed ASTC services being established is necessary to improve access for residents of the GSA by documenting one of the following:

1. There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project.
2. 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.
3. 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.
4. The proposed project is a cooperative venture sponsored by two or more persons, at least one of which operates an existing hospital. Documentation shall provide evidence that:
 - A) The existing hospital is currently providing outpatient services to the population of the subject GSA.
 - B) 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.
 - C) 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
 - D) The proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

The State Board Staff note the following:

1. There are existing ASTCs and hospitals in the GSA that are under-utilized (see Table One).

The Applicants notes there are two ASTCs and three acute care hospitals (two in operation) in the GSA (see Table One). State Board staff notes neither of the ASTCs or hospitals provide or are approved to provide Pain Management services. The significant absence of pain management services indicates there are accessibility issues and the Applicants has successfully addressed this criterion.

E) Criterion 1110.235(c)(7) - Unnecessary Duplication/Maldistribution / Impact on Other Providers

1. To demonstrate compliance with this criterion, the Applicant must provide a list of all Licensed hospitals and ASTCs within the proposed GSA and their historical utilization (within the 12-month period prior to application submission) for the existing surgical/treatment rooms.
2. To demonstrate compliance with this criterion the Applicant must document the ratio of surgical/treatment rooms to the population within the proposed GSA that exceeds one and one half-times the State average.
3. To demonstrate compliance with this criterion the Applicant must document that, within 24 months after project completion, the proposed project:
 - A) Will not lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm. Code 1100; and
 - B) 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 Applicants stated the following to address this criterion:

The Applicants identified a GSA extending 21 miles in all directions from the ASTC, and State Board Staff concurs with these findings. This GSA includes 15 zip codes. The population for this GSA is approximately 63,400 persons. There is only one operational hospital and two ASTCs in the GSA (see Table One).

Unnecessary Duplication of Service

According to the applicants, the project will not result in an unnecessary duplication of service since the only operational acute care hospital and the two existing ASTCs do not provide Pain Management services.

Maldistribution

The Applicants note the room to population ratio does not indicate a surplus of surgical rooms in the GSA (see Table Three).

TABLE THREE			
Room to Population Ratio			
	Population	Rooms	Rooms to Population
State	13,129,223	2,904	1:4,521
GSA	63,400	27	1:2,348

Reviewer Note: A surplus is defined as the ratio of operating/procedure rooms to the population within the GSA [GSA Ratio] to the State of Illinois ratio that is 1.5 times the GSA ratio.

Impact on Other Facilities

The Applicants state the proposed project will have no impact on area facilities, due to the absence of Pain Management services in the GSA.

F) Criterion 1110.235(c)(8) - Staffing

To demonstrate compliance with this criterion, the Applicant must provide documentation that relevant clinical and professional staffing needs will be met, and a medical director will be selected that is board certified.

The applicants supplied a curricula vita for its Medical Director, Dr. Harsha V. Polavarapu M.D. (application, p. 55), and attests the proposed facility is operating with sufficient staffing levels required for licensure and the provision of safe and effective care. Based upon the information provided in the application for permit, it appears the ASTC will be properly staffed.

G) Criterion 1110.235(c)(9) - Charge Commitment

To document compliance with this criterion the Applicant must provide the following:

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

The Applicants supplied a statement of charges (application, p. 64) and attested that the identified charges will not increase for at least the first two years of operation.

H) Criterion 1110.235(c)(10) - Assurances

To demonstrate compliance with this criterion, the Applicant must attest that a peer review program will be implemented and the proposed ASTC will be at target occupancy two years after project completion.

The Applicants note that a peer review program to maintain quality patient care standards currently exists and notes that a quality improvement plan will be initiated if care standards come into question. The Applicants also note the ASTC will meet or exceed the utilization standards specified in 77 IAC 1100, by the second year of operation (application, p. 63).

24-002 Blessing Hospital Surgery Center - Quincy

