



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: C-01	BOARD MEETING: March 5, 2019	EXEMPTION NUMBER: E-071-18
EXEMPTION APPLICANT(S): Chicago Prostate Cancer Surgery Center LLC and DuPage Medical Group, Ltd.		
FACILITY NAME and LOCATION: Chicago Prostate Cancer Surgery Center LLC d/b/a Chicago Prostate Surgery Center, 815 Pasquinelli Drive, Westmont, Illinois		

STATE BOARD STAFF REPORT
CHANGE OF OWNERSHIP OF A HEALTH CARE FACILITY

I. The Exemption Application

The Applicants (Chicago Prostate Cancer Surgery Center, LLC and DuPage Medical Group, Ltd.) proposed a change of ownership of a health care facility; Chicago Prostate Cancer Surgery Center, LLC, 815 Pasquinelli Drive, Westmont, Illinois. This transaction is considered a purchase resulting in no change in the current licensee. The licensee/operating entity is Chicago Prostate Cancer Surgery Center, LLC and the owner of the site is Quasar, LLC. The cost of this transaction is \$2,450,000. The anticipated project completion date is June 30, 2019.

DuPage Medical Group, Ltd. is purchasing 100% of the membership interest in Chicago Prostate Cancer Surgery Center LLC.

The exemption is before the State Board because the transaction is a change of ownership of a health care facility.

II. Applicable Rules

The Illinois Health Facilities Planning Act (20 ILCS 3960/6) states the State Board shall establish by regulation the procedures and requirements regarding issuance of exemptions. An exemption shall be approved when information required by the Board by rule is submitted. Projects eligible for an exemption, rather than a permit, include, but are not limited to, change of ownership of a health care facility, discontinuation of a category of service, and discontinuation of a health care facility, other than a health care facility maintained by the State or any agency or department thereof or a nursing home maintained by a county.

"Change of Ownership" means a change in the person who has operational control of an existing health care facility or *a change in the person who has ownership or control of a health care facility's physical plant and capital assets. A change of ownership is indicated by, but not limited to, the following transactions: sale, transfer, acquisition, leases, change of sponsorship or other means of transferring control.* [20 ILCS 3960/3]

The State Board's rule (77 IAC 1130.500 & 77 ILAC 1130.520) specifies the requirements necessary for a change of ownership of an exemption application to be filed with the State Board. The State Board may, by rule, delegate authority to the Chairman to grant permits or exemptions when applications meet all of the State Board's review criteria and are unopposed [20 ILCS 3960/5].

The State Board Staff Notes: No support or opposition letters were submitted and there was no request for a public hearing. All of the requirements of the State Board have been met.

III. Section 1130.520 - Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

- a) **Submission of Application for Exemption**
Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.

- b) **Application for Exemption**
The application for exemption is subject to approval under Section 1130.560 and shall include the information required by Section 1130.500 and the following information:
 - 1) *Key terms of the transaction, including the:*
 - A) *names of the parties;*
 - B) *background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application;*
 - C) *structure of the transaction;*
 - D) *name of the person who will be the licensed or certified entity after the transaction;*
 - E) *list of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a*

description of the applicant's organizational structure with a listing of controlling or subsidiary persons;

- F) *fair market value of assets to be transferred; and*
- G) *the purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]*

HFSRB NOTE: If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.

- 2) affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section;
 - 3) if the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction;
 - 4) a statement as to the anticipated benefits of the proposed changes in ownership to the community;
 - 5) the anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;
 - 6) a description of the facility's quality improvement program mechanism that will be utilized to assure quality control;
 - 7) a description of the selection process that the acquiring entity will use to select the facility's governing body;
 - 8) a statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility; and
 - 9) a description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.
- c) Application for Exemption Among Related Persons

When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]

d) **Opportunity for Public Hearing**

Upon a finding by HFSRB staff that an application for a change of ownership is complete, the State Board staff shall publish a legal notice on one day in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published on a daily basis, the additional legal notice shall be published on one day. The applicant shall pay the cost incurred by the Board in publishing the change of ownership notice in the newspaper as required under this subsection. The legal notice shall also be posted on Health Facilities and Services Review Board web site and sent to the State Representative and State Senator of the district in which the health care facility is located. [20 ILCS 3960/8.5(a)] This legal notice shall provide the following:

- 1) Name of applicants and addresses;
- 2) Name of facility and address;
- 3) Description of the proposed project and estimated total cost;
- 4) Notice of request for public hearing;
- 5) Notice of tentative HFSRB meeting and location; and
- 6) Notice of tentative release of the State Board Staff Report and the time to comment on the State Board Staff Report. See HFSRB website (www.hfsrb.illinois.gov).

e) **Completion of Projects with Outstanding Permits**

- 1) A permit or exemption cannot be transferred.
- 2) *In connection with a change of ownership, the State Board may approve the transfer of an existing permit without regard to whether the permit to be transferred has yet been obligated, except for permits establishing a new facility or a new category of service. (see 20 ILCS 3960/6(b).)*

- 3) If the requirements of this subsection (e) are not met, any outstanding permit will be considered a transfer of the permit and results in the permit being null and void.

STATE BOARD STAFF FINDS THE EXEMPTION FOR THE CHANGE OF OWNERSHIP IN CONFORMANCE WITH CRITERIA (77 ILAC 1130.500 & 77 ILAC 1130.520)

Reference Numbers Facility Id 7003098
 Health Service Area 007 Planning Service Area 043
 Chicago Prostate Surgery Center, LLC
 815 Pasquinelli Drive
 Westmont, IL 60559

Number of Operating Rooms 2
 Procedure Rooms
 Exam Rooms
 Number of Recovery Stations Stage 1 3
 Number of Recovery Stations Stage 2 6

Administrator Jennifer White
Date Complete 3/1/2018
Contact Person Jennifer White
Telephone 630-654-2515

Type of Ownership
 Sole Proprietorship

Registered Agent
 Jennifer T. White

Property Owner
 Quasar, LLC

Legal Owner(s)
 Brian J. Moran, M.D.

HOSPITAL TRANSFER RELATIONSHIPS

HOSPITAL NAME	NUMBER OF PATIENTS
Amita Health-Hinsdale Hospital	2

STAFFING PATTERNS

PERSONNEL	FULL-TIME EQUIVALENTS
Administrator	1.00
Physicians	
Nurse Anesthetists	
Director of Nurses	1.00
Registered Nurses	4.00
Certified Aides	
Other Health Profs.	3.00
Other Non-Health Profs	2.00
TOTAL	

DAYS AND HOURS OF OPERATION

Monday	10
Tuesday	10
Wednesday	10
Thursday	10
Friday	10
Saturday	
Sunday	

NUMBER OF PATIENTS BY AGE GROUP

AGE	MALE	FEMALE	TOTAL
0-14 years	0	0	0
15-44 years	3	0	3
45-64 years	245	0	245
65-74 years	291	0	291
75+ years	76	0	76
TOTAL	615	0	615

NUMBER OF PATIENTS BY PRIMARY PAYMENT SOURCE

PAYMENT SOURCE	MALE	FEMALE	TOTAL
Medicaid	0	0	0
Medicare	285	0	285
Other Public	4	0	4
Insurance	324	0	324
Private Pay	2	0	2
Charity Care	0	0	0
TOTAL	615	0	615

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
27.9%	0.0%	0.2%	63.2%	8.8%	100.0%		
592,890	0	3,543	1,341,903	186,474	2,124,810	0	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	0	0.00	0.00	0.00	0.00
Laser Eye Surgery	0	0.00	0.00	0.00	0.00
Neurology	0	0.00	0.00	0.00	0.00
OB/Gynecology	0	0.00	0.00	0.00	0.00
Ophthalmology	0	0.00	0.00	0.00	0.00
Oral/Maxillofacial	0	0.00	0.00	0.00	0.00
Orthopedic	0	0.00	0.00	0.00	0.00
Otolaryngology	0	0.00	0.00	0.00	0.00
Pain Management	0	0.00	0.00	0.00	0.00
Plastic Surgery	0	0.00	0.00	0.00	0.00
Podiatry	0	0.00	0.00	0.00	0.00
Thoracic	0	0.00	0.00	0.00	0.00
Urology	615	309.50	307.50	617.00	1.00
TOTAL	615	309.50	307.50	617.00	1.00

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 Catheterizat	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

Leading Locations of Patient Residence

<u>Zip Code</u>	<u>City</u>	<u>County</u>	<u>Patients</u>
60527	Willowbrook		13
60516	Downers Grove		13
60540	Naperville		13
60515	Downers Grove		12
60137	Glen Ellyn		12
60402	Berwyn		10
60544	Plainfield		10
60804	Cicero		10
60564	Naperville		9
60181	Villa Park		8
60565	Naperville		8
60561	Darien		8
60185	West Chicago		8
60440	Bolingbrook		8
60532	Lisle		8
60707	Elmwood Park		7
60126	Elmhurst		7
60629	Chicago		7
60187	Wheaton		7
60525	La Grange		7
60510	Batavia		7
60623	Chicago		6
60133	Hanover Park		6
60134	Geneva		6

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