

Constantino, Mike

From: Anne Cooper [ACooper@Polsinelli.com]
Sent: Friday, August 10, 2012 3:55 PM
To: Constantino, Mike
Cc: Bell, Julie; Kara Friedman
Subject: Hawthorn Surgery Center (Proj. No. 12-041)
Attachments: CON Supplemental Information (08-10-2012).pdf

Mike,

Attached please find supplemental information for the Hawthorn Surgery Center CON application regarding Medicaid and financial assistance. If you have any questions regarding the information, please feel free to contact me.

Thanks.

Anne



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Attorney

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And the best advice is to ask



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August 10, 2012

VIA ELECTRONIC MAIL

Mike Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Hawthorn Surgery Center (Proj. No. 12-041)

Dear Mike:

I am writing on behalf of Hawthorn Place Outpatient Surgery Center, L.P. and Surgical Care Affiliates, LLC to submit additional information addressing the safety net impact statement and charity care criterion in Hawthorn Surgery Center's ("Hawthorn") certificate of need ("CON") application. We believe this information will address potential HFSRB concerns regarding Medicaid and charity care provided at Hawthorn.

One of the criteria that an applicant's safety net impact statement must address is the material impact of the project on essential safety net services in the community. Hawthorn is already having a positive impact on access to surgical services for low-income residents of Lake County. Once relocated, it will maintain that access to surgical services by providing care to Medicaid patients and those who do not have the ability to pay the surgery center's full charges.

1. Medicaid

At the beginning of 2012, Hawthorn enrolled in the Illinois Medical Assistance Program ("Medicaid"). As the enrollment is new, it had no historical Medicaid payor mix information to report for prior years. Since becoming Medicaid certified, Hawthorn has worked with its physicians to have them schedule Medicaid cases at Hawthorn. During the first six months of this year, Hawthorn treated 34 Medicaid patients, accounting for nearly \$300,000 in charges. Importantly, this is more Medicaid care than nearly every surgery center in HSA 8 provided in 2011. In fact, collectively, the surgery centers in HSA 8 treated 201 Medicaid patients in 2011,

Chicago Dallas Denver Edwardsville Jefferson City Kansas City Los Angeles New York
Overland Park Phoenix St. Joseph St. Louis Springfield Topeka Washington, DC Wilmington

In California, Polsinelli Shughart LLP.

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which was an average of 14 Medicaid cases per facility. In its brief time as a Medicaid provider, Hawthorn has improved access to surgical services for Medicaid beneficiaries in Lake County.

2. Financial Assistance

Further, Hawthorn provides and will continue to provide discounts to patients who meet its financial hardship criteria. (See Attachment 1). Similar to most hospitals, discounts and free care are generally not determined prior to surgery, but after charges have been billed. Hawthorn patients requesting a discount must complete a Financial Disclosure Form. Discounts are administered on a sliding scale from 25% to 100% of charges based upon the patient's family income. Patients whose family income is less than 4.5 times federal poverty guidelines adjusted for a 3% cost of living increase (the "Adjusted Federal Poverty Guideline") are eligible for up to a 25% discount; patients with income less than 4 times the Adjusted Federal Poverty Guideline may receive up to a 50% discount; patients with family income less than 3.5 times the Adjusted Federal Poverty Guideline are eligible for up to a 75% discount; and patients with family income below 3 times the Adjusted Federal Poverty Guideline may qualify for a discount of up to 100% of their care.

Hawthorn previously has not reported charity care as part of its annual questionnaire. As a private surgery center, it does not measure "charity care", *per se*. And, unlike Illinois hospitals, it is not reimbursed or credited for uncompensated care. As you are aware, under the new Hospital Property Tax-Exemption Standards set forth in SB 2194, hospitals are eligible for real estate and sales tax credits based on their provision of charity care to patients. Note that Hawthorn does not have a charity care line item on its financial statements. This is because the value of patient discounts based on a family's qualification for financial assistance is embedded in a larger figure in the financial statements. Notwithstanding that fact, it does provide financial assistance to low income patients. It was not until Hawthorn began the process of applying for a CON permit that it understood the importance of such data to the HFSRB. Although it is not reported for external reporting purposes, financial assistance discounts are tracked internally to ensure discounts comply with Hawthorn's financial hardship policy. Over the past four years Hawthorn has provided financial assistance to 173 patients.

Thank you for your time and consideration of this supplemental information. If you have any questions regarding the information provided, please feel free to contact me.

Sincerely,

A. M. Cooper

Anne M. Cooper

Attachments
cc: Julie Bell

**HAWTHORN SURGERY
CENTER**

FINANCIAL DISCLOSURE FORM

Patient Name/Responsible Party

Address

City, State, Zip

Date of Service

Id# ACCT #

Patient ID

PLEASE FILL OUT FORM COMPLETELY AND
ATTACH ALL NECESSARY INFORMATION
IE: BANK STATEMENTS, CREDIT CARD STATEMENTS
ETC..... PLEASE RETURN INFORMATION IN
THE ENVELOPE PROVIDED.

THANK YOU

_____ Total Number of Persons in Family Unit (required)

INCOME:

Your Employer _____ Monthly Income \$ _____

Spouse's Employer _____ Monthly Income \$ _____

Monthly Alimony/Child Support Income/Other \$ _____

Total Monthly Income \$ _____

Annual Income \$ _____

Savings Account Balance \$ _____

Bank/Credit Union \$ _____

Amount patient feels they can
pay for services each month \$ _____

Account is approved for
per month \$ _____

Patient's estimated balance after insurance \$ _____

Patient/Responsible Party

Date

Business Office Manager or Designee

Date

Persons in Family Unit	3% Cost of Living	Poverty Guidelines	100% W/O	75% W/O	50% W/O	25% W/O
1	\$9,857	\$9,570.00	\$29,571.30	\$34,499.85	\$39,428.40	\$44,356.95
2	\$13,215	\$12,830.00	\$39,644.70	\$46,252.15	\$52,859.60	\$59,467.05
3	\$16,573	\$16,090.00	\$49,718.10	\$58,004.45	\$66,290.80	\$74,577.15
4	\$19,931	\$19,350.00	\$59,791.50	\$69,756.75	\$79,722.00	\$89,687.25
5	\$23,288	\$22,610.00	\$69,864.90	\$81,509.05	\$93,153.20	\$104,797.35
6	\$26,646	\$25,870.00	\$79,938.30	\$93,261.35	\$106,584.40	\$119,907.45
7	\$30,004	\$29,130.00	\$90,011.70	\$105,013.65	\$120,015.60	\$135,017.55
8	\$33,362	\$32,390.00	\$100,085.10	\$116,765.95	\$133,446.80	\$150,127.65
For each additional person, add	\$3,358	\$3,260.00	\$10,073.40	\$11,752.30	\$13,431.20	\$15,110.10