



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: H-03	BOARD MEETING: June 4, 2019	PROJECT NO: 19-006	PROJECT COST:
FACILITY NAME: Massac County Surgery Center	CITY: Metropolis	Original: \$0	
TYPE OF PROJECT: Non-Substantive			HSA: VII

PROJECT DESCRIPTION: The Applicants (Massac County Surgery Center) propose to add a surgical specialty (pain management) to an existing surgical center providing orthopedic and podiatric surgery. There is no cost to this project. The anticipated completion date is June 30, 2019.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Massac County Surgery Center, LLC and OIWK Holdings, LLC) propose to add pain management to the existing 3-room ASTC that provides orthopedic and podiatry services located in Metropolis, Illinois. There is no cost to this project. The anticipated completion date is June 30, 2019.
- In November 2013 the State Board approved the establishment of a limited specialty ASTC performing orthopedic and podiatry surgical specialties (Permit #13-052) at a cost of approximately \$5.8 million. This permit was completed May 25, 2016.
- Massac County Surgery Center, LLC is owned by OIWK Holdings, LLC and Massac Memorial LLC. OIWK Holdings, LLC has "control" of the Surgery Center because of its 51 % ownership interest in the Surgery Center. Massac Memorial Hospital indirectly owns the remaining 49%. The surgeons with ownership interests in OIWK Holdings, LLC are all members of Southern Orthopedic Associates, S.C. Southern Orthopedics operates with two divisions: one located in Herrin, Illinois and one located in Paducah, Kentucky. The investors in OIWK Holdings, LLC practice through the Paducah division. Surgeons in the Herrin division have a 66% ownership interest in Southern Illinois Orthopedic Center, an IDPH-licensed ASTC, located in Herrin. Southern Illinois Healthcare Services has a 34% ownership interest in that ASTC.
- State Board Staff Note: Southern Orthopedic Associates, S.C. has submitted another Application for Permit (#19-007) to add pain management, neurosurgery, and podiatry to Southern Illinois Orthopedic Center in Herrin.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The proposed project is before the State Board because it proposes to add a surgical specialty to an existing health care facility as defined at 20/ILCS 3960/3.
- Board decisions regarding the construction and modification of health care facilities must consider capacity, quality, value, and equity. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process.

PURPOSE OF THE PROJECT:

- **According to the Applicants:** *"The proposed project is limited to the addition of pain management as an approved service to be provided at Massac County Surgery Center. As such, the proposed project, which will bring approaches to pain management to the area, including non-opioid based therapies that are not readily available in a low-cost ASTC setting, which will improve the health care and well-being of area residents."*

PUBLIC HEARING/COMMENT:

- A public hearing was offered, no hearing was requested. No letters of support or opposition were received by the State Board Staff.

SUMMARY:

- The Applicants propose to add a surgical specialty to a 3-room ASTC currently not at target utilization at no capital costs. There is one surgery center in the 21-mile GSA (Massac County Surgery Center) and one Hospital (Massac Memorial Hospital). Neither of these two facilities offer pain management services.

- The Applicants propose to perform 1,550 procedures or 961 hours at the surgery center by the second year if this project is approved. If approved the proposed project would not result in a duplication of service, a maldistribution of service or impact other facilities in the 21-mile GSA.
- The State Board Staff was not able to accept the physician referrals because the historical patient origin information by zip code was not provided by the Applicants.

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1110.120 (b) – Projected Utilization Criterion 1110.235 (c) (2) – Geographic Service Area Criterion 1110.235 (c) (3) – Service Demand	In 2017 the three room ASTC provided 1,885 hours of surgery which justifies two operating rooms. No additional operating/procedure rooms are being proposed by this project. The Applicants provided <u>two referral letters</u> from Drs. J. T. Ruxner and David Lindenberg. The two physicians performed 3,406 procedures in 2017. Of that number 3,398 were performed in an office-based setting and not a health care facility licensed by IDPH. The remaining 8 procedures were performed at an ASTC in Kentucky. The two physicians are estimating that 1,550 procedures will be performed at the surgery center during the second year should this project be approved. The Applicants are estimating 37.2 minutes per procedure or .62 hours which will equates to an additional 961 hours to be performed at the surgery center. A <u>third letter</u> was provided for Dr. Lee who will be joining Southern Orthopedic Associates SC on February 1, 2019 with a letter by Greg Thompson CEO, Southern Orthopedic Associates SC stating it is expected that Dr. Lee's patient origin will be similar to Southern Orthopedic Associates SC and that Dr. Lee is expected to refer 200 patients to the Surgery Center. Dr. Lee's information was not accepted. By rule historical referrals <u>must be performed</u> in a licensed IDPH health care facility. None of the historical referrals were accepted by the Board Staff and therefore the projected referrals exceed the number of historical referrals. The Applicants have not the requirements of this criterion. Because the physician's proposing to refer pain management services to this ASTC did not provide patient origin by zip code the Board Staff was unable to make a positive finding on whether at least 50% of the patients reside in the 21-mile GSA.

STATE BOARD STAFF REPORT
Project #19-006
Massac County Surgery Center

APPLICATION/ CHRONOLOGY/SUMMARY	
Applicants(s)	Massac County Surgery Center, LLC and OIWK Holdings, LLC
Facility Name	Massac County Surgery Center
Location	1811 East 5 th Street, Metropolis, Illinois
Permit Holder	Massac County Surgery Center, LLC and OIWK Holdings, LLC
Operating Entity/Licensee	Massac County Surgery Center, LLC
Owner of Site	Massac County Surgery Center, LLC
Proposed Gross Square Feet	11,550 GSF
Application Received	February 13, 2019
Application Deemed Complete	February 14, 2019
Financial Commitment Date	June 4, 2019
Anticipated Completion Date	June 30, 2019
Review Period Ends	April 15, 2019
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicants (Massac County Surgery Center, LLC and OIWK Holdings, LLC) propose to add pain management to the existing ASTC that provides orthopedic and podiatry services located in Metropolis, Illinois. There is no cost to this project. The anticipated completion date is June 30, 2019.

II. Summary of Findings

- A. State Board Staff finds the proposed project is not in conformance with all relevant provisions of Part 1110.
- B. State Board Staff finds the proposed project is in conformance with all relevant provisions of Part 1120.

III. General Information

The Applicants are Massac County Surgery Center and OIWK Holdings, LLC. This is a non-substantive project requiring a Part 1110 and Part 1120 review. Financial commitment will occur after permit issuance.

The *Centers for Medicare and Medicaid* defines an *Ambulatory surgical center* as any distinct entity that operates exclusively for providing surgical services to patients not requiring hospitalization and in which the expected duration of services would not exceed 24 hours following an admission.

IV. Health Service Area

The ASTC will be in the HSA V Health Service Area.

V. Project Costs and Sources of Funds

There is no cost to this project.

V. Background of the Applicants, Purpose of the Project, Safety Net Impact, Alternatives

A) Criterion 1110.110(a) - Background of the Applicant

To address this criterion the applicants must provide a list of all facilities currently owned in the State of Illinois and an attestation documenting that no adverse actions¹ have been taken against any applicant's facility by either Medicare or Medicaid, or any State or Federal regulatory authority during the 3 years prior to the filing of the Application with the Illinois Health Facilities and Services Review Board or a certified listing of adverse action taken against any applicant's facility; and authorization to the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of the application for permit.

The Applicants provided the required authorization allowing the State Board and IDPH access to all information to verify information in the application for permit. The Applicants attest that no adverse actions have been taken against any facility owned and/or operated by them during the three (3) years prior to the filing of this application. [Application for Permit page 32]. Evidence of ownership of the site has been provided as required at page 29.

Certificates of Good Standing has been provided for the Applicants as required. An Illinois Certificate of Good Standing is evidence that an Illinois business franchise (i.e. Illinois Corporation, LLC or LP) is in existence, is authorized to transact business in the state of Illinois and complies with all state of Illinois business requirements and therefore is in "Good Standing" in the State of Illinois [Application for Permit page 27-28]

B) Criterion 1110.110(b) – 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 shall define the planning area or market area, or other area, per the applicant's definition. The Applicants shall address the purpose of the project, i.e., identify the issues or problems that the project is proposing to address or solve. Information to be provided shall include, but is not limited to, identification of existing problems or issues that need to be addressed, as applicable and appropriate for the project.

The Applicants state:

“The proposed project is limited to the addition of pain management as an approved service to be provided at Massac County Surgery Center. As such, the proposed project,

¹ “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)

which will bring approaches to pain management to the area, including non-opioid based therapies that are not readily available in a low-cost ASTC setting, which will improve the health care and well-being of area residents.”

The GSA for a health care facility located in Massac County is a 21-mile radius. Table One below details the zip code, city, state, county, and population of this 21-mile radius. The ASTC 2017 historical patients by zip of residence is also provided.

TABLE ONE
Massac County Surgical Center
21-GSA

ZIP Code	City	State	County	Population	ASTC 2017 Historic Patients
42001	Paducah	KY	McCracken	30,456.00	191
42003	Paducah	KY	McCracken	30,310.00	181
62960	Metropolis	IL	Massac	11,070.00	99
42053	Kevil	KY	McCracken	5,069.00	44
42058	Ledbetter	KY	Livingston	2,257.00	16
62910	Brookport	IL	Massac	2,232.00	12
62938	Golconda	IL	Pope	2,351.00	14
42056	La Center	KY	Ballard	1,074.00	11
42081	Smithland	KY	Livingston	2,037.00	10
62995	Vienna	IL	Johnson	3,561.00	7
62985	Simpson	IL	Johnson	897	6
42086	West Paducah	KY	McCracken	4,179.00	38
62943	Grantsburg	IL	Johnson	686	5
42002	Paducah	KY	McCracken	0	4
62941	Grand Chain	IL	Pulaski	678	4
62956	Karnak	IL	Pulaski	659	1
42022	Bandana	KY	Ballard	0	
42028	Burna	KY	Livingston	589	
42047	Hampton	KY	Livingston	171	
42060	Lovelaceville	KY	Ballard	0	
62908	Belknap	IL	Massac	449	5
62909	Boles	IL	Johnson	0	
62923	Cypress	IL	Johnson	361	
62928	Eddyville	IL	Pope	105	
62953	Joppa	IL	Massac	0	6
62973	Perks	IL	Pulaski	0	
	Other				608
	Total			99,191	1262

C) Criterion 1110.110 (c) Safety Net Impact

All health care facilities, with the exception of skilled and intermediate long-term care facilities licensed under the Nursing Home Care Act, shall provide a safety net impact statement, which shall be filed with an application for a substantive project (see Section 1110.40). 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]

Adding a surgical specialty is a non-substantive project. No safety net impact statement is required.

TABLE TWO
Massac County Surgery Center
Charity Care ⁽¹⁾

Massac County Surgery Center		2016	2017
Net Patient Revenue		\$454,331	\$ 4,743,606
Amount of Charity Care (charges)		\$0	\$0
Cost of Charity Care		\$0	\$0
Ratio of Charity Care Cost to Net Patient Revenue.		\$0	\$0

1. Surgery Center began operations in mid-2016

D) Criterion 1110.110 (d) - Alternatives to the Proposed Project

To demonstrate compliance with this criterion the Applicants must document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.

No alternatives were considered.

VI. Project Scope and Size, Utilization and Unfinished/Shell Space

A) Criterion 1110. 120 (a) - Size of Project

To demonstrate compliance with this criterion the Applicants must document that that the physical space proposed for the project is necessary and appropriate. The proposed square footage cannot deviate from the square footage range indicated in Appendix B or exceed the square footage standard in Appendix B if the standard is a single number, unless square footage can be justified by documenting, as described in subsection (a)(2).

Additional gross square feet are not being added or modernized as part of this project. The Applicants have addressed this criterion.

B) Criterion 1110.120(b) - Project Services Utilization

To demonstrate compliance with this criterion the Applicants must document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B. The number of years projected shall not exceed the number of historical years documented. All Diagnostic and Treatment utilization numbers are the minimums per unit for establishing more than one unit, except where noted in 77 Ill. Adm. Code 1100. [Part 1110 Appendix B]

In 2017 the three room ASTC provided 1,885 hours of surgery which justifies two operating rooms. No additional operating/procedure rooms are being proposed with this project.

The Applicants provided two referral letters from Drs. J. T. Ruxner and David Lindenberg. The two physicians performed 3,406 procedures in 2017. Of that number 3,398 were performed in an office-based setting and not a health care facility licensed by IDPH. The remaining 8 procedures were performed at an ASTC in Kentucky. The two physicians are estimating that 1,550 procedures will be performed at the surgery center during the second year should this project be approved. The Applicants are estimating 37.2 minutes per procedure or .62 hours which will equate to an additional 961 hours to be performed at the surgery center.

A third letter was provided for a Dr. Lee who will be joining Southern Orthopedic Associates SC on February 1, 2019 with a letter from the Greg Thompson CEO, Southern Orthopedic Associates SC stating it is expected that Dr. Lee's patient origin will be similar to Southern Orthopedic Associates SC and that Dr. Lee is expected to refer 200 patients to the Surgery Center. Dr. Lee's information was not accepted.

By rule historical referrals must be performed in a licensed IDPH health care facility. None of the historical referrals were accepted by the Board Staff and therefore the projected referrals exceed the number of historical referrals. The Applicants have not the requirements of this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC 1110.120 (b))

C) Criterion 1110.120 (e) – Assurances

To document compliance with this criterion the Applicants representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the end of the second year of operation after project completion, the Applicants will meet or exceed the utilization standards specified in Appendix B.

The Applicant provided the necessary assurance as required at page 72 of the Application for Permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.120 (e))

VII. Non-Hospital Based Ambulatory Surgical Treatment Center Services

A) Criterion 1110.235 (c)(2) - Geographic Service Area Need

The applicant shall 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:

A) 77 Ill. Adm. Code 1100 (Formula Calculation)

As stated in 77 Ill. Adm. Code 1100, no formula need determination for the number of ASTCs and the number of surgical/treatment rooms in a geographic service area has been established. Need shall be established pursuant to the applicable review criteria of this Part.

This criterion is not applicable.

B) Service to Geographic Service Area Residents

The applicant shall 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.

i) The applicant shall provide a list of zip code areas (in total or in part) that comprise the GSA. The GSA is the area consisting of all zip code areas that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the project's site.

ii) The applicant shall provide patient origin information by zip code for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the GSA. Patient origin information shall be based upon the patient's legal residence (other than a health care facility) for the last 6 months immediately prior to admission.

The geographic service area (GSA) for a facility located in Metropolis, Illinois is a 21-mile radius (77 ILAC 1100.510 (d)). Table One identifies the zip codes in the 21-mile GSA. Of the 1,262 surgeries in 2017 performed at the Surgery Center 52% were from the 21-mile GSA. The three referring physicians did not provide their historical patient origin information by zip code but instead stated that is would be similar to the Surgery Centers.

Because the physicians proposing to refer pain management services to this ASTC did not provide patient origin by zip code the Board Staff was unable to make a positive finding on whether at least 50% of the patients reside in the 21-mile GSA.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION GEOGRAPHICAL SERVICE AREA (77 1110.235 (c)(2))

B) Criterion 1110.235 (c) (3) - Service Demand – Establishment of an ASTC Facility or Additional ASTC Service

The applicant shall document that the proposed project is necessary to accommodate the service demand experienced annually by the applicant, over the latest 2-year period, as evidenced by historical and projected referrals.

The Applicants provided two referral letters from Drs. J. T. Ruxner and David Lindenberg. The two physicians performed 3,406 procedures in 2017. Of that number 3,398 were performed in an office-based setting and not a health care facility licensed by IDPH. The remaining 8 procedures were performed at an ASTC in Kentucky. The two physicians are

estimating that 1,550 procedures will be performed at the surgery center during the second year should this project be approved. The Applicants are estimating 37.2 minutes per procedure or .62 hours which will equate to an additional 961 hours to be performed at the surgery center.

A third letter was provided for a Dr. Lee who will be joining Southern Orthopedic Associates SC on February 1, 2019 with a letter by Greg Thompson CEO, Southern Orthopedic Associates SC stating it is expected that Dr. Lee's patient origin will be similar to Southern Orthopedic Associates SC and that Dr. Lee is expected to refer 200 patients to the Surgery Center. Dr. Lee's information was not accepted.

The ASTC is not at target utilization (2017 information). No new capacity is being added (i.e. operating/procedure rooms) and the proposed procedures to be added at the ASTC can be accommodated at no additional capital cost.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION SERVICE DEMAND (77 1110.235 (c)(3))

C) Criterion 1110.235 (c) (5) - Treatment Room Need Assessment

A) The applicant shall document that the proposed number of surgical/treatment rooms for each ASTC service is necessary to service the projected patient volume. The number of rooms shall be justified based upon an annual minimum utilization of 1,500 hours of use per room, as established in 77 Ill. Adm. Code 1100.

B) For each ASTC service, the applicant shall provide the number of patient treatments/sessions, the average time (including setup and cleanup time) per patient treatment/session, and the methodology used to establish the average time per patient treatment/session (e.g., experienced historical caseload data, industry norms or special studies).

The Applicants are projecting 2,649 hours by the second year after project completion. If those hours materialize the Applicants have enough workload to justify the three operating rooms.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION TREATMENT ROOM NEED ASSESSMENT (77 1110.235 (c)(5))

D) Criterion 1110.235 (c) (6) - Service Accessibility

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:

A) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project;

B) 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;

C) 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;

D) The proposed project is a cooperative venture sponsored by 2 or more persons, at least one of which operates an existing hospital. Documentation shall provide evidence that:

i) The existing hospital is currently providing outpatient services to the population of the subject GSA;

- ii) 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;*
- iii) 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*
- iv) The proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.*

- A) There is one ASTC (Massac County Surgery Center) and one hospital (Massac Memorial Hospital in Metropolis) in the 21-mile GSA.
- B) No ASTC or Hospital is providing this service in this 21-mile GSA.
- C) The services being proposed by this project are not available at an IDPH licensed ASTC or Hospital in the 21-mile GSA.
- D) The Surgery Center is a joint venture with Massac Memorial Hospital.

The Applicants have met three of the four criteria identified above.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH SERVICE ACCESSIBILITY (77 1110.235 (c)(6))

E) Criterion 1110.235 (c) (7) - Unnecessary Duplication/Maldistribution

A) The applicant shall document that the project will not result in an unnecessary duplication. The applicant shall provide the following information for the proposed GSA zip code areas identified in subsection (c)(2)(B)(i):

- i) the total population of the GSA (based upon the most recent population numbers available for the State of Illinois); and*
- ii) the names and locations of all existing or approved health care facilities located within the GSA that provide the ASTC services that are proposed by the project.*

B) The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the GSA has an excess supply of facilities and ASTC services characterized by such factors as, but not limited to:

- i) a ratio of surgical/treatment rooms to population that exceeds one and one-half times the State average;*
- ii) historical utilization (for the latest 12-month period prior to submission of the application) for existing surgical/treatment rooms for the ASTC services proposed by the project that are below the utilization standard specified in 77 Ill. Adm. Code 1100; or*
- iii) insufficient population to provide the volume or caseload necessary to utilize the surgical/treatment rooms proposed by the project at or above utilization standards specified in 77 Ill. Adm. Code 1100.*
- C) The applicant shall document that, within 24 months after project completion, the proposed project:*
 - i) will not lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm. Code 1100; and*
 - ii) 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.*

The population in the 21-mile GSA is 99,191. There are six operating/procedure rooms in this 21-mile GSA. The ratio of operating/procedure rooms per 1,000 population in this 21-mile GSA is .061. The ratio of operating/procedure rooms per 1,000 population in the State of Illinois is .214. To have a surplus of operating/procedure rooms within the 21-mile GSA the ratio of rooms to population within the GSA must be 1.5 times the State of Illinois ratio or. 321 operating/procedure rooms per thousand population. There is not a surplus of operating/procedure rooms within this GSA based upon this ratio.

There is one hospital (Massac Memorial Hospital) and one ASTC (Massac County Surgical Center) in this 21-mile GSA. Based upon the 2017 Hospital profile information the hospital does not provide pain management surgical services. No additional capacity (i.e. operating/procedure rooms) are being added and a surgical service not currently available in the 21-mile GSA is being added. There is no unnecessary duplication of service and there will be no impact on existing facilities within the 21-mile GSA.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION/MALISTRIBUTION (77 1110.235 (c)(7))

F) Criterion 1110.235 (c) (8) - Staffing

A) Staffing Availability

The applicant shall 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.

B) Medical Director

It is recommended that the procedures to be performed for each ASTC service are under the direction of a physician who is board certified or board eligible by the appropriate professional standards organization or entity that credentials or certifies the health care worker for competency in that category of service.

The Applicants stated the following:

“Massac County Surgery Center operates consistent with all staffing related licensure requirements and Joint Commission standards and has not had difficulty in the recruitment of qualified staff. Due to the nature of the proposed project, minimal incremental staffing, if any, will need to be recruited to support the provision of pain management services. If the need for additional staff arises, word--of-mouth and newspaper advertisements in southern Illinois will be used as the primary recruitment tools.” Dr. Brian Kern is the Medical Director and his CV has been provided at page 49-52.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING (77 1110.235 (c)(8))

G) Criterion 1110.235 (c) (9) - Charge Commitment

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:

A) *a statement of all charges, except for any professional fee (physician charge); and*

B) *a commitment that these charges will not increase, at a minimum, for the first 2 years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).*

A list of the proposed procedures to be performed at the Applicant's facility is attached along with the charges for such procedures (pages 54-70 of the Application for Permit). A letter (page 53 of the Application for Permit) attesting that these charges will not increase,

at a minimum, for the first 2 years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION CHARGE COMMITMENT (77 1110.235 (c)(9))

H) Criterion 1110.235 (10) Assurances

A) The applicant shall 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.

B) The applicant shall document 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 provided the necessary information at pages 72 of the Application for Permit.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION ASSURANCES (77 1110.235 (c) (10))

Reference Numbers Facility Id 7003200
 Health Service Area 005 Planning Service Area 127
 Massac County Sugery Center LLC dba The Orthopaedi
 1811 East 5th Street
 Metropolis, IL 62960

Number of Operating Rooms 3
 Procedure Rooms 0
 Exam Rooms 1
 Number of Recovery Stations Stage 1 4
 Number of Recovery Stations Stage 2 2

Administrator Greg Thompson
Date Complete 5/7/2018
Contact Person Melanie Russell
Telephone 618-309-6005

Type of Ownership
 Limited Liability Company (RA required)

Registered Agent Greg Thompson
Property Owner

HOSPITAL TRANSFER RELATIONSHIPS	
HOSPITAL NAME	NUMBER OF PATIENTS
Massac Memorial Hospital, Metropolis, Illinois	1

Legal Owner(s)
 Massac Memorial LLC
 OIWK Holdings

STAFFING PATTERNS

PERSONNEL	FULL-TIME EQUIVALENTS
Administrator	0.20
Physicians	
Nurse Anesthetists	
Director of Nurses	1.00
Registered Nurses	5.00
Certified Aides	
Other Health Profs.	4.00
Other Non-Health Profs	2.00
TOTAL	

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	18	10	28
15-44 years	186	157	343
45-64 years	290	326	616
65-74 years	91	122	213
75+ years	19	43	62
TOTAL	604	658	1,262

NUMBER OF PATIENTS BY PRIMARY PAYMENT SOURCE

PAYMENT SOURCE	MALE	FEMALE	TOTAL
Medicaid	60	70	130
Medicare	130	192	322
Other Public	0	0	0
Insurance	411	390	801
Private Pay	3	6	9
Charity Care	0	0	0
TOTAL	604	658	1,262

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
24.1%	4.2%	0.0%	62.4%	9.3%	100.0%		
1,145,463	199,057	0	2,960,105	438,981	4,743,606	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	989	999.50	510.75	1510.25	1.53
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	273	238.00	136.75	374.75	1.37
Thoracic	0	0.00	0.00	0.00	0.00
Urology	0	0.00	0.00	0.00	0.00
TOTAL	1262	1,237.50	647.50	1885.00	1.49

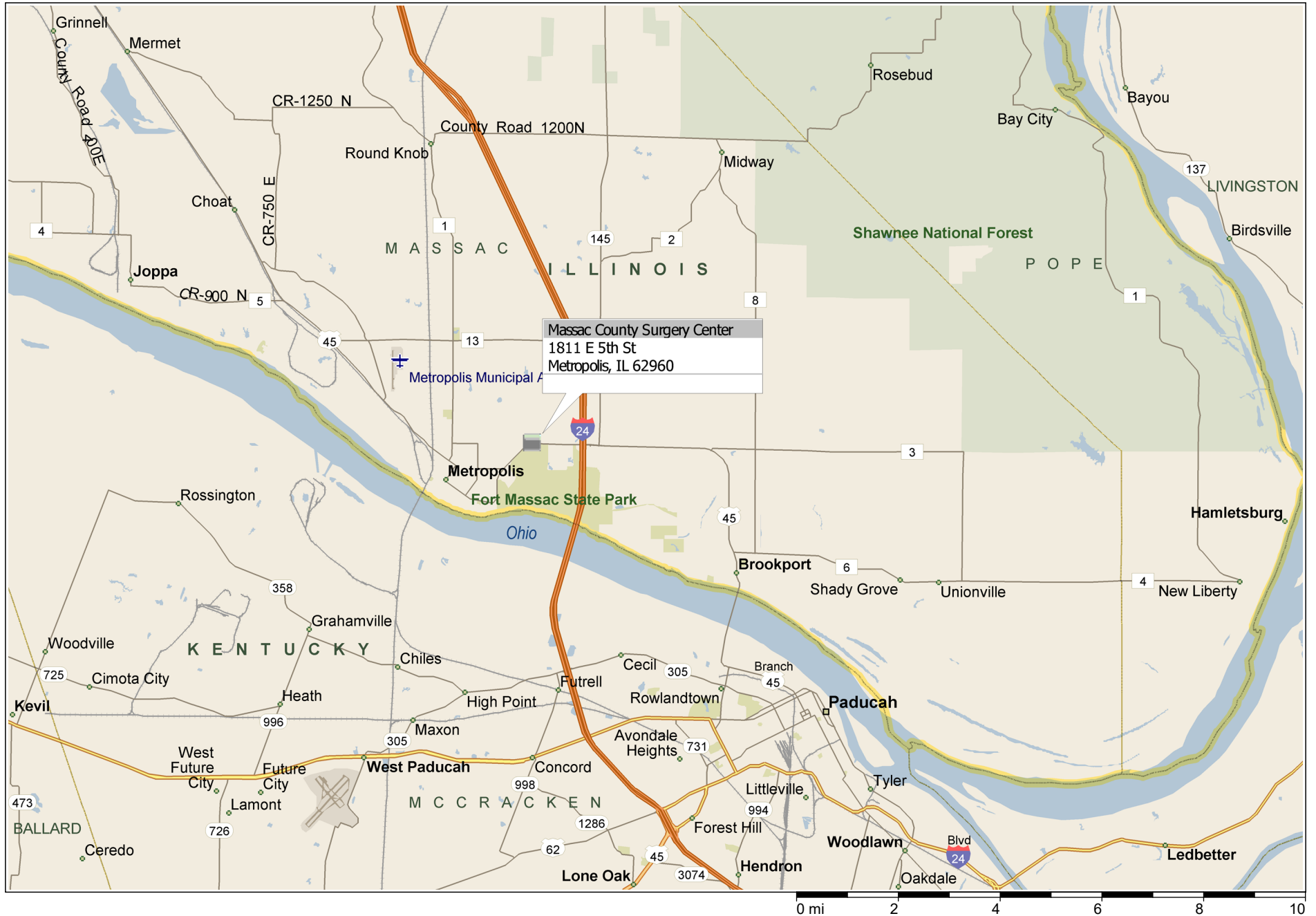
PROCEDURE ROOM UTILIZATION FOR THE REPORTING YEAR

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

Zip Code	City	County	Patients
42001			191
42003			181
62960	Metropolis	Massac	99
42025			94
42066			63
42053			44
42064			44
42029			40
42086		McCracken	38
42071			31
42445		Caldwell	28
42038			21
42044			19
42087		Ballard	17
42058			16
42055			16
42082			16
62938	Golconda	Pope	14
42078			13
62910	Brookport	Massac	12
42056			11
42051			11
42023			11
42081			10

19-006 Massac County Surgery Center - Metropolis



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