



# STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

<b>DOCKET NO:</b> H-09	<b>BOARD MEETING:</b> March 18, 2025	<b>PROJECT NO:</b> 24-041	<b>PROJECT COST:</b> Original: \$50,000
<b>FACILITY NAME:</b> Metroeast Surgery Center		<b>CITY:</b> Fairview Heights	
<b>TYPE OF PROJECT:</b> Non-Substantive			<b>HSA:</b> 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. Project costs total \$50,000, and the expected completion date is 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. Project costs total \$50,000, and the expected completion date is 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.

### **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 to add one 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 to add pain management and ophthalmology.

### **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 x 1.22 hours = 88 hours). In 2023, the Surgery Center reported 1,284 hours, which equates to 34.2% utilization. The additional 88 hours will increase the Surgery Center utilization to 36.6% utilization, 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%.
- 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.

<b>Criterion</b>	<b>Non-Compliant</b>
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, Haris Assets, LLC) propose adding urology surgical services to an ambulatory surgical treatment center at 5023 N. Illinois Street, Suite 3, Fairview Heights, Illinois. Project costs total \$50,000, and the expected completion date is December 31, 2025.

### II. Summary of Findings

- A. State Board Staff finds the proposed project does not conform with 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 dba Metroeast Surgery Center, and Haris Assets, LLC). The licensee is Metroeast Endoscopic Surgery Center, LLC dba 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 permit issuance.

**IV. Health Service Area**

The ASTC is in Health Service Area XI, including 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 projected to grow by 1.05% during the 2020 to 2030 decade, a significantly higher rate of growth 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 of cash and securities amounting to \$50,000, and these project costs are attributed to the purchase of moveable 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 he is fit, willing, and able and *has the qualifications, background, and character to adequately provide a proper standard of health care service for 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 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 health care or well-being of the market area population to be served. The applicant shall define the planning area, market area, or other area according to the applicant's 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 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 - 2023. The Applicant's average payor mix for this period was 18% Medicaid, 32% Medicare, 7% other public, 42% Insurance, and 1% private pay. No charity care was reported during this period.

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Medicaid	718	347	568	606	630
Medicare	1,183	642	1,281	861	1,120
Other Public	229	146	223	263	219
Insurance	1,501	1,039	1,508	1,427	1,221
Private Pay	30	14	11	17	4
Charity Care	0	0	0	0	0
	3,661	2,188	3,591	3,174	3,194

**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 in the 17-mile GSA providing 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 shall document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B. The number of years projected shall not exceed the number of historical years documented.

The State Board standard for operating procedure rooms is 1,500 hours annually. The Applicants state 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 2023, the Surgery Center reported 1,284 hours, which equates to 34.2% utilization. The additional 88 hours will not increase the Surgery Center to the State Board’s target occupancy. The extra 88 hours will increase surgery utilization to 36.6%, well below the 80% target occupancy.

<b>TABLE TWO</b>						
<b>Utilization of ASTC</b>						
<b>2019-2023</b>						
		<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Gastro						
	Cases	3,645	1,768	2,922	3,142	3,187
	Hours	2,673	1,298	2,143	2,304	1,275
General Surgery						
	Cases	6	48	0	0	0
	Hours	9	168	0	0	0
Ophthalmology						
	Cases	0	243	538	28	0
	Hours	0	202	450	23	0

**TABLE TWO**  
**Utilization of ASTC**  
**2019-2023**

	2019	2020	2021	2022	2023
Pain Management					
Cases	0	0	124	0	0
Hours	0	0	50	0	0
Podiatry					
Cases	0	2	7	0	7
Hours	0	4	11	0	9
Plastic Surgery					
Cases	10	0	0	0	0
Hours	20	0	0	0	0
Total Cases	3,661	2,061	3,591	3,170	3,194
Total Hours	2,702	1,672	2,654	2,327	1,284
Utilization	72.05%	44.60%	70.80%	62.05%	34.40%



**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 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 upon the patient's legal residence (other than a health care facility) for the last 6 months immediately before 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 in this 17-mile GSA with a population of approximately 469,093 residents. The Applicants attested that 92.3% of the patients in 2023 of this ASTC were from this 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 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 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 2023, the Surgery Center reported 1,284 hours, which equates to 34.2% utilization. The additional 88 hours will not increase the Surgery Center to the State Board's target occupancy.

<b>TABLE THREE</b>				
Health Facilities of Referral Sources				
<b>Facility</b>	<b>Location</b>	<b>Miles</b>	<b>Historical</b>	<b>Proposed Referrals</b>
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
<b>Office Practice</b>			<b>0</b>	<b>50</b>
<b>Total Cases</b>			<b>559</b>	<b>122</b>

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, and based upon the referral letter from Dr. Hatchett, an additional 88 hours is being projected, which, if materialized, would increase utilization to 36.6%. Additionally, all projected referrals come from outside the 17-mile GSA (See Table below).

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	Tamaroa	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 requirement 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 that 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 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 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	
					2022	2023	2022	2023
HSHS St. Elizabeth's Hospital	O'Fallon	Hospital	6	15	25,132	25,202	89.36%	89.60%
Memorial Hospital East	Shiloh	Hospital	5	6	4,738	5,054	42.12%	44.92%
Memorial Hospital	Belleville	Hospital	4	33	12,261	12,715	19.82%	20.55%
Gateway Regional Medical Center	Granite City	Hospital	13.6	6	777	763	6.91%	6.78%
Anderson Hospital	Maryville	Hospital	12	11	10,244	10,522	60.71%	51.02%

**F) Unnecessary Duplication/Maldistribution**

A) The Applicants shall document that the project will not result in an 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 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 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 Four above. The five hospitals within the GSA provide urology surgical services. Urological surgical services can be accommodated at the underutilized facilities that offer these services in the GSA (See Table Five).

The Applicants believe the Project will not hurt existing facilities in the GSA or lower utilization of other area providers operating below the occupancy standards but will improve utilization of MESC, which can credential more physicians. Significantly, this project does not add surgical capacity to 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.

<b>TABLE SIX</b>				
<b>The ratio of Surgery / Treatment Rooms to Population</b>				
	<b>Population</b>	<b>OR/Procedure Rooms</b>	<b>Rooms to Population</b>	<b>Standard Met?</b>
GSA	468,644	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 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 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 by 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 that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services. If outcomes do not meet or exceed those standards, a quality improvement plan will be initiated.

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 in its entirety with \$50,000 in cash, which will be allocated for the purchase of surgical room equipment. The State Board standard for Moveable Equipment costs is \$551,212 per surgical room. It appears the Applicants have met the requirements of 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 estimated at \$409.84 per visit/procedure. The State Board does not have standards for these costs.

# 24-041 Metroeast Surgery Center - Fairview Heights

