

2/13/2019

Courtney R. Avery, Administrator
Illinois Health Facilities and Services
Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Quincy Medical Group Surgery Center, CON Project 18-042

Dear Ms. Avery,

On behalf of the Teachers Coalition on Health (“TCOH”), I am writing to express support for the proposed Quincy Medical Group Surgery Center.

TCOH was formed to help school districts and their employees reduce health insurance costs, while, in many cases, increasing benefits and services. TCOH was founded on one simple principle: encourage free market competition to improve the quality and cost of healthcare for educators. Never before has funding been more limited for school districts in Illinois than it is now. Encouraging medical service providers to drive down their expenses helps everyone in the community. The best and fastest way to encourage that behavior is by allowing price competition between service providers.

TCOH is a consultant to the Egyptian Area Schools Employee Benefit Trust (“Egyptian Trust”), which is a not-for-profit health trust that the Quincy Public Schools owns in conjunction with 135 other school districts throughout Illinois. All profits of the Egyptian Trust are returned to help maintain lower health premiums or better benefits – meaning that strategies that help reduce the amount of claim spending ultimately brings savings to individual members and employees of Quincy Public Schools.

I cannot speak directly for the Quincy School District, but I can say that in my role as Underwriter for the Egyptian Trust, I spend a great deal of time studying pricing variations across the geography of our member districts. I have to do that to fairly attribute the correct amount of premium required to support the claims of any District. I have created a standardized “shopping cart” of the most commonly accessed services and compare and contrast that geographically in all of our Trust Member Communities. The real, after discount cost, to purchase that standard cart of services varies widely but correlates most closely to the level of provider competition in a community. The cost for Quincy school district employees to buy that same cart of services in Quincy is higher than any other similar sized community.

Here is why this matters: The higher the cost of a school districts “shopping cart”, the higher the premium that I award that district. Taking this to a human level: the higher the cost of health premiums the less money remains for wages. I have noticed that in school districts where more dollars go to healthcare, there is a higher amount of labor unrest.

I believe that any effort that introduces additional competition among medical providers is good and therapeutic for the community. I welcome any and all areas where price competition can be introduced in Quincy.

My role as Underwriter has expanded in the last few years to rehabilitating high cost areas via direct negotiation. I have met and spoken with local healthcare providers in Quincy to discuss my concerns with the higher costs and to find solutions. Quincy Medical Group has been the most creative in developing sustainable strategies to help bring pricing transparency and competition to Quincy.

I have also worked directly with some good people at Blessing Hospital to create some traditional discounts off of billed charges for to help lower the cost of care in Quincy for our teachers. They too have leaned in to create value for the school district.

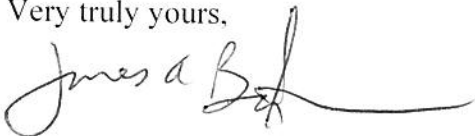
But without real competition neither effort can bring significantly better cost containment.

This is not about personalities, it is about a very simple idea that has worked in other areas. Competition should be encouraged to bring about innovation and cost reduction.

Quincy Medical Group's proposed surgery center will further my mission of providing employees of Quincy Public Schools and surrounding school districts with greater accessibility to lower cost, high-quality surgical services at a local level. There is currently only one ambulatory surgery center in Adams County, and that surgery center is owned by the local hospital. Adding another ambulatory surgery center in Adams County will increase competition, which will naturally lead to increased patient choice and ultimately reduce costs. Additionally, Quincy Medical Group's proposed surgery center will charge ambulatory surgery center rates, which are significantly lower than the facility fees currently charged by the local hospital-owned surgery center. The proposed surgery center will provide many benefits to employers and patients in the Quincy community, including, but not limited to, significant cost savings.

TCOH supports the proposed surgery center and urges the Board to vote in favor of the project.

Very truly yours,

A handwritten signature in dark ink, appearing to read "James A. Baxter", with a long horizontal flourish extending to the right.

2/13/19

Jim Baxter

Teacher's Coalition on Health Head Underwriter for the Egyptian Trust