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SEP 29 2016

HEALTH FACILITIES &
SERVICES REVIEW BOARD

September 28, 2016

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson Street (2nd floor)
Springfield, IL 62761

RE: Letter of Impact
Project: 16-031 Rush Oak Brook Surgery Center

Dear Ms. Avery:

Please accept this letter as a statement of Edward-Elmhurst Health's (EEH) opposition to the proposed establishment of the Rush Oak Brook Surgery Center (Rush ASTC), a multi-specialty Ambulatory Surgical Treatment Center (ASTC) proposed at 2011 York Road, Oak Brook, Illinois. Elmhurst Hospital (EH), a subsidiary of EEH and the Elmhurst Outpatient Surgery Center (EOSC), of which EH is a part-owner, are located **less than one and a half miles away and within a five minute drive time** from the proposed site. Both of these facilities have the capacity to accommodate additional outpatient surgery cases.

In addition to the existing capacity within the EEH system, there is ample access to surgical care within the geographic service area. Over 20 hospitals within a 30 minute drive time from the proposed Rush ASTC site are not meeting the IHFSRB surgical capacity standard of 1500 hours per operating room. In addition, there are 36 ASTCs within a thirty minute drive of the proposed ASTC, of which 27 do not meet the surgical utilization standards. Moreover, existing ASTCs are grossly underutilized, with only two of the 27 ASTCs with capacity operating above 50% utilization. Nearly half of the underutilized ASTCs rely on orthopedic cases - the main focus of the Rush ASTC project - to drive 20% or more of their business.

EH currently has 15 operating rooms. In calendar year 2015, 60% of its surgical cases were outpatient, with 36% of all outpatient surgeries being orthopedic. It is anticipated that there will be a continued shift of orthopedic volume from inpatient to the outpatient setting, thus the percent of outpatient orthopedic surgical cases will continue to increase. EH will be at risk for losing these orthopedic and other outpatient surgical cases to the proposed Rush ASTC, causing significant negative impact on EH's operating room utilization and financial performance.

EH provides full access to surgical patients in the geographic service area. Unlike most physician owned ASTCs, EH accepts all patients, including Medicaid and those unable to pay, and offers a generous financial assistance program. EH also provides the most advanced surgical techniques, including minimally-invasive anterior hip replacement surgery - a technique that is designed to reduce a patient's pain and recovery time.

Edward Hospital
801 S. Washington Street
Naperville, IL 60540

Elmhurst Hospital
155 E. Brush Hill Road
Elmhurst, IL 60126

EEHealth.org

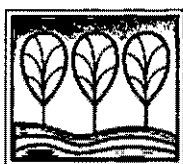
In addition to Elmhurst Hospital, the proposed Rush ASTC will have a negative impact on EOSC. The EOSC has four operating rooms and substantial excess capacity. In fact, the operating rooms are running on average at less than 30% capacity and are well below the standard of 1500 hours per operating room. Given that roughly 25% of the EOSC surgical cases are orthopedic, the Rush ASTC project is expected to have significant negative impact on the ability to grow EOSC volumes to optimize utilization.

Given the excess surgical capacity, available access to surgical care, and the advanced procedures already offered at hospitals and lower-cost ASTCs within the market, we firmly believe there is no justified need for the Rush Oak Brook ASTC. It seems a more prudent approach is for Rush Oak Brook Surgery Center, LLC to utilize the substantial capacity already available in local hospitals and surgery centers. The impact that the proposed Rush ASTC will have on the many already underutilized surgical facilities in the market should not be minimized, and I urge you to give this perspective careful consideration as you evaluate the CON application.

Sincerely,

A handwritten signature in cursive script that reads "Mary Lou Mastro". The signature is written in dark ink and is positioned above the printed name and title.

Mary Lou Mastro, MS, RN, FACHE
President and CEO, Elmhurst Hospital



ELMHURST
OUTPATIENT SURGERY CENTER

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RE: Letter of Impact
Project: 16-031 Rush Oak Brook Surgery Center

Dear Ms. Avery:

On behalf of the Elmhurst Outpatient Surgery Center and its members, we are submitting this letter as a statement of opposition to the proposed Rush Oak Brook Surgery Center (Rush ASTC), a multi-specialty Ambulatory Surgical Treatment Center (ASTC) located at 2011 York Road, Oak Brook, Illinois. Elmhurst Outpatient Surgery Center (EOSC) is located just one and a half miles away and less than a five minute drive time from the proposed site.

EOSC is a multi-specialty ASTC that performs over 2,600 surgical cases annually within 4 operating rooms. EOSC provides high quality, cost effective surgical care to the same geographic service area as the proposed Rush ASTC. EOSC continuously exceeds expectations of patients by offering state-of-the-art surgical technologies and physicians who deliver the most advanced and best care possible.

The Rush ASTC project stands to diminish the operations at the EOSC, and many other ASTCs and hospitals, as there is significant excess operating room capacity in the market. The EOSC is operating at approximately 30% of available capacity. This level of underutilization is not uncommon. There are 27 ASTCs within a thirty minute drive time of the proposed Rush ASTC that do not meet the IHFSRB surgical capacity standard of 1500 hours per operating room. Of the 36 ASTCs within this geographic area, only 2 are operating above 50% of available capacity. Should the Rush ASTC be approved, this severe underutilization and excess capacity in the market will only be exacerbated leading to added cost and inefficiency in the healthcare delivery system.

EOSC has been serving the Elmhurst community and surrounding suburbs since 1999. There is no doubt that our future volume potential and operations will be negatively impacted by the Rush ASTC project. A more prudent alternative to building a new site would be to utilize existing capacity within the market.

As the IHFSRB is reviewing this project, we ask that you give serious consideration to the lack of need for this project and the negative impact it will have on existing facilities.

Sincerely,

Pamela Dunley RN MS MBA CENP
Chairman of the Board
Elmhurst Outpatient Surgery Center

Andrew Belavic, MD
Medical Director
Elmhurst Outpatient Surgery Center