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**MAY 11 2015**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**



May 6, 2015

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and  
Services Review Board  
525 West Jefferson  
Springfield, IL 62761

**RE: Project 15-017  
Advocate Condell Ambulatory Surgery Center  
Statement of Opposition**

Dear Ms. Avery:

Please accept this letter as a statement of Vista Medical Center's strenuous opposition to the proposed establishment of a multi-specialty ambulatory surgical treatment center ("ASTC") on the campus of Advocate Condell Medical Center in Libertyville.

As will be documented by the IHFSRB's staff in its *State Board Staff Report*, there is a great amount of excess outpatient surgical capacity in both the hospitals and the ASTC's in Advocate Condell's service area. As the State Board is certainly aware, virtually all cases performed in an ASTC are pre-scheduled elective cases. Therefore, the need to travel a reasonable distance one time for such a procedure does not result in a hardship.

Your rules require that physicians provide letters, documenting the number of patients they referred to hospitals and ASTCs for outpatient surgery during the past year. These letters are intended to serve two purposes: 1) to provide a reasonable expectation that the proposed ASTC will operate at the target utilization level, and 2) to quantify the impact that the proposed project will have on existing area providers. The letters submitted to justify this project's ability to attract the required number of surgical cases are void of information relating to the surgeons' historical referrals to other facilities, and as a result, impact on other providers cannot be gauged. The reason for these omissions is obvious, and an attempt to shield the impact that this project will have on existing ASTCs, including Lindenhurst Surgery Center.

Vista Medical Center, through Waukegan Illinois Hospital Company holds a majority interest in Lindenhurst Surgery Center, located 13.8 miles/23 minutes (MapQuest) from the Advocate Condell campus. The revenue generated through Waukegan Illinois Hospital Company's ownership interest in Lindenhurst Surgery Center is used to subsidize the safety net services provided by Vista in Waukegan and throughout Lake County. Thirteen of the twenty surgeons that have documented their desire to invest in Advocate Condell Ambulatory Surgery Center currently perform cases at Lindenhurst Surgery Center. With the loss of cases from Lindenhurst Surgery Center that will inevitably result from the establishment of the proposed ASTC, the subsidizing of Vista's safety net services will be diminished, and therefore Vista's ability to provide the volume of safety net services that it currently provides will be jeopardized.

The end result of the proposed project will be an investor-owned (for-profit) ASTC reducing the needed safety net services provided to Lake County's most vulnerable populations.

Alternative surgical locations—hospitals as well as ASTCs—are available for the patients earmarked for the proposed new ASTC, and as a result, the IHFSRB should deny approval for Project 15-017.

Sincerely,

A handwritten signature in black ink that reads "Barbara J. Martin".

Barbara J. Martin  
President and CEO



ADULT & PEDIATRIC ORTHOPEDICS, S.C.  
ORTHOPEDIC & SPINAL SURGEONS

May 5, 2015

JAY L. LEVIN, M.D.  
MICHAEL H. JACKER, M.D.  
DAVID M. ZOELLICK, M.D.  
ALAN P. GEGENHEIMER, D.O.  
DAVID A. SCHAFER, M.D.  
MARTIN P. LANOFF, M.D., *Physiatrist*

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Springfield, IL 62761

RE: Letter of Opposition  
Project 15-017  
Advocate Condell Ambulatory Surgery Center

Dear Ms. Avery:

Lindenhurst Surgery Center opposes the above-referenced project, notes omissions in the application, and urges the Illinois Health Facilities and Services Review Board to deny Project 15-017.

Lindenhurst Surgery Center ("LSC") is a multi-specialty surgery center located 20-25 minutes to the north of Advocate Condell Medical Center. During 2014 2,459 surgical cases were performed at LSC, and the facility performed at 31.8% utilization. Of the 2,459 cases, 824 were performed by surgeons that have documented both their intent to bring cases to the Advocate Condell ASTC as well as to invest in Advocate Condell Ambulatory Surgery Center. LSC is a long-established ASTC that not only has the capacity to meet the needs of the patients to be referred to the Advocate Condell ASTC, but is being used by the surgeons intended to refer cases to the Advocate Condell ASTC.

1. The letters in support of the project and contained in Appendix 1 of the application identified only the number of patients referred to Advocate Condell Medical Center during the past year, and omit the number of patients referred to other hospitals and ASTCs. Physicians are required to do so (1110.1540.d), so that a new ASTC's impact on existing hospitals and ASTCs can be determined. While the physicians' letters suggest that the cases to be referred to the Advocate Condell ASTC will come from Advocate Condell Medical Center, it is difficult to believe that statement, given the fact the surgeons will be investors in the Advocate Condell ASTC. As a result, the anticipated impact on other facilities cannot be identified, or even estimated.

2. While, as stated in the application, Advocate Condell ASTC's charity care policies may mirror those of the hospital, the thirteen physicians providing letters

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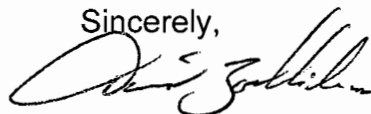
in support of the project who are on staff at LSC have not referred any charity care patients to LSC over the past two years, though LSC has a charity care policy that would allow the referral of qualified patients. Therefore, and given the fact that the Advocate Condell ASTC will be organized as a for-profit entity (like virtually all ASTCs), it is difficult to believe that the Advocate Condell ASTC will have a payer mix substantially different than other ASTCs in the area.

3. Criterion 1110.1540 addresses "mal-distribution". 66 ASTCs located within 45 minutes of the Advocate Condell campus are identified in the CON application. The vast majority of these facilities operate below the utilization rate suggested by the HFSRB standards. In addition, the same outpatient surgery services provided at ASTCs are provided at hospitals, many of which also have sub-optimal utilization levels. With as many underutilized operating rooms as there are in the area, how can the addition of another facility be viewed as anything other than a fostering of the mal-distribution?
4. In discussing alternatives to building a new ASTC, the applicants stated that there were no surgery centers in the area that have expressed an interest in being acquired or seeking a joint venture partner. I am aware of no inquiry as to such.

The proposed development of another surgery center in an area that clearly has an over-supply of outpatient operating room capacity is contrary to all area-wide. The goal of this project is to maximize revenue within the Advocate system by eliminating referrals to non-Advocate facilities.

In summary, there is already a gross over-supply of operating rooms in Lake County, the approval of another outpatient surgery facility is contrary to all area-wide planning principles, and Lindenhurst Surgery Center urges the HFSRB to deny this project.

Sincerely,

A handwritten signature in black ink, appearing to read "David Zoellick", written in a cursive style.

David Zoellick, M.D.