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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

January 8, 2017

Ms. Jeannie Mitchell
General Counsel
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, IL 62761

**RE: Valley Ambulatory Surgery Center, St. Charles
Project 17-057
Charity Care Information**

Dear Ms. Mitchell:

Thank you for your recent inquiry about the amount of charity care provided by Valley Ambulatory Surgery Center, L.P. ("VASC"). VASC is dedicated to providing quality healthcare services and outpatient surgery care for residents of the St. Charles and surrounding communities, including to low income and indigent patients.

You asked us to confirm that the charity care expense listed for each year in VASC's Certificate of Need application was not a bad debt write-off. We have confirmed with VASC's Administrator, Daniel Hauer, that the charity care expense total did not include bad debt write-offs. VASC writes off amounts as bad debt when an amount has aged 121 days or more, and collection activities have been deemed fruitless. In contrast, charity care is provided and tracked when VASC has agreed with the patient to provide care at reduced or no charge based on the patient's financial circumstances and resources. In accordance with VASC's charity care policy, the patient submits a written charity care application, which includes completing certain financial and income statements. VASC notifies patients about their eligibility within seven days of receipt of the completed application. The decision to provide reduced or no cost care is usually pre-approved in advance of the patient's surgery date. VASC's provision of care at reduced or no charge to indigent patients fits within the Illinois Health Facilities Planning Act's definition of charity care as "care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer." 20 ILCS 3960/3. VASC is pleased to provide these services to the community and will continue to do so if its application to relocate its facility is approved.

You also asked about the total number of patients that VASC provided charity care for in the past few years. As we discussed, VASC's ambulatory surgical treatment center ("ASTC") facility profile for 2016 lists \$11,729 in charity care expense, but did not state a specific number of patients, and you requested a specific number of patients who received charity care over the past few years. As we noted in our application replacement pages submitted on October 30, 2017, VASC does not currently track the charity care patients by individual, but rather by charity dollars via transaction code. To estimate the numbers of patients for whom VASC provided charity care, VASC staff manually sorted financial transactions to identify the number of patient accounts. Through this process and by tracking charity care expense by dates of service, VASC estimated the below totals of patients for whom VASC provided charity care:

	2014	2015	2016
Charity Care (# of patients)	80	40	50
Charity Care Expense	\$22,183	\$17,687	\$11,729

Review Board data shows that VASC provided the 25th highest amount of charity by an ASTC in 2016, placing it in the top 20% of ASTC charity care providers in the state that year. In the 2016 ASTC Data Spreadsheet/Facility Profiles available on the Review Board's website, there were 141 ASTC's in Illinois reporting charity care expense and Medicaid revenue. There were 54 ASTC's that reported providing some amount of charity care, and 87 ASTC's reported no charity care expense at all. Of the ASTC's that reported higher charity care expense than VASC in 2016, nine facilities were affiliated with hospitals, and thus were likely required to comply with a more stringent not-for-profit hospital charity care policy. In addition, more than 50 ASTC's (over 35%) reported no Medicaid revenue in 2016. In December 2017, VASC enrolled as a provider in the Medicaid program with the Illinois Department of Healthcare and Family Services.

VASC is committed to continuing to provide charity care for indigent and low-income patients in the St. Charles area. If we can provide further information or answer any questions, please do not hesitate to contact us.

Very truly yours,



Claire M. Reed
Counsel for Valley Ambulatory Surgery Center,
L.P.

cc: Daniel Hauer, Administrator, Valley Ambulatory Surgery Center, L.P.