



SOUTHERN ILLINOIS HEALTHCARE

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

February 25, 2016

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson, Second Floor
Springfield, Illinois 62702

Re: IHFSRB Project #15-061
Southern Illinois Gastrointestinal
Endoscopy Center

Dear Ms. Avery:

Please accept this letter as a statement of Southern Illinois Healthcare's opposition to the proposed establishment of a single-specialty ambulatory surgical treatment center (ASTC) to be located at 1100 Diann Lane, Carbondale.

This opposition is based upon the current criteria governing health planning in the State of Illinois and includes the following reasons:

- Because the majority of facilities in the proposed geographic service area are operating well below target occupancy, unnecessary duplication of services would result with the approval of this facility.
- The number of cases/potential referrals provided to justify the establishment of the ASTC cannot be included in determining projected patient volume because they have been based on referrals to a physician office practice.
- The applicant may be currently in violation of the IDPH licensing regulations by operating an ASTC, the subject of the application, without having first received a CON permit to establish this facility or an ASTC license.
- Part of the applicant's justification for the establishment of this facility is based on incorrect assertions that there is rapid population growth in the Geographic Service Area (GSA).

The applicant has failed to meet the following requirements of the State Board rules and is not in conformance with the rule provisions in the following areas:

Purpose of the Project

Criteria	Reasons for Non-Compliance
77 IAC 1110.230(a)	The applicant states that it “seeks to convert its existing physician-office based endoscopy practice to a licensed endoscopy center. Southern Illinois G.I. Specialists operates a medical practice exclusively providing gastroenterology care. As part of that practice, one of the ancillary services the medical practice provides is endoscopy services.” The applicant states that it must establish an ASTC to meet IDPH rules. However, the data provided for historical procedures performed in this office-based practice indicate that they may have been operating and billing as an unlicensed ASTC. If that is the case, this is in violation of ASTC Licensing Act 77 IAC 205.118.

Alternatives

Criteria	Reasons for Non-Compliance
77 IAC 1110.230(C)	The applicant dismisses the alternative of utilizing existing ASTCs and hospitals based on the statement that “these facilities cannot accommodate the volume of colonoscopies that Dr. Makhdoom can perform.” Of the nine licensed facilities within the GSA performing GI procedures, five are operating significantly below target utilization. (See Attachment 1) Physicians' Surgery Center, also located in Carbondale, is operating at 25% utilization. Additionally, before resigning privileges to perform procedures in his office, Dr. Makhdoom historically performed GI procedures at St. Joseph Memorial Hospital in Murphysboro. In order to accommodate his patients’ needs and to increase capacity, two additional GI procedure rooms were added in 2015. While the most recent published data (2014 AHQ) shows St. Joseph Memorial operating at 93% utilization, with the 2015 addition of two GI rooms the hospital’s capacity increased. However, because Dr. Makhdoom resigned privileges in 2015 and ceased performing cases, total 2015 utilization for St. Joseph Memorial Hospital decreased substantially, falling to 27%.

Size of Project

Criteria	Reasons for Non-Compliance
77 IAC 1110.234	The physical space proposed for the project is not appropriate. The applicant is proposing two procedure rooms and seven recovery rooms. State standards allows 2,200 GSF for two procedure rooms, while the applicant is proposing only 1,085 GSF of total clinical space. Because the application did not include any drawings of the endoscopy suite, it is not possible to determine whether these office-based procedure rooms meet Illinois licensing requirements for the size of gastroenterology rooms. IDPH rules specify minimum square footage requirements for GI procedure rooms and minimum dimensions within those rooms, as cited in 77 IAC 205.1360(c)(2). The amount of space proposed is considerably undersized to accommodate equipment, staff, and patients and, until drawings are available, it is impossible to determine whether they will meet code or potentially result in heightened patient safety risks.

Service Demand

Criteria	Reasons for Non-Compliance
77 IAC 1110.1540(d)(1)	As stated in the application, all of the 6,153 referrals used to justify the proposed ASTC were cases performed in a physician office. The rules do not allow physicians to use their office volumes to justify the need for an ASTC, as is attempted in this application. According to 77 IAC 1110.1540(d)(2)(D) "Referrals to health care providers other than IDPH-licensed ASTCs or hospitals will not be included in determining projected patient volume." The majority of the historic and projected case load cited by the applicant came from cases that were previously performed at SIH hospitals. Between FY 2013 and FY 2015, the number of outpatient procedures performed by Dr. Makhdoom at SIH hospitals decreased over 85%, falling from 4,291 cases to 641.

Projected Service Demand

Criteria	Reasons for Non-Compliance
77 IAC 1110.1540(d)(2)	As stated in the application, all of the 6,153 referrals used to justify the proposed ASTC were cases performed in a physician office. The rules do not allow physicians to use their office volumes to justify the need for an ASTC, as is attempted in this application. According to 77 IAC 1110.1540(d)(2)(D), "Referrals to health care providers other than IDPH-licensed ASTCs or hospitals will not be included in determining projected patient volume." The majority of the historic and projected case load cited by the applicant came from cases that were previously performed at SIH hospitals. Between FY 2013 and FY 2015, the number of outpatient procedures performed by Dr. Makhdoom at SIH hospitals decreased over 85%, falling from 4,291 cases to 641.

Projected Service Demand – Rapid Population Growth

Criteria	Reasons for Non-Compliance
77 IAC 1110.1540(d)(3)	Contrary to the applicant's statement on Attachment 27 page 75, the GSA is not in an area of rapid growth. Calculating growth from the source cited (<i>U.S. Census Bureau American FactFinder, Fact Sheet</i>), the GSA counties experienced an increase of only 2.2% between 2000 and 2010, rather than the 25.5% referenced in the application. Further, between 2010 and 2015, these counties experienced a decrease in population of -0.8%, with an additional decrease of -0.5% projected by 2020. (<i>Source: Truven Health Analytics, 2016</i>)

Treatment Room Need Assessment

Criteria	Reasons for Non-Compliance
77 IAC 1110.1540(f)	As stated in the application, all of the 6,153 referrals used to justify the proposed ASTC were cases performed in a physician office. The rules do not allow physicians to use their office volumes to justify the need for an ASTC, as is attempted in this application. According to 77 IAC 1110.1540(d)(2)(D) "Referrals to health care providers other than IDPH-licensed ASTCs or hospitals will not be included in determining projected patient volume." The majority of the historic and projected case load cited by the applicant came from cases that were previously performed at SIH hospitals. Between FY 2013 and FY 2015, the number of outpatient procedures performed by Dr. Makhdoom at SIH hospitals decreased over 85%, falling from 4,291 cases to 641.

Service Accessibility

Criteria	Reasons for Non-Compliance
77 IAC 1110.1540(g)	The applicant does not meet any of the conditions required within the rules of this section. Service access will not be improved because there are seven hospitals and two ASTCs within the proposed GSA providing GI procedures, and 5 of these facilities do not meet the State utilization standard for this service. 1. There are two other IDPH-licensed ASTCs within the GSA which perform GI procedures proposed by the applicant: Physicians' Surgery Center in Carbondale, and Marion Healthcare Surgery Center in Marion. Both of these ASTCs are underutilized according to state utilization targets. 2. Of the nine licensed ASTCs and hospitals with dedicated GI procedure rooms within the GSA, five reported utilization rates below the state utilization standard of 80% in 2014: Ferrell Hospital 4%; Heartland Regional Medical Center 19%; Marion Healthcare Surgery Center 33%; Marshall Browning Hospital 15%; and Physicians' Surgery Center 25%. In addition, St. Joseph Memorial Hospital will report utilization of 27% for its GI procedure rooms in 2015. 3. The ASTC service proposed in the application is currently offered by nine other IDPH-licensed facilities within the GSA, none of which have restrictive admission policies. 4. As stated in the application, the proposed project is not a cooperative venture sponsored by two or more persons.

Unnecessary Duplication/Maldistribution

Criteria	Reasons for Non-Compliance
77 IAC 1110.1540(h)	Of the nine licensed ASTCs and hospitals with dedicated GI procedure rooms within the GSA, five reported utilization rates below the state utilization standard of 80% in 2014. In addition, St. Joseph Memorial Hospital will report utilization of 27% for its GI procedure rooms in 2015. Three facilities are located within eight minutes drive time to the proposed ASTC. Because the majority of existing facilities in the proposed GSA are not operating at target occupancy, and adequate availability of services is available in the immediate area, unnecessary duplication of services would result with approval of this facility. See Attachment I.

Additionally, the applicant has failed to meet Department of Health licensing requirements as noted below:

Conditions of Licensure

Criteria	Reasons for Non-Compliance
77 IAC 205.118(a)	The Illinois Administrative Code requires an application for the establishment of an ASTC to be submitted not less than sixty days prior to the date of intended operation. (77 IAC 205.120(a)) The applicant may have been operating and an ambulatory treatment center for over the last 18 months without first obtaining a CON permit or a license from the Department.

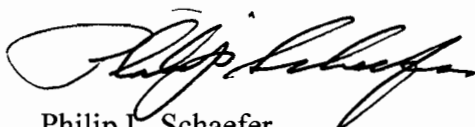
Application for Initial License

Criteria	Reasons for Non-Compliance
77 IAC 205.120(b)(12)	The applicant does not have, nor has he requested, a transfer agreement with a licensed hospital within 15 minutes travel time of the facility. Two hospitals fall into this criteria: Memorial Hospital of Carbondale (5 minutes) and St. Joseph Memorial Hospital (8 minutes). Because Dr. Makhdoom resigned from the medical staff of both of these hospitals in 2015, he has no hospital privileges to a facility within 15 minutes travel time.

The applicant fails to demonstrate need, and the existing capacity in the region can more than accommodate patients residing within the service area of the proposed ASTC. This project will not increase service access to the region and will result in maldistribution, unnecessary duplication of services, and will adversely impact other area facilities. With regards to the current practices at the applicant's office, the IDPH Administrative Rules state: "The operation or maintenance of an ambulatory surgical treatment center in violation of the Act or this Part is declared a public nuisance inimical to the public welfare." (77 IAC 2015.118(a)(4)) We urge the Board to investigate, and if appropriate, impose sanctions around operations of an unlicensed ASTC. In summary, the applicant has not met either the IHFSRB's Rules or the ASTC Licensing Requirements for establishment of an ASTC and that there is no need for the proposed project.

Southern Illinois Healthcare therefore respectfully urges the Board to deny this CON application. We welcome the opportunity to discuss this letter further, and I can be reached at (618)457-5200 ext 67961.

Sincerely,



Philip L. Schaefer
Vice President and Administrator
Southern Illinois Healthcare

ATTACHMENT I

Utilization and capacity of IDPH licensed facilities located within the proposed GSA who report dedicated GI procedure rooms. (Source: 2014 IDPH Annual Hospital Questionnaire)

Facility	Type	Location	Dedicated GI Procedure Rooms	Total 2014 Hours	Percent Utilization
Ferrell Hospital	Hospital	Eldorado	1	62	4%
Harrisburg Medical Center	Hospital	Harrisburg	1	1230	82%
Heartland Regional Medical Center	Hospital	Marion	2	571	19%
Herrin Hospital	Hospital	Herrin	2	3024	101%
Marion Healthcare Surgery Center	ASTC	Marion	1	500	33%
Marshall Browning Hospital	Hospital	DuQuoin	1	223	15%
Memorial Hospital of Carbondale	Hospital	Carbondale	1	1290	86%
Physicians' Surgery Center	ASTC	Carbondale	1	376	25%
St. Joseph Memorial Hospital	Hospital	Murphysboro	1	1401	93%

Utilization and capacity of St. Joseph Memorial Hospital that will be submitted for the 2015 IDPH Annual Hospital Questionnaire.

Facility	Type	Location	Dedicated GI Procedure Rooms	Total Surgery Hours	Percent Utilization
St. Joseph Memorial Hospital	Hospital	Murphysboro	3	1206	27%