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August 29, 2019

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***Via Federal Express – Overnight Delivery***

Ms. Courtney R. Avery  
Mr. Michael Constantino  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

Re: Blessing Hospital ASTC – Project No. 19-029  
QMG's Written Comment Submission on Blessing Hospital's Failure to  
Submit Physician Referral Letters

Dear Ms. Avery and Mr. Constantino:

Our firm is legal counsel for Quincy Medical Group ("QMG"). This letter provides QMG's written comments on Blessing Hospital's failure to comply with the rules and procedure of the Illinois Health Facilities and Services Review Board ("HFSRB") regarding the submission of physician referral letters.

Pursuant to the HFSRB's rules and procedure, in order to justify the establishment of an ASTC facility, an applicant must document that the proposed facility is necessary to accommodate service demand based upon historical and projected referrals from area physicians. 77 Ill. Admin. Code § 1110.235(c)(3). The HFSRB's rules further set forth a list of detailed information that must be contained within the physician referral letters.<sup>1</sup> Key

<sup>1</sup> To demonstrate **historical demand**, "[t]he applicant shall provide physician referral letters that attest to the physician's total number of treatments for each ASTC service that has been referred to existing IDPH-licensed ASTCs or hospitals located in the GSA during the 12-month period prior to submission of the application. The documentation of physician referrals shall include . . . i) patient origin by zip code of residence; ii) name and specialty of referring physician; iii) name and location of the recipient hospital or ASTC; and (iv) number of referrals to other facilities for each proposed ASTC service for each of the latest 2 years." 77 Ill. Admin. Code § 235(c)(3)(A).

To demonstrate **projected demand**, "[t]he applicant shall provide the following documentation: i) Physician referral letters that attest to the physician's total number of patients (by zip code of residence) who have received care at existing IDPH-licensed ASTCs or hospitals located in the GSA during the 12-month period prior to submission of the application; ii) Documentation demonstrating that the projected patient volume, as evidenced by the physician referral letters, is from within the GSA defined under subsection (c)(2)(B); iii) An estimated number of treatments the physician will refer annually to the applicant facility within a 24-month period after project completion. The anticipated number of referrals cannot exceed the physician's experienced caseload. The

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components, include, among others: (1) the physician's total number of treatments for each ASTC service that has been referred to existing IDPH-licensed ASTCs or hospitals located in the GSA during the 12-month period prior to submission of the application; (2) the physician's total number of patients who have received care at existing IDPH-licensed ASTCs or hospitals located in the GSA during the 12-month period prior to submission of the application; (3) an estimated number of treatments the physician will refer annually to the proposed facility within a 24-month period after project completion; and (4) verification by the physician that the patient referrals have not been used to support another pending or approved CON application for the subject services. See 77 Ill. Admin. Code § 1110.235(c)(3)(A)-(B).

A review of Blessing Hospital's application reveals that no physician referral letters were submitted in support of the proposed facility. While Blessing has its own physician group, not a single Blessing physician submitted a letter pledging patient referrals to the proposed ASTC. Additionally, QMG physicians perform procedures at Blessing's existing ASTC on a daily basis, and, yet, Blessing Hospital never asked QMG physicians to pledge or commit patient referrals to its new ASTC. Blessing's labeling of the project as a mere "relocation" does not alter the physician referral letter requirement nor diminish the HFSRB's duty to ensure that before a \$21 million dollar health care facility is constructed, an applicant demonstrate the need for the facility in accordance with the HFSRB's rules.

Rather than follow the HFSRB's rules, Blessing Hospital submitted with its application a chart that it claims reflects "historical growth and referrals." (Blessing Hospital Application, p. 187-88.) The chart does not come close to complying with the HFSRB's rules documenting historical and projected referrals. See 77 Ill. Admin. Code § 1110.235(c)(3)(A)-(B). There are no individual physicians listed, no way to determine what or how many patient referrals come from a particular physician, and no verification that the patient referrals have not already been used to support another pending or approved CON application for the subject services.

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percentage of projected referrals used to justify the proposed establishment cannot exceed the historical percentage of applicant market share within a 24-month period after project completion; iv) Referrals to health care providers other than IDPH-licensed ASTCs or hospitals will not be included in determining projected patient volume; v) Each physician referral letter shall contain the notarized signature, the typed or printed name, the office address, and the specialty of the physician; and vi) Verification by the physician that the patient referrals have not been used to support another pending or approved CON application for the subject services." 77 Ill. Admin. Code § 235(c)(3)(B).

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Blessing Hospital further states in its application that “[t]he projected volume [for the proposed ASTC] is based on historical growth and the number of new cases Blessing expects to serve as a result of recruitment of new specialties to the Blessing Physician Services Medical Group, QMG’s commitment to not impact Blessing’s volume, Blessing’s move to ASTC reimbursement rather than hospital provider based outpatient rates and the location of the ASTC attached to the hospital by a covered walk-way.” (Blessing Hospital Application, p. 187.) These are unsupported, unrealistic, inaccurate, and illusory claims – *none* of which comply with the HFSRB’s rules regarding required documentation to demonstrate need and/or service demand.

In order to justify the ORs and procedure rooms proposed in its ASTC, Blessing Hospital must document that it will meet the State standard of 1500 hours per room by the second year of operation. Blessing Hospital boldly states that it will meet this standard. It reaches this conclusion by taking 2018’s actual, historical value and simply increasing it by a historical growth trend. Not only is this method insufficient to comply with the HFSRB’s rules, but it assumes that none of the existing volume at the existing ASTC will transfer to QMG’s new ASTC. This assumption directly contradicts Blessing’s previous claims to the HFSRB.<sup>2</sup> These are unsupported assumptions and unrealistic projections. Additionally, QMG physicians have already pledged a certain number of patient referrals to its new ASTC. Therefore, those referrals have already been used to support another approved CON application and cannot be used to justify Blessing Hospital’s proposed ASTC.

On August 26, 2019, Blessing submitted to the HFSRB a petition it described on the cover page as being “signed by 120 Quincy physicians[sic].” **Exhibit 2**, Blessing Petition. First and foremost, the petition does not pledge or commit any patient referrals to Blessing’s ASTC and fails to satisfy any of the explicit requirements of section 1110.235(c)(3). Additionally, while many of the signatures are illegible, a review of the somewhat legible signatures demonstrates that many of the individuals who signed the petition are, in fact, not physicians. Further, the last page of the petition includes a list of typed names - not signatures - of individuals from various professions – including, among others, nurse practitioners, a licensed clinical professional counselor, a director of retail services, and a support services manager for

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<sup>2</sup> In opposition to Project No. 18-042, Blessing’s CEO stated: “The AST[sic] now proposed by QMG[sic] is a redirection of virtually all of the outpatient surgeries currently performed at Blessing Hospital and the existing ASTC[,]” along with “I will share with you that as of the first of this year [2019], our surgical volumes are down 2% in the organization, our overall volumes are down 12% . . . [t]here is a very different volume that is happening . . . [s]o when you use mathematical formulas from 2016 or 2017, they don’t necessarily always play out when you start to see shifts and changes in the environment.” **Exhibit 1**, Public Hearing Transcript, p. 21, 169.

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Blessing Physician Services. If Blessing Hospital took the time to prepare such a petition, why could it not take the time to comply with the HFSRB's rules and submit HFSRB-compliant physician referral letters?

Blessing Hospital's disregard for the HFSRB's rules and procedure should not be permitted – especially when the disregarded rule is crucial to the planning process. The physician referral requirement goes to the heart of the HFSRB's planning process. If a health care provider improperly or imprudently plans and overbuilds, it adds to the provider's expense structure and ultimately leads to higher prices for patients. Such a result would go against the purpose of the Illinois Health Facilities Planning Act to ensure health care facilities and services are accessible and affordable.

Blessing Hospital has not only failed to submit documentation required by the HFSRB's regulations, but it has failed to submit adequate documentation to justify the establishment of its proposed ASTC. The HFSRB should require that Blessing Hospital, like other applicants, comply with the HFSRB's rules and procedure and be required to submit the requisite physician referral letters needed to justify the establishment of its proposed ASTC.

Sincerely,



Rebecca Lindstrom

Enclosures – Exhibits 1-2

cc: Carol Brockmiller, CEO, Quincy Medical Group

1 2006, and we rent the space from them. We pay a  
2 fair and equitable rent and management fee since  
3 2006. The existing ASTC is located in their  
4 Hampshire Street building on the third floor. It  
5 consists of three ORs, three procedure rooms, and  
6 the appropriate prep and recovery space. The  
7 medical director and director of the program are  
8 employees of QMG.

9 Current utilization of the ORs at the ASTC  
10 at the Hampshire Street building is at the 82%  
11 level utilizing the Illinois Health Facilities and  
12 Services Planning Board formula. When we utilize  
13 the actual hours of operation formula, it is at 52%  
14 utilization.

15 The AST now proposed by QMGP is a  
16 redirection of virtually all of the outpatient  
17 surgeries currently performed at Blessing Hospital  
18 and the existing ASTC to an unneeded and  
19 duplicative facility owned by QMG UnityPoint, and  
20 you will no doubt hear today in detail the project  
21 will have a devastating impact on Blessing Hospital  
22 and cause harm to the region's safety net services.

23 As the Review Board considers this CON  
24 application, I ask that you take into account the

1 document, and that's how we understood it.

2 We share the same commitment that you do to  
3 high-quality, affordable health care for the  
4 community, but we do have concerns, and we do see  
5 it as an unnecessary duplication, and we do have  
6 some concerns that still remain in our mind of this  
7 meeting the intent.

8 I appreciate that you used a mathematical  
9 formula that says by 2021, we are going to get to  
10 those numbers, but I will share with you that as of  
11 the first quarter of this year, our surgical  
12 volumes are down 2% in the organization, our  
13 overall volumes are down 12%, and our cardiac cath  
14 lab volumes are down 44%. There is a very  
15 different volume that is happening in this. So  
16 when you use mathematical formulas from 2016 or  
17 2017, they don't necessarily always play out when  
18 you start to see shifts and changes in the  
19 environment. So we do believe there are  
20 differences and are some unanswered questions.

21 We believe that our community is  
22 unbelievable fortunate to have the medical  
23 providers that we have in this community, and the  
24 successes that we have had in this community are

**RECEIVED**

**AUG 26 2019**

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**SUPPORT FOR CON 19-029  
RELOCATION AND MODERNIZATION OF EXISTING SURGERY  
CENTER  
BLESSING HOSPITAL IN QUINCY, IL  
PETITION SIGNED BY 120 QUINCY PHYSICIANS**

**SUBMITTED: AUGUST 26, 2019**

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
SPRINGFIELD, ILLINOIS**





P.O. Box 7005, Quincy, IL  
www.blessinghealth.org • 217-223-8400

July 30, 2019

Ms. Courtney Avery, Administrator  
Illinois Health Facilities & Services Review Board  
525 W. Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Re: Support for CON of Blessing Hospital / Relocation and Modernization of Existing Surgery Center

Dear Ms. Avery:

As members of Blessing Physician Services, a 120 provider, multi-specialty, not-for-profit medical group, we write in support of the Certificate of Need application filed by Blessing Hospital to allow for the relocation and modernization of its existing ambulatory surgical treatment center in our city. The recent Review Board approval of a second surgery center in Quincy, and the new paradigm of competition in our local ASTC market, make it imperative that both facilities be fully allowed to compete in the market in updated and appropriately located buildings. We personally wish both surgery centers great success, and respectfully suggest that the existing Blessing ASTC should not have to compete in the market as a tenant in a building owned by its newly-approved competitor, and in an older facility that needs updating.

The Blessing CON application calls merely for the modernization of existing ORs and patient areas, adding no additional surgical capacity. It represents a less costly and more efficient alternative for the existing ASTC, in comparison to an indefinite lease arrangement, and will save Blessing significant sums over time. Finally it enables Blessing's not-for-profit ownership of the ASTC building, which will make the facility a community asset. Blessing has been in our community for 144 years and has demonstrated excellence in stewardship of community resources which provides services to Adams, Pike, Hamilton and Brown counties.

We appreciate the Review Board giving consideration of our support for this CON application, for the reasons stated above.

Three handwritten signatures in blue ink are stacked vertically. The top signature is the most prominent, followed by two smaller ones below it.

Sincerely,

Three handwritten signatures in black ink are stacked vertically. The top signature is the most prominent, followed by two smaller ones below it.

Blessing Hospital • Illini Community Hospital • Blessing Physician Services • Blessing-Riemann College of Nursing & Health Sciences  
The Blessing Foundation • Denman Services • Blessing Corporate Services



Bunda Illingworth

Salvador Sanchez

*[Handwritten signature]*

Jon. Loze APRN-FNP



Michael E. Kellner MD  
HIS

IS Cm

~~Sharon~~ FNP-BC

Angela Watson

Sharon MD Medical Director,  
Emergency Services

~~Sharon~~

Michael Li

Lee Johnson

Angela Watson APRN

Michael Li

~~Sharon~~

Bruce N. Stamps DO

Chris Johnson MD

John Hall APRN

Walter Hufsch

W. C.

E. V. H.

Sharon

Sharon

Sharon DO

Sharon

\* Administrator who signed provider  
letter

**Support for CON of Blessing**  
**Hospital/relocation and Modernization of**  
**Existing Surgery Center**

- 1 Dewey Hanzel, DMP
- 2 Rob Johnson, MD
- 3 Mark Wavrunek, DMP
- 4 Angelo Llana, MD
- 5 John Olson, MD
- 6 John Rickelman, DO
- 7 Keri Henderson, NP
- 8 Harsha Polavarapu, MD
- 9 Elise Scoggin, MD
- 10 Myron Jones, MD
- 11 Imtiaz Alam, MD
- 12 Mark Khil, MD
- 13 Leah Hemming, NP
- 14 Richard O'Halloran, MD
- 15 Sara Martin, NP
- 16 Becky Reed, NP
- 17 Patricia Steffen, NP
- 18 Shanna Dierker, NP
- 19 Diane Nutter, NP
- 20 Joy Campbell, NP
- 21 Bassel Jallad, MD
- 22 Joseph Lane, MD
- 23 Bryan Snyder, MD
- 24 Brenda Ellingson, NP
- 25 Rachel Killam, NP
- 26 Stacy Lowary, NP
- 27 Olu Faniyan, MD
- 28 Emmanuel Bessay, MD
- 29 Mohammed Memon, MD
- 30 \*Connie Vermeire
- 31 Warren Hagan, MD
- 32 Jonathan Wilford, DO
- 33 Jeff Larson, MD
- 34 Dawn McKenzie, NP
- 35 Jason Kvitle, OD
- 36 Kirk Kvitle, OD
- 37 \*Amber Cloninger
- 38 \*Tena Awerkamp
- 39 \*Stephanie Sander
- 40 Steven Ginos, MD
- 41 Clarke Andelin, DO
- 42 Andrew Dunn, DO
- 43 Irving Schwartz, MD
- 44 Loretta Baustian, DO
- 45 Timothy Beth, DO
- 46 Julie Barry, NP