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MANAGEMENT CONSULTANTS

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HEALTH SERVICES REVIEW BOARD

Mr. Michael Constantino
c/o Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Project 20-008
Skokie Hospital
Requested Information

Dear Mike:

Please accept this letter and its attachments in response to your February 24, 2020 information request.

Design

The new construction addressed through the proposed project is an addition to the hospital, and located above an existing single-story structure, housing the hospital's Emergency Department. The new construction is also adjacent to the hospital's surgical suite. Surgery, recovery, a small amount of sterile supply space, as well as public space will be located in the single story of new construction above the Emergency Department. Mechanical space will also be provided above the existing surgical suite, in new construction. Vacant space on the hospital's lower level will be modernized for the laboratory, sterile processing, and environmental services. Vacant space on the hospital's second floor will be modernized for recovery, transport services, public areas and staff areas. The project does not involve the construction of a freestanding building.

Attached are a rendering of the new construction as well as schematic drawings.

Geographic Service Area

As discussed in the CON application, effective April 2019, NorthShore University HealthSystem ("NorthShore") began to consolidate its orthopaedic surgery (including podiatry) and spine care programs, previously offered at all five NorthShore hospitals, at

Skokie Hospital. As a result, and as capacity at Skokie Hospital permits, a majority of the orthopaedic surgery and spine care/surgery previously being addressed at Evanston, Highland Park, Glenbrook, and Swedish Hospitals, has gravitated to/will continue to gravitate to Skokie Hospital. As a result, and as one would expect, Skokie Hospital's geographic service area ("GSA") for those two services is larger than the 10-mile radius cited in Section 1100.510.d. Rather, the GSA includes the 10-mile radius GSAs of each of the five NorthShore hospitals, with, in some instances, the GSAs of the individual hospitals overlapping. The resultant project GSA extends from ten miles to the north of Highland Park Hospital to ten miles to the south of Swedish Hospital.

The population of the project-specific GSA, as described above is 2,730,090, per ESRI, and a listing of the included ZIP Codes is attached as Table 1.

Accessibility, Efficiencies, and Duplication of Services

While accessibility to the services addressed through the proposed project would be maximized through the provision of a broad range of orthopaedic and spine care services (as are provided at Skokie Hospital) at all five of NorthShore's hospitals, the proximity of NorthShore's other four hospitals, does not result in unreasonable access to care. Those four hospitals are located between 2.6 miles (Evanston Hospital) and 9.8 miles (Highland Park Hospital) from Skokie Hospital. And, because nearly all of the surgery addressed through this project is scheduled/non-emergent, immediate accessibility is not critical to patient care.

The centralizing of the services at Skokie Hospital eliminates redundancy, in terms of duplicative staffing requirements and therefore, from a system perspective, maximized efficiency. NorthShore acknowledges that the proposed project adds six operating rooms to Skokie Hospital, however, as discussed in ATTACHMENT 15 of the CON application, those ORs are needed at the hospital to accommodate the caseloads moving to Skokie Hospital from NorthShore's other hospitals. At the same time, and because Skokie Hospital's non-orthopaedic/non-spine cases have been relocated to the other NorthShore Hospitals, the need to staff operating rooms at those hospitals is being, and will continue to be, closely monitored, and staffing adjustments will be made, as deemed appropriate. It is anticipated that the consolidation of services addressed in the CON application will reduce NorthShore's annual operating costs by \$7-8M.

The proposed project does not add any IDPH-designated "categories of service" to the HSA, nor does it add any new clinical services. Upon the completion of the project, and once the re-directing of cases has been fully implemented, NorthShore will evaluate the operating rooms at its five hospitals, based on factors such as utilization and realized and projected growth, and may eliminate or limit the staffing of operating rooms. As a result, it is impossible, at this time, to identify what impact the proposed project will have on the number of operating rooms in the HSA.

Surgical Utilization of NorthShore Hospitals

Attached, as Table 2, is an identification of the number of orthopaedic surgery and spine surgery cases performed at each of the NorthShore hospitals, 2014-2018.

Establishment of an ASTC as an Alternative

The establishment of an ASTC was dismissed for a number of reasons. First, nearly two-thirds of the orthopaedic surgery performed at the NorthShore hospitals is performed on inpatients, and the establishment of an ASTC would not only limit the use of the incremental operating rooms to outpatients/less-complex procedures, but it would place the desired, most contemporary operating rooms in a setting that would prohibit usage for the most complex (inpatient) cases. Second, the goal of centralizing orthopaedic surgery and spine care at Skokie Hospital could not be met through the establishment of an ASTC, because there is not sufficient vacant space on the hospital campus to construct an ASTC. Third, there are ASTCs in the area that are being used by certain surgeons that practice at NorthShore hospitals, and in some cases, those surgeons have direct or indirect financial interests in ASTCs. Last, staffing costs, which “drive” total operating costs, would be higher with the establishment of an ASTC due to the redundancy in staff that would result; and over time, the additional operating costs would overtake any one-time construction-related savings that would be associated with the establishment of an ASTC. Quality of care and accessibility would not be impacted if an ASTC were to be established.

Surgical Specialties at the NorthShore Hospitals

Each of NorthShore’s hospitals operates an Emergency Department categorized as “comprehensive”. As such, upon the completion of the proposed project, each of the hospitals will maintain the necessary equipment and supplies necessary for the provision of each of the surgical specialties identified on the individual hospitals’ *2018 Hospital Profiles*. Skokie Hospital, from a practical perspective, will transfer all non-orthopaedic and non-spinal surgery patients to other hospitals, except in those rare instances where immediate surgery needs to be, and can safely be performed on Emergency Department patients. Similarly, and as identified in ATTACHMENT 15 of the CON application, the vast majority of cases currently being performed at the other four NorthShore hospitals will migrate to Skokie Hospital upon the completion of the proposed project, and the availability of sufficient capacity to accept those cases.

Attached as Table 3 is an identification of the surgical specialties that can be provided at each of NorthShore’s hospitals.

Estimates of the Number of Cases/Hours to be Relocated

The percentages of the historical surgical caseload to transition from NorthShore’s other hospitals to Skokie Hospital are estimates developed by NorthShore management, in consultation with medical staff leadership, during the planning of the proposed project. These estimates were made with a high level of confidence because in excess of 70% of

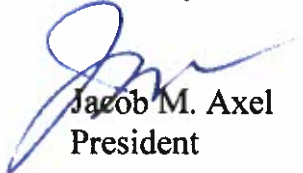
the cases performed in the specialties addressed in the proposed project are currently being performed by members of NorthShore Medical Group.

Procedure Rooms

Skokie Hospital currently operates six procedure rooms: five gastroenterology rooms, and one pain management room. During 2019, a laser eye room was taken out of service, and to date, no determination has been made relating to the future use of that space. However, there is no intent to use the former laser eye room as an operating room. All procedures performed in the six remaining rooms are performed on outpatients, and it is the intent of the hospital to continue operating those rooms as Class B procedure rooms.

Should any additional information be required, please don't hesitate to contact me.

Sincerely,



Jacob M. Axel
President

attachments (5)

ZIP Codes in Project GSA

60004	60076	60602	60641
60005	60077	60603	60644
60015	60082	60604	60645
60016	60088	60605	60646
60017	60089	60606	60647
60018	60090	60607	60651
60019	60091	60608	60654
60022	60093	60610	60656
60025	60130	60611	60657
60026	60131	60612	60659
60029	60153	60613	60660
60035	60160	60614	60661
60037	60171	60616	60666
60040	60176	60618	60686
60043	60201	60622	60688
60044	60202	60623	60693
60045	60203	60624	60695
60053	60208	60625	60696
60056	60209	60626	60706
60061	60301	60630	60707
60062	60302	60631	60712
60068	60304	60634	60714
60069	60305	60639	60804
60070	60601	60640	

Historical Surgery Utilization

Orthopaedic Surgery Cases					
	2014	2015	2016	2017	2018
Evanston Hospital	1517	1701	1677	1568	1425
Glenbrook Hospital	3021	2944	3200	3455	3397
Highland Park Hospital	920	820	889	1178	863
Skokie Hospital	2794	2850	3063	3167	3504
Swedish Hospital	1276	1192	1060	1022	1216
Orthopaedic Surgery Hours					
	2014	2015	2016	2017	2018
Evanston Hospital	3925	4339	4490	4149	4616
Glenbrook Hospital	6039	5940	6228	6598	7924
Highland Park Hospital	1720	1493	1551	2096	2340
Skokie Hospital	5607	5559	5763	5999	8455
Swedish Hospital	3354	3112	2876	2439	2972
Neuro./Spine Surgery Cases					
	2014	2015	2016	2017	2018
Evanston Hospital	856	824	889	953	897
Glenbrook Hospital	5	1	0	0	0
Highland Park Hospital	180	149	158	98	24
Skokie Hospital	457	429	497	497	466
Swedish Hospital	1658	2546	3896	4093	3433
Neuro./Spine Surgery Hours					
	2014	2015	2016	2017	2018
Evanston Hospital	3100	2824	2817	2832	3135
Glenbrook Hospital	6	1	0	0	0
Highland Park Hospital	371	293	293	173	71
Skokie Hospital	1487	1230	1320	1262	1107
Swedish Hospital	3390	2854	2948	3834	3433

Table 2

Surgical Capabilities of NorthShore Hospitals

	Evanston Hospital	Glenbrook Hospital	Highland Park Hospital	Swedish Hospital	Skokie Hospital
Cardiovascular	X	X	X	X	X
Dermatology					
General	X	X	X	X	X
Gastroenterology	X		X	X	
Neurology	X	X	X	X	X
OB/Gynecology	X	X	X	X	X
Oral/Maxillofacial	X	X	X		X
Ophthalmology	X	X	X	X	X
Orthopedic	X	X	X	X	X
Otolaryngology	X	X	X	X	X
Plastic Surgery	X	X	X	X	X
Podiatry	X	X	X	X	X
Thoracic	X	X	X	X	X
Urology	X		X	X	X

