STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-01	BOARD MEETING: June 30, 2020	PROJECT NO: 19-031	PROJECT COST: Original: $6,098,521 Revised: $5,453,508
FACILITY NAME: The Advanced Surgical Institute		CITY: Evergreen Park	
TYPE OF PROJECT: Substantive			HSA: VII

DESCRIPTION: The Applicant (The Advanced Surgical Institute, LLC) is proposing the establishment of an ASTC at 3523 West 95th Street, Evergreen Park, Illinois. The cost of the project is $5,453,508 and the expected completion date is August 31, 2021.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicant (The Advanced Surgical Institute, LLC) is proposing to establish an ASTC at 3523 West 95th Street, Evergreen Park, Illinois. The new ASTC will contain two operating rooms (one containing a cardiac catheterization laboratory), seven recovery stations, and offer cardiovascular surgical services exclusively. The cost of the project is $5,453,508 and the expected completion date is August 31, 2021.
- The 6,500 DGSF facility will be a combination of modernized and newly constructed space (750 GSF). The proposed ASTC will be located adjacent to the Applicant's Heart, Vein, and Vascular Clinic, in Evergreen Park.
- This project was deferred from the December 2019 State Board Meeting to address concerns of the State Board. The Applicant submitted additional information on February 11, 2020 to add the cardiac catheterization category of service as requested by the State Board (See transcript excerpt end of this report).

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Applicant proposes to establish a health care facility as defined by the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

PUBLIC HEARING/COMMENT:

- No public hearing was requested. Three letters of support were received from:
  - Muhammad A. Hamadeh M.D.
  - Amar Hamad, M.D.
  - Jerry Coltro, M.D.
  - One letter of opposition was received from: the CEO of *"OSF Healthcare Little Company of Mary Medical Center.*
- All letters are included at the end of this report.

SUMMARY

- When evaluating a proposed project by rule the State Board must consider if a proposed project best meets the needs of an area population. Need for a project considers such factors as demand, population growth, incidence and state and federal facility utilization (77 ILAC 1100.310). The central tenets of the Certificate of Need process are cost containment and support for safety net services.
- The Applicant proposes to develop an ASTC that will provide outpatient cardiovascular surgical services. The Applicant believes the ASTC is necessary in this 10-mile GSA because reimbursement from insurance companies, including Medicare and Medicaid, and cost savings for patients are leading to the increased utilization of ASTCs for more surgical cases. Advances in the administration of anesthesia and analgesics, along with the development and expansion of many minimally invasive or non-invasive procedures across many specialties, has resulted in growth in the number and type of lower acuity procedures appropriate for ambulatory surgery and approved by CMS for reimbursement. This, the Applicant asserts, has increased the demand for availability of surgeries in a Freestanding ASC as an alternative to the hospital out-patient departments (HOPDs) where its patients' surgeries are currently occurring.
- In 2019, 17 diagnostic cardiac catheterization procedures were added to the list of ASC-approved procedures. In the ruling, CMS revised the definition of *surgery* to include "surgery-like" procedures that are assigned codes outside the CPT surgical range. As of January 2019, physicians who were performing these procedures in the hospital outpatient setting began to perform them in

the ASC setting. The Centers for Medicare and Medicaid Services (CMS) has increased the number and type of procedures that are reimbursable when performed in an ASTC.

- Board Staff notes that a free standing ASTC generally has lower building, staffing and overhead costs than hospitals. These and other operational efficiencies enable ASCs to offer lower charge structures and enter into lower-cost contracts with insurers than hospitals, resulting in reduced costs to patients and payers. However, it is unclear if this shift in services (i.e. revenue) from a hospital outpatient surgery department to a free standing ASTC does result in overall cost savings to the health care system.
- The Applicant is asking the State Board to approve a 2-operating room ASTC with one room dedicated to cardiac catheterization procedures. There are 25 hospitals that have been approved to provide cardiac catheterization procedures in the HSA VII Cardiac Cath Planning Area (See Table Eleven). There is one ASTCs approved to provide cardiac procedures in the 10-mile Geographic Service Area and the HSA VII Cardiac Catheterization Planning Area (Premier Cardiac Surgery Center licensed October 2019 no data available). There are 6 hospitals providing cardiac procedures in the 10-mile GSA. Within the 10-mile GSA the Applicant referred 2,516 cardiac cases to the three hospitals listed below.
- We note based upon the information reviewed the proposed project will impact OSF Healthcare Little Company of Mary Medical Center[1] as seen by the Table below.

Executive Summary
TABLE ONE

	Labs	2018 Procedures	2018 Referrals	Est. Physician Referrals (Diverted)	% of Diverted cases as a % total cases
Advocate Christ Medical Ctr.	6	6,738	1,552	312	4.6%
OSF Healthcare Little Company of Mary Medical Center.	2	708	582	206	29.1%
Palos Community Hospital	2	2,513	382	66	2.6%
Total		9,959	2,516	584	5.9%

- The Applicant addressed a total of 23-criteria and failed to meet the following:

State Board Standards Not Met	
Criteria	**Reasons for Non-Compliance**
77 ILAC 1110.225 (b) – Establishment of Cardiac Cath.	Within the HSA VII Cardiac Catheterization Planning Area there are 25 hospitals providing this service (See Table Eleven at the end of this report). By rule, no additional cardiac catheterization service shall be started unless each facility in the planning area offering cardiac catheterization services operates at a level of 400 procedures

[1] On December 10, 2019 the State Board approved a change of ownership of Little Company of Mary Hospital and Health Care Centers to OSF Healthcare. The name of the hospital has been changed to *OSF Healthcare Little Company of Mary Medical Center.*

State Board Standards Not Met	
Criteria	**Reasons for Non-Compliance**
	annually. Rush Oak Park Hospital which is 15.5 miles from the proposed facility had 280 cardiac catheterizations in 2018.
77 ILAC 1110.225 (c) Cardiac Catheterization Unnecessary Duplication of Service	By rule the Applicant is to contact all facilities in the HSA VII Cardiac Catheterization Planning Area to determine the impact the proposed project will have on other providers. Approximately 30% of the proposed referrals to the new facility will come from OSF Little Company of Mary Medical Center.
77 ILAC 1110.235 (c) (6) – Service Accessibility	The Applicant is proposing to establish an ASTC containing 2 surgical suites, offering outpatient cardiovascular surgical services in Evergreen Park. The Applicant was unable to meet one of the four conditions identified above as there are existing ASTCs in the 10-mile GSA, the surgical specialty is available in the GSA, there are underutilized facilities in the GSA, and the proposed project is not a cooperative venture.
77 ILAC 1110.235 (c)(7) – Unnecessary Duplication/Maldistribution	Of the eleven hospitals within the 10-mile GSA, five do not have cardiac catheterization laboratory service (South Shore Hospital, Jackson Park Hospital, Roseland Community Hospital, St. Bernard Hospital and Provident Hospital of Cook County). Of the remaining six hospitals four have capacity to accommodate cardiovascular procedures.

SUPPLEMENTAL
STATE BOARD STAFF REPORT
Project #19-031
The Advanced Surgical Institute, LLC

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	The Advanced Surgical Institute, LLC
Facility Name	The Advanced Surgical Institute, LLC
Location	3523 West 95th Street, Evergreen Park, Illinois
Permit Holder	The Advanced Surgical Institute, LLC
Operating Entity	The Advanced Surgical Institute, LLC
Owner of Site	3545 West 95th Street, LLC
Total GSF	6,500 GSF
Application Received	July 2, 2019
Application Deemed Complete	July 2, 2019
Review Period Ends	October 30, 2019
Financial Commitment Date	December 10, 2020
Project Completion Date	August 31, 2021
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	No
Expedited Review?	No

I. Project Description

The Applicant (The Advanced Surgical Institute, LLC) is proposing the establishment of an ASTC at 3523 West 95th Street, Evergreen Park, Illinois. The cost of the project is $5,453,508 and the expected completion date is August 31, 2021.

II. Summary of Findings

A. State Board Staff finds the proposed project is **not** in conformance with the provisions of 77 ILAC 1110 (Part 1110).

B. State Board Staff finds the proposed project is in conformance with the provisions of 77 ILAC 1120 (Part 1120).

III. General Information

The Advanced Surgical Institute, LLC is a new entity and is the only Applicant on this project. The Advanced Surgical Institute, LLC, is under the ownership/control of five licensed physicians holding equal ownership shares (20%). They are:

- Nouri Al-Khaled, M.D.
- John Burke, M.D.
- Chadi Nouneh, M.D.
- William Spear, M.D.
- Ali Zaidi, M.D.

Financial commitment will occur after permit approval.

This project was modified on February 11, 2020 to address concerns of the State Board. The Applicant added cardiac catheterization category of service and reduced the cost of the project. This addition of a category of service is considered a Type A Modification requiring notice of an opportunity for a public hearing[2]. The cost of the project was reduced by $645,013.40 from $6,098,521 to $5,453,508. The transcript from the December 2019 State Board Meeting is attached at the end of this report.

Should the State Board approve this project the Applicants will need to obtain licensure from the Illinois Department of Public Health ("IDPH") and certification of compliance with the federal conditions of participation for Medicare and Medicaid. There are two ways the Applicants can obtain certification of compliance with federal conditions of participation. One is to have a survey done by IDPH on behalf of the federal government. The other is to have a survey done by an approved national accreditation organization such as the Joint Commission that has been recognized as having standards and a survey process that meet or exceed Medicare's requirements.

[2] Modifications to an application are allowed during the review period, prior to final HFSRB decision. Modifications (as defined in Section 1130.140) shall be classified as Type A or Type B. Type A modifications shall be subject to the public hearing requirements of the Act. If requested, a hearing would occur within the time allocated for HFSRB staff review. Type A modifications consist of any of the following:

1) A change in the number of beds proposed in the project.
2) A change in the project site to a new location within the planning area. A change in site to a location outside the planning area originally identified in the application is not considered a modification. It voids the application.
3) A change in the cost of the project exceeding 10% of the original estimated project cost.
4) A change in the total gross square footage (GSF) of the project exceeding 10% of the original GSF.
5) An increase in the categories of service to be provided.
6) A change in the person who is the applicant, including the addition of one or more co-applicants to the application.
7) Any modification to a project, including modifications specified in subsections (a)(1) through (a)(6), that, by itself, would require a certificate of need (CON) permit or exemption. (77 ILAC 1130.650)

IV. Health Service Area

The proposed ASTC will be in the HSA VII Health Service Area. The HSA VII Health Service Area consists of suburban Cook and DuPage counties. There is one ASTC in this 10-mile Service Area and six hospitals that provide cardiac catheterization procedures. There are 25 hospitals within the HSA VII Health Service Area that provide cardiac catheterization procedures (Table One). The State Board is estimating a 10% decrease in the HSA VII Health Service Area population by 2022 (Table Two).

TABLE ONE
Hospitals with Cardiac Catheterization Services in the HSA VII Health Service Area

Hospital	City	Miles	Labs	2018 Procedures
Little Company of Mary Hospital [(1)]	Evergreen Park	1	2	708
Advocate Christ Medical Center	Oak Lawn	1.3	6	6,738
Palos Community Hospital	Palos Heights	8	2	2,513
Advocate South Suburban Hospital	Hazel Crest	11.1	2	1,367
Ingalls Memorial Hospital	Harvey	12.6	2	1,065
MacNeal Hospital	Berwyn	12.7	3	1,307
Franciscan St. James Health-Olympia Fields	Olympia Fields	14.3	3	1,532
Rush Oak Park Hospital	Oak Park	15.5	2	280
West Suburban Medical Center	Oak Park	16.5	1	873
Elmhurst Memorial Hospital	Elmhurst	19.1	4	3,666
Loyola University Medical Center	Maywood	20	9	5,559
Loyola Health System at Gottlieb	Melrose Park	25.8	2	517
Edward Hospital	Naperville	26	4	5,651
Skokie Hospital	Skokie	30.6	2	786
Presence St. Francis Hospital	Evanston	31.5	2	603
Alexian Brothers Medical Center	Elk Grove Village	31.7	5	3,450
Lutheran General Hospital - Advocate	Park Ridge	32.6	4	3,015
Evanston Hospital	Evanston	35.2	3	2,745
Central DuPage Hospital	Winfield	35.9	4	2,132
Northwest Community Hospital	Arlington Heights	37.5	3	2,442
Glenbrook Hospital	Glenview	38.2	1	426
St. Alexius Medical Center	Hoffman Estates	39.2	2	1,093

1. Approved for change of ownership now known as OSF Little Company of Mary Medical Center
2. Source 2017 Inventory of Health Care Facilities and Services and Need Determination and 2018 Hospital Profile
3. Miles determined by Map Quest

TABLE TWO Population estimate HSA VII	
Est. Population - 2017	3,424,900
Est. Population - 2022	3,094,300
Difference	(330,600)

V. Project Details

The proposed project will have two operating rooms and seven recovery stations in a total of 6,500 DSGF. Of that amount, 750 GSF will be new construction and 5,750 DGSF will be modernized space of the existing physician office space and the retail space adjoining the physician office space. The ASTC will be adjacent to a building housing the Applicant's Heart, Vein, and Vascular Clinic. The existing building will require an approximately 750 sq. ft. building addition to accommodate the design requirements for the two operating room facility. The building's fire suppression system, HVAC, plumbing, medical gas, electric service, generator, fire alarm, and IT infrastructure will all be renovated or added to the existing space to meet required code.

VI. Project Costs and Sources of Funds

The Applicant is funding the project with Funds from Other Sources totaling $3,308,507.60 and the Fair Market Value of the Lease in the amount of $2,145,000. The Applicant reduced cost of the project from the original submittal by $645.013. The value of the building to be built is $564,300 for the ASTC space. This represents the actual value of the shell space of the building that is recovered in the lease payment. The estimated start-up costs are $8,709,865 and the itemization and cost of the equipment has been provided at page 68-69 of the Additional Material.

TABLE THREE								
Project Costs and Sources of Funds								
	Reviewable	**Non-Reviewable**	**Total**	**Reviewable**	**Non-Reviewable**	**Total**	**Change**	**% Change**
Pre-Planning Costs	$10,584.62	$5,415.38	$16,000.00	$10,584.62	$5,415.38	$16,000.00	$0.00	0.00%
Site Preparation	$66,153.85	$33,846.15	$100,000	$62,846.15	$32,153.85	$95,000.00	$5,000.00	-5.26%
New Construction Contracts	$203,423.08	$104,076.92	$307,500	$193,500.00	$99,000.00	$292,500.00	$15,000.00	-5.13%
Modernization Contracts	$989,000	$506,000	$1,495,000	$1,000,411.54	$511,838.46	$1,512,250.00	-$17,250.00	1.14%
Contingencies	$98,900	$50,600	$149,500	$100,041.15	$51,183.85	$151,225.00	-$1,725.00	1.14%
Architectural/Engineering Fees	$79,120	$40,480	$119,600	$80,032.92	$40,947.08	$120,980.00	-$1,380.00	1.14%
Consulting & Other Fees	$25,827.46	$14,172.54	$40,000	$25,827.46	$14,172.54	$40,000.00	$0.00	0.00%
Movable or other Equipment (not in construction contracts	$1,599,602	$126,319	$1,725,921	$1,004,761.20	$75,791.40	$1,080,552.60	$645,368.40	-59.73%
Fair Market Value of Leased Space or Equipment	$1,419,000	$726,000	$2,145,000	$1,419,000.00	$726,000.00	$2,145,000.00	$0.00	0.00%
Total Uses of Funds	$4,491,611	$1,606,910	$6,098,521	$3,897,005.04	$1,556,502.56	$5,453,507.60	$645,013.40	-11.83%
Sources of Funds	**Reviewable**	**Non-Reviewable**	**Total**	**Reviewable**	**Non-Reviewable**	**Total**	**Change**	
FMV of Leased Space	$1,419,000	$726,000	$2,145,000	$1,419,000.00	$726,000.00	$2,145,000.00	$0.00	0.00%
Other Sources of Funds	$3,072,611	$880,910	$3,953,521	$2,478,005.04	$830,502.56	$3,308,507.60	$645,013.40	-19.50%
Total Sources of Funds	$4,491,611	$1,606,910	$6,098,521	$3,897,005.04	$1,556,502.56	$5,453,507.60	$645,013.40	-11.83%

VII. Section 1110.110 - Background of the Applicant, Purpose of Project, Safety Net Impact Statement, and Alternatives

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

To demonstrate compliance with this criterion the applicant must document the qualifications, background, character and financial resources to adequately provide a proper service for the community and demonstrate that the project promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of facilities or service.

The Applicant attests that The Advanced Surgical Institute, LLC does not own or operate any licensed health care facility, nor have they been cited for any class A violations for the past three years before the filing of the Application for Permit. The Applicant is in Good Standing with the State of Illinois, and the facility is working on licensure/accreditation at the time of filing of this Application for Permit. The site of the ASTC is in compliance with the Illinois Executive Order #2006-5, *"Construction Activities in Special Flood Hazard Area"*[3] and with the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420).[4]

B) Criterion 1110.110 (b) – Purpose of the Project

To demonstrate compliance with this criterion the Applicant 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 purpose of the project is to provide cardiovascular-related ASTC services to a service area that lacks access. The Applicant proposes to meet these surgical needs in an environment that is high-quality, low cost, and accessible to the Evergreen Park community. The Applicant identified 11 ASTCs within a ten-mile radius/service area and notes that none of them currently provide cardiovascular outpatient surgical services. Through the provision of their services, the Applicant hopes to treat its patient base efficiently and, in a cost, effective manner, while providing the high-quality services their clinicians provided in a hospital setting. The Applicant acknowledges that the provision of surgical services in an outpatient setting has proven to provide the following attributes:

- Decreased risk of infection,
- Decreased hospital stays,
- Overall decreased cost,
- Improved outcomes through specialized staffing,
- Increased patient satisfaction, and;
- Increased patient comfort.

Through the provision of outpatient cardiovascular surgical services to the service area, the Applicant hope to achieve the goal of providing patients with access to the safest, most affordable services.

[3] Illinois Executive Order #2006-5 requires State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of Executive Order #2006-5.

[4] Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420) requires State Agencies or the recipients of its funds, permits or licenses shall consult with the Illinois Historic Preservation Agency to determine the documentation requirements necessary for identification and treatment of historic resources.

In 2019 the Center for Medicare and Medicaid added twelve cardiac catheterization procedures to the Medicare ASC payment list specifically for vascular, electrophysiology, and diagnostic cardiac catheterization procedures. In 2020 CMS payment rule added six angioplasty and stenting procedures to the ASC covered procedure list starting in calendar year 2020 (CMS website).

C) Criterion 1110.110 (c) – Safety Net Impact

All health care facilities, except for 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]

The Applicants stated: *"The Advanced Surgical Institute, LLC, will not have any material impact on safety net services in the Chicago Metropolitan Area. The primary purpose of the ASI is to deliver greater access for patients in the southwest-suburban area of Chicago. Thus, ASI will only improve access to safety net services. ASI will not negatively impact the ability of other providers to cross-subsidize safety-net services. The limited scope of ASI reduces its potential impact on other providers. The referrals to ASI will be for cases previously performed at Illinois hospitals, where operating rooms are frequently placed on diversion status for elective procedures of this nature. Accordingly, the Applicant does not believe ASI will impact the ability of providers to cross-subsidize safety net services.*

The proposed project involves the establishment of a new ASTC, and no historical data exists regarding charity care or Medicaid provided in the three years prior to submittal of this application. However, the applicant did provide projected net patient revenue, amount of charity care and payor mix by payor source information for the ASTC for the first 3-years of operation (See Table Four).

TABLE FOUR
The Advanced Surgical Institute
Charity and Medicaid Information
(Estimated)

	Year 1	Year 2	Year 3
Net Patient Revenue	$9,478,471	$10,634,844	$11,932,295
Amount of Charity Care	$284,354	$319,045	$357,170
Ratio of Charity Care to Net Patient Revenue [(1)]	5%	5%	5%
Payor Mix (Projected)			
Medicare/Tricare/VA	543	597	657
Medicaid	106	117	128
Commercial	650	715	786
Charity/Indigent	37	41	45
Total Patients	1,366	1,470	1,616

TABLE FOUR
The Advanced Surgical Institute
Charity and Medicaid Information
(Estimated)

1."Charity Care" *means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer*[20 ILCS 3960/3]. Bad debt is not considered charity care as defined by the State Board.

D) Criterion 1110.110(c) – 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.

The Applicant looked at three alternatives to the proposed project:

1) Maintain Status Quo/Do Nothing

The alternative of maintaining status quo would involve not establishing the ASTC and abandoning the project. The Applicant rejected this alternative, because it would not address the need for cardiovascular outpatient surgical services in the service area and prevent the introduction of necessary and preferred cardiovascular surgical services. If this option were pursued, cardiovascular surgery patients would continue to encounter low-quality, higher cost, and decreased access to cardiovascular surgery services. No project costs were identified with this alternative.

2) Reduce Scope and Size of Current Project

The Applicant initially considered a project of lesser scope, involving the establishment of one operating room with the required recovery stations. The Applicant dismissed this alternative, based on the projected surgical volume, which supports the need for two surgical suites and their respective recovery stations. While the project cost would be less than the project cost of the proposed project, the inevitable need to expand in the future would result in additional permitting, added expenses, and ultimately increased project costs exceeding those of the proposed project.

3) Establish New ASTC/Project as Proposed

The Applicant notes the alternative as proposed is the most feasible and cost efficient, based on service need and the projected utilization of the facility, once completed. The pursuit of this alternative affords enables the Applicant to meet the following:

- The need for Cardiology-focused surgical services in the planning area.
- The need for an improved clinical continuum for the Applicant's patients.
- Alignment with CMS, Payers, and Patients in the transition from Hospital to ASTC settings.

VIII. Project Scope and Size, Utilization and Assurance

A) Criterion 1110.120 (a) - Size of Project

To demonstrate compliance with this criterion the Applicant 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;[5] 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).

There is a total of 4,300 GSF of clinical space for the proposed two-suite ASTC. The State Board Standard for a modernized operating room is 2,200 GSF. The State Board does not have a gross square footage standard for recovery stations located in an ASTC. The Applicants have met the requirements of this criterion.

TABLE FIVE
Size of the Project

	Proposed		State Standard	
Department	Rooms	GSF	GSF	Difference
Operating Room	2	4,300	4,400	-100
Non-Reviewable Space		2,200		
TOTAL		6,500		

The State Board does not have a standard for recovery stations for an ASTC.
Spatial configuration includes nurse station, clean/soiled utility, and decontamination/scrub spaces

B) Criterion 1110.120 (b) – Projected Utilization

To demonstrate compliance with this criterion the Applicant 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]

The Applicant is estimating 2,645 outpatient cardiovascular procedures in the second year after project completion. The average case time including prep and clean-up time is 1.8 hours. Based upon this information the Applicants can justify the two operating rooms being requested.

C) Criterion 1110.120 (e) – Assurances

1) The applicant 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 applicant will meet or exceed the utilization standards specified in Appendix B.

2) For shell space, the applicant shall submit the following:

[5] Staff Note: Should the State Board approve this project the entire gross square feet (6,500 GSF) will be licensed by the Illinois Department of Public Health and the certificate of need permit will be for the total gross square feet and total project costs.

A) Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at that time or the categories of service involved;
B) The anticipated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
C) The estimated date when the shell space will be completed and placed into operation.

The Applicant provided the necessary attestation at page 129 of the Application for Permit

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT, PROJECT UTILIZATION AND ASSURANCE (77 ILAC 1110.120 (a) (b) (c))

IX. Cardiac Catheterization

A) Criterion 1110.225 (a) - Peer Review

The Applicant addressed this criterion at pages 18-20 of the additional information that has been provided. A peer review program will be established should this project be approved. The peer review program for cardiac catheterization would be in addition to the peer review process in place for the ASTC. Advanced Surgical Institute intends to utilize guidance and registries from both the American College of Cardiology and the Society for Cardiovascular Angiography & Interventions amongst other resources, in developing and implementing its peer review and quality improvement programs for cardiac catheterization services.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PEER REVIEW (77 ILAC 1110.225 (a))

B) Criterion 1110.225 (b) - Establishment or Expansion of Cardiac Catheterization Service

There are six hospitals providing cardiac catheterization service within the 10-mile Geographical Service Area ("GSA"). There are no ASTCs in the 10-mile GSA providing cardiac catheterization procedures.

Within the HSA VII Cardiac Catheterization Planning Area there are 25 hospitals providing this service (See Table Eleven at the end of this report). By rule, no additional cardiac catheterization service shall be started unless each facility in the planning area offering cardiac catheterization services operates at a level of 400 procedures annually. Of the 25 hospitals within the HSA VII Cardiac Catheterization Planning Area that provide cardiac catheterization services Rush Oak Park Hospital is the only hospital that did not have 400 cardiac catheterization procedures in 2018 as required by the State Board. Rush Oak Park Hospital is 15.5 miles from the proposed project. Within the 10-mile GSA all the hospitals are operating at a level of 400 procedures annually. See Table below.

TABLE SIX

Hospitals with cardiac catheterization services within 10-miles of Proposed Project

Hospital	City	HSA	Miles	Cardiac Cath Labs	2018 Procedures
OSF Healthcare Little Company of Mary Medical Center.	Evergreen Park	VII	1	2	708
Advocate Christ Medical Center	Oak Lawn	VII	1.3	6	6,738
Holy Cross Hospital	Chicago	VI	4.3	1	502
Advocate Trinity Hospital	Chicago	VI	4.8	2	661

TABLE SIX

Hospitals with cardiac catheterization services within 10-miles of Proposed Project

Hospital	City	HSA	Miles	Cardiac Cath Labs	2018 Procedures
University of Chicago Med. Ctr.	Chicago	VI	6.4	6	7,937
Palos Community Hospital	Palos Heights	VII	8	2	2,513

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION ESTABLISH OF CARDIAC CATHERITIZATION SERVICE (77 ILAC 1110.225 (b))

C) Criterion 1110.225 (c) - Unnecessary Duplication of Services

By rule the Applicant must provide documentation that the proposed cardiac catheterization service will not reduce current providers below 200 procedures and contact all cardiac catheterization providers asking for the impact the proposed project will have. The Applicant contacted all the providers in the HSA VII Cardiac Cath Planning Area and has not received any responses to date.

The Applicant referred 2,516 patients to the three hospitals listed in the Table below in 2018 or approximately 25.3 % (2,516 procedures ÷ 9,959 procedures) of the procedures performed at these three facilities. The Applicant believes that 584 procedures or approximately 6% of the three hospitals total cardiac catheterization procedures would have been diverted to the proposed ASC if it had been operating in 2018. All three hospitals would remain above the 200 procedures threshold as required.

As seen in the Table below both Advocate Christ and Palos Community Hospital the number of cases diverted is less than 5%. However, the cases diverted from the OSF Healthcare Little Company of Mary Medical Center will be close to 30% of the cardiac catheterization volume at the Medical Center. Based upon this information it appears that the proposed project will impact an existing cardiac catheterization service.

TABLE SEVEN

Hospitals with cardiac catheterization services within 10-miles of Proposed Project Impacted by Proposed Project

	Labs	2018 Procedures	2018 Referrals	Est. Physician Referrals (Diverted)	% of Diverted cases as a % total cases
Advocate Christ Medical Ctr.	6	6,738	1,552	312	4.6%

OSF Healthcare Little Company of Mary Medical Center.	2	708	582	206	29.1%
Palos Community Hospital	2	2,513	382	66	2.6%
Total		9,959	2,516	584	5.9%

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE (77 ILAC 1110.225 (c))

D) Criterion 1110.225 (d) - Modernization of Existing Cardiac Catheterization Equipment

The Applicant is proposing the establishment of a cardiac catheterization category of service not the modernization of existing cardiac catheterization equipment.

E) Criterion 1110.225 (e) - Support Services

Any applicant proposing the establishment of a dedicated cardiac catheterization laboratory must document the availability of the following support services; A) Nuclear medicine laboratory, B) Echocardiography service, C) Electrocardiography laboratory and services, including stress testing and continuous cardiogram monitoring, D) Pulmonary Function unit, E) Blood bank, F) Hematology laboratory-coagulation laboratory, G) Microbiology laboratory, H) Blood Gas laboratory, I) Clinical pathology laboratory with facilities for blood chemistry.

The Applicant stated the following:
"The required ancillary services will be provided through the Consultants in Cardiology and Electrophysiology's ("CCE") adjacent office space and through arrangements with local specialists. CCE's adjacent office offers the full complement of nuclear medicine laboratory, echocardiography, and electrocardiography laboratory and service, including stress testing and continuous cardiogram monitoring with Holter monitors. Blood gas laboratory services will also be provided in the CCE office space. Pulmonary Function Unit services are to be provided through Midwest Pulmonary Critical Care & Sleep Consultants, LLC, which is a group of pulmonology providers located at 10604 Southwest Highway, Suite 107, Chicago Ridge, Illinois 60415, and located less than 15 minutes and only 5 miles down the street from the proposed facility. This will ensure the services are available when needed for patient care. Additional laboratory services will be conveniently provided in the same building through Affiliated Oncologists, LLC located at 10604 Southwest Highway, Chicago Ridge, Illinois 60415 and their AML Lab arrangements on the first floor. The laboratory services will cover hematology and microbiology services when required for

patients. Finally, ASI will work with local providers to provide any required blood bank and pathology services when necessary for patient care."

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SUPPORT SERVICES (77 ILAC 1110.225 (e))

F) Criterion 1110.225 (f) - Laboratory Location

Due to safety considerations in the event of technical breakdown it is preferable to group laboratory facilities. In projects proposing to establish additional catheterization laboratories such units must be in close proximity to existing laboratories unless such location is architecturally infeasible.

The Applicant is not adding a cardiac catheterization lab but establishing an ASTC that contains one cardiac catheterization laboratory and one operating room.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION LABORATORY LOCATION (77 ILAC 1110.225 (f))

G) Criterion 1110.225 (g) - Staffing

It is the policy of the State Board that if cardiac catheterization services are to be offered that a cardiac catheterization laboratory team be established. Any applicant proposing to establish such a laboratory must document that the following personnel will be available:

1) Lab director board-certified in internal medicine, pediatrics or radiology with subspecialty training in cardiology or cardiovascular radiology.
2) A physician with training in cardiology and/or radiology present during examination with extra physician backup personnel available.
3) Nurse specially trained in critical care of cardiac patients, knowledge of cardiovascular medication, and understanding of catheterization equipment.
4) Radiologic technologist highly skilled in conventional radiographic techniques and angiographic principles, knowledgeable in every aspect of catheterization instrumentation, and with thorough knowledge of the anatomy and physiology of the cardiovascular system.
5) Cardiopulmonary technician for patient observation, handling blood samples and performing blood gas evaluation calculations.
6) Monitoring and recording technician for monitoring physiologic data and alerting physician to any changes.
7) Electronic radiologic repair technician to perform systematic tests and routine maintenance; must be immediately available in the event of equipment failure during a procedure.
8) Darkroom technician well trained in photographic processing and in the operation of automatic processors used for both sheet and cine film.

The Applicant provided the following narrative to address this criterion:

"ASI will staff the ASTC for cardiac catheterization services in compliance with all local, state, and federal rules and regulations. Consultants in Cardiology & Electrophysiology is composed of eleven physicians offering a comprehensive range of cardiac diagnostic and interventional services within the service area. With the senior physicians leaders for this practice investing in this ASTC, ASI will be building its ASTC operational staff, including the cardiac catheterization staffing, from a strong well of physician leadership possessing board certifications in internal medicine, cardiovascular disease, electrophysiology, nuclear cardiology, interventional cardiology, echocardiography, cardiovascular computer tomography, vascular medicine, and endovascular medicine. The physician and operational leadership for ASI will build a strong roster of nursing and technician support staff using existing employees of the physician practice, local job postings and our network of industry contacts to meet clinical and operational requirements. Staff will possess and maintain up to date Basic Life Support and Advanced Cardiovascular Life Support certifications. The multidisciplinary staffing for the cardiac catheterization services will include adequate nurse-patient ratios."

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING (77 ILAC 1110.225 (g))

H) Criterion 1110.225 (h) - Continuity of Care

Any applicant proposing the establishment, expansion or modernization of a cardiac catheterization service must document that written transfer agreements have been established with facilities with open-heart surgery capabilities for the transfer of seriously ill patients for continuity of care.

The Applicant provided a transfer agreement from Advocate Christ Medical Center that meets this requirement.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION CONTINUITY OF CARE (77 ILAC 1110.225 (h))

I) Criterion 1110.225 (i) - Multi-Institutional Variance

1) A variance to the establishment requirements of subsection (b), Establishment or Expansion of Cardiac Catheterization Service shall be granted if the applicant can demonstrate that the proposed new program is necessary to alleviate excessively high demands on an existing operating program's capacity.
2) Each of the following must be documented:

A) That the proposed unit will be affiliated with the existing operating program. This must be documented by written referral agreements between the facilities, and documentation of shared medical staff;
B) That the existing operating program provides open heart surgery;

C) That initiation of a new program at the proposed site is more cost effective, based upon a comparison of charges, than expansion of the existing operating program;

D) That the existing operating program currently operates at a level of more than 750 procedures annually per laboratory; and

E) That the proposed unit will operate at the minimum utilization target occupancy and that such unit will not reduce utilization in existing programs below target occupancy (e.g., certification of the number of patients transferred to other service providers in each of the last 3 years and market studies developed by the applicant indicating the number of potential catheterization patients in the area served by the applicant).

3) The existing operating program cannot utilize its volume of patient procedures to justify a second affiliation agreement until such time as the operating program is again operating at 750 procedures annually per laboratory and the affiliate is operating at 400 procedures per laboratory

This variance is not applicable to the proposed project as the Applicant is proposing to establish an ASTC with two operating rooms in which one will contain a cardiac catheterization laboratory.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION MULTI-INSTITUTIONAL VARIANCE (77 ILAC 1110.225 (i))

X. Non-Hospital Based Ambulatory Surgical Treatment Center Services

A) Criterion 1110.235 (b) (2) (A) (B) - 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.

There is no need formula for ASTCs or the number of surgical/treatment rooms in a GSA.

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 Applicant provided documentation that approximately 77% of the historical referrals came from the zip codes within the 10-mile GSA. (Application for Permit pages 123-125)

B) Criterion 1110.235 (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 applicant shall document the information required by subsection (c)(3) and either subsection (c)(3)(B) or (C):

The Geographical Service Area for a heath care facility located in Cook County is a 10-mile radius and a population totaling 1,870,965 (77 ILAC 1100.510 (d)). The Applicant supplied referral information attesting that at least 50% the projected patients (1,645 patients) were referrals to local hospitals and came from within the 10-mile GSA. The Applicants have successfully addressed this criterion.

TABLE EIGHT
Physicians Historical Referrals

Hospital	City	Historic Referrals
Advocate Christ Medical Center	Oak Lawn	1,026
OSF Healthcare Little Company of Mary Medical Center.	Evergreen Park	357
Palos Community Hospital	Palos Heights	230
Saint James Hospital	Olympia Fields	7
St. Margaret Hospital	Spring Valley	25
Total		1,645

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE TO GSA RESIDENTS AND SERVICE DEMAND (77 ILAC 1110.235 (c) (2) (A)(B) and (3))

C) Criterion 1110.235 (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 proposing two operating rooms and are estimating 1,470 procedures two years after project completion. The Applicants are estimating 1.8 hours per procedure (1,470 x 1.8 = 2,646 hours), which serves as justification for two operating rooms.

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

D) Criterion 1110.235 (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.

The Applicant is proposing to establish an ASTC containing 2 surgical suites, offering outpatient cardiovascular surgical services in Evergreen Park. The Applicant was unable to meet one of the four conditions identified above as there are existing ASTCs in the 10-mile GSA, the surgical specialty is available in the GSA, there are underutilized facilities in the GSA, and the proposed project is not a cooperative venture.

In response to this criterion the Applicant stated:

"The proposed cardiovascular ASTC services are necessary to improve the access to care for residents of the service area, and it is clear that the services and procedures to offered are not currently available in the service area in compliance with section (c)(6)(C). Although there are nine (9) licensed ASTC's and two (2) approved but not yet operational ASTCs within the GSA, only the two ASTCs in development are intended to offer any cardiovascular surgical services. By design and function, neither of those facilities are intended to or are capable of servicing the surgical volume and procedures contemplated by this project. As a result, the residents to be served by this proposed facility do not have an option within the Geographical Service Area (GSA) to receive treatment in a non-hospital ambulatory surgical center (ASTC)."

STATE BOARD STAFF FINDS THE PROPOSED PROJECT <u>NOT</u> IN CONFORMANCE WITH CRITERION SERVICE ACCESSIBILITY (77 ILAC 1110.235 (6))

E) Criterion 1110.235 (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.

Maldistribution

There are a total of 247 operating/procedure rooms in the 10-mile GSA. There are approximately 1,870,965 residents (2017 population estimate-American Community Survey) in the 10-mile GSA. The ratio of operating/procedure rooms per 1,000 population is .1321 within this GSA [247 operating/procedure rooms ÷ (1,870,965/1,000 or 1,870.9) = .1321].

The State of Illinois population is 12,802,000 (2017 IDPH projected) and 2,712 operating procedure rooms (2018 data). The ratio of operating/procedure rooms per 1,000 population in the State of Illinois is .2118 To have a surplus of operating/procedure rooms within the 10-mile GSA the ratio of population to operating/procedure rooms must be 1.5 times the State of Illinois ratio or .3177 operating/procedure rooms per 1,000 population. There is a not a surplus of operating/ procedure rooms in the 10-mile GSA.

Hospitals and ASTCs within the Proposed GSA

There are two ASTCs and eleven hospitals within the 10-mile GSA. (see Table on next page). Only one of the ASTC's identified provide outpatient cardiovascular surgical services and it was licensed October 16, 2019 (Premier Cardiac Surgery Center). There are no other ASTCs in the 10-mile service area performing cardiovascular surgical procedures on an outpatient basis.

Of the eleven hospitals, five do not have cardiac catheterization laboratory service (South Shore Hospital, Jackson Park Hospital, Roseland Community Hospital, St. Bernard Hospital and Provident Hospital of Cook County). Of the remaining six hospitals four have capacity to accommodate cardiovascular procedures.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION/MALDISTRIBUTION (77 ILAC 1110.235(7))

TABLE NINE
Hospitals and ASTCs in the 10-mile GSA

Name	City	Miles	Specialty	Operating Rooms	Procedure Rooms	Operating Rooms Hours	Procedure Rooms Hours	Met 1,500 hours per Operating/Procedure Room
Premier Cardiac Surgery Ctr.*	Merrionette Park	2.6	Limited	1	0	N/A	N/A	No
Vascular Access Ctrs. of Illinois*	Chicago	3.1	Single	0	3	N/A	N/A	No
Total				1	3			
Name	**City**	Miles	Specialty	Operating Rooms	Procedure Rooms	Operating Rooms Hours	Procedure Rooms Hours	Met 1,500 hours per Operating/Procedure Room
OSF Healthcare Little Company of Mary Medical Center.	Evergreen Park	1		10	5	6,644	2,432	No
Advocate Christ Medical Center	Oak Lawn	1.3		40	10	68,665	12,550	Yes
Holy Cross Hospital	Chicago	4.3		6	4	3,213	273	No
Advocate Trinity Hospital	Chicago	4.8		6	5	5,532	5,960	No
University of Chicago Med. Ctr.	Chicago	6.4		36	14	92,035	15,022	Yes
Palos Community Hospital	Palos Heights	8		14	4	14,946	3,868	No
Total				112	42	191,035	40,105	
Hospitals without Cardiovascular Service								
South Shore Hospital	Chicago	2.3		5	1	1,368	429	No
Jackson Park Hospital	Chicago	3.4		6	1	1,566	494	No
Roseland Community Hospital	Chicago	6.3		28	2	135	87	No
Provident Hospital of Cook County	Chicago	8.7		10	1	3,028	26	No
St Bernard Hospital	Chicago	7.5		9	0	3,415	0	No
				58	5	9,512	1036	

1. Premier Cardiac Surgery Center was licensed October 16, 2019. No information is available
2. Vascular Access Ctrs. of Illinois is not expected to be complete until June 30, 2020.
3. Information from 2018 Hospital and ASTC Profiles.

F) Criterion 1110.235 (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 Applicant attest that the Advanced Surgical Institute, LLC will operate with sufficient staffing levels as required by applicable licensure. All physicians will be Board-certified, and all clinicians will maintain acceptable accreditation/licensure requirements.

Note: The Joint Commission and the Accreditation Association for Ambulatory Health Care[6] does not define the specific qualifications or number of staff required for an ASTC. The Joint Commission generalizes that the staff be adequate in number with appropriate training and supervision. The Applicants have successfully addressed this criterion.

G) Criterion 1110.235 (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).

The Applicant provided the maximum charges for two years following completion of the project on pages 127-128 of the application, along with certification that these charges will not increase for two years following project completion. The Applicant has successfully addressed this criterion.

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

[6] Joint Commission on Accreditation of Healthcare Organizations. Standards for Ambulatory Care. Oakbrook Terrace, IL: Joint Commission Resources;

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 have provided the required attestation at page 129 of the Application for Permit that the proposed facility "*will operate a peer review program 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. Furthermore, the Advanced Surgical Institute, LLC attests that by the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms at Physicians Surgical Center will meet or exceed the utilization standard specified in 77 Ill. Admin. Code 1100."*

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING, CHARGE COMMITMENT AND ASSURANCES (77 ILAC 1110.235 (c) (8) (9) (10))

XI. FINANCIAL VIABILITY

A) Criterion 1120.120 – Availability of Funds

Applicants shall document that financial resources will be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of enough financial resources

The Applicant is funding the project with the Fair Market Value of the Lease in the amount of $2,145,000, and debt financing in the amount of $3,308,507.60. The Applicants provided a letter from First Midwest Bank, dated June 21, 2019 that stated in part *"you have been a good and valuable customer of First Midwest Bank for several years. Should the Illinois Health Facilities and Services Review Board approve the proposed project and based upon the positive business experiences from working with The Advanced Surgical Institute LLC and yourself, First Midwest Bank is prepared to extend The Advanced Surgical Institute LLC up to $4,000,000 in credit exposure to finance the ASTC project."* (see page 123 of the Application for Permit)

The lease is an operating lease with a lease term of ten years, with a base rate of $33.00 per GSF. The Applicant notes the Advanced Surgical Institute LLC is a Limited liability company (LLC), formed in 2019, and has no audited financial statements to affirm its financial viability. However, the Applicant did provide a projected balance sheet and financial statement (application, p. 134-135), that supports their financial viability. The Applicants have adequate resources available to fund this project.

B) Criterion 1120.130 – Financial Viability

Applicants that are responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion unless the Applicant qualifies for the financial waiver.

a) Financial Viability Waiver

The applicant is NOT required to submit financial viability ratios if:

1) all project capital expenditures, including capital expended through a lease, are completely funded through internal resources (cash, securities or received pledges); or
HFSRB NOTE: Documentation of internal resources availability shall be available as of the date the application is deemed complete.

2) the applicant's current debt financing or projected debt financing is insured or anticipated to be insured by Municipal Bond Insurance Association Inc. (MBIA) or its equivalent; or
HFSRB NOTE: MBIA Inc is a holding company whose subsidiaries provide financial guarantee insurance for municipal bonds and structured financial projects. MBIA coverage is used to promote credit enhancement as MBIA would pay the debt (both principal and interest) in case of the bond issuer's default.

3) the applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor (insurance company, bank or investing firm) guaranteeing project completion within the approved financial and project criteria.

TABLE TEN Historic/Projected Financial Ratios: The Advanced Surgical Institute, LLC				
	State Board Standard	**Year 1**	**Year 2**	**Year 3**
Current Ratio	1.5>	1.21	1.42	1.73
Net Margin Percentage	3.50%>	10%	17%	24%
Percent Debt to Total Capitalization	<80%	72%	50%	31%
Projected Debt Service Coverage	>1.75%	3.8%	6.1%	8.9%
Days Cash on Hand	>45 days	63	139	253
Cushion Ratio	>3	3.8	8.6	16.2

The Applicant is a newly formed entity (April 2019), and historical viability ratios do not exist. However, the Applicant supplied projected viability ratios that indicate all criteria in this section will be in excess of the State standard by the third year after project completion. The projected income and balance sheet are attached at the end of this report. State Board Staff Notes: The Applicants do not meet the current ratio for the first two years after project completion; however, the Applicants were able provide a comfort letter from a financial institution that if this project is approved a loan in the amount of $3.3 million will be made. In addition, cash on hand and the cushion ratio exceed the State Board's standards indicating that there is sufficient cash to pay both current liabilities and the debt financing. The Applicants have successfully addressed this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION AVAIABILITY OF FUNDS AND FINANCIAL VIABILITY (77 ILAC 1120.120 & 77 ILAC 1120.130)

XII. ECONOMIC VIABILITY

A) Criterion 1120.140 (a) -Reasonableness of Financing Arrangements

An Applicant must document the reasonableness of financing arrangements.

The Applicant addressed the requirements of this criterion through a signed, notarized attestation (application, p. 138), that borrowing is less costly than liquidation of existing investments and that the existing investments being retained may be converted to cash or used to retire debt within a 60-day period, and that the selected form of debt financing for the project will be at the lowest net cost available.

B) Criterion 1120.140 (b) – Terms of the Debt Financing

Applicants with projects involving debt financing shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

The Applicant addressed the requirements of this criterion through a signed, notarized attestation (application, p. 138), that borrowing is less costly than liquidation of existing investments and that the existing investments being retained may be converted to cash or used to retire debt within a 60-day period, and that the selected form of debt financing for the project will be at the lowest net cost available.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 ILAC 1120.140 (a) (b))

C) Criterion 1120.140 (c) – Reasonableness of Project Costs

The applicant shall document that the estimated project costs are reasonable.

By Statute only clinical costs (reviewable costs) are considered in evaluating the reasonableness of project costs. (20 ILCS 3960/3)

Preplanning Costs – These costs total $10,584, which is .46% of the new construction/modernization, contingencies, and equipment costs, totaling $2,298,714. This is in compliance with the State standard of 1.8%.

Site Preparation Costs - are $62,846.15 or 4.86% of new construction, modernization and contingency costs $1,293,953). This appears reasonable when compared to the State Board Standard of 5.0%.

New Construction and Proportionate Contingency Costs are $203,423 or $410.13 per GSF ($203,423/497 = $410.13). This appears reasonable when compared to the State Board Standard of $414.90 the midpoint of construction (2020).

Modernization and Proportionate Contingency Costs are $1,087,900 or $281.64 per GSF ($1,087,900/3,803 = $286.06). This appears reasonable when compared to the State Board Standard of $290.43 the midpoint of construction (2020).

Staff Note: The Standard for ASTC New construction and contingency costs is calculated by taking the base year of CY 2015 and inflating by 3% to the midpoint of construction.

For this project the midpoint is CY 2020. Modernization Standard costs are determined by multiplying the new construction cost standard by 70% ($414.90 x .7 = $290.43).

Calendar Year	2015	2016	2017	2018	2019	2020	2021	2022
New Construction & Contingency Costs	$357.89	$368.63	$379.69	$391.08	$402.81	$414.89	$427.34	$440.16

Contingency Costs, New Construction are $16,813 or 8.2% of new construction costs of $203,423. This appears reasonable when compared to the State Board Standard of 10% for new construction.

Contingency Costs, Modernization are $82,087 or 8.3% of modernization costs of $989,000. This appears reasonable when compared to the State Board Standard of 10%-15% for new modernization.

Architectural and Engineering Fees-New Construction are $13,450 which are 6.1% of new construction and contingency costs of $220,236. This appears reasonable when compared to the State Board Standard of 9.28% - 14.22%. **Staff Note:** The Standard for ASTC Architectural and Engineering Fees is found at Centralized Fee Negotiation Professional Services and Fees Handbook (available at www.cdb.state.il.us or by contacting the Capital Development Board, 401 South Spring Street, Springfield, Illinois).

Architectural and Engineering Fees-Modernization are $65,670 which are 6.1% of new modernization and contingency costs of $1,071,087. This appears reasonable when compared to the State Board Standard of 7.76% - 11.66%. **Staff Note:** The Standard for ASTC Architectural and Engineering Fees is found at Centralized Fee Negotiation Professional Services and Fees Handbook (available at www.cdb.state.il.us or by contacting the Capital Development Board, 401 South Spring Street, Springfield, Illinois).

Consulting and Other Fees are $25,827. The State Board does not have a standard for these costs.

Moveable and Other Equipment not in Construction Contract is $1,004,761.20 for two rooms. This cost ($502,366) appears **reasonable** when compared to the State Board Standard of $504,437 per room (2020 mid-point). **Staff Note:** The Standard for ASTC moveable and other equipment not in construction contracts is calculated by taking the base year of CY 2008 cost standard of $353,802 per room and inflating by 3% to the midpoint of construction. For this project the midpoint is CY 2020.

CY	2018	2019	2020	2021	2022
Moveable Equipment Room Cost	$475,480	$489,745	$504,437	$519,570	$535,157

Fair Market Value of Lease Space is $1,419,000. The State Board does not have a standard for these costs.

The Applicant have met the cost requirements in Part 1120 Appendix A.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 ILAC 1120.140(c)

D) Criterion 1120.140 (d) – Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct costs mean the fully allocated costs of salaries, benefits and supplies for the service.

The Applicant has provided the projected costs per procedure of $4,138.17 at the ASTC should this project be approved. The State Board does not have a standard for this cost. The Applicant has successfully addressed this criterion. **The Applicant notes:** *"The operating costs per visit appear higher than many other ASTCs due to the high supply expense associated with the device-intensive cardiovascular procedures. In some instances, the reimbursement for a pacemaker procedure is up to 80% of the total fee paid."*

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED OPERATING COSTS (77 ILAC 1120.140(d)

E) Criterion 1120.140 (e) – Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

The Applicant has provided the total effect of the project on capital costs per procedure of $506.08 should this project be approved**.** The State Board does not have a standard for this cost. The Applicant has successfully addressed this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 ILAC 1120.140(e)

TABLE ELEVEN
Cardiac Catheterization Labs
HSA VII Planning Area [1]

	Hospital	City	Miles	Labs	# of Procedures
1	Adventist Glen Oaks Hospital	Glendale Heights	29.4	1	426
2	Adventist Hinsdale Hospital Hinsdale	Hinsdale	14.9	3	1,114
3	Advocate Christ Medical Center	Oak Lawn	1.3	6	6,738
4	Advocate Good Samaritan	Downers Grove	23.2	3	2,233
5	Advocate South Suburban Hospital	Hazel Crest	11.1	2	1,367
6	Alexian Brothers Medical Center	Elk Grove Village	31.7	4	1,971
7	Central DuPage Hospital	Winfield	35.9	4	2,132
8	Edward Hospital	Naperville	26	4	5,651
9	Elmhurst Memorial Hospital	Elmhurst	19.1	4	3,666
10	Evanston Hospital	Evanston	35.2	3	2,745
11	Franciscan St. James Health	Olympia Fields	14.3	3	1,532
12	Glenbrook Hospital	Glenview	38.2	1	426
13	Ingalls Memorial Hospital	Harvey	12.6	2	1,065
14	Little Co of Mary	Evergreen Park	1	2	708
15	Loyola Health System at Gottlieb	Melrose Park	25.8	2	517
16	Loyola University Medical Center	Maywood	20	9	5,559
17	Lutheran General Hospital - Advocate	Park Ridge	32.6	4	3,015
18	MacNeal Hospital	Berwyn	12.7	3	1,307
19	Northwest Community Hospital	Arlington Heights	37.5	3	2,442
20	Palos Community Hospital	Palos Heights	8	2	2,513
21	Presence St. Francis Hospital	Evanston	31.5	2	603
22	Rush Oak Park Hospital	Oak Park	15.5	2	280
23	Skokie Hospital	Skokie	30.6	2	786
24	St. Alexius Medical Center	Hoffman Estates	39.2	2	1,093
25	West Suburban Medical Center	Oak Park	16.5	1	873

1. Source 2018 Hospital Profiles

The Advanced Surgical Institute LLC
PROJECTED BALANCE SHEET

	Year 1	Year 2	Year 3
ASSETS			
Current Assets			
Checking/Savings	2,747,269	6,022,257	10,492,461
Accounts Receivable	8,709,865	9,018,916	9,323,556
Total Current Assets	11,457,134	15,041,173	19,816,017
Fixed Assets			
Capital Expenditure	1,804,750	1,744,260	1,683,770
Furniture and Equipment	1,080,553	924,383	768,214
Depreciation	-216,659	-216,659	-216,659
Total Fixed Assets	2,668,643	2,451,984	2,235,325
TOTAL ASSETS	**14,125,777**	**17,493,157**	**22,051,342**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities	8,493,206	8,802,257	9,106,897
Total Current Liabilities	8,493,206	8,802,257	9,106,897
Long Term Liabilities			
Loan	2,994,546	2,680,584	2,366,623
Total Long Term Liabilities	2,994,546	2,680,584	2,366,623
Total Liabilities	11,487,752	11,482,841	11,473,520
Equity			
Building & Equipment	-109,243	-11,941	85,361
Retained Earnings	2,247,269	5,522,257	9,992,461
capital contribution	500,000	500,000	500,000
Total Equity	2,638,025	6,010,316	10,577,822
TOTAL LIABILITIES & EQUITY	**14,125,777**	**17,493,157**	**22,051,342**

The Advanced Surgical Center, LLC Projected Financial Statements			
	Projected Year 1	**Projected Year 2**	**Projected Year 3**
Revenue:			
Surgeries and Injections Service (Reimbursement)	10,957,134	12,293,904	13,793,761
Procedure Volume	1,657	1823	2,005
Total Income	10,957,134	12,293,904	13,793,761
Expenses:			
Salaries	841,897	921,939	982,203
Repairs and Maintenance	50,000	51,500	53,045
Management Fees	547,857	614,695	689,688
Surgical Instruments/Supplies	4,481,566	4,504,764	4,530,281
Billing & Collections	328,714	368,817	413,813
Utilities	26,000	26,780	27,583
Rent Expense	214,500	214,500	214,500
Professional Fees	657,428	677,151	697,465
Contracted Services	150,000	154,500	159,135
Insurance	25,000	25,750	26,523
Depreciation	216,659	216,659	216,659
Employee Benefits	252,569	276,582	294,661
General Admin	200,000	206,000	212,180
Taxes and Licenses	50,000	51,500	53,045
Interest Expense & Loan	313,962	313,962	313,962
Bad Debt Expenses	328,714	368,817	413,813
Other Expenses	25,000	25,000	25,000
Total Expenses	8,709,865	9,018,916	9,323,556
Net Income	2,247,269	3,274,988	4,470,204

MERRIONETTE PARK PHYSICIANS GROUP
JERRY R. COLTRO MD
9830 RIDGELAND AVE. CHICAGO RIDGE, IL 60415
❖ 708-422-6800 PH – 708-422-6888 FAX

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NOV 12 2019
HEALTH FACILITIES & SERVICES REVIEW BOARD

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761
VIA: FedEx

RE: Support letter for The Advanced Surgical Institute, LLC (19-031)

Dear Review Board:

My name is Jerry R. Coltro, M.D., I am a board-certified Internal Medicine physician serving patients in the Chicago Ridge area, near the proposed Ambulatory Surgical Treatment Center ("ASTC"). I have been practicing in the community for over 20 years and fully support the proposed ASTC.

As a local physician, I am familiar with the quality of care provided by the physicians currently practicing at the adjacent practice, Heart, Vein, and Vascular Clinic. I fully support the proposed project to add an ASTC next to the practice location as I believe it will help the community achieve a more robust continuum of care at a lower overall cost.

The applicants will be able to provide a superior site of care for patients seeking cardiovascular surgical services in comparison to the inpatient avenues currently available to patients. ASTCs supported by knowledgeable physicians, such as the physicians associated with The Advance Surgical Institute, allow patients to experience reduced wait times, receive a more specialized plan of care, and ensure designated surgical times that are not impacted by emergent or trauma cases. With easier access to quality care, members of the community will experience a better overall continuum of care.

With the above information in mind, I urge the members of the Illinois Health Facilities & Services Review Board to approve this surgery center in order to allow these physicians to serve the surgical needs of our community.

Sincerely,

Jerry R. Coltro, M.D.
Internal Medicine

Affiliated Oncologists

Specialists in Cancer & Blood Disorders

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Illinois Health Facilities and Services Review Board
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Springfield, IL 62761
VIA: FedEx

Amar Hamad, MD
Ghassan Zalzaleh, MD
Jayanthi Ramadurai, MD
Mauna. B. Pandya, MD
Mahmoud Mahafzah, MD
Rami Haddad, MD
Ronald Myint, MD
Bassem Chaar, MD
Robert Stein, MD
Gary Steinecker, MD
Shaina Rozell, MD
Vasantha Kumaraiah, MD
Rasheed Akhtar, MD
Mouhamed Kelta, MD

Cynthia Czuba, PA-C
Cara McGuire, MSN, FNP-C
Monika Benner, MSN, FNP-C

RE: Support letter for The Advanced Surgical Institute, LLC (19-031)

Dear Review Board:

My name is Amar Hamad M.D., I am a physician that is board-certified in Internal Medicine, Hematology, and Medical Oncology. As part of the Affiliated Oncologist, I serve patients in the greater Chicago area, with offices in Oak Lawn, Palos Heights, and Chicago Ridge Illinois. I have been practicing for decades and fully support the proposed facility offering cardiac catheterization and surgery services.

As a local physician, I am familiar with the quality of care provided by the physicians currently practicing at the adjacent practice, Heart, Vein, and Vascular Clinic, who are the applicants proposing this facility. I am committed to providing support services the proposed facilities' patients may require for pulmonary functions. Our practice is located just a few miles and a short drive from the proposed facility to provide convenient access to patients in a friendly outpatient setting.

I am confident the applicants will provide excellent care for patients seeking outpatient cardiovascular surgical and catheterization services. With additional access options for quality care, members of the community will experience a better overall continuum of care. This Board has approved numerous projects that provide patients a lower-cost high-quality outpatient option, and are well familiar with the patient and provider benefits, including reduced risks of infection, decreased costs, improved outcomes, and increased patient satisfaction/comfort.

With the above information in mind, I urge the members of the Illinois Health Facilities & Services Review Board to approve this surgery center in order to allow these physicians to serve the surgical needs of our community.

Sincerely,

Amar Hamad M.D.
Affiliated Oncologists
Internal Medicine, Hematology, and Medical Oncology

Millennium Office Center
10604 Southwest Hwy #200
Chicago Ridge, IL 60415
P | 708-424-9710
F | 708-671-9283

Hazel Crest
17850 S. Kedzie #2600
Hazel Crest, IL 60429
P | 708-400-7932
F | 708-960-2907

Mokena
19060 Everett Blvd. #112
Mokena, IL 60448
P | 708-478-4302
F | 708-478-4303

New Lenox
1890 Silver Cross #455
New Lenox, IL 60451
P | 708-400-7932
F | 708-960-2907

advis
YOUR SMART HEALTHCARE CONSULTANTS

March 6, 2020

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Courtney Avery, Administrator
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery,

On behalf of the applicant The Advanced Surgical Institute LLC for project #19-031, please find two letters of support enclosed for the application record.

Thank you for your attention to this matter.

Sincerely,

Bryan Niehaus, JD
Vice President
Advis

Pulmonary Consultants, LLC
Pulmonary, Critical Care & Sleep Medicine

Breathe Better

Fadi Aldass, MD
Haleyur Arun, MD
Juanbosco Ayala, MD
Muhammad A. Hamadeh, MD, FCCP
Eyad Karzoun, MD
Hamed R. Mataria, MD
Essam Mekhaiel, MD
Anas Nahhas, MD, FCCP
Mohammad Omari, MD
Mohammed Z. Sahloul, MD, FCCP
Moutaz Sunbuli, MD
Prakash Vaishnav, MD, FCCP
Estrellita Velezjo, MD
Nasser Zakich, MD, FCCP
Mohamed Zakkar, MD

10604 Southwest Highway, Suite 107
Chicago Ridge, IL 60415
Phone: (708) 422-0636
(708) 371-8006
Fax: (708) 424-2164

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HEALTH FACILITIES & SERVICES REVIEW BOARD

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761
VIA: FedEx

RE: Support letter for The Advanced Surgical Institute, LLC (19-031)

Dear Review Board:

My name is Muhammad A. Hamadeh M.D., I am a physician that is board-certified in Internal Medicine, Pulmonary Disease, and Critical Care Medicine. As part of the Midwest Pulmonary Critical Care & Sleep Consultants, LLC. I serve patients in the greater Chicago area, with offices in Oak Lawn, Palos Heights, and Chicago Ridge Illinois. I have been practicing for decades and fully support the proposed facility offering cardiac catheterization and surgery services.

As a local physician, I am familiar with the quality of care provided by the physicians currently practicing at the adjacent practice, Heart, Vein, and Vascular Clinic, who are the applicants proposing this facility. I am committed to providing support services the proposed facilities' patients may require for pulmonary functions. Our practice is located just a few miles and a short drive from the proposed facility to provide convenient access to patients in a friendly outpatient setting.

I am confident the applicants will provide excellent care for patients seeking outpatient cardiovascular surgical and catheterization services. With additional access options for quality care, members of the community will experience a better overall continuum of care. This Board has approved numerous projects that provide patients a lower-cost high-quality outpatient option, and are well familiar with the

patient and provider benefits, including reduced risks of infection, decreased costs, improved outcomes, and increased patient satisfaction/comfort.

With the above information in mind, I urge the members of the Illinois Health Facilities & Services Review Board to approve this surgery center in order to allow these physicians to serve the surgical needs of our community.

Sincerely,

Muhammad A. Hamadeh M.D.
Midwest Pulmonary Critical Care & Sleep Consultants, LLC
Internal Medicine, Pulmonary Disease, and Critical Care Medicine

Affiliated Oncologists

Specialists in Cancer & Blood Disorders

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MAR 10 2020
HEALTH FACILITIES & SERVICES REVIEW BOARD

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761
VIA: FedEx

Amar Hamad, MD
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Rasheed Akhtar, MD
Mouhamed Kelta, MD

Cynthia Czuba, PA-C
Cara McGuire, MSN, FNP-C
Monika Benner, MSN, FNP-C

RE: Support letter for The Advanced Surgical Institute, LLC (19-031)

Dear Review Board:

My name is Amar Hamad M.D., I am a physician that is board-certified in Internal Medicine, Hematology, and Medical Oncology. As part of the Affiliated Oncologist, I serve patients in the greater Chicago area, with offices in Oak Lawn, Palos Heights, and Chicago Ridge Illinois. I have been practicing for decades and fully support the proposed facility offering cardiac catheterization and surgery services.

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Sincerely,

Amar Hamad M.D.
Affiliated Oncologists
Internal Medicine, Hematology, and Medical Oncology

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New Lenox, IL 60451
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HEALTH FACILITIES & SERVICES REVIEW BOARD

April 27, 2020

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

Re: Response to CON 19-031, The Advanced Surgical Institute, LLC, Evergreen Park

My name is Dr. John Hanlon, President of OSF Healthcare Little Company of Mary Medical Center. I would like to correct several errors that were made in the application and testimony for the Advanced Surgical Institute CON heard at the December 10, 2019 CON Board meeting.

- The applicants stated that another freestanding cardiovascular OR, Premiere Surgical, is at "the edge " of the 10 mile service radius and services a different patient base. In fact, Premiere is 3 miles away and in the same primary service area.

- Dr. Spear stated that there were no viable options for their patients. In fact, Little Company has a state of the art cardiac cath facility that can handle the vast majority of cardiac vascular procedures, and we have received a $500,000 grant from the state of Illinois to build an electrophysiology lab. We have received American Heart Association recognition for our treatment of acute heart attacks.

- Dr. Spear stated that the area cath labs are performing at 150% of capacity, and there is up to a 6 week wait for elective procedures. In reality, Little Company of Mary's cath lab, 1 mile away from the planned ASTC, is underutilized at less than 25% capacity, and same day scheduling of elective procedures is available and welcome. (The attached table shows that, in fact, three of the seven area hospitals are significantly underutilized.)

- The application states that charity care as a per cent of NPR is 5%. There appears to be a math error. The numbers compute to 3%.

In addition to these corrections, please allow me to add:

The June 13, 2019 letter to Ms. Avery states: "Based on our records, we treated 1,645 patients for cardiovascular surgical services in the past 12 months. We anticipate referring 1,336 of these patients to the proposed facility." This is 81% of the patients that they had previously treated in the hospital setting. Removal of such a volume of patients from the cath lab at Little Company of Mary will have a significant negative effect on the ability of the cath lab staff to maintain their skills at the level necessary to treat the many cardiac emergencies that present through our emergency department.

From the December 10, 2019 IHFSRB hearing report:

Criteria 77 ILAC 1110.235 (c) (6) — Service Accessibility

- Reasons for Non-Compliance
  The Applicant was unable to meet one of the four conditions required by this criterion (see pages 12-13 of this report).

Criteria 77 ILAC 1110.235 (c) (7) Unnecessary Duplication/Maldistribution

- Reasons for Non-Compliance
  Of the 11 ASTCs in the planning area, 4 (36%) are operating at the State standard of 1,500 hours per room. Of the 11 hospitals in the planning area, 2 (18%) are operating at the State standard of 1,500 hours per room (see pages 14-17 of this report).

  According to the IHFSRB report: "The proposed project will result in an unnecessary duplication of service. The Applicants have not successfully addressed this criterion".

Criteria 77 Il-AC 1120.140(c) Reasonableness of Project Costs

- Reasons for Non-Compliance
  The Applicant exceeded the State Board standard for Site Preparation, New Construction/Proportionate Contingencies, and Moveable and Other Equipment (see pages 23-24 of this report).

Thank you for the opportunity to clarify statements that were presented to the Review Board in the December meeting.

Respectfully,

John Hanlon, MD, MMM
President, OSF Healthcare Little Company of Mary Medical Center

Attachment

2018 procedures at area hospitals

	Cath Labs Total	Cath Procedures Total	Procedures/room Total
Advocate Christ	6	6,738	1,123
LCMH	2	708	354
Palos	2	2,513	1,257
Riverside	3	2,875	958
Silver Cross	3	4,998	1,666
Holy Cross	1	502	502
Olympia Fields	3	1,532	511
Total	20	19,866	993 (average)

The average cath lab in the area performs 993 procedures/room. The median is 958 procedures/room.

Two area hospitals are at about half of the average lab's volume and at about 31% of the busiest lab.

Little Company of Mary is at 35% of the average lab, and 21% of the busiest.

CHAIRWOMAN SAVAGE: Okay. So now, next on the agenda, instead, Item H-02, Project 19-031, Advanced Surgical Institute, Evergreen Park.

Senator Demuzio, if you could try to mute your line again, please.

May I have a motion to approve Project 19-031, Advanced Surgical Institute, to establish a single-specialty ASTC.

MEMBER MARTELL: I so move.

CHAIRWOMAN SAVAGE: A second?

MEMBER MURRAY: Second.

CHAIRWOMAN SAVAGE: Please identify yourselves and then be sworn in.

MR. NIEHAUS: Bryan Niehaus, B-r-y-a-n N-i-e-h-a-u-s. I'm a consultant representing the Applicants.

DR. AL-KHALED: Dr. Nouri Al-Khaled, N-o-u-r-i. Al-Khaled, A-l, hyphen, K-h-a-l-e-d.

DR. SPEAR: Dr. William Spear, S-p-e-a-r.

THE COURT REPORTER: Would you raise your right hands, please.

(Three witnesses sworn.)

THE COURT REPORTER: Thank you. And please print your names, as well.

CHAIRWOMAN SAVAGE: Mike, please present the State Board staff report.

MR. CONSTANTINO: Thank you, Madam Chair.

The Applicants are asking the State Board to approve the establishment of a single-specialty ASTC performing cardiovascular surgical services in Evergreen Park, Illinois. The cost of the project is approximately $6.1 million, and the completion date is April 22nd, 2021.

No public hearing was requested, and one letter of support was received. No letters of opposition were received by the State Board.

Board staff found three criteria out of compliance with the Board rules.

Thank you, Madam Chair.

CHAIRWOMAN SAVAGE: Thank you.

Please proceed with your statements to the Board.

MR. NIEHAUS: Thank you. I'd just like to briefly thank the Board staff for their review of the project and the Board for your time today.

Before I turn it over to the two representatives for the Applicant, I just wanted to briefly provide some comment about the three

deficiencies that were found in the Board staff report.

The first two are very familiar to this Board for ASTC filings in Chicagoland regarding service accessibility and duplication of services. These are standards that are based on the current utilization levels of other facilities in the market and do not reflect always a like-to-like about the need for this facility.

As the two doctors will cover in more detail, there is a need for this facility. There is only one operating room approved for cardiovascular procedures within the market today. That project is not in opposition -- and is located at the edge of the 10-mile radius -- because they cannot handle the volume of this project and they are servicing their own patient base that is different from this application.

Finally, the third deficiency regarding standards on the project cost, the main finding here is the equipment funding is in excess of the State standards. This is because there's a nearly $1 million piece of equipment -- we have an estimate of 900,000 -- for cardiovascular imaging

equipment, which is not a standard piece of equipment for equipment in operating rooms, so it is not commonly considered as part of these ASTC standards. Without that, we are in compliance with the State standards.

The hope is that the Applicant will be able to obtain the equipment below that $900,000 cost estimate with the closure of many hospital facilities and obtaining refurbished equipment on the open market, but we wanted to provide the higher estimate for new equipment in the event that is required. We're happy to answer any more questions on that front as requested by the Board.

And I would just like to note that the project did have no opposition and MetroSouth Hospital, located 6 miles away, has one operating room for cardiac procedures and three cath labs that are going to be closing, so there's only going to be a heightened need for this facility to provide outpatient surgery options for outpatient cardiovascular services.

DR. AL KHALED: Thank you very much for allowing me the time. I'm here today to ask this Board to support my group's goal to create a new

option for our patients to receive cardiovascular health care to be performed on an outpatient basis.

As Bryan had covered the technical component of our filing to the Board, I would like to summarize the reasons which we are here today.

I am currently Dr. Nouri Al-Khaled, the managing partner of an 11-man single-specialty cardiology group that's Consultants in Cardiology & Electrophysiology. Our group operates out of three locations, including our main office in Evergreen Park, which is currently located next to the proposed ambulatory surgical center.

This project was borne out of the need to deliver best care for our patients at the most cost-effective way. As the Board is well aware, for a number of years the surgical landscape in the United States has been evolving at a very rapid pace.

This evolution of health care is the result of significant advancement in technology and improvement in the size and the precision of the equipment we use during surgical procedures and intervention. Adding to that is the pricing

awareness and the importance of cost-effectiveness.

All that had led Medicare, Medicaid, and commercial insurance carriers to approve more procedures to be performed in an ambulatory surgical center.

Over the past two decades, in the last 20 years, cardiologists in general and our practice in particular have been -- have seen the well-reported benefits of the ambulatory surgical center setting realized by other medical specialties, such as orthopedic surgery, gastroenterology, pain management, podiatry, ophthalmology, and others.

This Board had approved numerous such projects and is very much familiar with the benefits our patients would gain in an ambulatory surgical center setting, including reduced risks of infection, reduced length of stay, decreased costs, improved outcome, increased patient satisfaction and comfort, and so on. It is now the right time to offer our patients these exact same benefits.

I'd like to note that the final 2019 CMS rule revised the definition of "surgery," which

resulted in the addition of 12 cardiac catheterization procedures to Medicare ambulatory surgical center payable list, specifically for vascular, electrophysiology, and diagnostic cardiocatheterization procedures.

Now, the final 2020 CMS statement to --

CHAIRWOMAN SAVAGE: Doctor, excuse me one second. Can we ask you to hold on one second while we fix our technical difficulties?

I just noticed she's not there anymore.

DR. AL-KHALED: Oh, well --

CHAIRWOMAN SAVAGE: One second.

Dr. Demuzio, do you hear us?

(An off-the-record discussion was held.)

MR. ROATE: There we go.

CHAIRWOMAN SAVAGE: Can you hear us now, Dr. Demuzio -- or Senator Demuzio?

(An off-the-record discussion was held.)

CHAIRWOMAN SAVAGE: Can you hear us?

MEMBER DEMUZIO: I can hear you, yes.

CHAIRWOMAN SAVAGE: Oh, good. We can't see you but we can hear you. Can you hear the testimony already or do you need it repeated?

MEMBER DEMUZIO: Yes -- no, I can hear it.

CHAIRWOMAN SAVAGE: Okay. Great. Thank you.

Okay. Please.

DR. AL-KHALED: Should I repeat or --

MS. AVERY: No.

CHAIRWOMAN SAVAGE: No. She said she could hear you.

DR. AL-KHALED: So I'm going to say -- yeah, I was at the Medicare note.

The final 2019 CMS payment rule revised the definition of "surgery," and this revision resulted in the addition of 12 cardiac catheterization procedures to the Medicare ambulatory surgical center payable list, specifically for vascular, electrophysiology, and diagnostic cardiocatheterization.

Now, just recently, the final 2020 CMS payment rule, approved in November, added six angioplasty and stenting procedures to the ambulatory surgical center covered procedure list starting with the calendar year 2020. Please note, due to the timing, our filing does not even consider the additional volume of patients for the six new procedures added in 2020.

Both recent updates are the result of impressive advances in technology, allowing health care providers to deliver best care to patients safely, effectively, and comfortably; for example, the evolution of the radial access for cardiocatheterization where, actually, a full cardiac catheterization and angioplasty and a stent of the carotid artery could be done through the wrist, through the radial artery.

Evolution of vascular closure devices. These are like little devices, little stitches, little holes, plug holes that -- you literally could plug the femoral artery.

Those advances have led to the adoption of same-day discharge programs. Those advances allow patients to ambulate early, discharge early, and decrease the risk of bleeding almost to zero.

These advances and these -- the adoption of the same-day discharge programs was not only a safe option for our patients, not only made the addition of the cardiac catheterization and the angioplasty to the ambulatory surgical center procedure list safe but also a necessary option to decrease the cost of our patients and our

community. We set our priority right.

So I would like to reiterate that patient safety comes first and we know that not every single patient will be done in the ambulatory surgical center, but the expertise of our cardiologists could exactly identify which are the best patients to be taken care of in those ambulatory surgical centers.

Looking at Medicare alone, we think our patients would be able to save somewhere between 10 to -- 10 percent to over 50 percent compared to hospital outpatient settings for the same if not even better quality of care.

Having specialized, trained staff available for our procedures only enhances quality and safety. Locating the surgery center next door to our Evergreen Park office will allow for our patients to be treated in a familiar, comforting, and low-stress environment.

I hope I was able to convey that the advances in technology and payment recognition are driving this project. My group is excited to offer our patients the same options offered to patients of other specialties for decades.

I believe this single-specialty center opening will allow access to improved care for our community, including our Medicaid and our indigent patients. I firmly believe this ambulatory surgical center is a clear choice to approve.

I respectfully request that the Board approve this project, and I ask that you please provide us a chance to address any doubts or concerns you have before your vote.

Thank you.

DR. SPEAR: Thank you.

My name is Dr. William Spear. I'm a cardiac electrophysiologist and a partner in Consultants in Cardiology & Electrophysiology. Thank you for your time today.

I'd like to briefly build upon the comments of Bryan and Dr. Al-Khaled, and I would like to reiterate why this venture is absolutely necessary.

To start, although the staff Board report notes that there is sufficient volume of ASC surgical options in the market, I would like to note that there are not any viable options for our practice or for our patients in reality.

Currently, of the nine licensed ASCs within the market area, none of these ASCs offer cardiovascular services. And an additional two ASCs are located within the market area, but they are not yet licensed or operational. Both the Vascular Access Centers of Illinois and Premier Cardiac Surgery Center are designed and intended to service an existing patient base which is other than ours.

Neither the Vascular Access Centers or Premier is intended to or capable of servicing our volumes. In fact, Premier is intended to operate as a hybrid OBL-ASC with only one operating room. This clearly restricts the ability of the facility to shoulder our proposed volumes.

Likewise, the Vascular Access Center is designed for dialysis patients and end stage renal disease patients and not cardiac patients. It is not designed for PCI, pacemaker, cardiac catheterization procedures, which our project is designed for. Clearly, these two facilities could not equip, staff, and service the complex cases and volumes that we intend by our project.

Given this reality, there's no current ASC

setting option for our patients and none on the near horizon. This deprives them of the associated patient satisfaction, access to care, quality, and decreased costs associated with an ASC setting. Given the complexity of the operations we perform, we believe it is also very important for the facility and the staff to be dedicated and specialized for our procedures.

Let's see.

Owning and operating the ASC will allow us to control the cost and satisfaction in a way that is not possible by trying to add PCI or cath intervention capabilities to another facility in the market.

Lastly, I want to note that we appreciate and will continue to partner and utilize our hospital partners in the neighborhood for medically appropriate patients. We believe our doctors and patients deserve the option of a nonhospital surgical setting approved by Medicare, Medicaid, and commercial insurers to offer more price effective and quality care.

In addition, due to the paucity of current cath labs and capable operating suites in our

area, our patients often have to wait up to six weeks for elective procedures which otherwise could have been done in a more cost-effective and expedient way. The current cath labs in our hospitals are often running at about 150 percent capacity, performing cases late in the evenings and have high turnover of staff due to high burnout rates from the staff working in the hospitals.

By approving our ASC, we will be able to off-load the appropriate cases from the hospitals to allow them to perform the more complex cases on the sicker patients at the appropriate time.

I hope the Board understands the need for our surgical center, and I respectfully request the Board approve this project and I ask that you please provide us a chance to answer any questions you may have.

Thank you.

MR. NIEHAUS: Before I turn it over, I just wanted to quickly note my error in updating the doctor.

Premier, it has been opened. He said that there were two not-yet-licensed facilities.

Premier has been approved and is operational that we're aware of.

CHAIRWOMAN SAVAGE: Does the Board have any questions?

(No response.)

CHAIRWOMAN SAVAGE: One question I would have, do you have an agreement with MetroSouth for their equipment yet? Or a promise to sell it to you?

DR. AL-KHALED: No. We have no agreement with MetroSouth to buy it from them. The equipment -- the highest-cap dollar equipment, which is the cardiocatheterization lab, it's priced at -- brand-new -- at 900,000. But the current changes in health care with closure of hospitals may allow us to be able to get a good piece of equipment for probably half that price, but this is something to be found and negotiated.

We know that MetroSouth -- there's a contractor that practically bought everything to the best of our knowledge. So we don't know who that is yet, but we will look into lowering the cost if we can.

MR. CONSTANTINO: Madam Chair, I just want

to make sure that these folks understand this is not cardiac cath. You'd have to address the cardiac cath requirements already -- do we understand?

MR. NIEHAUS: They were only performing the same procedures this Board has approved in the ASC setting that Premier is approved to operate under, as reflected in the report in our outpatient.

MR. CONSTANTINO: Okay. We have to stop comparing previously approved projects. This has been going on too long. We have --

MR. NIEHAUS: I'm not trying to -- understood.

MR. CONSTANTINO: Okay.

MR. NIEHAUS: I'm just speaking of -- what we're doing is just ASC-approved procedures. I understand there's a separate cardiac cath category.

MR. CONSTANTINO: I think -- I think the permit letter ought to make it clear that no cardiac cath lab is being established at this facility.

MR. NIEHAUS: How do you define the

cardiac cath lab versus the Medicare CPT codes?

MR. CONSTANTINO: You have to tell me if a cardiac cath is going -- lab -- is going to be established here at this facility.

If you do -- if you are, then we have to defer this project and come back before the Board and you address those criteria.

If we made a mistake understanding what you --

MR. NIEHAUS: So I just want to understand clearly so that we understand.

We're only performing things that are -- the way we're speaking about this is how the facility is licensed and reimbursed, and the ASC payment schedule is the ASC payment schedule. And any ASC that is approved to operate a specialty in Illinois can perform those procedures that are listed on an ASC payment schedule. Those are the only ones we would perform if we were approved for cardiovascular.

Not all cardiac cath procedures are approved under the Medicare payment schedule. I think it's a difficult discussion because the definition on Illinois standards is not entirely

clear about what is included in a cardiac cath from a reimbursement standpoint.

We're only sticking to those procedures that are in the ASC setting that sometimes include a catheterization terminology but are not inclusive of all cardiac cath lab procedures.

MR. CONSTANTINO: I still think there needs to be a condition on the permit that no cardiac cath lab is going to be established at this facility.

MR. NIEHAUS: I think that we're open to accepting that as long as we can also define what "cardiac cath lab" includes.

MR. CONSTANTINO: Or we can extend the review period and bring it back until we've had an opportunity to discuss with the Applicants what exactly is going to be occurring here, if that's the wishes of the Board.

DR. AL-KHALED: Can I comment on something, please?

CHAIRWOMAN SAVAGE: Certainly.

DR. AL-KHALED: The ambulatory surgical center is currently the -- approved in Illinois. This is something very new that's going on.

I mean, the -- since Medicare had come up with the new criteria to be able to perform cardiovascular procedures in ambulatory surgical centers.

The definition of a cath lab versus an operating room -- first, it's called a hybrid suite -- is practically the same for us as physicians.

For us, it means that you are going to perform cardiovascular procedures and those are -- either you're going to do percutaneous work -- percutaneous work would require an X-ray machine and just like when the end stage renal disease patients require access for dialysis -- so you practically go in and work on their vascular systems under X-ray and under fluoroscopy.

So if you define a cardiac cath procedure just because it is a procedure that is done with the utilization of fluoroscopy and percutaneous approach, it's just a -- we are talking about different wordings, but it's practically the same thing.

A cardiovascular procedure is almost always -- in the ambulatory surgical center -- is percutaneous for the carotid arteries. And for

the -- for the pacemaker technology, it is requiring a fluoroscopy room.

So I don't understand how you could define it from our perspectives as physicians. You cannot do any of these procedures without having fluoroscopy. So you could call it a cath lab or an ambulatory surgical center operating room, which is practically a lot more sophisticated than even a cardiac cath lab.

CHAIRWOMAN SAVAGE: Okay.

MR. CONSTANTINO: The cardiac --

CHAIRWOMAN SAVAGE: One second.

Dr. -- Senator Demuzio, are you still there?

MS. AVERY: It keeps going in and out.

MEMBER DEMUZIO: I'm here.

CHAIRWOMAN SAVAGE: She can hear.

MS. AVERY: He said as long as it doesn't go off, we're fine.

CHAIRWOMAN SAVAGE: Okay.

MR. CONSTANTINO: We have -- the Board has a specific category of service for cardiac cath. That's my concern with this, why I think they need to address that.

And they haven't so far.

MR. NIEHAUS: Respectfully, we're only applying for an ASC approval. If the State is going to come out with clear standards that are going to restrict ASCs from performing certain cardiac catheterization procedures, including currently approved ASCs, we will, of course, abide by that.

All we're asking for is to be treated as an ambulatory surgical center, as we are under the rules today, as with other applicants have been historically under State rules.

I would request that we have a vote from the Board so we can at least have clarity on this. And we will, of course -- as the State clarifies its rules, we will comply with whatever is required by the State.

(An off-the-record discussion was held.)

MEMBER MURRAY: Is there a reason that this wasn't done before this meeting?

MR. NIEHAUS: Not -- it was not raised, to my knowledge. All of the procedure codes that we have been performing were reported in our application and are clearly transparent in the

public documents.

MEMBER MURRAY: I think what staff may be asking you -- you will not perform any procedures that are not already covered in your application?

Is that what you're asking?

MR. NIEHAUS: Abso- -- we will not perform anything that is not approved by both the State and the Federal government for conducting procedures in an ambulatory surgical center.

I don't know how else any applicant can come before the Board and make a different guarantee.

MEMBER MURRAY: So let me ask the question again. I feel like I might --

MR. NIEHAUS: I'm sorry.

MEMBER MURRAY: Okay.

What I heard, staff concern is to make sure that, in your application, you appropriately covered what you're actually going to do.

MR. NIEHAUS: That is correct.

MEMBER MURRAY: And he is concerned, with this equipment, that you may slip into some procedures that are not covered in the application you applied under but may be covered in a cath

application.

Is that -- is that right?

MR. CONSTANTINO: Yes.

MEMBER MURRAY: Okay.

MR. CONSTANTINO: And we have specific rules for cardiac cath labs.

MEMBER MURRAY: Okay. So now --

MR. CONSTANTINO: This Board does.

MEMBER MURRAY: So, now, that seems to me to be a simple question. So let me ask it again.

In your application you listed a bunch of procedures with the codes.

MR. NIEHAUS: Uh-huh.

MEMBER MURRAY: Is there any intention on doing any procedures that are not in that specific list of your application codes?

MR. NIEHAUS: There is not unless CMS would, in the future, add additional codes that are appropriate to the ASC setting. Everything that we've reported --

MEMBER MURRAY: Okay. So -- and, again -- so just because something is in CMS -- the State would have to change its little rules for you to be in compliance with the State; is that correct?

MR. NIEHAUS: If that were to occur, yes. We would not do anything that is not included in the State rules.

MEMBER MURRAY: In the State rules?

MR. NIEHAUS: That's correct. Of course.

MEMBER MURRAY: I'm just working here for the State. Okay?

MR. NIEHAUS: Yeah. Absolutely.

MEMBER MURRAY: All right.

All right. So as long as that's clear, then I can -- I can understand it.

MR. NIEHAUS: We're happy to report the procedures -- as this Board can require -- that this facility performs moving forward.

MEMBER MARTELL: As a follow-up, given all the testimony that we heard about cardiac cath -- and that was said by both physicians there -- were -- the procedures that were used for the calculation, did that include cardiac cath?

MR. NIEHAUS: Again, some of the procedure codes included catheterization nomenclature in the CPT coding. I am not aware of any defined list of procedures that the State has enumerated for how they distinguish between cardiac cath lab and

what's on an ASC procedural approval list, whether State or CMS.

So all we can commit to without further information is that we're going to conduct procedures that are allowable by the Federal and State government.

MEMBER MURRAY: Let me ask the question a different way.

MR. NIEHAUS: Yeah.

MEMBER MURRAY: Would it perhaps be more prudent to have your application include the State's process for catheterization labs?

MR. NIEHAUS: That will be a decision for the State. I -- it's hard for me to project on that, given my ill understanding of how this is interplaying and was not raised for our attention previously.

My only concern is the amount of time we may delay the project and the Applicants, as they're tied up with resources financially for the building they're looking to seek approval on. But if that's what the Board feels is appropriate, we'll go with what the Board believes is the best process.

As I said earlier, if we seek approval and should the Board graciously approve our filing as an ASC, we, of course, will comply with any decisions and guidance and regulatory requirements this Board or the State comes out with subsequent to our approval.

There's already ASCs approved for cardiovascular services in this state. We're going to not -- we are not going to operate out of compliance, just as they will not.

MEMBER MURRAY: So I have a question for staff.

Theoretically -- hypothetically -- if we were to approve what they applied for, the codes that they put in, could they then -- could we request that they come back and finish whatever gaps might exist between this present application and between the State's cardiocatheterization lab application?

MR. CONSTANTINO: Yes, you could do that.

MEMBER MURRAY: Does that seem reasonable to you gentlemen?

MR. NIEHAUS: That does seem reasonable.

DR. AL-KHALED: Yeah.

(An off-the-record discussion was held.)

CHAIRWOMAN SAVAGE: Melanie, would you be able to read back Dr. Murray's testimony?

THE COURT REPORTER: Dr. Murray's testimony?

(An off-the-record discussion was held.)

MEMBER MURRAY: I can restate the motion -- I didn't make a motion, but I could make it if you want.

CHAIRWOMAN SAVAGE: Yes, please, if you could read it.

MS. AVERY: Just the last -- last little bit that she was talking about.

THE COURT REPORTER: See if this is what you want.

"So I have a question for staff.

"Theoretically -- hypothetically -- if we were to approve what they applied for, the codes that they put in, could they then -- could we request that they come back and finish whatever gaps might exist between this present application and between the State's cardiocatheterization lab application?"

Mr. Constantino said, "Yes, you could do

that."

Member Murray said, "Does that seem reasonable to you gentlemen?"

Mr. Niehaus and the doctor both said, "That does seem reasonable."

Is that the part you wanted?

(An off-the-record discussion was held.)

MEMBER MURRAY: Let me vote out of order. I vote yes.

MS. AVERY: We didn't vote yet. We'll take a break.

I'm sorry. There's only five of us -- five of you.

MEMBER MURRAY: Sorry.

CHAIRWOMAN SAVAGE: George, did you have a question?

MR. ROATE: No, ma'am. We discussed it among staff.

MS. AVERY: Mike, any other?

MR. CONSTANTINO: No, ma'am.

MS. AVERY: All right. Thank you.

CHAIRWOMAN SAVAGE: George, please call the roll.

MR. ROATE: Thank you, Madam Chair.

Motion made by Dr. Martell; seconded by Dr. Murray.

Senator Demuzio.

MEMBER DEMUZIO: I am -- I'm going to go ahead and vote yes, but I'm very reluctant to doing so.

MR. ROATE: Thank you.

Dr. Martell.

MEMBER MARTELL: I'm going to say the intent to deny with the concerns that were expressed in the testimony related to cardiac cath.

MR. ROATE: Thank you.

MS. AVERY: Wait, George.

I think you have to clarify. You have to vote yea or nay.

MEMBER MARTELL: No.

MR. NIEHAUS: Can we request that the Board defer rather than vote no if the concern's going to be about interpretation of Board rules and not the substance of our application?

MS. AVERY: Yes, but we don't have a January meeting scheduled. Our next meeting is scheduled for February --

MR. NIEHAUS: I understand.
MS. AVERY: Okay.
THE COURT REPORTER: Excuse me. Excuse me.
The next meeting is scheduled when?
MS. AVERY: February.
THE COURT REPORTER: And you said what?
MR. NIEHAUS: "I understand."
THE COURT REPORTER: Thank you. Sorry.
MS. AVERY: Okay. Do you want to defer?
MR. NIEHAUS: I would request a deferral.
MS. AVERY: Okay. Thank you.
MR. NIEHAUS: Thank you.
MS. AVERY: We're taking a break, 10 minutes.
CHAIRWOMAN SAVAGE: We're going to take a 10-minute break.
(A recess was taken from 10:53 a.m. to 11:16 a.m.)
MS. ALIKHAN: After our brief recess -- here we go. Can you hear me now?
Okay. After a brief recess, I've advised the Board to consider withdrawing the initial -- the earlier motion on Project 19-031.
(An off-the-record discussion was held.)

CHAIRWOMAN SAVAGE: George, who made the motion to approve 19-031?

MR. ROATE: Motion made by Dr. Martell; seconded by Dr. Murray.

MEMBER DEMUZIO: I cannot hear what's --

MR. ROATE: I'm sorry. My apologies.

Motion made by Dr. Martell; seconded by Dr. Murray.

MEMBER DEMUZIO: And what item are we on?

MR. ROATE: That was --

CHAIRWOMAN SAVAGE: 19-031, the Advanced Surgical Institute in Evergreen Park.

MEMBER DEMUZIO: Got it. Okay.

CHAIRWOMAN SAVAGE: Dr. Martell, would you make a motion to withdraw your motion to approve?

MEMBER MARTELL: I withdraw my motion to approve.

CHAIRWOMAN SAVAGE: Thank you.

(An off-the-record discussion was held.)

MS. AVERY: Okay.

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