



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET ITEM NUMBER: C-02	BOARD MEETING: September 13, 2016	PROJECT NUMBER: E-020-16
EXEMPTION APPLICANT(S): The University of Chicago Medical Center, The Ingalls Memorial Hospital, Ingalls Health System, Ingalls Health Ventures		
FACILITY NAME and LOCATION: Ingalls Same Day Surgery Center, Ltd., Tinley Park, Illinois		

1. The Transaction

The applicants are proposing a change in control of Ingalls Same Day Surgery Center, Ltd. The applicants are The University of Chicago Medical Center, 5841 South Maryland Avenue, Chicago, Illinois, Ingalls Same Day Surgery Center, Ltd. 670I West 159th Street, Tinley Park, Illinois, Ingalls Health Ventures and Ingalls Health System, One Ingalls Drive, Harvey, Illinois. The operating entity licensee will be Ingalls Same Day Surgery Center, Ltd and the owner of the building will be The Ingalls Memorial Hospital. There is no monetary consideration being exchanged between the parties as part of the transaction.

Ingalls Ventures is an Illinois, not-for-profit corporation. Ingalls Ventures is one hundred percent (100%) owned by Ingalls Health System. Ingalls Ventures owns 90.10 % of the interests of Ingalls Same Day Surgery Center and Medcentrix, Inc., another Ingalls Health System affiliate, owns 1.88% of Ingalls Same Day Surgery Center, and the remaining 8.02% is collectively owned by individual physicians, each of whom owns less than 1% individually.

The proposed transaction involves Ingalls Health System affiliating with The University of Chicago Medical Center. Currently Ingalls Health System is the sole corporate member of The Ingalls Memorial Hospital. Should the State Board approve this transaction, The University of Chicago Medical Center will become the sole corporate member of Ingalls Health System. Ingalls Health System would have representation on The University of Chicago Medical Center's Board of Directors. No new corporate entity will be formed as part of this transaction; however, after the closing Ingalls Health System will change its name to "UCM Community Health & Hospital Division, Inc."

The University of Chicago Medical Center ("UCMC") is an academic medical institution. Located on Chicago's South side, UCMC is an 805 bed hospital that operates under one license the Center for Care and Discovery, the Bernard Mitchell Hospital, The Chicago Lying-In-Hospital, the University of Chicago Comer Children's Hospital, and the Duchossois Center for Advanced Medicine.

Ingalls Health System is a regional health system consisting of The Ingalls Memorial Hospital and a network of comprehensive outpatient facilities, including Ingalls Same Day Surgery Center. The Ingalls Memorial Hospital is a 485 bed acute care hospital in Harvey, Illinois.

Ingalls Same Day Surgery Center located in Tinley Park is a multi-specialty facility with four (4) operating rooms, twelve (12) stage one (1) recovery stations and four (4) stage 2 recovery stations.

The proposed transaction between The University of Chicago Medical Center and Ingalls Health System will improve the value of health care in both service areas through economies of scale and corresponding financial savings, and by enabling the parties to more effectively implement new payment models, such as risk contracting and bundled payments. The applicants affirm that Ingalls Hospital will not adopt a more restrictive charity care policy than the policy in effect one year prior to the transaction

2. 20 ILCS 3960/6 (b) - Application for permit or exemption; exemption regulations.

An exemption for a change of ownership shall be approved when all of the information required by the Board by rule is submitted.

The applicants have provided all of the information required by the State Board for a change of ownership.

Reference Numbers Facility Id 7001043
Health Service Area 007 Planning Service Area 031
Ingalls Same Day Surgery Center
6701 W. 159th Street
Tinley Park, IL 60477

Number of Operating Rooms 4
Procedure Rooms 0
Exam Rooms 0
Number of Recovery Stations Stage 1 12
Number of Recovery Stations Stage 2 4

Administrator Thomas Murphy, R.N.
Date Complete 3/19/2015
Contact Person Kathleen Shepard
Telephone 708/429-0222

Type of Ownership
Limited Partnership (RA required)

Registered Agent Dorothy Grzadzinski
Property Owner Ingalls Health Ventures
Legal Owner(s)

Brian Farrell, MD
Charles Turk, DO
Daniel Weber, MD
David Dreyfuss, MD
Edward Kasper, DDS
Frank Kniffen, MD, Ph.D, MBA
Jack Gelman, MD
James Bray, MD
John Grady, DPM
Joseph Gavron, MD
Philip Kooiker, MD
Ram Aribindi MD
Robert Bosack, DDS
Stephen Krates, DO
Wilson Heaton, DDS

HOSPITAL TRANSFER RELATIONSHIPS

HOSPITAL NAME	NUMBER OF PATIENTS
Ingalls Memorial Hospital, Harvey, IL	1
	0
	0
	0
	0

STAFFING PATTERNS

PERSONNEL	FULL-TIME EQUIVALENTS
Administrator	1.00
Physicians	0.00
Nurse Anesthetists	0.00
Director of Nurses	1.00
Registered Nurses	9.80
Certified Aides	0.00
Other Health Profs.	1.70
Other Non-Health Profs	5.60
TOTAL	19.10

DAYS AND HOURS OF OPERATION

Monday	8
Tuesday	8
Wednesday	8
Thursday	8
Friday	8
Saturday	0
Sunday	0

NUMBER OF PATIENTS BY AGE GROUP

AGE	MALE	FEMALE	TOTAL
0-14 years	16	18	34
15-44 years	252	344	596
45-64 years	489	652	1,141
65-74 years	292	409	701
75+ years	247	340	587
TOTAL	1,296	1,763	3,059

NUMBER OF PATIENTS BY PRIMARY PAYMENT SOURCE

PAYMENT SOURCE	MALE	FEMALE	TOTAL
Medicaid	0	0	0
Medicare	497	707	1,204
Other Public	0	0	0
Insurance	772	815	1,587
Private Pay	25	241	266
Charity Care	2	0	2
TOTAL	1,296	1,763	3,059

NET REVENUE BY PAYOR SOURCE FOR FISCAL YEAR

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense	Charity Care Expense as % of Total Net Revenue
33.6%	0.0%	0.0%	59.1%	7.3%	100.0%		
1,243,295	0	0	2,186,674	271,285	3,701,254	2,612	0%

OPERATING ROOM UTILIZATION FOR THE REPORTING YEAR

SURGERY AREA	TOTAL SURGERIES	SURGERY TIME (HOURS)	SURGERY PREP AND CLEAN-UP TIME (HOURS)	TOTAL SURGERY TIME (HOURS)	AVERAGE CASE TIME (HOURS)
Cardiovascular	0	0.00	0.00	0.00	0.00
Dermatology	0	0.00	0.00	0.00	0.00
Gastroenterology	0	0.00	0.00	0.00	0.00
General	60	49.75	42.00	91.75	1.53
Laser Eye	0	0.00	0.00	0.00	0.00
Neurological	0	0.00	0.00	0.00	0.00
OB/Gynecology	46	25.50	32.25	57.75	1.26
Ophthalmology	857	454.00	599.75	1053.75	1.23
Oral/Maxillofacial	31	31.25	21.75	53.00	1.71
Orthopedic	433	422.50	346.25	768.75	1.78
Otolaryngology	50	47.75	35.00	82.75	1.66
Pain Management	332	100.75	110.50	211.25	0.64
Plastic	299	545.00	139.50	684.50	2.29
Podiatry	273	292.75	127.25	420.00	1.54
Thoracic	0	0.00	0.00	0.00	0.00
Urology	678	565.75	226.00	791.75	1.17
TOTAL	3059	2,535.00	1,680.25	4215.25	1.38

PROCEDURE ROOM UTILIZATION FOR THE REPORTING YEAR

SURGERY AREA	PROCEDURE ROOMS	TOTAL SURGERIES	SURGERY TIME (HOURS)	PREP AND CLEAN-UP TIME (HOURS)	TOTAL SURGERY TIME (HOURS)	AVERAGE CASE TIME (HOURS)
Cardiac Catheteriza	0	0	0	0	0	0.00
Gastro-Intestinal	0	0	0	0	0	0.00
Laser Eye	0	0	0	0	0	0.00
Pain Management	0	0	0	0	0	0.00
TOTALS	0	0	0	0	0	0.00

Patients by Location of Residence

Zip Code	City	County	Patients
60477	Tinley Park		217
60462	Orland Park		180
60452	Oak Forest		136
60423	Frankfort		131
60448	Mokena		103
60467	Orland Park		101
60430	Homewood		93
60445	Midlothian		84
60411	Chicago Heights		84
60487	Tinley Park		83
60466	Park Forest		68
60451	New Lenox		65
60473	South Holland		57
60453	Oak Lawn		56
60443	Matteson		54
60463	Palos Heights		48
60426	Harvey		47
60655	Chicago		46
60417	Crete		46
60449	Monee		44
60491	Homer Glen		44
60409	Calumet City		44
60422	Flossmoor		42
60419	Dolton		39
60803	Alsip		37

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