

**Constantino, Mike**

11-019

**From:** So, Jeffrey [jeffrey.so@advocatehealth.com]  
**Sent:** Thursday, July 21, 2011 2:20 PM  
**To:** Constantino, Mike  
**Subject:** Requested CAGR information for Ambulatory Pavilion Project  
**Attachments:** Response to Request for CAGR Information 7.20.11.xlsx

Mike,

As promised, attached is the requested CAGR information to support the Ambulatory Pavilion volume projections. The CAGRs are calculated based on data from 2002 to 2010 with a few exceptions when the earlier years of data were not available or reliable. For the most part, the CAGR trend lines were used for the 2016 projections (second year of operation), but extend to 2019 to show that continued growth could be expected.

A few of the CAGRs were supplemented with additional information. For example, we added a factor to the CT/ PET CT projections and to the Nuclear Medicine projections, since we will be adding new technology. The justifications for those net adds are described at length in the application. We also adjusted the outpatient rehab final projection to account for expanded service offerings that will be available in the proposed Ambulatory Pavilion. Again, these expanded services are described and the volumes quantified in the application.

None of the National Health Care Reform related volumes were used in justifying any of the services.

BTW, I know you received the latest Audited Financial Statements for Advocate, but can you confirm that you received the other email sent which included the Revised Page 48 of the application (check box for Schematic Design)

If you have any questions about this information, please don't hesitate to call. Thanks again

Jeff

Jeff So

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**Response to Request for CAGR Information  
Projected Services Utilization**

Dept. Service	Historical Utilization		Projected Utilization		CAGR*	Comments
	2009	2010	2010	2016		
Class C ORs	47,314 hrs	50,534 hrs	71,936 hrs		6.06%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
Surgical Procedure Rooms	11,274 hrs	13,273 hrs	21,056 hrs		7.56%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
Cast Room	4,624 visits	4,876 visits	6,223 visits		4.15%	
CHF Clinic	5,452 visits (20,718 hrs)	5,831 visits (22,158 hrs)	7,172 visits (27,254 hrs)		3.51%	Both visits and hours are listed for consistency. The CAGR provided is based on the number of visits. From within the text of the CON (pg. 215), 3.8 hours were allotted per visit. Therefore 3.8 hours multiplied by 7,172 visits, equals 27,254 hours.
Fetal Diagnostics	15,607 visits	17,145 visits	23,974 visits		5.52%	CAGR provided reflects total NST and ultrasound combined growth rate. Note: NST and ultrasound growth rates are not equivalent.
Infusion Center	12,533 visits (22,560 hrs)	15,678 visits (28,220 hrs)	31,650 visits (56,970 hrs)		12.42%	Both visits and hours are listed for consistency. The CAGR provided is based on the number of visits. From within the text of the CON (pg. 227), 1.8 hours were allotted per visit. Therefore 1.8 hours multiplied by 31,650 visits, equals 56,970 hours.
Neurodiagnostics	4,113 visits	3,970 visits	4,242 visits		2.58%	CAGR provided reflects total EEG, EKG and Sleep Studies combined growth rate. Note: EEG, EKG and Sleep Studies growth rates are not equivalent.
Non-Invasive Cardiology	10,488 visits	12,077 visits	15,142 visits		1.24%	
Pain Management Ctr. Pre Admission Testing	4,522 visits 4,735 visits	4,114 visits 4,949 visits	4,658 visits 5,206 visits		2.23% 0.85%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
Pulmonary Function	1,777 visits	1,774 visits	1,954 visits		1.01%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
Gen Radiology/Fluoroscopy Mammography	155,285 procedures 17,788 visits	157,255 procedures 17,732 visits	165,006 procedures 29,599 visits		0.77% 8.91%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
Ultrasound	35,052 visits	34,095 visits	43,890 visits		5.24%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent. 2010 number was changed to reflect Campus only - as used in 2009 and 2016.

**Response to Request for CAGR Information**

Dept. Service	Projected Services Utilization			CAGR*	Comments
	Historical Utilization		Projected Utilization		
	2009	2010	2016		
CT & PET/CT	59,338 visits	58,626 visits	65,043 visits	1.65%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
MRI	10,717 visits	12,817 visits	15,323 visits	5.44%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
Nuclear Medicine/Spect/CT	14,378 visits	13,860 visits	12,924 visits	-1.18%	CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.
Outpatient Rehab	207,342 modules/82,937 visits	244,864 modules/97,947 visits	270,899 modules/108,360 visits	-1.78%	Outpatient rehab numbers have been corrected to reflect OP modules and visits. CAGR provided reflects OP Adult and OP Pediatric combined growth rate. Note: OP Adult (9.72%) and OP Pediatric growth rates (-11.42%) are not equivalent.
Cardiac Rehab	15,738 visits	15,528 visits	16,320 visits	0.82%	Cardiac rehab was missing from original table. The correct visits have been added. The CAGR provided reflects total IP and OP combined growth rate. Note: IP and OP growth rates are not equivalent.

\* Compound Annual Growth Rate (CAGR) Formula (Ending Year / Beginning Year) <sup>^(1/number of years)</sup> - 1