



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: H-06	BOARD MEETING: December 10, 2019	PROJECT NO: 19-043	PROJECT COST: Original: \$331,000
FACILITY NAME: Metroeast Endoscopic Surgery Center		CITY: Fairview Heights	
TYPE OF PROJECT: Non-Substantive			HSA: XI

PROJECT DESCRIPTION: The Applicant (Metroeast Endoscopic Surgery Center, LLC) proposes to add podiatry, pain management, ophthalmology and orthopedic surgery services to its current ambulatory surgical treatment center (ASTC) located in Fairview Heights, Illinois. The reported project costs are \$331,000. The expected completion date is June 30, 2021.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicant (Metroeast Endoscopic Surgery Center, LLC) proposes to add podiatry, pain management, ophthalmology and orthopedic surgery services to its current ambulatory surgical treatment center (ASTC) located in Fairview Heights, Illinois. The project costs are \$331,000. The expected completion date is June 30, 2021.
- In June of 2019 the State Board approved Metroeast Endoscopic Surgery Center to add general surgery, plastic and gynecological surgical services at a cost of \$180,000 with a completion date of June 30, 2020 (Permit #19-010).
- In March of 2013 the State Board approved Metroeast Endoscopic Surgery Center to establish a limited specialty ambulatory surgical treatment center performing gastroenterology procedures in 2,634 GSF of leased space located in Fairview Heights, Illinois at a cost of \$1,113,642 (Permit #12-105).

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project proposes a substantial change in scope as defined at 20 ILCS 3960/5.
- One of the objectives of the Health Facilities Planning Act is *“to assess the financial burden to patients caused by unnecessary health care construction and modification. Evidence-based assessments, projections and decisions will be applied regarding **capacity, quality, value and equity** in the delivery of health care services in Illinois. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process.”* [20 ILCS 3960/2]

PURPOSE OF THE PROJECT:

- The Applicant stated the following: *“The purpose of this project is to improve access and quality of care and to reduce costs for residents of the geographic service area (GSA). With the relocation of St. Elizabeth's Hospital from Belleville to O'Fallon (Project #14-043) and The Memorial Network shifting services from Memorial Hospital Belleville to Memorial Hospital East in Shiloh (Project #16-018), residents of Fairview Heights and Belleville need additional services to be provided locally to fill the void left by these departures.”*

PUBLIC HEARING/COMMENT:

- A public hearing was offered but was not requested. The project file contains 3 letters of support and 4 letters of opposition. The support letters are from:
 - Bruce Chaddick - Patient
 - Shirley Jones - Resident
 - Meghan Kreher - ResidentLetters of opposition were submitted from the following:
 - George Kruse Chairperson - HSHS St. Joseph's Hospital – Breese
 - Chris Klay, President and CEO – HSHS St. Joseph's Hospital - Breese
 - Megan Espienschied MSN, RN – Director of Surgical Services – HSHS St. Joseph's Hospital – Highland
 - Dr. David Neighbors

All letters are attached to end of this report.

SUMMARY:

- As stated the Applicant is asking the State Board to approve the addition of surgical specialties in the 17-mile GSA. The Applicant was approved in June of 2019 to add surgical specialties and that project is not complete.
- There are 8 ASTCs and 6 hospitals within the 17-mile GSA. Of the 8 ASTCs only one surgery center provides the surgical specialties being proposed. That Surgery Center (Anderson Surgery Center) was recently approved (Permit #18-031) and is not operational. The six hospitals provide all the surgical specialties being proposed and all are underutilized.
- The Applicant has addressed a total 15 criteria and have not met the following.

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
77 ILAC 1110.235 (c) (6) – Service Accessibility	The Applicant was unable to meet one of the four conditions required by this criterion (see pages 10-11 of this report)
77 ILAC 1110.235 (c)(7) – Unnecessary Duplication/Maldistribution	There is existing capacity in the 17-mile GSA that is can accommodate the workload identified by this Application. (See page 12)
77 ILAC 1110.235(c) (10) – Assurance	The criterion requires the facility will be at target utilization within two years after project completion “ <i>not be optimized to exceed its current utilization.</i> ” (See page 13 of this report)

STATE BOARD STAFF REPORT
Project #19-043
Metroeast Endoscopic Surgery Center

APPLICATION/SUMMARY CHRONOLOGY	
Applicant(s)	Metroeast Endoscopic Surgery Center, LLC
Facility Name	Metroeast Endoscopic Surgery Center
Location	5023 North Illinois Street, Fairview Heights, Illinois
Permit Holder	Metroeast Endoscopic Surgery Center, LLC
Operating Entity/Licensee	Metroeast Endoscopic Surgery Center, LLC
Owner of Site	Ahmed Investments, LLC
Gross Square Feet	2,642 GSF
Application Received	September 18, 2019
Application Deemed Complete	September 19, 2019
Financial Commitment Date	December 10, 2020
Anticipated Completion Date	June 30, 2020
Review Period Ends	December 8, 2019
Review Period Extended by the State Board Staff?	No
Can the Applicant request a deferral?	Yes

I. Project Description

The Applicant (Metroeast Endoscopic Surgery Center, LLC) proposes to add podiatry, pain management, ophthalmology and orthopedic surgery services to its current ambulatory surgical treatment center (ASTC) located in Fairview Heights, Illinois. The reported project costs are \$331,000. The expected completion date is June 30, 2021.

II. Summary of Findings

- A. State Board Staff finds the proposed project is in conformance with all relevant provisions of Part 1110 (77 ILAC 1110).
- B. State Board Staff finds that all relevant provisions of Part 1120 (77 ILAC 1120) are not applicable to this project.

III. General Information

Metroeast Endoscopic Surgery Center, LLC was organized as a Limited Liability Company (LLC) in November of 2011, and is wholly owned by Dr. Shakeel Ahmed, M.D. Financial commitment will occur after permit approval. The proposed project is a non-substantive project subject to a Part 1110 and Part 1120 review. Financial commitment will occur after permit issuance. Non-substantive projects are all projects not considered substantive projects.

Substantive projects include no more than the following:

1. Projects to construct a new or replacement facility located on a new site; or a replacement facility located on the same site as the original facility and the costs of the replacement facility exceed the capital expenditure minimum.
2. Projects proposing a new service or discontinuation of a service, which shall be reviewed by the Board within 60 days.
3. Projects proposing a change in the bed capacity of a health care facility by an increase in the total number of beds or by a redistribution of beds among various categories of service or by a relocation of beds from one facility to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board in the Inventory, whichever is less, over a 2-year period. [20 ILCS 3960/12]

IV. Health Service Area

The ASTC is in the HSA XI Health Service Area. HSA XI includes the Illinois counties of Clinton, Madison, Monroe, and St. Clair. The ASTC is in St. Clair County. There are nine ASTC in this service area. The State Board is projecting an increase in the population of 1% in the HSA XI Service Area for the period 2017-2022.

Facility	City
Anderson Surgery Center, LLC	Edwardsville
Bel-Clair Amb. Surgical Ctr.	Belleville
Edwardsville Ambulatory Surg Ctr,	Glen Carbon
Hope Clinic or Women, Ltd	Granite City
Illinois Eye Surgeons Cataract Sur	Belleville
Metroeast Endoscopy Surgery Center	Fairview Heights
Monroe County Surgical Center	Waterloo
Novamed Eye Surgery Ctr Of Maryville	Maryville
Physician's Surgical Center, Ltd	O'Fallon

V. Project Uses and Sources of Funds

The Applicant is adding four surgical specialties, and reports project-related costs totaling \$331,000 for Movable Equipment. This capital expense will be funded with cash.

VI. Background of the Applicant

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

The Applicant provided the required authorization allowing the State Board and IDPH access to all information to verify information in the application for permit. The Applicant attest that no adverse actions have been taken against any facility owned and/or operated by them during the three (3) years prior to the filing of this application. Certificates of Good Standing has been provided for the Applicant as required. An Illinois Certificate of Good Standing is evidence that an Illinois business franchise (i.e. Illinois Corporation, LLC or LP) is in existence, is authorized to transact business in the state of Illinois and complies with all state of Illinois business requirements and therefore is in "Good Standing" in the State of Illinois

VI. Purpose of Project, Safety Net Impact Statement and Alternatives

A) Criterion 1110.110 (b) Purpose of the Project

The Applicant states: The purpose of this project is to improve access and quality of care and to reduce costs for residents of the geographic service area (GSA). With the relocation of St. Elizabeth's Hospital from Belleville to O'Fallon (Project #14-043) and The Memorial Network shifting services from Memorial Hospital Belleville to Memorial Hospital East in Shiloh (Project #16-018), residents of Fairview Heights and Belleville need additional services to be provided locally to fill the void left by these departures. It is well known that many patients travel to St. Louis for specialty care and advanced care, including podiatry, pain management, ophthalmology and orthopedic surgical services. MESC hopes to be able to serve these residents in their communities rather than having them travel outside of Illinois to obtain healthcare. (Application for Permit page 52-54)

B) Criterion 1110.110 (c) - Safety Net Impact Statement

This project is a non-substantive project and a safety net impact statement is not required for non-substantive projects. Charity care information is required, and the Applicant supplied the required data for Metroeast Endoscopy Surgery Center, LLC (see Table One).

TABLE ONE			
Charity Care/Safety Net Information			
Metroeast Endoscopy Surgery Center, LLC			
Year	2016	2017	2018
Net Patient Revenue	\$2,178,073	\$3,971,552	\$2,343,762
Amount of Charity Care (charges)	\$9,850	\$16,500	\$0
Cost of Charity Care	\$0	\$0	\$0
Ratio (charity care to net patient revenue)	0.00%	0.00%	0.00%

C) Criterion 1110.110 (d) - Alternatives to the Project

The Applicant stated the following.

Do Nothing

This alternative would maintain the status quo, which is to have patients undergo procedures in the hospital setting and/or travel to Missouri to obtain care. It would not improve access to high-quality, lower cost ASTC care as described throughout this application. Furthermore, doing nothing would not improve access to safety net services for residents of the GSA or increase utilization at Metroeast Endoscopic Surgery Center (MESC). For these reasons, this alternative was rejected.

Add surgical specialties at MESC (Proposed). (\$331,000)

To improve access for Fairview Heights area residents to podiatry, pain management, ophthalmology and orthopedic surgery services in the ASTC setting, the Applicant decided to add these surgical specialties to its existing multi-specialty ASTC. After weighing this option against others, it was determined that this alternative would provide the greatest benefit in terms of increased utilization and increased access to health care services. (Application for Permit page 67)

VIII. Project Scope and Size, Utilization and Assurances

A) Criterion 1110.120 (a) - Size of Project

No new construction is being proposed in this project. The current facility has 2 procedure rooms and 4 recovery stations in 2,642 GSF of space.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF PROJECT (77 ILAC 1110.120 (a))

B) Criterion 1110.120(b) – Projected Utilization

The State Board does not have a specific utilization standard to add a specialty to an existing ASTC. The utilization standard for an ASTC is 1,500 hours per operating/procedure room. The Applicant had 1,382 hours of endoscopic procedures in 2018, slightly below the standard of 1,500 hours per procedure room. Note: Permit #19-010 was approved to add one procedure room and that construction has not completed as of the date of this report.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC 1110.120(b))

C) Criterion 1110.120(e) – Assurances

The Applicant stated:

“By the second year of operation after the project completion date, the annual utilization of the surgical rooms at Metroeast Endoscopic Surgery Center will, by the addition of the anticipated cases, be optimized to exceed its current utilization.”

The criterion requires the facility will be at target utilization within two years after project completion *“not be optimized to exceed its current utilization.”*

STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT BE IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.120(e))

VIII. Non-Hospital Based Ambulatory Surgical Treatment Center Services

A) Criterion 1110.235(a) - 77 Ill. Adm. Code 1100 (Formula Calculation)

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.

B) Criterion 1110.235(c) (2) (B) (i) & (ii) - Service to Geographic Service Area Residents

The Geographic Service Area for the facility located in Fairview Heights, Illinois is 17 miles in all directions per 77 ILAC 1100.510(d). The Applicant supplied a patient/zip code list containing 152 zip codes and 3,782 patients (2018 information). The Applicants also supplied a zip code listing for the 17-mile service area, identifying 43 zip codes, and a population of 481,577 residents (see project file). A comparative analysis between the zip code listings shows that of the 3,782-patient served by the

Endoscopy Center 2,401 patients (64%) resided in 13 zip codes. from within the prescribed service area. The Applicant has successfully addressed this criterion.

TABLE TWO
Patients by Zip Code within the 17-mile GSA

Zip Code	City	2017 Population	2018 Patients
62040	Granite City	42,517	205
62269	O'Fallon	33,265	449
62234	Collinsville	32,496	209
62025	Edwardsville	32,008	59
62226	Belleville	28,550	311
62221	Belleville	28,460	308
62220	Belleville	19,510	139
62223	Belleville	17,204	161
62208	Fairview Heights	16,822	279
62298	Waterloo	16,604	39
62249	Highland	15,705	29
62206	East St. Louis	15,233	91
62258	Mascoutah	9,452	122
Total			2,401

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE TO GEOGRAPHIC SERVICE AREA RESIDENTS (77 ILAC 1110.235(c) (2) (B) (i) & (ii))

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

The Applicants provided referral letters from four physicians practicing within the service area. Of the number of patients proposed to be referred to the ASTC 513 referrals were accepted for a total of 1,241 hours. The Applicant has successfully addressed this criterion.

TABLE THREE
Historical, Proposed and Accepted Referrals

	Specialty	Historical	Proposed	Accepted (1)	Time Per Procedure (Hours)	Total Hours
Dr Taylor	Podiatry	322	150	150	1.86	279
Dr. Ungacta	Ortho	410	221	221	3.85	850.85
Dr. Belcher	Pain Management	1,200	600	0	0.62	0
Dr. Stock	Ophthalmology	571	350	142	0.78	110.76

TABLE THREE
Historical, Proposed and Accepted Referrals

	Specialty	Historical	Proposed	Accepted ⁽¹⁾	Time Per Procedure (Hours)	Total Hours
Total		2,503	1,321	513		1,240.61
1. Proposed referrals were not accepted because they were from an unlicensed facility.						

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE TO GEOGRAPHIC SERVICE AREA RESIDENTS (77 ILAC 1110.235(c) (3) (A) & (B))

D) Criterion 1110.235(c)(5)(A) & (B) - Treatment Room Need Assessment

The Applicant currently has two procedure rooms, two Stage One, and two Stage two recovery stations. The table below shows the historical utilization at the facility for the period 2015-2018. Based upon the historical and projected utilization data, the Applicant can justify the two procedure rooms.

TABLE FOUR Historical and Estimated 2023 Number of Hours at the Surgery Center					
Year	2015	2016	2017	2018	2023
Hours	1,198	1,610	1,542	1,372	2,613 (Proj.)
1,372 Actual Hours + 1,240.60 Projected hours (Table Three above) = 2,613 Hours					

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION TREATMENT ROOM NEED ASSESSMENT (77 ILAC 1110.235(c) (3) (A) & (B))

E) Criterion 1110.235 (c) (6) – Service Accessibility

The Applicant was not able to meet one of the four conditions listed below.

- 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.

- 1. There 8 ASTCs and 6 hospitals within the 17-mile GSA.
- 2. One ASTC (Anderson Surgery Center¹) in this 17-mile GSA has been approved to provide the surgical specialties being proposed (podiatry, pain management, ophthalmology and orthopedic surgery services) by the Applicant to be added.

¹ Anderson Surgery Center approved as Permit #18-031 in December 2018 is not operational.

The remaining ASTCs have not been approved to provide all the specialties being proposed. All these surgical specialties are available at the six hospitals in the 17-mile GSA.

3. The services proposed to be added by the Applicant are available in the 17-mile GSA.
4. The propose project is not a cooperative venture.

TABLE FOUR
ASTCs within the 17-Mile GSA

ASTC	City	Miles	Specialty	Rooms	2018 hours	Met Standard
The Hope Clinic for Women	Granite City	16.7	OB/GYN	2	942	No
Bel-Clair Ambulatory Surgical Center	Belleville	4.8	Gastro	2	986	No
Illinois Eye Surgeons Cataract Surgery	Belleville	1	Ophthalmology	4	1,872	No
Metrocast Endoscopy Surgery Center	Fairview Heights	0	Gastro, general surgery, plastic surgery and GYN	2	1,382	No
Skin Cancer Surgery Center ⁽¹⁾	O'Fallon	4.9	General	0	0	NA
Physician's Surgical Center ⁽²⁾	O'Fallon	5.7	Gastro	2	1,093	No
Novamed Eye Surgery Center of Maryville	Maryville	11.8	Ophthalmology	1	973	Yes
Anderson Surgery Center ⁽¹⁾	Edwardsville	16.5	General, Gastro, Obstetrics, Ophthalmology, Oral, Otolaryngology, Pain Management, Plastic, Podiatric and Urologic Surgery	3	0	NA

1. Surgery Center approved as Permit #18-031 not yet operational.
2. Approved to relocate to O'Fallon, Illinois Permit #19-025

TABLE FIVE
Hospitals within the 17-mile GSA

Hospital	City	Miles	Operating/Procedure Rooms	2018 hours	Met Standard
Touchette Regional Hospital	Centreville	9.3	6	940	No
Memorial Hospital	Belleville	4	33	16,839	No
Gateway Regional Medical Center	Granite City	16.8	10	5,380	No
HSBS St Elizabeth's Hospital	O'Fallon	5.8	14	14,943	No
Memorial Hospital - East	Shilo	5.2	6	3,882	No
Anderson Hospital	Maryville	12.3	12	10,633	No
Total Operating/Procedure Rooms			81		

STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITETION SERVICE ACCESSIBILITY (77 ILAC 1110.235 (c) (6))

F) Criterion 1110.235 (c) (7) – Unnecessary Duplication/Maldistribution

Maldistribution

There is a total of 97 operating/procedure rooms in the 17-mile GSA. There are approximately 481,577 residents (2017 population estimate-American Community Survey) in the 17-mile GSA. The ratio of operating/procedure rooms per 1,000 population is .2014 within this GSA [97 operating/procedure rooms ÷ (481,577/1,000 or 481.5) = .2014].

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 not a surplus of operating/procedure rooms in the 10-mile GSA.

Hospitals and ASTCs within the Proposed GSA

There are eight ASTCs and six hospitals within the 10-mile GSA. (see Table above). As stated one ASTC (Anderson Surgery Center) has been approved to provide the surgical specialties being proposed by this project. None of the six hospitals are at target occupancy.

The proposed project will result in an unnecessary duplication of service. The Applicants have not successfully addressed this criterion.

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

G) Criterion 1110.235(c)(8)(A) & (B) - Staffing

Metroeast Endoscopy Center is currently staffed in accordance with IDPH and Joint Commission accreditation² staffing requirements. The Applicant anticipates all staff from the existing ASTC will continue to practice there when additional specialties are added. The Applicants intend to hire a full-time RN for the second procedure room, and a medical assistant for ancillary support. The applicants also anticipate the recruitment of a CRNA for anesthesia services.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING (77 ILAC 1110.235(c) (8) (A) & (B))

² The **Joint Commission** is a United States-based nonprofit tax-exempt 501(c) organization that accredits more than 21,000 US health care organizations and programs. The international branch accredits medical services from around the world. A majority of US state governments recognize Joint Commission accreditation as a condition of licensure for the receipt of Medicaid and Medicare reimbursements.

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

A listing of procedures by primary CPT code for the proposed new specialties with the maximum charge has been provided as required and includes a certified attestation that the charges for these procedures will not increase in the two years following project completion. The Applicant have met the requirements of this criterion.

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

I) Criterion 1110.235(c)(10)(A) & (B) - Assurances

The Applicant notes Metroeast Endoscopy Center will continue its existing peer review program that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for surgical services. If outcomes do not meet or exceed those standards, a quality improvement plan will be initiated.

The Applicant stated:

“By the second year of operation after the project completion date, the annual utilization of the surgical rooms at Metroeast Endoscopic Surgery Center will, by the addition of the anticipated cases, be optimized to exceed its current utilization.”

The criterion requires the facility will be at target utilization within two years after project completion *“not be optimized to exceed its current utilization.”*

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.235(c) (10) (A) & (B))

IX. Financial Viability

A) Criterion 1120.120 – Availability of Funds

The applicant is funding the project in its entirety with cash on hand, amount to \$331,000. The applicants Dr. Ahmed has no audited financial statements but has supplied a letter from Buckingham Strategic Wealth attesting to the presence of sufficient financial resources to finance the proposed project in its entirety.

B) Criterion 1120.130 - Financial Viability

The Applicant notes the project is funded entirely with cash/securities (internally), no financial viability ratios are required.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120) AND FINANCIAL VIABILITY (77 IAC 1120.130).

X. Economic Feasibility

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

B) Criterion 1120.140(b) – Conditions of Debt Financing

The Applicant is funding this project with cash/securities (internally) no debt is being utilized.

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

Movable Equipment Costs are \$331,000 or \$165,500 per procedure room which is below the State Board Standard of \$504,437 per Operating Room. The Applicant has successfully addressed this criterion.

D) Criterion 1120.140(d) – Projected Direct Operating Costs

The Applicant is estimating \$614.70 in direct operating costs per surgical case by the second year after project completion at the ASTC. The State Board does not have a standard for this criterion.

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

The Applicant is estimating \$21.48 in capital costs per surgical case by the second year after project completion at the ASTC. The State Board does not have a standard for this criterion.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140(a) TERMS OF DEBT FINANCING (77 IAC 1120.140(b), REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140(c), PROJECTED DIRECT OPERATING COSTS (77 ILAC 1120.140(d), and PROJECTED TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 ILAC 1120.140(e)).

November 12, 2019

Richard Sewell, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Support of IHFSRB Project #19-043

Dear Mr. Sewell,

As a Metroeast Endoscopic Surgery Center (the ASC) patient, I'm writing to encourage the Illinois Health Facilities and Services Review Board to approve the ASC's request to allow new specialist physicians to get on staff and provide care to Fairview Heights patients without having to travel to Missouri for specialty surgical care. The ASC is an important component of access to services in the area, as patients often leave Illinois to obtain care in St. Louis. By expanding the scope of services available at this center, patients like me will be able to obtain lower cost, high quality surgical care in their home state and closer to home.

I have nothing but nice things to say about the staff and facilities at this center and am in full support of its plan to add surgical specialties.

I urge the Planning Board to approve the expansion plan which will improve access to care in the community.

Sincerely,

Bryce Chadduck
1329 N. 2nd St.
Dupo, IL 62239

November 12, 2019

Richard Sewell, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Support of IHFSRB Project #19-043 for Expansion of Metroeast Surgery Center

Dear Mr. Sewell,

I'm reaching out to express my support for the proposed addition of specialties at Metroeast Endoscopic Surgery Center (MESC). With St. Elizabeth's Hospital and Physicians' Surgical Center both relocating from nearby Belleville to O'Fallon, Illinois, it is critical that MESC add podiatry, pain management, ophthalmology and orthopedic surgery services to ensure the needs of surgical patients in Fairview Heights and Belleville are met.

Also, as the population in my community continues to age, demand for surgical services will no doubt increase as well. It is vital that MESC is able to provide a broad array of specialties to address more of these ailments and treat the entire individual.

I encourage the Illinois Health Facilities & Services Review Board to approve this important project to support access to high quality, cost effective surgical care.

Respectfully,

Shirley Jones
4209 Old Collinsville Rd
Swansea, Il. 62226

November 12, 2019

Richard Sewell, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

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SERVICES REVIEW BOARD

Re: Support of Project #19-043

Dear Mr. Sewell,

Please approve the recent Certificate of Need application filed by Metroeast Endoscopic Surgery Center to add podiatry, pain management, ophthalmology and orthopedic surgery services in Fairview Heights. As a satisfied patient, I appreciate being able to have surgery in an ambulatory surgical center where services often cost 25% of what they would if performed in a hospital. These lower costs help everyone, patients like me and our employers who pay for expensive health care. Further, I much prefer the convenient ASC setting over having to navigate a hospital campus to obtain these services.

For many folks in my community, the Fairview Heights surgery center is the only option for receiving this convenient, lower cost care, as it is the only ASC in the area for which Medicaid patients constituted a large portion of its cases. This surgery center serves nearly a 1,000 Medicaid patients every year. It would be great to expand access to Medicaid patients by increasing the number of specialties available at MESC.

For these reasons, I wish to lend my support to MESC's application, and I respectfully request the HFSRB approve it

Best regards,



Meghan Kreher
13 S. Belleville St
Freeburg, IL
62243



Clinton County Rural Health

Affiliated with HSHS Medical Group

RECEIVED

NOV 14 2019

HEALTH FACILITIES &
SERVICES REVIEW BOARD

November 8, 2019

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson 2nd Floor
Springfield, IL 62702

Re: Project #19-043
Metroeast Endoscopic Surgery Center

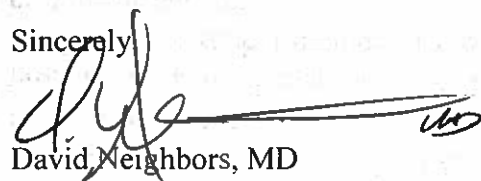
Dear Ms. Avery:

I recently learned of Dr. Shakeel Ahmed's proposal to add orthopedic surgery services to the Metroeast Endoscopic Surgery Center located in Fairview Heights and would like to oppose the proposal for several reasons. I am an internal medicine/pediatrician who specializes in Sports Medicine. As such, I treat quite a few injuries that require consultation and/or treatment by an orthopedic surgeon.

HSHS St. Joseph's Hospital has an excellent orthopedics service line with physicians and surgical staff who are highly trained and able to care for those I send to them. Many of my patients live in the immediate vicinity of the hospital and being able to care for their needs, close to their homes and families, is very important. Opening an ambulatory surgery center in Fairview Heights could cause a reduction in services offered at the local hospital due to increased outmigration of patients. With adequate outpatient surgical services already in the community, there is no need to add beds which will oversaturate the market.

It is my opinion that the addition of orthopedic surgical rooms would eventually degrade the market and remove services for individuals in their local community. As a physician, I know that patients recover more quickly when they can be close to or within their own home. I would encourage the board to consider the potential impact on patients in these surrounding areas and deny the proposed addition of surgical specialties at Metroeast Endoscopic Surgery Center.

Sincerely,



David Neighbors, MD



9515 Holy Cross Ln
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November 8, 2019

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NOV 18 2019

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson 2nd Floor
Springfield, IL 62702

Re: Project #19-043
Metroeast Endoscopic Surgery Center

Dear Ms. Avery:

As the chairperson of HSHS St. Joseph's Hospital's board of directors, I have had the opportunity to be intimately involved in the growth of this hospital over the past seven years. During my tenure, the hospital has received numerous quality and safety awards, including the Guardian of Excellence and Pinnacle of Excellence Awards in Patient Experience from Press-Ganey, a five-star rating for patient experience from the Centers for Medicare & Medicaid Services (CMS) and the Top 100 Rural & Community Hospitals from The Chartis Center for Rural Health.

As I read the proposal to add orthopedic surgery services to the existing Ambulatory Surgery Treatment Center (ASTC) in Fairview Heights, I agreed that access to ambulatory surgical care is essential to the well-being of a community, especially those who are elderly. St. Joseph's Hospital's existing outpatient surgical center provides access to high quality care to the residents of Clinton County eliminating the need for them to drive miles from home to receive care. Knowing that our surgical services department often has open slots for outpatient surgical patients, one of my concerns is that the addition of beds in the ASTC will negatively impact the services we offer locally to patients. Many of our orthopedic patients are elderly with underlying medical issues which make driving distances a burden to family or a hazard to the patient. I feel it would be a dis-service to those in our community to add capacity in a distant facility that would take away local access to care.

It is my opinion that the addition of orthopedic surgical rooms in the Fairview Heights area would negatively impact local access to safe, high quality care for patients. For these reasons, I respectfully ask that you deny the proposed addition of orthopedic surgical services at the Metroeast Endoscopic Surgery Center.

Sincerely,

A handwritten signature in black ink, appearing to read "George B. Kruse".

George Kruse, chairperson
HSHS St. Joseph's Hospital Breese
Board of Directors



HSHS
St. Joseph's
Hospital Highland

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

November 18, 2019

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson 2nd Floor
Springfield, IL 62702

Re: Project #19-043
Metroeast Endoscopic Surgery Center

Dear Ms. Avery:

Two years ago, I became the Director of Surgical Services for HSHS St. Joseph's Hospital in Highland. Since that time, my focus has centered on expanding the procedures offered in the surgical services department at our community hospital. We have several skilled surgeons and highly trained staff who have worked over the years to ensure that we provide the safest, quality care for our patients.

The proposal submitted by Dr. Shakeel Ahmed to add orthopedic surgery services to the Metroeast Endoscopic Surgery Center located in Fairview Heights could negatively impact our focus on growth for this department, especially as we try to attract new providers to the community. Currently, we have two dedicated orthopedic surgeons who routinely schedule patients for surgeries at our hospital; however, we continue to experience lower than expected utilization on a weekly basis. The proposal from Dr. Ahmed not only has the potential to negatively impact capacity at our hospital but will also affect recruitment efforts of new providers. As part of our growth initiatives, we have ongoing recruitment efforts to bring additional orthopedic surgeons to the area. A priority for new orthopedic surgeons is being able to perform a variety of surgeries on a routine basis to maintain their skill level. Adding orthopedic surgical services at the MESC would only serve to erode the volume of potential surgical procedures that would be performed at our hospital. This in turn leads potential surgeons to seek other facilities that have a larger patient pool where they can maintain their skills.



HSHS
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I urge you to deny the proposed addition of orthopedic surgical rooms to the Metroeast Endoscopic Surgery Center because it will stagnate the growth of services offered at our community hospital and affect our ability to recruit new physicians to our rural community.

Sincerely,

Megan Espenschied, MSN, RN
Director of Surgical Services
HSHS St. Joseph's Hospital, Highland



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November 18, 2019

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson 2nd Floor
Springfield, IL 62702

Re: Project #19-043
Metroeast Endoscopic Surgery Center

Dear Ms. Avery:

I am writing this letter to oppose the addition of orthopedic surgery services at the existing Ambulatory Surgery Treatment Center (ASTC). I proudly serve as the President and CEO of HSHS St. Joseph's Hospital in Breese.

The proposal from Dr. Ahmed noted several reasons why adding orthopedic suites to the Metroeast Endoscopic Surgery Center (MESC) is the best alternative for his business objectives. These focused on improving access and better utilizing existing space and staff. Our hospital provides orthopedic services to residents in Clinton County, which is within the noted GMA of this project. Offering healthcare services that allow us to keep care local has been an ongoing strategy for our hospital leaders and board members. As health care providers, we believe that patients recover best when they are familiar with their surroundings and have loved ones nearby to support them. This often means offering care in convenient locations, close to home.

Physicians and staff at St. Joseph's Hospital provide quality, safe, and convenient care in our surgical services department every day; however, our surgical suites are currently underutilized. A recent addition of a new outpatient center provided 22 beds where we accommodate many of the orthopedic cases. We routinely operate at 28% capacity and have ample ability to accommodate additional volume. I believe that allowing MESC to open an additional operating room for orthopedics would further erode our surgical volume and eventually lead to a re-evaluation of the services we offer to area residents. In turn, this may lead to patients having to seek surgical services many miles from home.

In summary, I believe that adding these services to the MESC would negatively impact our hospital and cause an over-abundance of surgical rooms for the area. I respectfully ask that you deny the proposed addition of surgical specialties at MESC.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Klay", with a stylized flourish at the end.

Chris Klay, MHA, FACHE
President and CEO
HSHS St. Joseph's Hospital Breese

19-043 Metroeast Endoscopic Surgery Center - Fairview Heights

