

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

May 5, 2015

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

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MAY 12 2015

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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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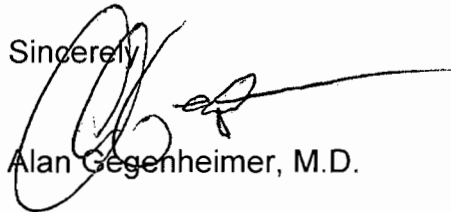
in support of the project who are on staff at LSC have not referred any charity care patients to LSC over the past two years, though LSC has a charity care policy that would allow the referral of qualified patients. Therefore, and given the fact that the Advocate Condell ASTC will be organized as a for-profit 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,



Alan Gegenheimer, M.D.