

August 27, 2019

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Review Board
529 West Jefferson, 2nd Floor
Springfield, Illinois 62761

RECEIVED

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Support of project 19-029, Blessing Hospital ASCT Relocation

Ms. Avery:

I am a resident and business owner in Quincy. I have been a lifelong patient of both Blessing Hospital and Quincy Medical Group. I attended the public hearing for the Quincy Medical Group project (18-042) this past spring and also attended both lengthy board meetings in Bolingbrook.

QMG and Blessing had differing views on the need or lack of need for a 2nd ASTC in the Quincy GSA. Neither side agreed on projections for the coming years, nor will they ever likely agree. Neither side agreed on the utilization rates of the current surgery center. They also had differing viewpoints on the operation of the current ASTC and the rates charged. The board ultimately decided that competition in this GSA was more beneficial for the citizens than the current arrangement of a single ASTC.

Blessing current leasing arrangement with QMG isn't viable now that QMG will be a direct competitor with their own ASTC. Blessing should be allowed to operate their own ASCT without their competitor observing their every move, this would put Blessing at a disadvantage over QMG.

Blessing should be allowed to construct their own free-standing building to relocate their current ASTC so they can offer the same modern operating rooms that QMG was granted permission to construct. The board decided competition was more beneficial than collaboration when they voted to approve QMG's request for a 2nd ASTC in Quincy. The board decided that we as consumers needed the choice of 2 ASTC's in this market. In order for competition to succeed both competitors must be allowed to offer a product of equal quality and value. If Blessing is forced to remain in their current building and their competitor was granted permission operate in a new facility, they won't have an equal opportunity at success. They will be a huge disadvantage to their direct competitor.

The current leasing arrangement is very concerning to me in regards to the power that QMG holds over Blessing's current ASTC license. The current lease is set to expire in 2021 with only 1 more extension allowed to be executed by the tenant. QMG could and may very well decide to not agree to any additional terms after 2026. QMG isn't required to give notice of a

termination of lease, only Blessing is required to give a 9 month notice to extend during the 5 year periods. QMG could opt to terminate the lease in 2026 and not provide ample notice to Blessing, which wouldn't leave them enough time to construct and relocate their current ASTC prior to the lease expiring. QMG could become even more motivated to eliminate the other ASTC in Quincy if the volumes predicted for the upcoming years fall short of their projections presented to the board in April. QMG shouldn't be granted the ability to eliminate an ASCT license in Quincy, that should be left up to Blessing and/or the board.

With QMG going to be a direct competitor they shouldn't be allowed to control the operation aspects of the current Blessing ASTC located in the QMG facility. QMG has complete control over the physical plant providing all of the necessary services to the building. This is a very dangerous situation when your competitor controls the operation of your ASTC. QMG could defer maintenance and repairs on the current ASTC, which would affect Blessing's ability to compete against QMG's new facility.

The timing is nearly perfect for Blessing to move their current ASTC. As I mentioned before they are in the 1st of their 5 year renewal terms with 3 years remaining on that term. This leaves Blessing ample time to construct a new building and relocate their current ASTC prior to the current lease expiring. Should Blessing be delayed on this project, they would be forced to agree to another 5 year lease extension. The additional lease payments over the extra 5 years could have been applied towards paying off the building they are proposing to construct. By waiting 5 additional years, construction costs will likely go up by approximately 33% when accounting for a 6% increase in construction costs compounded annually. Those additional costs combined with their current lease, management agreement costs, and operating costs assessed by QMG over those same 5 years makes this the perfect timing to relocate their current ASTC.

The board agreed with QMG that a 2nd ASTC was needed in Quincy. The board agreed with QMG that Quincy needed larger operating rooms, modern facilities, and most importantly Quincy needed competition. Blessing is proposing to relocate their current ASTC to offer the same caliber of facility that the board approved QMG to construct. Blessing isn't adding any additional operating or procedure rooms, they are only relocating the rooms they are already licensed to have.

I strongly urge the board to approve project 19-042 and allow Blessing to compete on the same terms as Quincy Medical Group.

Thank you,


Adam Booth