



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: I-01	BOARD MEETING: August 12, 2025	PROJECT NO: 24-041	PROJECT COST: Original: \$50,000
FACILITY NAME: Metroeast Surgery Center		CITY: Fairview Heights	
TYPE OF PROJECT: Non-Substantive			HSA: XI

PROJECT DESCRIPTION: The Applicants (Metroeast Endoscopic Surgery Center, LLC dba Metroeast Surgery Center, Haris Assets, LLC) propose to add urology surgical services to an existing ambulatory surgical treatment center located at 5023 N. Illinois Street, Suite 3, Fairview Heights, Illinois. The project costs a total of \$50,000, with an expected completion date of December 31, 2025.

Information regarding this Application for a Permit can be found at this link:

<https://hfsrb.illinois.gov/project.24-041,-metroeast-surgery-center.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Metroeast Endoscopic Surgery Center, LLC dba Metroeast Surgery Center, Haris Assets, LLC) propose adding urology surgical services to an ambulatory surgical treatment center at 5023 N. Illinois Street, Suite 3, Fairview Heights, Illinois. The project costs a total of \$50,000, with an expected completion date of December 31, 2025.
- The ASTC has two procedure rooms, 2 Stage 1 and 2 Stage 2 PACU Stations. The Surgery Center has been approved for general surgery, gastroenterology, OB/GYN, ophthalmology, pain management, plastic surgery, and podiatry.
- The Applicants received an Intent to Deny at the March 18, 2025, State Board Meeting. They provided a letter from Robert L. Hatchett, MD, the referring physician, as supplemental information.

BACKGROUND

- In March 2013, the State Board approved the establishment of the Metroeast Surgery Center, which has one procedure room that performs gastroenterology. In 2019, the State Board approved the Surgery Center's request to add a procedure room and the following surgical specialties: general surgery, plastic surgery, and gynecological surgery, to an existing limited specialty facility. In 2020, the State Board approved the surgery center's expansion to include pain management and ophthalmology services.

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. The State Board has received no letters of support or opposition.

SUMMARY:

- The Applicants state that this project is necessary to bring urology surgical services to the Metro-East St. Louis area and increase utilization at the ASTC. The Applicants are proposing 122 urological referrals to the Surgery Center. The Board Staff accepted 72 referrals from Dr. Hatchett. Fifty office-based referrals were not accepted because they were office-based. Of these 72 referrals, all are coming from healthcare facilities in Illinois that are outside the 17-mile Geographical Service Area ("GSA") (See Table Three). These 72 referrals are not from the Metro-East St. Louis Area. On average, these 72 referrals live approximately 50 miles from the Metroeast Surgery Center (See Table Four). The Applicants estimated 1.22 hours per procedure, including prep and cleanup, or approximately 88 hours ($72 \times 1.22 \text{ hours} = 88 \text{ hours}$). In 2023, the Surgery Center reported 1,284 hours, which equates to a 34.2% utilization rate. The additional 88 hours will increase the Surgery Center's utilization to 36.6%, well below the State Board's target occupancy of 80%. Five hospitals are within the 17-mile GSA. All but one is below the State Board's target occupancy of 80%.
- In supplemental material, Dr. Hatchett stated, *"he wanted to address a question posed by the State Board regarding the feasibility of my expanding my practice to Fairview Heights, as I do not foresee any issues with doing so. My plan to care for this community is to practice as a visiting specialist. I would initially visit Fairview Heights once or twice a month, with a plan to perform procedures at MESC and provide pre- and post-procedure visits in Dr. Ahmed's clinic, adjacent to MESC. I hope to increase this frequency as my reputation in the area continues to grow. I'm already*

a visiting specialist in the Mount Vernon area, an hour and 10 minutes away, so that I could combine my visits to both communities within a single trip.”

- The Applicants addressed a total of 21 criteria and were not compliant with the following:

Criterion	Non-Compliant
77 Ill. Adm. Code 1110.120 (b) – Projected Utilization 77 Ill. Adm. Code 1110.235 (c)(5) – Treatment Room Need Assessment	The additional 88 hours will not increase the ASTC to the State Board’s target occupancy of 80%. (See Pages 7-8 of this report.
77 Ill. Adm. Code 1110.235 (c)(4) – Service Demand	The physician referral letter documents patient referrals outside of the 17-mile GSA. Therefore, the State Board Staff could not identify the service demand as required by this criterion, and the applicants could not document the demand for urology services in this 17-mile GSA.
77 Ill. Adm. Code 1110.235 (c)(7) - Unnecessary Duplication of Service	Four of the five hospitals in the 17-mile GSA are underutilized and can accommodate the services being proposed by the Applicant. (See Page 12 of this report)



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STATE BOARD STAFF REPORT

Project #24-041

Metroeast Surgery Center

APPLICATION / SUMMARY	
Applicant(s)	Metroeast Endoscopic Surgery Center, LLC dba Metroeast Surgery Center and Haris Assets, LLC
Facility Name	Metroeast Surgery Center
Location	5023 North Illinois Street, Suite 3, Fairview Heights, Illinois
Permit Holder	Metroeast Endoscopic Surgery Center, LLC dba Metroeast Surgery Center
Owner of Site	Haris Assets, LLC
Application Received	December 23, 2025
Application Deemed Complete	December 27, 2023
Anticipated Completion Date	December 31, 2025
Review Period Ends	February 25, 2025
Received Intent to Deny	No
Review Period Extended by the State Board Staff?	No
Can the Applicant request a deferral?	Yes

I. Project Description

The Applicants (Metroeast Endoscopic Surgery Center, LLC, dba Metroeast Surgery Center, and Haris Assets, LLC) propose adding urology surgical services to an ambulatory surgical treatment center located at 5023 N. Illinois Street, Suite 3, Fairview Heights, Illinois. The project costs a total of \$50,000, with an expected completion date of December 31, 2025.

II. Summary of Findings

- A. State Board Staff finds the proposed project does **not** conform to all relevant provisions of Part 1110 (77 Ill. Adm. Code 1110).
- B. State Board Staff finds the proposed project is in conformance with all relevant provisions of Part 1120 (77 Ill. Adm. Code 1120).

III. General Information

The Applicants are MetroEast Endoscopic Surgery Center, LLC, doing business as MetroEast Surgery Center, and Haris Assets, LLC. The licensee is Metroeast Endoscopic Surgery Center, LLC, doing business as Metroeast Surgery Center, and the site owner is Haris Assets, LLC. This non-substantive project is subject to a Part 1110 and Part 1120 review. Financial commitment will occur after the permit is issued.

IV. Health Service Area

The ASTC is located in Health Service Area XI, which includes the Illinois Counties of Clinton, Madison, Monroe, and St. Clair. The population of Health Service Area XI is projected to be 587,864 by 2030, and it is expected to grow at a rate of 1.05% during the 2020-2030 decade, a significantly higher growth rate than the projected growth for Illinois, which is less than 1% during the same period. The 65+ population is projected to grow faster than the overall population, about 30%, in HSA XI during the same decade, comparable to the same rate across Illinois. The geographical service area for this project is a 17-mile radius of the ASTC. The GSA has a population of approximately 469,100 residents.

V. Project Uses and Sources of Funds

The Applicants are funding this project in full with cash and securities amounting to \$50,000, and these project costs are attributed to the purchase of movable and other equipment.

VI. 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

An applicant must demonstrate that they are fit, willing, and able, and have the qualifications, background, and character to provide a proper standard of health care service to *the community*. [20 ILCS 3960/6]

The ASTC is Joint Accredited. The Applicants certified that no adverse action has been taken against any facility owned and/or operated by the Applicants during the three years before the application filing. The Applicants also certify that 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 have provided the Illinois Health Facilities and Services Review Board (HFSRB) and Illinois Department of Public Health (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 different states, when applicable; and the records of nationally recognized accreditation organizations.

B) Purpose of the Project

The applicant shall document that the project will provide health services that improve the healthcare or well-being of the population to be served in the market area. The applicant shall define the planning area, market area, or other relevant area according to their definition.

The Applicants state that this project aims to improve access to urology for GSA residents and increase utilization at the ASTC, which currently has capacity. The Applicants state that the problems to be addressed with this application are:

- Long wait times for urology appointments for the population of the GSA.
- Patients residing in the GSA undergoing surgical procedures in an outpatient hospital setting.
- There is unused capacity at Metroeast Surgery Center.

C) **Safety Net Impact Statement**

This is a non-substantive project; a safety net impact statement is unnecessary. Table Two below documents the number of patients by Payor Source at Metroeast Surgery Center for 2019 - 2024. The Applicant's average payor mix for this period was 17.2% Medicaid, 30.5% Medicare, 7% other public, 45% Insurance, and 1% private pay. No charity care was reported during this period.

TABLE ONE						
Number of Patients by Payor Source						
	2019	2020	2021	2022	2023	2024
Medicaid	718	347	568	606	630	367
Medicare	1,183	642	1,281	861	1,120	640
Other Public	229	146	223	263	219	180
Insurance	1,501	1,039	1,508	1,427	1,221	1,775
Private Pay	30	14	11	17	4	15
Charity Care	0	0	0	0	0	0
	3,661	2,188	3,591	3,174	3,194	2,977

D) **Alternatives to the Project**

The applicant shall document that the proposed project is the most effective or least costly alternative for meeting the healthcare needs of the population it will serve.

The Applicants considered two alternatives to the proposed project.

1) **Status Quo/Do Nothing (no cost)**

The primary purpose of this project is to improve access to urology services. According to the Applicants, this alternative would not address these goals, as it would require patients to continue undergoing procedures in Missouri and the hospital setting. The Applicant states that doing nothing would not increase utilization at the Metroeast Surgery Center. This alternative was rejected.

2) **Utilize Other Health Care Facilities (no cost)**

The Applicants deemed this alternative infeasible. There are no other ASTCs within the 17-mile GSA that provide urology services. According to the

Applicants, the surgery center is a more convenient destination for these Illinois patients as it is centrally located near their residences and has multiple public transportation options. The Applicants state that adding urology surgical specialties at the Metroeast Surgery Center will provide patients and payers with a convenient, high-quality, lower-cost alternative.

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 applicant shall document that the physical space proposed for the project is necessary and appropriate. The proposed square footage cannot deviate from the square footage range indicated in Appendix B or exceed the square footage standard in Appendix B if the standard is a single number, unless square footage can be justified by documenting, as described in subsection (a)(2).

The Applicants are not proposing new construction or modernization for this project.

B) Projected Utilization

To document compliance with this criterion, the applicant must demonstrate that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment meets or exceeds the utilization standards specified in Appendix B. The number of projected years shall not exceed the number of documented historical years.

The State Board standard for operating procedure rooms is 1,500 hours annually. The Applicants state that the ASTC’s annual utilization will improve and be closer to the State Board’s utilization standard. The Applicants estimated 1.22 hours per procedure, including prep and cleanup, or approximately 88 hours (72 x 1.22 hours = 88 hours). In 2024, the Surgery Center reported 1,086 hours, which equates to a 36.2% utilization rate. The additional 88 hours will not bring the Surgery Center's occupancy up to the State Board’s target. The extra 88 hours will increase surgery utilization to 39.2%, which is well below the 80% target occupancy.

TABLE TWO							
Utilization of ASTC							
2019-2024							
	2019	2020	2021	2022	2023	2024	
Gastro							
Cases	3,645	1,768	2,922	3,142	3,187	2,977	
Hours	2,673	1,298	2,143	2,304	1,275	1,086	
General Surgery							
Cases	6	48	0	0	0	0	
Hours	9	168	0	0	0	0	

TABLE TWO						
Utilization of ASTC						
2019-2024						
	2019	2020	2021	2022	2023	2024
Ophthalmology						
Cases	0	243	538	28	0	0
Hours	0	202	450	23	0	0
Pain Management						
Cases	0	0	124	0	0	0
Hours	0	0	50	0	0	0
Podiatry						
Cases	0	2	7	0	7	0
Hours	0	4	11	0	9	0
Plastic Surgery						
Cases	10	0	0	0	0	0
Hours	20	0	0	0	0	0
Total Cases	3,661	2,061	3,591	3,170	3,194	2,977
Total Hours	2,702	1,672	2,654	2,327	1,284	1,086
Utilization	72.05%	55.73%	88.47%	77.57%	42.80%	36.3%

VIII. 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

A) Service to Geographic Service Area Residents

The Applicants shall document that the project's primary purpose will be to provide necessary health care to the residents of the GSA in which the proposed project will be physically located.

- i) The Applicants shall provide a list of zip code areas (in total or in part) that comprise the GSA. The GSA comprises all zip code areas within the established radii outlined in 77 Ill.—Adm. Code 1100.510(d) of the project's site.
- ii) The Applicants 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 on the patient's legal residence (excluding a healthcare facility) for the 6 months immediately preceding admission.

The established radii for a facility located in St. Clair County is 17 miles (per 77 Ill. Adm. Code 1100.510(d)(2)). The Applicants identified 43 zip codes within the 17-mile GSA, which has a population of approximately 469,100 residents. The Applicants attested that 92.3% of the patients in 2023 of this ASTC were from the 17-mile GSA. The Applicants have addressed this criterion.

B) Service Demand –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 last 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 referred to existing IDPH-licensed ASTCs or hospitals in the GSA during the 12 months before application submission. 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 the last 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 months before application submission.
- 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 24 months 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 24 months 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 that this project is necessary to bring urology surgical services to the Metro-East St. Louis area and increase utilization at the ASTC. The Applicants are proposing 122 referrals to the Surgery Center. The Board Staff accepted 72 referrals from Dr. Hatchett. Of these 72 referrals, all are coming from healthcare facilities in Illinois that are outside the 17-mile GSA. Fifty office-based referrals were not accepted because they were office-based. The Applicants estimated 1.22 hours per procedure, including prep and cleanup, or approximately 88 hours (72 x 1.22 hours = 88 hours). In 2024, the Surgery Center reported 1,086 hours, which equates to a 36.3% utilization rate. The additional 88 hours will not bring the Surgery Center's occupancy up to the State Board's target.

TABLE THREE				
Health Facilities of Referral Sources				
Facility	Location	Miles	Historical	Proposed Referrals
Marion Healthcare Surgery Center	Marion	108	141	18
SSM Health Good Samaritan Hospital	Mt. Vernon	67.4	15	2
Heartland Regional Medical Center	Marion	108	4	1
Herrin Hospital	Herrin	106	19	2
Harrisburg Medical Center	Harrisburg	120	380	49
Office Practice			0	50
Total Cases			559	122

The Applicants must document that the proposed project is necessary to accommodate **the service demand** it has experienced annually over the last two years, as evidenced by historical and projected referrals. The Board Staff could not identify the service demand as required by this criterion. Historically, the ASTC operated at 34% utilization in 2023. Based on the referral letter from Dr. Hatchett, an additional 88 hours are projected, which, if realized, would increase utilization to 36.6%. Additionally, all projected referrals come from outside the 17-mile GSA (See Table below).

TABLE FOUR			
Location of Projected Referral (Zip Code and City)			
Zip	City	Miles	Projected Referrals
62086	Sorento	43.5	2
62230	Breese	29.7	2
62257	Marissa	31.3	1
62262	Mulberry	52.4	1
62263	Nashville	42.7	1
62268	Oakdale	47.6	1
62274	Pinckneyville	58.8	12
62294	Troy	17.8	1
62801	Centralia	50	22
62831	Du Bois	60.2	2
62832	Du Quoin	70.2	19
62882	Sandoval	53.3	1
62888	Tamara	66.1	7
Total			72

D) 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 facility has two procedure rooms. The Applicants cannot justify the two procedure rooms. See Criterion 1110.110 (b) – Projected Utilization for a complete discussion. The Applicants have not met the requirements of this criterion.

E) 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 those existing, underutilized services in the GSA have restrictive admission policies.

D) The proposed project is a cooperative venture sponsored by two or more persons, at least one of whom is operating 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 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 operate at or above the utilization rate specified in 77 Ill. Adm. Code 1100 for 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.

As Table Five shows, there are no ASTCs in the 17-mile GSA. The Applicants have met one of the conditions of this criterion.

TABLE FIVE

Hospitals and ASTCs Located In the GSA

Facility	City	Facility Type	Distance (in miles) from Applicants' Facility	Rooms	Surgical Hours			Utilization		
Year					2022	2023	2024	2022	2023	2024
HSBS St. Elizabeth's Hospital	O'Fallon	Hospital	6	15	25,429	25,430	24,218	90.41%	90.42%	86.11%
Memorial Hospital East	Shiloh	Hospital	5	6	4,738	5,054	4,506	42.12%	44.92%	40.05%
Memorial Hospital	Belleville	Hospital	4	33	12,261	12,715	13,248	19.82%	20.55%	21.41%
Gateway Regional Medical Center	Granite City	Hospital	13.6	6	777	763	2,070	6.91%	6.78%	18.40%
Anderson Hospital	Maryville	Hospital	12	11	10,244	10,522	10,063	49.67%	51.02%	48.79%

F) Unnecessary Duplication/Maldistribution

A) The Applicants shall document that the project will not result in unnecessary duplication. The Applicants 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 healthcare facilities within the GSA that provide the ASTC services proposed by the project.

B) The Applicants 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 a population that exceeds one and one-half times the State average.
- ii) historical utilization (for the latest 12-month period before application submission) for existing surgical/treatment rooms for the ASTC services proposed by the project, 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 the utilization standards specified in 77 Ill. Adm. Code 1100.

C) The Applicants 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 Applicants note that the proposed project will not result in the maldistribution of services based on the ratio of surgical rooms to population (see Table Five). The Applicants identified five hospitals in their application, as shown in Table 4 above. The five hospitals within the GSA provide urology surgical services, which can be accommodated at the underutilized facilities in the GSA (See Table Five).

The Applicants believe that the Project will not harm existing facilities in the GSA or reduce the utilization of other area providers operating below occupancy standards, but will improve the utilization of MESC, which can credential more physicians. Notably, this project does not increase surgical capacity at the GSA. The MESC ASTC will have two key rooms, which it currently has. MESC merely seeks authority from the State Board to add a surgical specialty to its existing ASTC.

Table Six illustrates the ratio of population to operating/procedure rooms.

TABLE SIX The ratio of Surgery / Treatment Rooms to Population				
	Population	OR/Procedure Rooms	Rooms to Population	Standard Met?
GSA	469,100	86	1:5,449	Yes
State of Illinois	12,671,821	2,639	1:4,802	

G) Staffing

A) Staffing Availability

The Applicants 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 Applicants shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed employment applications, or a narrative explanation of how the proposed staffing will be achieved.

B) Medical Director

It is recommended that the procedures for each ASTC service be directed by 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.

According to the Applicants, the facility is currently staffed in accordance with all IDPH and Medicare Requirements.

H) Charge Commitment

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 Applicants 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 under 77 Ill. Adm. Code 1130.310(a).

The Applicants provided the necessary attestation as required by this criterion (see Page 69 of the Application for Permit).

I) Assurances

A) The Applicants shall attest that a peer review program exists or will be implemented to evaluate whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services. A quality improvement plan will be initiated if the outcomes do not meet or exceed the established standards.

B) The Applicants 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 attestation as required by this criterion (see Page 69 of the Application for Permit).

IX. Financial Viability and Economic Feasibility

- A. Criterion 1120.120 – Availability of Funds**
- B. Criterion 1120.130 – Financial Viability**
- C. Criterion 1120.140(a) – Reasonableness of Debt Financing**
- D. Criterion 1120.140(b) – Terms of Debt Financing**
- E. Criterion 1120.140(c) – Reasonableness of Project Costs**

The Applicants will fund this project with \$50,000 in cash, which will be allocated to purchase surgical room equipment. The State Board standard for movable equipment costs is \$551,212 per surgical room. It appears the Applicants have met the criteria listed above.

- F) Criterion 1120.140(d) – Direct Operating Costs**
- G) Criterion 1120.140(e) – Total Effect of the Project on Capital Costs**

Direct operating expenses for 2025, the second year after project completion, are \$614.70 per procedure/visit. The project's total effect on capital costs is \$409.84 per visit/procedure. The State Board does not have standards for these costs.

24-041 Metroeast Surgery Center - Fairview Heights



1 CHAIRWOMAN SAVAGE: And I vote yes based
2 on the staff report and the testimony today.

3 MR. ROATE: Thank you.

4 That's eight votes in the
5 affirmative.

6 CHAIRWOMAN SAVAGE: The application is
7 approved. Thank you.

8 All right. So now we're going to
9 move on to H-07, Metroeast Surgery Center in
10 Fairview Heights, HSA-XI.

11 And Madam Court Reporter, do you
12 need something to drink?

13 COURT REPORTER: Yes. Thank you.

14 CHAIRWOMAN SAVAGE: We'll take one
15 moment.

16 Okay. So now in relation to
17 H-07, may I have a motion to approve Project
18 24-041 to add a surgical specialty to this
19 existing licensed ASTC.

20 MEMBER LEGRAND: So moved. LeGrand.

21 MEMBER HENDRICKSON: Monica Hendrickson.
22 Second.

23 CHAIRWOMAN SAVAGE: That was LeGrand
24 first and Hendrickson second.

1 Okay. If you guys could
2 introduce yourselves, spell your name for the
3 court reporter, and then she'll swear you in.

4 MS. PRICE: My name is Kathryn Price,
5 K-A-T-H-R-Y-N P-R-I-C-E.

6 MS. FRIEDMAN: And I'm Kara Friedman,
7 K-A-R-A F-R-I-E-D-M-A-N.

8 (The parties were duly sworn.)

9 CHAIRWOMAN SAVAGE: Thank you.

10 Mike or George, if you could give
11 us our State Board staff report.

12 MR. CONSTANTINO: Thank you, Madam Chair.

13 The applicants are proposing to
14 add urology surgical services to an ambulatory
15 surgical treatment center located in Fairview
16 Heights, Illinois. The project cost totals
17 approximately \$50,000, and the expected
18 completion date is December 31st, 2025.

19 Public hearing was offered but
20 was not requested. The State Board has
21 received no letters of support or opposition.
22 We have findings related to this project.

23 Thank you, Madam Chair.

24 CHAIRWOMAN SAVAGE: Thank you.

1 If you'd like to proceed.

2 MS. PRICE: My name is Kathryn Price.
3 I've been a practicing nurse for over 18
4 years, and I'm currently a clinical
5 administrator at the Metroeast Surgery
6 Center -- I'm having problems reading my own
7 paper -- in Fairview Heights. As its name
8 describes, we're located in the Metro East
9 region, St. Louis area.

10 Thank you for this opportunity to
11 present our plans for you today.

12 At this surgery center, we
13 prioritize innovation and patient-centric
14 care, and quality assurance is paramount to
15 our operations. We implement stringent
16 protocols, conduct continuous training, and
17 adopt the latest medical technologies.

18 This commitment to excellence is
19 crucial to our success in introducing new
20 physicians to our organization and to
21 providing an excellent patient experience. By
22 fostering a culture of inclusivity and
23 excellence, we empower our patient care teams
24 to contribute to our success. I'm truly proud

1 of our care providers and what we do.

2 I'm here today to request
3 permission for the Fairview Heights ASC to be
4 credentialed with a urologist so he can
5 provide routine urological procedures in our
6 community.

7 I want to emphasize that this
8 protocol is unopposed. We are not adding OR
9 capacity in the planning area and there is no
10 physical plant alterations needed to bring
11 this physician on board.

12 We already employ a great
13 clinical staff and are well-qualified to
14 support the minimally invasive procedures
15 Dr. Hatchett is planning to perform. We've
16 budgeted \$50,000 for equipment purchases for
17 items specific to urological needs.

18 Bringing Dr. Hatchett on would
19 allow him to take advantage of the resources
20 that we -- our center already has in place.
21 Doing so would allow us to make better use of
22 our existing capacity.

23 While everyone in our area
24 recognizes that patients need to travel to

1 St. Louis for tertiary care services like
2 complex cardiovascular care, for simple
3 outpatient minimally invasive urology
4 procedures that can be routinely performed at
5 Metroeast Surgery Center, patients really
6 don't want to leave our community and cross
7 the river to receive care in Missouri.

8 This is especially true for our
9 older patients and because patients must have
10 a friend to accompany them because they're
11 under sedation. Further, traveling to
12 Mississippi is usually not an option for
13 Medicaid patients as most Missouri surgery
14 centers don't contract with Illinois Medicaid
15 plans.

16 Since we contract with the
17 Medicare managed care plans in the St. Clair
18 County, expanding our physician roster will
19 have a meaningful contribution to healthcare
20 access for our area residents. For context,
21 Medicaid patients made up 19.7 percent of our
22 2023 payer mix at Metroeast Surgery Center.

23 As a county with over 250,000
24 residents, St. Clair should have these types

1 of less complex surgical care more readily
2 available, and Metroeast Surgery Center
3 represents a centrally located option for
4 these patients near their Illinois residences.

5 Neither of Dr. Ahmed's centers
6 are currently approved for urology procedures.
7 From a health planning perspective, that makes
8 this project an important option for
9 increasing access to our area.

10 Freestanding centers like ours
11 provide the same high-quality surgical care as
12 hospitals but in a more accessible setting and
13 most always at a fraction of the cost. This
14 cost savings is important for state and
15 federal health programs, payers, employers,
16 and obviously patients and their families.

17 We have a stellar infection
18 control record, and our surgical site
19 infection rate is zero. HAI's are a common
20 problem in hospitals and serious complications
21 can be avoided in the ASC setting.

22 This combination of quality,
23 convenience, and affordability has led to
24 significant growth in the ASC volumes

1 nationwide and led to Medicare's approval of
2 many more surgery types for reimbursement in
3 the ASC setting.

4 As more cases are expected to
5 shift from hospitals to ASCs, the United
6 States ASC market is projected to grow 59
7 percent from 2021 to 2028.

8 Finally, Dr. Hatchett is an
9 African American physician and, as he has
10 discussed in his referral letters, his
11 provision of patient care in the region where
12 he has only recently begun to practice, which
13 is the basis of a somewhat lower procedure
14 volume, will significantly enhance the
15 delivery of cultural competent care.

16 The demographic makeup of the
17 communities we serve is about one-third
18 African American. As the Board knows, black
19 communities face significant health
20 disparities, including higher rates of chronic
21 illness and shorter life expectancies compared
22 to white counterparts.

23 These disparities are often
24 linked to systematic racism and lack of access

1 to quality care. We can help improve this
2 situation by bringing Dr. Hatchett to the
3 center.

4 We're very proud of what we do in
5 our community and with our patients, and we
6 remain financially viable despite being
7 smaller centers.

8 Our plans to bring Dr. Hatchett
9 on to the medical staff will allow us to make
10 better use of our existing staff and our
11 procedure rooms. We ask that the Board
12 approve our request.

13 I'm happy to answer any questions
14 at this time.

15 CHAIRWOMAN SAVAGE: Okay. So my first
16 question is related to the Table 2 on page 7
17 and 8. So it looks like all of your
18 specialties -- currently you have, like, no
19 patients for '22, '23. Except for
20 ophthalmology, you had some in 2022, but the
21 rest of the specialties you're approved for
22 have no cases. So what is up with that?

23 MS. PRICE: Well, speaking with
24 Dr. Ahmed, a lot of physicians leave the area

1 and they go to the St. Louis region. We did
2 just recently get the CON for neurology and
3 ortho, and we started picking up cases at
4 the -- we predominantly -- at the OSC, which
5 is the O'Fallon Surgery Center, we do cataract
6 surgery, and we also do neuro/ortho,
7 everything like that.

8 I myself am very happy that you
9 guys gave us that certificate of need. I am a
10 clinical nurse. That's what I do. I'm on
11 that level. And I love it because we've
12 branched out and we are building that, which
13 is what I hope to go forward with urology.

14 He does have Dr. Hatchett on
15 board. We've had podiatry cases. We've had,
16 you know, other doctors in, and they just
17 either have other -- I'm trying to think of
18 the word.

19 CHAIRWOMAN SAVAGE: Practices.

20 MS. PRICE: -- practices as well with the
21 hospitals. They have other contracts and
22 stuff with them. Or they move. And, I mean,
23 that's how we've lost some of those doctors.

24 But our neuro/ortho has built up,

1 and we're hoping to do the same with urology.

2 CHAIRWOMAN SAVAGE: Other questions?

3 Mr. Budde.

4 MEMBER BUDDE: Where Dr. Hatchett's
5 practice located at?

6 MS. FRIEDMAN: So he has primarily worked
7 farther south, and I think it's like in the
8 last seven months he started to do cases. So
9 his primary practice is --

10 (Interruption by the reporter.)

11 CHAIRWOMAN SAVAGE: Talk into the
12 microphone.

13 MS. FRIEDMAN: His primary practice
14 location is further south, I think about 60
15 miles. So the intent here is that he's coming
16 on a periodic basis to do these cases.

17 I think he's already doing cases
18 at the Granite City Hospital. So we're not
19 looking to transfer any of those cases. We do
20 have primary care physicians that we expect
21 we'll refer for urology procedures.

22 MEMBER BUDDE: Dr. Hatchett's practice,
23 primary practice is in Marion, Illinois, and
24 that's an hour and a half drive up to where

1 you're located, and the intention is he's
2 going to come up there and do cases?

3 MS. FRIEDMAN: Well, he already is doing
4 cases at the Granite City Hospital. So he has
5 a practice of doing that.

6 CHAIRWOMAN SAVAGE: And how are the
7 patients going to see him easily before their
8 procedure?

9 MS. PRICE: To my understanding of
10 talking with Dr. Ahmed, I think at the
11 facility in Fairview Heights where we would be
12 getting the certificate of need for, I -- my
13 understanding is he's going to be seeing them
14 there and then he's going to, you know, plan
15 the procedures and do them at our facility.

16 CHAIRWOMAN SAVAGE: Other questions?

17 MEMBER TANKSLEY: Question and comment a
18 little bit.

19 I commend you for finding a
20 urologist, and especially a urologist of
21 African American descent. That's a needle in
22 a haystack.

23 I also have the same question
24 about his -- how long you think or anticipate

1 that he may be with you in that space. And
2 I'm sure you're not able to say -- you know,
3 exactly to say, you know, what someone's
4 intent would be. So that's why I said
5 question and comment.

6 I went to school in this area, so
7 I'm very familiar with that southern Illinois
8 kind of space. Where he practices currently
9 in Marion, Fairview Heights, to Mr. Budde's
10 point, is quite a distance.

11 I don't know if you have some
12 other carrots in your bag, you know, like
13 affiliations with academic institutions or
14 other things that may be appealing. Because I
15 can just tell you from experience and from,
16 you know, being in that area as well, it's not
17 always a very welcoming community to live in
18 every day; and while you may come in and go
19 out, you know, you want to find something -- I
20 think it would be beneficial to you guys to
21 have something that would also be -- that
22 would help him to stay and practice there
23 because it would be a benefit to your entire
24 community, so. It may be --

1 MS. FRIEDMAN: To your point, this
2 physician has been practicing for probably 30
3 years. So will he be practicing in five
4 years? We do not control that. He cannot do
5 procedures at this facility unless you approve
6 urology. It would be great if he was able to
7 recruit someone to take over his practice when
8 he retires, but those are the sorts of things
9 that the provider does not control.

10 MEMBER TANKSLEY: Exactly. The pattern
11 that you have here based on your report,
12 though, is that you don't typically -- I don't
13 know what has happened, but somehow the
14 procedures you get approved for, you have them
15 for a year or so and then they fall off. So
16 that was the only reason I was mentioning
17 that. Five years would be better than what
18 you present in here.

19 MS. FRIEDMAN: Well, in ophthalmology --
20 you kind of mentioned it, but not
21 specifically. The ophthalmologists are doing
22 their cases at the O'Fallon Surgery Center,
23 which is in the -

24 (Interruption by the reporter.)

1 MS. FRIEDMAN: The ophthalmologists are
2 now doing their cases at the O'Fallon Surgery
3 Center, and so they kind of consolidated the
4 location where they do the cases. But that
5 service is available in the community by the
6 utility of this surgery center.

7 MEMBER TANKSLEY: Correct. I'm just
8 referring to this particular surgery center
9 and the data that's presented here.

10 MS. PRICE: I can speak for that too
11 because working as the clinical nurse at the
12 O'Fallon practice.

13 We were doing the ophthalmology
14 at the Fairview Heights office and then it
15 became -- they ended up utilizing the O'Fallon
16 Surgery Center because that particular doctor
17 ended up building, like, right across the
18 parking lot from where we're at.

19 So we now have -- when I first
20 started, there was only two days of cataract
21 surgery and now there's four days. So at that
22 particular office, we literally have all five
23 days booked for -- four of them are
24 ophthalmology and then the fifth is

1 ortho/neuro.

2 And speaking in a nursing
3 standpoint, just with the Medicaid, the
4 Medicare, all of that kind of stuff, I don't
5 do -- deal with billing much, but I can tell
6 you that there have been people, especially
7 with this neuro/ortho that had started up, you
8 know, I'm talking to people and I confirm
9 their surgeries and I go over all their
10 questions and all that stuff, and I've had
11 many, you know, end up telling me that they
12 can't pay out of pocket; that, you know, this
13 has become an issue in the past and they need
14 to know up front how much they owed.

15 And I guess because you don't
16 have that overhead, that you don't have --
17 we've approved people for surgeries for these
18 things, which I'm hoping will happen with
19 urology as well; that people who would not
20 necessarily be able to be seen get the
21 procedures that they need done will have it
22 more readily available in the community, that
23 they'll be able to actually do that.

24 And, you know, part of the thing

1 is building trust with the doctors that you
2 have come in. They want to know that they're
3 going to have a complete staff, which we have
4 been -- I don't know what kind of paperwork
5 you guys have, but we've got the same staff
6 for like the last three years. It's been very
7 consistent, and it's been very consistent at
8 both facilities.

9 So, you know, just knowing -- I
10 think that's part of our ortho/neuro is him
11 knowing that he's got his staff there and that
12 he'll be able to do his procedures. The same
13 with the Fairview Heights office, knowing that
14 we'll be there, knowing we'll help them get
15 that -- those procedures going and do it to
16 our fullest capability I think is what's going
17 to be needed to get this urologist on board,
18 maybe get more in the community at that time.

19 CHAIRWOMAN SAVAGE: Other questions?

20 MEMBER TANKSLEY: Was the doctor invited
21 to this today?

22 MS. FRIEDMAN: There was a discussion
23 about him coming, but he does live very far
24 away, and every time a physician has to come

1 to a meeting like this they have to cancel all
2 of their cases. So we did not ask him to
3 come.

4 MEMBER TANKSLEY: Thank you.

5 MS. PRICE: Now, Dr. Ahmed, he would have
6 had to cancel his procedures as well, and
7 that's why he sent me in his stead, because we
8 actually -- I mean, for his practice, there
9 are people that schedule a year in advance.
10 Anybody who knows in this room, you know, that
11 you schedule for a colonoscopy or endoscopy,
12 anything like that, sometimes we schedule them
13 before they even walk out the door for the
14 next year.

15 So they do -- we have a pretty
16 steady patient -- you know, and then we would
17 have had to call all of them and cancel it.
18 And anybody who's prepped for all that stuff
19 knows you don't want that canceled, not at
20 all.

21 CHAIRWOMAN SAVAGE: And for Fairview
22 Heights, what are you all doing? Do you have
23 any idea the doctor who owns it, what they're
24 doing to recruit these other specialty

1 physicians? I mean, how many days in your
2 surgery center are you busy at all?

3 MS. PRICE: He is very -- oh, we're
4 always busy. Like I said, the O'Fallon
5 Surgery Center we are busy five days a week
6 with the ophthalmology and the neuro/ortho,
7 and with him he's busy five days a week. And
8 then, to my understanding, what he would end
9 up doing is dedicating one of those days and
10 making his like four days like we did before
11 with ophthalmology.

12 So until the other center was
13 built and we could use that, we had to put
14 ophthalmology where he is. So after that
15 center was built then, like I said, we've just
16 increased volume.

17 And, I mean, I would think there
18 was enough cataract surgery done that we'd run
19 out of eyes, but apparently not. Apparently
20 that's not true, so. And also with his
21 practice, I mean, you're not going to run out
22 of the daily needs there, so.

23 CHAIRWOMAN SAVAGE: Mike, did you have a
24 question?

1 MR. CONSTANTINO: I'm just going to
2 remind the Board, this isn't O'Fallon. This
3 is Fairview Heights.

4 MS. PRICE: Fairview Heights, yes.

5 MR. CONSTANTINO: Neuro does not have
6 anything to do with what's before the Board
7 today. Orthopedics doesn't have anything to
8 do with what's before the Board today. It's
9 about urology.

10 MS. PRICE: Yes. Well, it's about
11 bringing that practice as, you know, other
12 practices -- I'm hoping that, you know, by
13 bringing the other practices in, by bringing
14 urology in, we can meet the needs of the
15 community.

16 CHAIRWOMAN SAVAGE: Okay. All right.
17 George, if you could call the roll.

18 MR. ROATE: Thank you, Madam Chair.

19 Motion made by Ms. LeGrand,
20 seconded by Ms. Hendrickson.

21 Mr. Budde.

22 MEMBER BUDDE: I'd feel a lot better
23 about this if the physician had roots up in
24 that area, and I know he doesn't, and I hate

1 to see another service added that is just not
2 utilized, so I'm going to vote no.

3 MR. ROATE: Thank you.

4 Mr. Burnett.

5 MEMBER BURNETT: I'm in agreement with my
6 colleague. I'll vote no.

7 MR. ROATE: Thank you.

8 Mr. Fox.

9 MEMBER FOX: It's always a roll of the
10 dice when a physician expresses interest in
11 moving into a new area, and I have concerns
12 about the commute, but the facility is already
13 there and increased utilization, if it
14 happens, would be a good thing, so I'm going
15 to vote yes.

16 MR. ROATE: Thank you.

17 Ms. Hendrickson.

18 MEMBER HENDRICKSON: While I appreciate
19 what the group is trying to do bringing in
20 another specialty in this area, I feel the
21 track record, to me, would be
22 (indecipherable), so with that I will be
23 voting no.

24 MR. ROATE: Thank you.

1 Mr. Kaatz.

2 MEMBER KAATZ: For a \$50,000 expenditure
3 to see another service added to your
4 community, I'm going to vote yes.

5 MR. ROATE: Thank you.

6 Ms. LeGrand.

7 MEMBER LEGRAND: At this time I will
8 abstain from voting, please.

9 MR. ROATE: Thank you.

10 Dr. Tanksley.

11 MEMBER TANKSLEY: May I ask a point of
12 clarification prior to my vote?

13 CHAIRWOMAN SAVAGE: Sure.

14 MEMBER TANKSLEY: Has Dr. -- I'm sorry.
15 I forgot his name.

16 MEMBER HENDRICKSON: Hatchett.

17 MEMBER TANKSLEY: Hatchett. Thank you.
18 What a name for a surgeon.

19 Has Dr. Hatchett signed on to
20 being a part of this already?

21 MS. FRIEDMAN: Yes. We've submitted a
22 referral letter that has his promise of
23 referrals.

24 MS. PRICE: Yes.

1 MEMBER TANKSLEY: And that's considered
2 signing on, promise of referrals?

3 MS. FRIEDMAN: Yes.

4 MEMBER TANKSLEY: Okay. I'm not a legal
5 person.

6 So I will vote yes based on the
7 testimony that you provided, the data that
8 exists that having providers of different
9 cultural backgrounds improves the outcomes of
10 those -- everyone in that community, not just
11 the individuals who look like them, and
12 looking at Fairview Heights demographic, I
13 think they could use a physician like that as
14 well. And urology is so important with
15 prostate cancer.

16 So if anything else, I'm going to
17 vote yes for the service line.

18 MS. PRICE: Thank you.

19 MR. ROATE: Thank you.

20 Chairwoman Savage.

21 CHAIRWOMAN SAVAGE: And I'm going to vote
22 yes as well to bring the diversity to your
23 community and the service to your community
24 based on the State Board staff report and the

1 testimony today.

2 MR. ROATE: That's four votes in the
3 affirmative, three votes in the negative, and
4 one vote of abstinence.

5 CHAIRWOMAN SAVAGE: And so unfortunately
6 that permit was denied, intent to deny, sorry,
7 and so you can talk with the Board staff after
8 the meeting.

9 Thank you. But you did a good
10 job.

11 MS. PRICE: Thank you.

12 CHAIRWOMAN SAVAGE: Okay. Now we're
13 going to move on to H-08, Elmhurst Memorial
14 Hospital in Elmhurst, HSA-VIII.

15 May I have a motion to approve
16 Project 24-042 for a modernization and
17 expansion project.

18 May I have a motion.

19 MEMBER TANKSLEY: So moved.
20 Dr. Tanksley, Audrey Tanksley.

21 MEMBER LEGRAND: Second. Monica LeGrand.

22 CHAIRWOMAN SAVAGE: Okay. We have some
23 new folks. So if you could introduce
24 yourselves, spell your name for the court