



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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<b>DOCKET NO:</b> <b>H-12</b>	<b>BOARD MEETING:</b> April 17, 2018	<b>PROJECT NO:</b> 17-072	<b>PROJECT COST:</b>
<b>FACILITY NAME:</b> Illinois Vascular Care		<b>CITY:</b> Schaumburg	Original: \$3,106,690
<b>TYPE OF PROJECT:</b> Substantive			<b>HSA:</b> VII

**DESCRIPTION:** The Applicants (Illinois Vascular Care LLC and Nephrology Associates of Northern Illinois, Ltd.) propose to establish a single specialty ASTC in Schaumburg, Illinois at a cost of \$3,106,690. The expected completion date is July 1, 2018.

## EXECUTIVE SUMMARY

### **PROJECT DESCRIPTION:**

- The Applicants (Illinois Vascular Care LLC and Nephrology Associates of Northern Illinois, Ltd.) propose to establish a single specialty ASTC in Schaumburg, Illinois at a cost of \$3,106,690. The expected completion date is July 1, 2018.

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The project is before the State Board because the project proposes to establish a health care facility as defined at 20 ILCS 3960/3.
- One of the objectives of the Health Facilities Planning Act is “to assess the financial burden to patients caused by unnecessary health care construction and modification. Evidence-based assessments, projections and decisions will be applied regarding **capacity, quality, value and equity** in the delivery of health care services in Illinois. Cost containment and support for **safety net services** must continue to be central tenets of the Certificate of Need process.” [20 ILCS 3960/2]

### **PURPOSE OF THE PROJECT:**

- The Applicants stated: “The purpose of this project is to ensure the residents of the community and the patients historically served by Nephrology Associates of Northern Illinois (NANI) will continue to have access to the vascular care surgical procedures they need.”
- **Board Staff Note:** In 2016, the Centers for Medicare & Medicaid Services (CMS) reduced reimbursement for dialysis vascular access services provided by interventional nephrologists due to CMS policy requiring services that are billed together more than 75% of the time to be bundled. As a result of this policy, CPT code bundles were developed resulting in reimbursement reductions for a variety of interventional services including the services proposed by this Application for Permit.

### **PUBLIC HEARING/COMMENT:**

- A public hearing was offered but was not requested. **Three letters of support** were received from current patients of Nephrology Associates of Northern Illinois, Ltd “*respectfully requesting the State Board to approve the Certificate of Need for Project #17-072 Illinois Vascular Care to expand and improve access to vascular access procedures for the local community and myself. I strongly believe this project is needed and is in the best interest of our community.*” **A physician urged** the Board to approve the project stating “*I am a practicing physician and can confirm the unnecessary delays faced by my patients when they require interventional vascular access procedures. Maintaining vascular access can be the difference between my patients living and dying. Preserving open ports for dialysis treatment can be challenging with some patients and I have been fortunate to be able to send my patients to be cared for by NANI doctors.*” **No letters of opposition** were received by the State Board Staff.

### **SUMMARY:**

- Board Staff were unable to accept the projected referrals proposed by this project because the Applicants performed historical procedures in an office based setting and not a licensed ASTC or Hospital. By rule the projected referrals cannot exceed the historical referrals performed by the physician.
- There is existing surgical capacity within the proposed GSA that can accommodate the workload identified by this Application for Permit. There are **14 hospitals and 50 ASTCs** within 45

minutes of the proposed ASTC. Six of the 14 hospitals are at target occupancy of 80%. Of the 50 ASTCs, ten of the surgery centers are not being considered in this evaluation because they have recently been approved (8 ASTCs) or are pediatric surgery centers (2 ASTCs). Of the remaining 40 ASTCs, 16 are limited specialty ASTCs and 24 are multi-specialty ASTCs. Eight of the limited specialty ASTCs is at target occupancy and four of 24 multi-specialty ASTCs are at target occupancy. Fifteen of the 40 surgery centers provided general surgery, the surgical specialty being proposed by the Applicants. Of these fifteen surgery centers, 11 are not at target occupancy and have the capacity to absorb the workload being proposed by this project.

## **CONCLUSION:**

- The Applicants addressed a total of 22 criteria and have not met the following:

<b>Criterion</b>	<b>Non-Compliance</b>
77 ILAC 1110.234(b) – Projected Utilization	The Applicants are estimating 2,011 procedures for the first two years after project completion which would justify the two rooms being proposed at the proposed 1.5 hours per procedure. However the historical referrals were performed in an office-based setting and not a licensed ASTC or Hospital as required by rule. Therefore, Board Staff was unable to accept the referrals (workload) submitted for this project.
Criterion 1110.1540(d) - Service Demand	As identified above, Board Staff was unable to determine the demand for this project because the historical referrals were not performed in an IDPH licensed ASTC or Hospital.
Criterion 1110. 1540(f) – Treatment Room Need Assessment	As identified above, Board Staff was unable to determine the demand for this project because the historical referrals were not performed in a licensed ASTC or Hospital. By rule to determine treatment room need assessment the State Board Staff must determine, based upon the referral information, if there is sufficient volume to justify the number of rooms requested.
Criterion 1110.1540(g) – Service Accessibility	There are existing ASTCs and Hospitals within the proposed GSA that have the capacity to accommodate the workload proposed by this project. There does not appear to be a service access issue in the proposed GSA.
Criterion 1110.1540(h)(1) - Unnecessary Duplication	There are existing ASTCs and Hospitals within the proposed GSA that have the capacity to accommodate the workload proposed by this project. Based upon the State Board Staff review, it would appear an unnecessary duplication of service may result.
Criterion 1120.120 –Availability of Funds	The State Board Staff was unable to verify the cash being proposed to fund this project.
Criterion 1120.130 –Financial Viability	The State Board Staff was unable to verify the ratio information that was provided.

**STATE BOARD STAFF REPORT**  
**Illinois Vascular Care LLC**  
**PROJECT #17-072**

<b>APPLICATION SUMMARY/CHRONOLOGY</b>	
Applicants	Illinois Vascular Care LLC and Nephrology Associates of Northern Illinois, Ltd.
Facility Name	Illinois Vascular Care
Location	846 E. Algonquin, Suite 103, Schaumburg, Illinois
Application Received	12/11/2017
Application Deemed Complete	12/20/2017
Review Period Ends	04/19/2018
Permit Holder	Illinois Vascular Care LLC and Nephrology Associates of Northern Illinois, Ltd.
Operating Entity	Illinois Vascular Care LLC
Owner of the Site	RMS Properties, Inc.
Project Financial Commitment Date	July 1, 2018
Gross Square Footage	6,774 GSF
Project Completion Date	July 1, 2018
Expedited Review	No
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

**I. The Proposed Project**

The Applicants (Illinois Vascular Care LLC and Nephrology Associates of Northern Illinois, Ltd.) propose to establish a single specialty ASTC in Schaumburg, Illinois at a cost of \$3,106,690. The expected completion date is July 1, 2018.

**II. Summary of Findings**

- A. State Board Staff finds the proposed project is **not** in conformance with the provisions of 77 ILAC 1110 (Part 1110).
- B. State Board Staff finds the proposed project is **not** in conformance with the provisions of 77 ILAC 1120 (Part 1120).

**III. General Information**

Illinois Vascular Care LLC is proposing to establish a single specialty surgery center located at 846 East Algonquin Road, Suite 103, Schaumburg, IL. Illinois Vascular Care LLC is wholly owned by Nephrology Associates of Northern Illinois, Ltd. The facility will be licensed for the "General/Other" category of service, with the focus being on vascular access procedures to support and maintain end-stage renal dialysis ("ESRD") patients. The facility will provide the full spectrum of general surgical procedures supporting the vascular health of ESRD patients. Nephrology Associates of Northern Illinois, LTD owns a healthcare facility, DuPage Vascular Care (approved as Permit #17-008).

Financial commitment will occur after permit issuance. This project is a substantive project subject to a Part 1110 and 1120 review.

Substantive Projects are types of projects that are defined in the Act and classified as substantive. *Substantive projects shall include no more than the following:*

*Projects to construct a new or replacement facility located on a new site; or a replacement facility located on the same site as the original facility and the costs of the replacement facility exceed the capital expenditure minimum.*

*Projects proposing a new service or a discontinuation of a service; shall be reviewed by the Board within 60 days.*

*Projects proposing a change in the bed capacity of a health care facility by an increase in the total number of beds or by a redistribution of beds among various categories of service or by a relocation of beds from one facility to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board in the Inventory, whichever is less, over a 2-year period. [20 ILCS 3960/12]*

#### **IV. Health Service Area**

The proposed facility will be located in Health Service Area VII. Health Service Area VII includes Suburban Cook and DuPage County. There are 46 ASTCs in this service area and 32 acute care hospitals. These 46 ASTCs have 152 operating rooms and 37 dedicated procedure rooms. The 32 hospitals have 399 operating rooms and 174 procedure rooms. A list of hospitals and ASTCs within 45 minutes is provided at the end of this report.

#### **V. Project Uses and Sources of Funds**

The Applicants are funding this project with cash in the amount of \$106,690, FMV of leased space of \$830,480 and a line of credit in the amount of \$2,169,512.

<b>TABLE ONE</b>				
<b>Uses of Funds</b>	<b>Reviewable</b>	<b>Non Reviewable</b>	<b>Total</b>	<b>% of Total</b>
Modernization Contracts	\$844,404	\$690,876	\$1,535,280	49.42%
Contingencies	\$57,376	\$46,944	\$104,320	3.36%
Architectural/Engineering Fees	\$49,500	\$40,500	\$90,000	2.90%
Consulting and Other Fees	-\$0	\$69,000	\$69,000	2.22%
Movable or Other Equipment (not in construction contracts)	\$450,000	-\$0	\$450,000	14.48%
Net Interest Expense During Construction (project related)	\$15,181	\$12,421	\$27,602	0.89%
Fair Market Value of Leased Space or Equipment	\$456,769	\$373,720	\$830,488	26.73%
<b>Total Uses of Funds</b>	<b>\$1,873,230</b>	<b>\$1,233,460</b>	<b>\$3,106,690</b>	<b>100.00%</b>
<b>Sources of Funds</b>	<b>Reviewable</b>	<b>Non Reviewable</b>	<b>Total</b>	<b>% of Total</b>
Cash and Securities			\$106,690	3.43%
FMV of Leased Space			\$830,488	26.73%
Line of Credit			\$2,169,512	69.83%
<b>Total Sources of Funds</b>			<b>\$3,106,690</b>	<b>100.00%</b>

## **VI. Background of the Applicants**

### **A) Criterion 1110.1540 (b) (1) & (3) – Background of the Applicants**

*An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background and character to adequately provide a proper standard of health care service for the community. To demonstrate compliance with this criterion the Applicants must provide*

- A) A listing of all health care facilities currently owned and/or operated by the applicant in Illinois or elsewhere, including licensing, certification and accreditation identification numbers, as applicable;
- B) A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility;
- C) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide the authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.
- D) An attestation that the Applicants have not had any *adverse action*<sup>1</sup> taken against any facility they own or operate.

<sup>1</sup>Adverse action is defined as a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations." (77 IAC 1130.140)

1. The Applicants have attested that there has been no adverse action taken against any of the facilities owned or operated by Nephrology Associates of Northern Illinois, LTD during the three (3) years prior to filing the application. [Application for Permit pages 29]
2. The Applicants have authorized the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health to have access to any documents necessary to verify information submitted in connections to the Applicants' certificate of need to establish a limited specialty ASTC facility. The authorization includes, but is not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. [Application for Permit page 29]
3. The site is owned by RMS Properties, Inc and evidence of this can be found at pages 30-32 of the application for permit in the Letter of Intent to lease the property at 846 Algonquin Rd. Schaumburg, Illinois.
4. The Applicants provided evidence that they were in compliance with Executive Order #2006-05 that requires *all State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order. State Agencies engaged in planning programs or programs for the promotion of development shall inform participants in their programs of the existence and location of Special Flood Hazard Areas and of any State or local floodplain requirements in effect in such areas. Such State Agencies shall ensure that proposed development within Special Flood Hazard Areas would meet the requirements of this Order.*
5. The proposed location of the ESRD facility is in compliance with the Illinois State Agency Historic Resources Preservation Act which requires *all State Agencies in consultation with the Director of Historic Preservation, institute procedures to ensure that State projects consider the preservation and enhancement of both State owned and non-State owned historic resources* (20 ILCS 3420/1).

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANTS (77 ILAC 1110.1540(b)(1) & (3))**

## **VI. Purpose of Project, Safety Net Impact Statement and Alternatives**

The following three (3) criteria are informational; no conclusion on the adequacy of the information submitted is being made.

### **A) Criterion 1110.230(a) Purpose of the Project**

**To demonstrate compliance with this criterion the Applicants must document that the project will provide health services that improve the health care or well-being of the market area population to be served.**

**The Applicants stated the following:**

The purpose of this project is to ensure the residents of the community and the patients historically served by Nephrology Associates of Northern Illinois (NANI) will continue to have access to the vascular care surgical procedures they need. [See Application for Permit pages 47-48]

### **B) Criterion 1110.230(b) - Safety Net Impact Statement**

To demonstrate compliance with this criterion the Applicants must document the following if applicable:

- A) *The project's material impact, if any, on essential safety net services in the community;*
- B) *The project's impact on the ability of another provider or health care system to cross-subsidize safety net services; and*
- C) *How the discontinuation of a facility or service might impact the remaining safety net providers in a given community.*

The Applicants provided a Safety Net<sup>2</sup> Impact Statement as required and stated the following:

*“This project should have significant impact on essential safety net services in the community. A very high percentage of ESRD patients qualify for Medicaid and Medicare insurance to pay for their dialysis treatment. Many of these same patients rely on safety net providers for all of their healthcare needs. The vascular access procedures that will take place at Illinois Vascular Care will undoubtedly relieve pressure on existing providers in the area, while providing patients with a facility dedicated to ensuring they can continue receiving life-sustaining dialysis treatments.*

*Furthermore, the applicant participates in the only ESRD Seamless Care Organization (ESCO) in Chicago. The ESCO is designed to allow dialysis facilities, nephrologists, and other health care providers to communicate and work together closely, so they can deliver high-quality care that meets the patient's needs. Illinois Vascular Care and NANI are committed to providing the highest quality of care in the most cost efficient manner possible. Working with the ESCO in Chicago will create additional efficiencies that will benefit patients and insurers.”*

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<sup>2</sup> Safety net services are the services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. [20 ILCS 3960/5.4]

<b>TABLE TWO</b>			
<b>Safety Net Information per PA 96-0031</b>			
Charity Care			
Charity (# of patient)	2014	2015	2016
	\$1,997,539	\$837,358	\$409,480
Total Outpatient (# of patients)	10	3	7
Charity (cost in dollars)			
Outpatient	\$52,724	\$19,031	\$21,788
Percentage	2.38%	0.93%	1.03%
Medicaid			
Medicaid	2014	2015	2016
Total Outpatient (# of patients)	48	45	10
Total Outpatient (cost in dollars)	\$66,209	\$70,364	\$2,326
Percentage	2.98%	3.43%	0.11%

The Applicants stated the charity care information reflect amounts not in accordance with the statutory definition. The statutory definition “*Charity care means 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 3920/3]

### **C) Criterion 1110.230(c) - Alternatives to the Project**

**To demonstrate compliance with this criterion the Applicants must document all alternatives to the proposed project that were considered.**

The Applicants provided the following narrative regarding the other alternatives considered:

#### **1. Exit the Marketplace**

The Applicants rejected this alternative because of the number of patients requiring vascular surgical procedures in the marketplace and the number of providers exiting the marketplace leaving less access in the marketplace because of the change in the reimbursement by CMS.

#### **2. Utilize a Hospital Surgical Suite**

The Applicants rejected this alternative because in a hospital setting these vascular procedures are not reimbursed at a high rate and it is not out of the ordinary for these procedures to be either re-scheduled to inconvenient times for patients or for the patients to be delayed while the hospital performs more profitable procedures first. Additionally, the reason behind the CMS changes in reimbursement models is because the hospital setting has proven to increase costs while procedures in a ASTC setting can be performed at a lower cost and with the same results.

### **3. Rely on Available Capacity at Other Surgery Centers**

This alternative was rejected because to make this alternative work other facilities would have to be willing to allow NANI doctors to use the procedure rooms in their facility to perform procedures that likely have lower reimbursement rates than other procedures they normally perform. As a matter of simple economies, other facilities would not be willing or able to work with the patient population to which NANI is dedicated. The comorbidities and complexities of patients requiring this care are better served as a patient population by a staff and facility committed to this type of care.

### **4. Acquire an Existing ASTC**

The Applicants rejected this alternative because there are a limited number of existing ASTCs in this area, none of which are committed to nor designed to meet the needs of the patient population being served by this proposed project. To identify a sufficiently viable multi-room facility and then retrofit the facility to meet the needs of this patient population would exceed the costs of the proposed project. [See Application for Permit pages 49-50]

## **VII. Project Scope and Size, Utilization and Assurances**

### **A) Criterion 1110.234(a) - Size of Project**

**To demonstrate compliance with this criterion the Applicants must document that the proposed size of the project is in compliance with the State Board Standard in Part 1110 Appendix B. For modernization projects, the standards are based upon interior build-out only and are expressed in departmental gross square feet (dgsf). Spaces to be included in the applicant's determination of square footage shall include all functional areas minimally required for the applicable service areas by the appropriate rules required for IDPH licensure and/or federal certification and any additional spaces required by the applicant's operational program.**

This project involves the modernization of shell office space to allow the proposed facility to come into compliance with standards that will allow it to be licensed as an Ambulatory Surgical Treatment Center. The Applicants propose to lease 6,744 GSF of space in which 3,726 GSF of space will be reviewable space. The Applicants are proposing 2 procedure rooms and six recovery stations. The State Board standard is 1,660-2,200 GSF per procedure room or 3,320-4,400 GSF. Additionally the State Board allows 4 recovery rooms per procedure room. The Applicants have met the requirements of this criterion. **[Note:** The State Board does not have a size standard for recovery rooms for a free-standing ASTC.]

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF PROJECT (77 ILAC 1110.234(a))**

### **B) Criterion 1110.234(b) – Projected Utilization**

**To demonstrate compliance with this criterion the Applicants must document that the facility will be at target occupancy as specified in Part 1100.640.**

The Applicants project 2,011 procedures will be performed in this ASTC in each of the first two years after project completion. The average case time per procedure is 1.5 hours. While the 2,011 procedures at 1.5 hours per procedure will justify the 2 procedure rooms the referral letter supporting these procedures is not in compliance with State Board Rule.

By rule the historical procedures must have been performed in a licensed hospital or an ASTC. The historical procedures for this proposed facility were performed in an office based setting and not a hospital or an ASTC. The Applicants have not met the requirements of this criterion.

The State Board Standard is 1,500 hours per proposed operating room.  $[2,011 \times 1.5 \text{ hours} = 3,017 \text{ hours} / 1,500 \text{ hours} = 2 \text{ procedure rooms}]$

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC 1110.234(b))**

**C) Criterion 1110.234(e) – Assurances**

To demonstrate compliance with this criterion the Applicants must attest that the proposed facility will be at target occupancy (80%) within two (2) years after project completion.

The Applicants have provided the necessary attestation as required at page 97 of the Application for Permit.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.234(e))**

**VIII. Ambulatory Surgery Treatment Center**

**A) Criterion 1110.1540(b)(1) & (3) – Background of the Applicants**

This criterion was addressed previously in this report.

**B) Criterion 1110.1540(c)(1) & (2) - Geographic Service Area Need**

To demonstrate compliance with this criterion the Applicants must document that the ASTC services and the number of surgical/treatment rooms to be established, added or expanded are necessary to serve the planning area's population, based on the following:

**1) 77 Ill. Adm. Code 1100 (Formula Calculation)**

The State Board has not developed a need criterion for the establishment of an Ambulatory Surgical Treatment Center.

**2) Service to Geographic Service Area Residents**

**The applicant must document that the primary purpose of the project will be to provide necessary health care to the residents of the geographic service area (GSA) in which the proposed project will be physically located.**

A list of zip codes areas that comprise the GSA was provided as required as well as the patient origin information by zip code for the last 12-months. The Applicants identified 218 zip codes with a total population of approximately 6.4 million within this 45-minute geographic service area.

From the review of the information provided in the Application for Permit and supplementary information, it does appear that the Applicants will be providing services to the residents of the GSA.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION GEOGRAPHICAL SERVICE AREA RESIDENTS(77 ILAC 1110.1540(c)(1) & (2))**

**C) Criterion 1110.1540(d) - Service Demand – Establishment of an ASTC Facility**

To demonstrate compliance with this criterion the Applicants must document that the proposed project is necessary to accommodate the service demand experienced annually by the Applicants, over the latest two-year period, as evidenced by historical and projected referrals.

By rule the State Board only accepts referral information from a licensed hospital or licensed ASTC. All of the Applicants 12-month referrals were from a facility other than a licensed hospital or licensed ASTC. The Applicants have not met the requirements of this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION SERVICE DEMAND (77 ILAC 1110.1540(d))**

**D) Criterion 1110. 1540(f) - Treatment Room Need Assessment**

To demonstrate compliance with this criterion the Applicants must document that there is sufficient volume to justify the two procedure rooms being requested.

The Applicants provided a referral letter that stated that 2,011 referrals will be made annually to the proposed facility should the project be approved. The Applicants stated the average case time is 1.5 hours per procedure. Should the referrals materialize the Applicants would be able to justify the two procedure rooms at the 80% target occupancy. However, as identified above the historical referrals to support this project were not performed in a licensed ASTC or hospital as required by rule. The Applicants have not met the requirements of this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION TREATMENT ROOM NEED ASSESSMENT (77 ILAC 1110.1540(f))**

**E) Criterion 1110.1540(g) - Service Accessibility**

**To demonstrate compliance with this criterion the Applicants must document that the proposed ASTC services being established or added are necessary to improve access for residents of the GSA. The applicant shall document that at least one of the following conditions exists in the GSA:**

- 1) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project;
  - 2) The other IDPH-licensed ASTC and hospital surgical/treatment rooms used for those ASTC services proposed by the project within the identified GSA are utilized at or above the utilization level specified in 77 Ill. Adm. Code 1100;
  - 3) The ASTC services or specific types of procedures or operations that are components of an ASTC service are not currently available in the GSA or that existing underutilized services in the GSA have restrictive admission policies;
  - 4) The proposed project is a cooperative venture sponsored by two or more persons, at least one of which operates an existing hospital. Documentation shall provide evidence that:
    - A) The existing hospital is currently providing outpatient services to the population of the subject GSA;
    - B) The existing hospital has sufficient historical workload to justify the number of surgical/treatment rooms at the existing hospital and at the proposed ASTC, based upon the treatment room utilization standard specified in 77 Ill. Adm. Code 1100;
    - C) The existing hospital agrees not to increase its surgical/treatment room capacity until the proposed project's surgical/treatment rooms are operating at or above the utilization rate specified in 77 Ill. Adm. Code 1100 for a period of at least 12 consecutive months; and
    - D) The proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.
1. There are 14 hospitals and 50 ASTCs within 45 minutes of the proposed ASTC. Ten of the surgery centers are not being considered in this evaluation because they have recently been approved (8 ASTCs) or are pediatric specific surgery centers (2 ASTCs).
  2. Of the remaining 40 ASTCs, 16 are limited specialty ASTCs and 24 are multi-specialty ASTCs. Eight of the limited specialty ASTCs is at target occupancy and four of 24 multi-specialty ASTCs are at target occupancy.
  3. Fifteen of the 40 surgery centers provided general surgery, the surgical specialty being proposed by the Applicants. Of these fifteen surgery centers four are at target occupancy and have the capacity to absorb the workload being proposed by this project.
  4. The proposed project is not a cooperative venture with a hospital.

Based upon the documentation reviewed by the State Board Staff there appears to be sufficient access in the proposed GSA that the proposed facility would not be warranted.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT CONFORMANCE WITH CRITERION SERVICE ACCESSIBILITY (77 ILAC 1110.1540(g))**

**F) Criterion 1110.1540(h)(1), (2) & (3) - Unnecessary Duplication/Mal-distribution**

**To demonstrate compliance with this criterion the Applicants must document that the project will not result in an unnecessary duplication, will not result in a mal-distribution of services, will not lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm.**

**Code 1100; and will not lower, to a further extent, the utilization of other GSA facilities that are currently (during the latest 12-month period) operating below the utilization standards.**

### **1. Unnecessary Duplication of Service**

There are 14 hospitals and 50 ASTCs within 45 minutes of the proposed ASTC. Ten of the surgery centers are not being considered in this evaluation because they have recently been approved (8 ASTCs) or are pediatric specific surgery centers (2 ASTCs). Of the remaining 40 ASTCs, 16 are limited specialty ASTCs and 24 are multi-specialty ASTCs. Eight of the limited specialty ASTCs is at target occupancy and four of 24 multi-specialty ASTCs are at target occupancy. Fifteen of the 40 surgery centers provided general surgery, the surgical specialty being proposed by the Applicants. Of these fifteen surgery centers, 11 are not at target occupancy and have the capacity to absorb the workload being proposed by this project.

### **2. Mal-distribution of Service**

There are approximately 218 zip codes and 6,486,787 individuals in this 45-minute GSA based upon the most recent population estimates provided by the Applicants. There are 417 operating/procedure rooms within 45 minutes of the proposed facility. The ratio of operating/procedure rooms is 1 room per 15,556 residents in this GSA. There are 4,026 operating/procedure rooms reported to the State Board in 2016 [Source: 2016 Annual Hospital and ASTC Profile Information]. The estimated 2015 population in the State of Illinois is 12,978,800 and the ratio is one operating procedure room for every 3,224 resident. Thus, there is not a surplus of stations in this GSA.

### **3. Impact on Other Facilities**

The Applicants stated that *“none of the existing surgery center are designed for or dedicated to serving the patient population, making the likelihood of mal-distribution minimal, and would greatly diminish any impact to area providers.”* [Source: Application for Permit page 72]

### **Summary:**

From the information provided in the Application for Permit and the additional material submitted, there appears to be sufficient capacity within the proposed GSA to absorb the workload being proposed by this Application for Permit. It would appear that an unnecessary duplication of service will result with the approval of this Application.

**TABLE THREE**  
**ASTCs within 45 minutes currently providing General Surgery**

Facility	City	Adjusted Time	Type	Rooms	Hours	# of Rooms Justified	Difference	Met Standard?
Northwest Community Day Surgery	Arlington Heights	13.8	Multi	10	10,482	7	3	No
Northwest Surgicare	Arlington Heights	14.95	Multi	5	3,343	3	2	No
The Hoffman Estates Surgery Center	Hoffman Estates	16.1	Multi	6	4,748	4	2	No
Golf Surgical Center	Des Plaines	29.9	Multi	6	4,737	4	2	No
Midwest Center For Day Surgery	Downers Grove	31.05	Multi	5	3,589	3	2	No
Dupage Medical Group Surgery Center	Lombard	31.05	Multi	8	17,731	12	-4	Yes
Loyola Ambulatory Surgery Center At Oakbrook	Villa Park	32.2	Multi	3	4,488	3	0	Yes

**TABLE THREE**  
**ASTCs within 45 minutes currently providing General Surgery**

Facility	City	Adjusted Time	Type	Rooms	Hours	# of Rooms Justified	Difference	Met Standard?
Oak Brook Surgical Centre	Oak Brook	33.35	Multi	6	2,514	2	4	No
Chicago Surgical Clinic, Ltd.	Arlington Heights	34.5	Limited	3	110	1	2	No
Elmhurst Outpatient Surgery Center	Elmhurst	35.65	Multi	8	7,774	6	2	No
The Center For Surgery	Naperville	35.65	Multi	11	4,419	3	8	No
Hawthorne Place Outpatient Surgery Ctr.	Vernon Hills	36.8	Multi	5	6,527	5	0	Yes
Advanced Ambulatory Surgical Center	Chicago	37.95	Multi	3	1,008	1	2	No
Hinsdale Surgical Center	Hinsdale	37.95	Multi	6	5,713	4	2	No
North Shore Surgical Center	Lincolnwood	43.7	Multi	3	3,973	3	0	Yes
				88		61	27	

Source: Information from 2016 ASTC Profiles

Travel time from MapQuest and adjusted per 77 ILAC 1100.510 (d)

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION MAL-DISTRIBUTION (77 ILAC 1110.1540(h)(1))**

**G) Criterion 1110.1540(i) - Staffing**

To demonstrate compliance with this criterion the Applicants must document that relevant clinical and professional staffing needs for the proposed project were considered and that the staffing requirements of licensure and the Joint Commission or other nationally recognized accrediting bodies can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

The facility will appoint one the existing NANI physicians, all Board certified nephrologists, to act in the capacity of medical director for the facility. The staffing of the facility will consist of already employed individuals and includes the following positions:

1. 4 Registered Nurses (already employed)
2. Vascular Care Coordinator (already employed)
3. 2 Radiological Technologist (already employed)
4. Facility Manager (may be responsibility of existing personnel)
5. Administrative Staff (already employed)
6. Medical Director (already employed)

As needed, additional staff will be identified and employed utilizing existing job search sites and professional placement services.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING (77 ILAC 1110.1540 (i))**

**H) Criterion 1110.1540 (j) - Charge Commitment**

To document compliance with this criterion the Applicants must document In order to meet the objectives of the Act, which are *to improve the financial ability of the public to obtain necessary health services; and to establish an orderly and comprehensive health care delivery system that will guarantee the availability of quality health care to the general public; and cost containment and support for safety*

*net services must continue to be central tenets of the Certificate of Need process [20 ILCS 3960/2], the applicant shall submit the following:*

- 1) a statement of all charges, except for any professional fee (physician charge); and
- 2) a commitment that these charges will not be increased, at a minimum, for the first two years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).

The Applicants provided the required charge list and have committed to those charges for the first two years of operation as required.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION CHARGE COMMITMENT (77 ILAC 1110.1540(j))**

**I) Criterion 1110.1540(k) - Assurances**

To document compliance with this criterion the Applicants must attest that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated. That, in the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100. Documentation shall include, but not be limited to, historical utilization trends, population growth, expansion of professional staff or programs (demonstrated by signed contracts with additional physicians) and the provision of new procedures that would increase utilization.

The Applicants have provided the necessary attestation at page 91 of the Application for Permit.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.1540 (k))**

## **IX. FINANCIAL VIABILITY**

### **A) Criterion 1120.120 – Availability of Funds**

**To demonstrate compliance with this criterion the Applicants must document that the funds are available.**

The Applicants are funding this project with cash and securities in the amount of \$106,690; the fair market value of leased space of \$830,488 and a line of credit of \$2,169,512. The lease will be an operating lease<sup>3</sup>.

The State Board Staff could not determine if the Applicants had sufficient cash because the cash figure was redacted in the information that was provided. According to the Applicants *“We redacted information from our audited financial statements that we believe to be highly confidential and proprietary information. In an effort to meet both the letter and spirit of the applicable administrative rule we provided the total figures for assets, liabilities, revenue, operating expenses, and net income directly from an audited financial. These figures were provided to ensure review staff would be able to verify the information detailed in our application.”*

Additionally a letter from The Huntington National Bank was provided documenting the terms of a \$3,000,000 loan to Nephrology Associates of Northern Illinois for a period of five years at the LIBOR<sup>4</sup> rate plus 2.25% [Current 12-month LIBOR rate is 2.67% as of March 23, 2018]. According to the letter, the credit facility is available at any time with documentation of invoices of work performed. [Application for Permit page 93]

The Applicants do not have an “A” or better bond rating and by rule are required to submit audited financial statements. The Applicants have not met the requirements of this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 ILAC 1120.120)**

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<sup>3</sup> Operating lease is a contract wherein the owner, called the Lessor, permits the user, called the Lessee, to use of an asset for a particular period which is shorter than the economic life of the asset without any transfer of ownership rights. The Lessor gives the right to the Lessee in return for regular payments for an agreed period of time.

<sup>4</sup> LIBOR: The London Inter-bank Offered Rate is the average of interest rates estimated by each of the leading banks in London that it would be charged were it to borrow from other banks.

**A) Criterion 1120.130 – Financial Viability**

To demonstrate compliance with this criterion the Applicants must document that the Applicants are financially viable.

The Applicants provided redacted information and the information provided for the financial ratios could not be verified. The Applicants have not met the requirements of this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION FINANCIALLY VIABILITY (77 ILAC 1120.130)**

**X. ECONOMIC FEASIBILITY**

**A) Criterion 1120.140(a) – Reasonableness of Financing Arrangements**

**B) Criterion 1120.140(b) – Terms of Debt Financing**

To demonstrate compliance with this criterion the Applicants must document that the financing and terms of debt financing are reasonable when compared to previously approved projects. The State Board does not have standards for these criteria.

The State Board considers leasing a form of debt financing<sup>5</sup>. The Applicants provided a letter of intent to lease approximately 6,774 gross square foot (“GSF”) of space at a cost of \$14 per GSF increasing by 3% annually. [See Application for Permit page 31-32]

Additionally a letter from The Huntington National Bank was provided documenting the terms of a \$3,000,000 loan to Nephrology Associates of Northern Illinois for a period of five years at the LIBOR<sup>6</sup> rate plus 2.25% [Current 12-month LIBOR rate is 2.67% as of March 23, 2018]. According to the letter, the credit facility is available at any time with documentation of invoices of work performed. [Application for Permit page 93]

The Applicants have attested that the entering into borrowing is less costly than the liquidation of existing investments and the debt financing is at the lowest net cost available (See Application for Permit page 95). Based upon the information provided in the Application for Permit; the Applicants have successfully met the requirements of the criteria.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 ILAC 1120.140 (a) and 77 ILAC 1120.140 (b))**

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<sup>5</sup> "Debt Financing" means all or any portion of project costs financed through borrowing. Leasing, for purposes of this Part, is considered borrowing. Portions of lease payments that are for service, insurance, or other noncapital costs are not considered borrowing. 77 ILAC 1120.10

<sup>6</sup> LIBOR: The London Inter-bank Offered Rate is the average of interest rates estimated by each of the leading banks in London that it would be charged were it to borrow from other banks.

**C) Criterion 1120.140(c) – Reasonableness of Project Costs**

**To demonstrate compliance with this criterion the Applicants must document that the proposed project costs are reasonable when compared to the State Board Standard in Part 1120 Appendix A.**

Only the reviewable costs are reviewed for this criterion. The Applicants are proposing 3,726 GSF of reviewable space for the proposed facility.

**TABLE FOUR**  
**Reasonableness of Project Costs**

Description	Project Costs		State Standard		Difference	Met Standard?
	Total	Unit	Total	Unit		
Modernization and Contingency Cost <sup>(2)</sup>	\$901,780	\$242.02 per GSF	\$1,210,020	\$272.81 per GSF	(\$308,240)	Yes
Contingencies	\$57,376	6.79%	\$164,346	15.00%	(\$106,970)	Yes
Architectural/Engineering Fees	\$49,500	5.49%	\$108,755	12.06%	(\$59,255)	Yes
Movable or Other Equipment (not in construction contracts) <sup>(3)</sup>	\$450,000	\$225,000 per Operating Room	\$979,490	\$489,745 per Operating Room	(\$529,490)	Yes
Fair Market Value of Leased Space or Equipment <sup>(1)</sup>	\$456,769	No Standard				

1. Modernization includes the build out of leased space and shall include the cost of capital equipment included in the terms of the lease.
2. Modernization and Contingency Costs are \$249.66 per GSF (2015) and inflated by 3% to 2018.
3. Moveable or Other Equipment Costs are \$353,802 per operating room (2008) and inflated by 3% to 2018.

For the two criteria below the State Board does not have a standard. These two criteria are successfully addressed when the Applicants have provided the information requested.

**D) Criterion 1120.140(d) - Direct Operating Costs**

**To demonstrate compliance with this criterion the Applicants must document the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.**

The Applicants are estimating \$1,078 per treatment in total operating costs which includes all expenses associated with this facility for the second year after project completion. This appears reasonable when compared to previously approved projects of this type.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION DIRECT OPERATING COSTS (77 ILAC 1120.140(d))**

**E) Criterion 1120.140(e) - Total Effect of the Project on Capital Costs**

To demonstrate compliance with the criterion the Applicants must document the capital costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

The Applicants are estimating \$34.00 in capital costs per treatment. This appears reasonable when compared to previously approved projects of this type.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 ILAC 1120.140(e))**

## **Details of Vascular Procedures**

Hemodialysis, also called dialysis, is the most common treatment for kidney failure. A dialysis machine is an artificial kidney which cleanses the blood. During dialysis, blood is drawn from the patient into the dialysis machine, circulated through the machine, and then returned to the patient. Two needles are inserted into the patient's bloodstream to allow this process to occur. Hemodialysis is normally performed three times a week and the purpose of vascular access is to provide reliable sites where the bloodstream can be easily accessed each time. There are three major types of vascular access: arteriovenous fistula, arteriovenous graft, and venous catheter. The great majority of vascular accesses are created in the arm, but they can also be created in the leg

A surgeon creates an **arteriovenous fistula** by making a connection between an artery (which carries blood away from the heart) and a vein (which carries blood back to the heart). This artificial connection allows the vein to become larger and for the walls of the vein to thicken, a process termed maturation. A mature fistula makes it easier for the vein to be punctured repeatedly for dialysis. Maturation typically takes three to six months to occur, but in rare cases, can take up to a year. This makes advance planning for an arteriovenous fistula important. When a patient is felt to be approximately a year away from requiring dialysis, the patient should be referred for evaluation for possible creation of an arteriovenous fistula.

If a patient is not a good candidate for an arteriovenous fistula, an **arteriovenous graft** is considered. An arteriovenous graft is a piece of artificial tubing, generally made out of teflon or fabric, that is attached on one end to an artery, and on the other end to a vein. The tube is placed entirely under the skin and the tube itself is punctured during dialysis. An arteriovenous graft can in general be used two to three weeks after the operation. However, arteriovenous grafts are more prone to infection and clotting than fistulas. The lifespan of an arteriovenous graft is approximately two to three years.

A third type of vascular access is a **venous catheter**. A venous catheter is a plastic tube which is inserted into a large vein, usually in the neck. An external portion of the catheter is exposed on the chest wall that allows the tubing for the dialysis machine to be connected. Because the catheter is not entirely under the skin, it is prone to infection. Venous catheters also have a high rate of becoming clogged and do not provide for as efficient dialysis as fistulas and grafts. Venous catheters are generally considered temporary vascular accesses, and are usually only placed when urgent dialysis is needed. In rare cases, a venous catheter may be used as long-term vascular access if no other options are available.

A final alternative for access creation for patients who are not good candidates for arteriovenous fistula is a device that is a **hybrid of an arteriovenous graft and a catheter**. This device is especially designed for patients who have a narrowing of the large central veins in the chest that would prevent a fistula or a graft from functioning properly. The entire device is placed underneath the skin and can be used for long-term vascular access. The characteristics of the device are similar to those described above for arteriovenous graft. [Source: Center for Medicare and Medicaid Services]

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**Hospitals within 45 minutes of the Proposed Service Area**

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<b>Facility</b>	<b>City</b>	<b>Drive Time</b>	<b>Room</b>	<b>Hours</b>	<b>Rooms Justified</b>	<b>Difference</b>	<b>Met Standard</b>
St. Alexius Medical Center	Hoffman Estates	11.5	21	28,427	19	2	No
Northwest Community Hospital	Arlington Heights	23	23	31,243	21	2	No
Adventist Glen Oaks Medical Center	Glendale Heights	31.05	8	3,637	3	5	No
Presence Saint Joseph Hospital	Elgin	36.8	13	7,221	5	8	No
Presence Holy Family Hospital	Des Plaines	41.4	10	2,121	2	8	No
Loyola Health System at Gottlieb	Melrose Park	42.55	11	14,471	10	1	No
VHS Westlake Hospital	Melrose Park	42.55	10	3,173	3	7	No
Presence Resurrection Medical Center	Chicago	43.7	17	20,704	14	3	No
Alexian Brothers Medical Center	Elk Grove Villa	14.95	23	33,361	23	0	Yes
Elmhurst Memorial Hospital	Elmhurst	29.9	16	34,750	24	-8	Yes
Sherman Hospital	Elgin	36.8	19	29,632	20	-1	Yes
Advocate Good Shepherd Hospital	Barrington	37.95	17	28,584	20	-3	Yes
Advocate Lutheran General Hospital	Park Ridge	37.95	35	54,154	37	-2	Yes
Loyola University Medical Center/Foster G. McGaw	Maywood	44.85	33	75,340	51	-18	Yes
<b>Total</b>			<b>256</b>		<b>252</b>	<b>4</b>	

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**Limited ASTC within 45 minutes of the Proposed Facility**

<b>Facility</b>	<b>City</b>	<b>Drive Time</b>	<b>Type</b>	<b>Rooms</b>	<b>Hours</b>	<b>Rooms Justified</b>	<b>Difference</b>	<b>Met Standard</b>
Barrington Pain And Spine Institute	Barrington	21.85	Limited	3	1,239	1.00	2.00	No
Chicago Surgical Clinic, Ltd.	Arlington Heights	34.5	Limited	3	110	1.00	2.00	No
Dupage Eye Surgery Center	Wheaton	32.2	Limited	6	2,724	2.00	4.00	No
Elmwood Park Same Day Surgery Center	Elmwood Park	42.55	Limited	3	335	1.00	2.00	No
Novamed Surgery Center Of Chicago Northshore	Chicago	43.7	Limited	2	1,301	1.00	1.00	No
Novamed Surgery Center Of River Forest	River Forest	44.85	Limited	2	751	1.00	1.00	No
Ravine Way Surgery Center	Glenview	33.35	Limited	4	3,219	3.00	1.00	No
Advantage Health Care	Wood Dale	21.85	Limited	2	1,676	2.00	0.00	Yes
Elgin Gastroenterology Endoscopy Center	Elgin	26.45	Limited	2	4,971	4.00	-2.00	Yes
Elmhurst Foot & Ankle	Elmhurst	31.05	Limited	1	253	1.00	0.00	Yes
Illinois Hand & Upper Extremity Center	Arlington Heights	11.5	Limited	1	1,161	1.00	0.00	Yes
Naperville Fertility Center	Naperville	34.5	Limited	1	985	1.00	0.00	Yes
Eye Surgery Center Of Hinsdale	Hinsdale	40.25	Limited	3	2,850	2.00	1.00	No
United Urology Center Lagrange	Lagrange	44.85	Limited	1	2,258	2.00	-1.00	Yes
The Glen Endoscopy Center	Glenview	33.35	Limited	3	3,819	3.00	0.00	Yes
Winchester Endoscopy Center	Libertyville	42.55	Limited	2	2,495	2.00	0.00	Yes
<b>Total</b>				<b>39</b>		<b>28</b>	<b>11.00</b>	

Multi-Specialty ASTC within 45 minutes of the Proposed Facility								
Facility	City	Drive Time	Type	Rooms	Hours	Rooms Justified	Difference	
Advanced Ambulatory Surgical Center	Chicago	37.95	Multi	3	1,008	1.00	2.00	No
Aiden Center For Day Surgery	Addison	19.55	Multi	4	411	1.00	3.00	No
Algonquin Road Surgery Center	Lake In The Hills	31.05	Multi	4	3,173	3.00	1.00	No
Ambulatory Surgicenter of Downers Grove	Downers Grove	32.2	Multi	3	1,067	1.00	2.00	No
Ashton Center For Day Surgery	Hoffman Estates	17.25	Multi	4	2,057	1.00	3.00	No
Belmont/Harlem Surgery Center	Chicago	36.8	Multi	4	1,826	2.00	2.00	No
Cadence Ambulatory Surgery Center	Warrenville	36.8	Multi	4	4,254	3.00	1.00	No
Elmhurst Outpatient Surgery Center	Elmhurst	35.65	Multi	8	7,774	6.00	2.00	No
Golf Surgical Center	Des Plaines	29.9	Multi	6	4,737	4.00	2.00	No
Hinsdale Surgical Center	Hinsdale	37.95	Multi	6	5,713	4.00	2.00	No
Illinois Sports Medicine & Orthopedic Surgery Center	Morton Grove	33.35	Multi	5	4,065	3.00	2.00	No
Midwest Center For Day Surgery	Downers Grove	31.05	Multi	5	3,589	3.00	2.00	No
Northwest Community Day Surgery	Arlington Heights	13.8	Multi	10	10,482	7.00	3.00	No
Northwest Surgicare Healthsouth	Arlington Heights	14.95	Multi	5	3,343	3.00	2.00	No
Oak Brook Surgical Centre	Oak Brook	33.35	Multi	6	2,514	2.00	4.00	No
Regenerative Surgery Center	Des Plaines	25.3	Multi	3	989	1.00	2.00	No
Salt Creek Surgery Center	Westmont	37.95	Multi	4	3,031	3.00	1.00	No
The Center For Surgery	Naperville	35.65	Multi	11	4,419	3.00	8.00	No
The Hoffman Estates Surgery Center	Hoffman Estates	16.1	Multi	6	4,748	4.00	2.00	No
Vernon Square Surgicenter	Vernon Hills	37.95	Multi	2	1,415	1.00	1.00	No
Dupage Medical Group Surgery Center	Lombard	31.05	Multi	8	17,731	12.00	-4.00	Yes
Hawthorne Place Outpatient Surgery Center	Vernon Hills	36.8	Multi	5	6,527	5.00	0.00	Yes
Loyola Ambulatory Surgery Center At Oakbrook	Villa Park	32.2	Multi	3	4,488	3.00	0.00	Yes
North Shore Surgical Center	Lincolnwood	43.7	Multi	3	3,973	3.00	0.00	Yes
<b>Total</b>				<b>122</b>		<b>79</b>	<b>43.00</b>	

Facilities not Operational or are pediatric specific facilities			Rooms	
Advocate Condell Ambulatory Surgical Treatment Center	Libertyville	40.25	2	Facility Licensed 2/10/2017
Advocate Sherman ASTC	Elgin	25.3	3	Approved As Permit #16-038 Completion Date 3/31/19
Uropartners Surgery Center	Des Plaines	24.15	2	No Data
Children's Outpatient Services At Westchester	Westchester	14.95	0	Children Specific
Dupage Vascular Care	Woodridge	34.5	1	Approved As Permit #17-018 Completion Date 12/01/18
Lurie Children's Hospital ASTC	Northbrook	33.35	0	Children Specific
Northwest Endoscopy Center	Arlington Heights	16.1	2	Approved As Permit #16-003 Facility Licensed 2/07/17
Presence Lakeshore Gastroenterology	Des Plaines	28.75	2	Approved As Permit #15-005
Rush Oak Brook Surgery Center	Oak Brook	39.1	8	Approved As Permit #16-031
Schaumburg Surgery Center	Schaumburg	14.95	2	Approved As Permit #16-007
			22	

Ratio	State Standard	Calculations Provided by Applicants			Calculation of State Board Staff		
		2016	2015	2014	2016	2015	2014
Current Ratio	Current Assets	\$19,343,047	\$14,650,155	\$5,040,497	\$12,232,772	\$11,224,311	\$7,403,073
	Current Liabilities	\$19,029,337	\$19,701,106	\$13,890,656	\$19,029,337	\$19,701,106	\$13,631,656
	<b>1.5</b>	<b>1.02</b>	<b>0.74</b>	<b>0.36</b>	<b>0.64</b>	<b>0.57</b>	<b>0.54</b>
Net Margin %	Net Income	\$1,997,539	\$837,358	\$409,480	\$1,997,539	\$837,358	\$409,480
	Net Operating Revenue	\$49,449,211	\$46,680,288	\$46,688,277	\$49,449,211	\$46,680,288	\$56,515,719
	<b>3.5%</b>	<b>4.04%</b>	<b>1.79%</b>	<b>0.88%</b>	<b>4.04%</b>	<b>1.79%</b>	<b>0.72%</b>
LTD/Capitalization	LTD	\$14,544,382	\$13,544,657	\$11,248,715	\$14,458,442	\$16,873,031	\$11,248,715
	LTD + Equity	\$77,495,928	\$66,845,147	\$46,924,962	\$18,100,162	\$22,512,290	\$21,785,591
	<b>&lt;80%</b>	<b>18.77%</b>	<b>20.26%</b>	<b>23.97%</b>	<b>79.88%</b>	<b>74.95%</b>	<b>51.63%</b>
Projected Debt Service	NI +Dep +Int +Amort.	\$3,742,437	\$2,316,033	\$1,880,522	Could not determine		
	Principal+Int	\$1,579,872	\$2,679,193	\$1,062,404			
	<b>&gt;1.75</b>	<b>2.37</b>	<b>0.86</b>	<b>1.77</b>			
Days Cash on Hand	Cash-Op Exp	\$5,285,879	\$3,958,182	\$3,125,276	Could not determine		
	<b>Op Exp/365</b>	<b>\$174,353</b>	<b>\$162,644</b>	<b>\$156,114</b>			
		30.32	24.34	20.02			
Cushion Ratio	Cash + Inv	\$46,787,029	\$36,764,717	\$22,637,221	Could not determine		
	Principal+Int	\$1,579,872	\$2,679,193	\$1,062,404			
	<b>&gt;3.0</b>	<b>29.61</b>	<b>13.72</b>	<b>21.31</b>			

# 17-072 Illinois Vascular Care Schaumburg - Schaumburg

