



HSHS St. Joseph's Hospital
Breese

HSHS St. Mary's Hospital
Decatur

HSHS St. Anthony's Memorial Hospital
Effingham

HSHS Holy Family Hospital
Greenville

HSHS St. Joseph's Hospital
Highland

HSHS St. Francis Hospital
Litchfield

HSHS St. Elizabeth's Hospital
O'Fallon

HSHS Good Shepherd Hospital
Shelbyville

HSHS St. John's Hospital
Springfield

St. John's College of Nursing
Springfield

August 22, 2020

Via Email Delivery

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

**Re: Project #20-030, Effingham Medical Office Building, Effingham
HSHS Written Comment**

Dear Ms. Avery,

The Hospital Sisters Health System (“HSHS”) and HSHS St. Anthony’s Memorial Hospital have requested a public hearing on the proposed Project #20-030. In our review of the CON application, we find that there is important information that is either vaguely presented or is contradictory. We hope that this information can be clarified prior to the scheduling of the public hearing to provide greater transparency about the project and more meaningful and informed input from HSHS and the community at the public hearing. The following clarifications would be helpful to that end and are submitted as written comment on Project #20-030:

1. Page 5 of the permit application states, “The clinical services and programs that will be provided **are already being provided**” at the applicant’s existing location. (Emphasis added.) However, the permit application directly contradicts this statement when it states that CT Scan “**is not a service currently provided** in the market area” by the applicant and that Ultrasound “**is not currently provided in the existing medical office building[.]**” (See, CON Application pages 93 and 94, emphasis added, attached.)

Based on the statements in the application, it would appear that the applicant plans to redirect patient volume from HSHS St. Anthony’s Memorial Hospital for both CT Scan and Ultrasound. As required by the Review Board’s rules, the applicant should be required to submit physician referral letters for these services in order for the Review Board and the community to assess the impact of this proposed project on existing area providers. (77 Ill. Adm. Code 1110.270(b)(3).)

2. As the application is proposing to establish at least two new clinical services (CT Scan and Ultrasound), the Review Board's rules require the completion of Criterion 1110.270(b): Need Determination – Establishment. (77 Ill. Adm. Code 1110.270(b). This Criterion requires documentation establishing the need for the service as well as documentation that the project will not lower the utilization of existing area providers. The impact of this project on the area's existing community hospital is of vital significance, yet **the application does not address this Criterion**. The application skips over the Need Determination Criterion. All proposed services are treated as if they are already being provided and only being modernized by this project, though that is clearly not the case based on the applicant's own admission that it does not currently provide CT Scan and Ultrasound. We respectfully request that the public hearing not be scheduled until the applicants provides documentation in response to the Need Determination Criterion.
3. The applicant's Patient Origin data shows that of the 7,512 patients within the identified service area, only 317 of those patients reside in Effingham County. (*See*, CON Application, page 82, attached.) The vast majority of identified patients (4,393) reside in Coles County. This would not appear to justify a new 64,500 gsf facility costing over \$36 million in Effingham County, much less in the City of Effingham. Given that the applicant's inpatient base does not support the location of this project in Effingham, the project's service area demand and patient origin is required to be documented by physician referral letters under the Review Board's rules. (77 Ill. Adm. Code 1110.270(b)(2).) Such letters should be submitted on this project.
4. The proposed project is over twice the size of the medical office building that it is intended to replace: 64,500 gsf vs. 28,000 gsf. (*See* CON Application, page 83, attached.) It is difficult to understand from the application the purpose for all this additional space when the applicant is only projecting a 5% increase in office visits. The floor plans provided with the application are illegible. (*See, e.g.*, CON Application, page 87, attached.) Clearly legible floor plans should be submitted which identify the use of the space, as well as a description of any future use of the proposed space not currently identified in the application.
5. The permit application and the applicant's press release state that the proposed project will house an interventional pain management practice, but the application does not identify any procedure rooms for this service, nor is any clinical space identified or any physician referral letters provided for the service. (*See*, press release and CON Application pages 77 and 93, attached.) Such information should be provided.
6. The applicant's press release identifies 17 physicians and practitioners who will be housed in the proposed 64,500 gsf building. However, none of the physicians have provided referral letters in support of the project identifying where their patients are

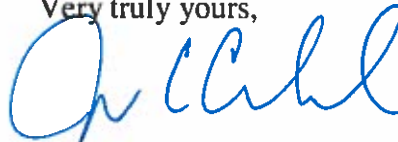
currently being treated. As noted above, the permit application identifies at least two services (CT Scan and Ultrasound) that are not currently being performed by these physicians in their existing office space.

7. The excess capacity and underutilization that the project introduces into the area is eye-opening:
 - a. Three X-Ray machines with capacity for **24,000** procedures annually under State Standards are projected to be utilized at only **9,292** procedures, or 38.5% utilization.
 - b. A CT Scanner with capacity for **7,000** visits annually under State Standards is projected to be utilized at only **1,030** visits, which is 14.7% utilization.
 - c. An Ultrasound with capacity for **3,100** visits annually under State Standards is projected to be utilized at only **350** visits, an 11% utilization rate.
 - d. An MRI with capacity for **2,500** visits annually under State Standards is projected to be utilized at only **1,507**, which is 60% utilization.

Importantly, for CT Scan and Ultrasound, the applicant provides *no* historical utilization and, as noted, no physician referral letters. In addition, for X-ray and MRI, the applicant provides “annualized” projections instead of actual 12-month historical data as required by the Review Board’s regulations. The applicant should provide actual historical utilization and referral letters, especially in light of the extreme excess capacity and underutilization that the project proposes for these services.

We believe that the above information is necessary for HSHS and the affected community to be fully informed on the scope and impact of the project, and to enable fully informed written comments to the Review Board in response to the project. We believe that this information should have been provided by the applicant with the permit application in accordance with the Review Board’s rules. Thank you for consideration of this comment on Project #20-030.

Very truly yours,



Julie Goebel, MHA
Vice President, Strategy
HSHS Illinois

Attachments

cc: Mike Constantino, Lead Project Review, *via email*

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Sarah Bush Lincoln Health Center proposes to construct a freestanding, two story outpatient medical office building on Parcel Identification Numbers 03-11-020-024, 03-11-020-096 and 03-11-020-097 in Effingham, Illinois. The total project cost is expected to be \$36,292,202 and will be funded with bond financing. The total project includes 65,400 square feet of new construction.

The proposed building will be constructed east of an existing medical office building (1303 W. Evergreen Avenue). The proposed building will be a replacement for the existing medical office building which will be demolished upon occupancy of the new construction.

The project includes the following Clinical Service Areas:

- Patient Exam Rooms and Provider Work Areas
- Diagnostic Imaging services
 - General Radiology
 - CT
 - MRI
 - Ultrasound
 - Radiology Common Spaces
- Clinical laboratory services (for preparing and transferring specimens from the medical office building to the Hospital Laboratory for analysis)
- Rehabilitation Services
 - Physical therapy
 - Occupational therapy
 - Speech therapy

The project also includes the following Non-Clinical Service Areas:

- Education/Conference Room
- Administrative Offices
- Environmental Services
- Materials Management
- Storage
- Staff Services
- Mechanical/Electrical Space and Equipment
- Entrances

This project does not propose to establish a new category of service or a new health care facility as defined by the Planning Act. **The clinical services and programs that will be provided are already being provided by the Applicants at existing locations.** This project is non-substantive.

Section III.

Criterion 1110.110(b) – Purpose of Project

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

This project will improve the health care and well-being of the market area by replacing Sarah Bush Lincoln Health Center's undersized and outdated medical office building with a two-story freestanding medical office building located in Effingham County, Illinois. The medical office building will include medical providers specializing in orthopedics, occupational health, pain management and primary care.

The medical office building will provide the patients of Sarah Bush Lincoln Health Center's 10-county market area with a wide range of services in appropriately sized and configured facilities. The new medical office building will also provide patients with the opportunity to access healthcare services in one convenient location by consolidating several services into a centralized building.

The clinical services that will be included in medical office building include the following:

- Patient Exam Rooms and Physician Work Areas
- Diagnostic Imaging services
 - General Radiology
 - CT
 - MRI
 - Ultrasound
 - Radiology Common Spaces
- Clinical laboratory services
- Rehabilitation Services
 - Physical Therapy
 - Occupational Therapy
 - Speech Therapy

This project is needed and appropriate to address Sarah Bush Lincoln Health Center's growth in the Effingham market area. In the past three years, Sarah Bush Lincoln has acquired the medical practices of numerous medical providers who were practicing in the Effingham County area. Many of these providers were practicing in outdated facilities or leased facilities therefore this permanent building will provide them with the opportunity to better serve their patients.

2. Define the planning area or market area, or other relevant area, per the applicant's definition.

Sarah Bush Lincoln Health Center serves a 10-county region including Coles, Clark, Cumberland, Douglas, Edgar, Effingham, Fayette, Jasper, Moultrie and Shelby counties. This market area includes the state-designated Planning Areas of D-01, D-04, D-05, F-

**SARAH BUSH LINCOLN HEALTH CENTER
INPATIENT DISCHARGES BY COUNTY
CY 2019**

<u>County</u>	<u>Discharges</u>	<u>Percent of Discharges</u>
COLES COUNTY, IL	4,393	55.11%
CUMBERLAND COUNTY, IL	698	8.76%
DOUGLAS COUNTY, IL	546	6.85%
CLARK COUNTY, IL	455	5.71%
SHELBY COUNTY, IL	341	4.28%
MOULTRIE COUNTY, IL	326	4.09%
EFFINGHAM COUNTY, IL	317	3.98%
EDGAR COUNTY, IL	263	3.30%
JASPER COUNTY, IL	106	1.33%
FAYETTE COUNTY, IL	67	0.84%
PINELLAS COUNTY, FL	43	0.54%
CHAMPAIGN COUNTY, IL	43	0.54%
MACON COUNTY, IL	24	0.30%
CRAWFORD COUNTY, IL	20	0.25%
CLAY COUNTY, IL	19	0.24%
SALT LAKE COUNTY, UT	16	0.20%
VERMILION COUNTY, IL	15	0.19%
COOK COUNTY, IL	13	0.16%
VIGO COUNTY, IN	11	0.14%
HARRIS COUNTY, TX	11	0.14%
MARION COUNTY, IL	10	0.13%
DOUGLAS COUNTY, NE	10	0.13%
OTHER COUNTIES	225	0.11%
TOTAL ADMISSIONS FROM SERVICE AREA	7,512	94.2%
TOTAL ADMISSIONS OUTSIDE SERVICE AREA	460	5.8%
TOTAL ADMISSIONS	7,972	100.0%

ATTACHMENT 12

Section III.

Criterion 1110.110(d) – Alternatives

Sarah Bush Lincoln Health Center proposes to construct a freestanding, two story outpatient medical office building in Effingham County. The Applicants believe that the proposed project is the most effective and least costly alternative to the other alternatives considered. The following narrative compares the proposed project to the alternative options.

Sarah Bush Lincoln Health Center considered the following alternatives:

A. Proposing a project of greater or lesser scope and cost.

Project of Lesser Scope: Do Nothing

This option would not address the growth Sarah Bush Lincoln Health Center has experienced in the Effingham County market. It would prohibit the applicants from centralizing medical office practices into one location and would not address the existing constraints of the current building layout which negatively impact patient satisfaction and operational efficiency. In addition, this option would not address the major repairs needed to the mechanical systems and the roof of the current building. For these reasons, this alternative was rejected.

B. Pursuing a joint venture of similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.

This project involves core healthcare services and would not be appropriate for joint venture arrangements. For this reason, this alternative was rejected.

C. Utilizing other health care resources that are available to service all or a portion of the population proposed to be served by the project.

Renovate Existing Spaces

In this scenario, Sarah Bush Lincoln Health Center would invest over \$26,000,000 to achieve suboptimal results. This alternative would expand the current medical office building size of 28,000 square feet to approximately 63,000 square feet to accommodate Sarah Bush Lincoln Health Center's current volumes, but there would not be space for future expansion. As a result, this would be a costly capital project for Sarah Bush Lincoln Health Center since the facilities might need to be replaced if provider growth continues in the Effingham market.

The modernization and expansion of the existing medical office building would also not address the sub-optimal configuration of the current medical office building.

The construction would create substantial noise and disrupt operations of the existing medical office departments as well as create an unpleasant environment for patients.

BSA

LA
1775 - 18th Street, Suite 100
Elyria, OH 44024
440.325.1100

MCCARTHY
1811 Eastman Road, Suite 200
Columbus, OH 43234
614.341.1100

IMEG
521 300 - Lakeside
New Albany, OH 43054
614.341.1100

APC
11111 - 11th Street
New Albany, OH 43054
614.341.1100

**Sarah Bush
Lincoln**

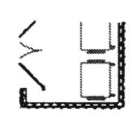
EFFINGHAM CLINIC
DESIGN DOCUMENTS SET
30 JUNE 2020



KEYPLAN
SCALE: 1/8" = 1'-0"

#20-030
PRELIMINARY DRAWING
NOT FOR CONSTRUCTION
ARCHITECTURAL PLAN
FIRST FLOOR - AREA A

A121A



Section IV.
Criterion 1110.120 – Project Scope, Utilization

Project Services Utilization

Sarah Bush Lincoln Health Center proposes to construct a freestanding, two story outpatient medical office building located in Effingham County, Illinois.

Appendix B of Section 1110 of the Administrative Code documents the established utilization standards for certain departments, clinical service area, and facilities.

For the outpatient medical office building, the Applicants propose:

- **Three general x-ray units**

In the proposed medical office building, the first floor will consist of a primary care walk-in clinic while the second floor includes an orthopedic clinic, occupational medicine clinic, pain management clinic and primary care clinics. Current utilization in the orthopedic clinic justifies the need for two x-ray units. Due to the configuration of the proposed building, a third x-ray unit is needed on the first floor to support the primary care walk-in clinic patients. Without this unit on the first floor, patients would be transferred to the second floor for x-ray services which would cause significant disruption in the orthopedic clinic.

Assuming a 3.3% growth rate, Sarah Bush Lincoln Health Center's Year 1 utilization is projected to be 9,292 procedures. Sarah Bush Lincoln Health Center's Year 2 utilization is projected to be 9,595 procedures. Utilization in both years is projected to exceed the minimum state standard to justify two x-ray units. As stated above, in order to support efficient operations as well as address the care experience for the patient, a third x-ray unit is proposed. Based on growth trends for provider office visits, Sarah Bush Lincoln Health Center projects that volumes will continue to grow in the future.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	General Radiology	8,995 procedures (FY 20 Annualized)	9,292 procedures	8,000 procedures	No
YEAR 2	General Radiology		9,598 procedures	8,000 procedures	No

- **One CT Scan unit**

Sarah Bush Lincoln Health Center proposes to provide CT services in the medical office building. This is not a service currently provided in the market area by Sarah Bush Lincoln Health Center therefore historical utilization is not available. Projected utilization

was determined based on estimated referral patterns for the Sarah Bush Lincoln Health Center employed general surgeons and otolaryngologists who practice in the Effingham market and from those providers who will be practicing at the new proposed medical office building.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	CT	N/A	1,000 visits	7,000 visits	Yes
YEAR 2	CT		1,030 visits	7,000 visits	Yes

- **One MRI unit**

Sarah Bush Lincoln Health Center currently leases a MRI unit on a mobile truck to provide MRI services to the Effingham market. With the projected growth of the orthopedic practice and the permanent placement of a MRI unit, volumes are projected to grow 8% annually.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	MRI	1,292 (FY 20 Annualized)	1,395 procedures	2,500 procedures	Yes
YEAR 2	MRI		1,507 procedures	2,500 procedures	Yes

- **One Ultrasound unit**

Sarah Bush Lincoln Health Center proposes to provide Ultrasound services in the medical office building. This is not a service currently provided in the existing medical office building therefore historical utilization is not available. Projected utilization was determined based on review of ultrasound utilization at other established Sarah Bush Lincoln Health Center medical office building locations.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	Ultrasound	N/A	300 visits	3,100 visits	Yes
YEAR 2	Ultrasound		350 visits	3,100 visits	Yes

1000 Health Center Drive
Mattoon, IL • [VIEW LOCATIONS](#)



[HOME](#) | [ABOUT US](#) | [PATIENT PORTAL](#) | [CONTACT US](#)

(217) 258-2525

SEARCH	GO
--------	----

 WALK-IN CLINIC WAIT TIMES

- [HOME](#)
- [PHYSICIANS](#)
- [LOCATIONS](#)
- [PATIENTS & VISITORS](#)
- [SERVICES](#)
- [COMMUNITY RESOURCES](#)
- [CAREERS](#)

SARAH BUSH LINCOLN SUBMITS CON FOR EFFINGHAM REPLACEMENT BUILDING

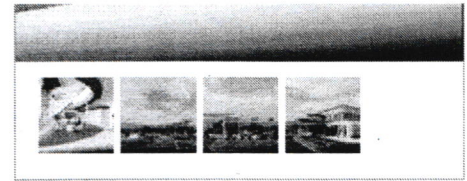
August 6, 2020 3:26 p.m.

Sarah Bush Lincoln submitted a certificate of need application with the Illinois Health Facilities and Services Review Board to build an expanded replacement building for the SBL Bonutti Clinic in Effingham.

“We’re pleased to further invest in Effingham with this long-term commitment to provide excellent medical care,” SBL President and CEO Jerry Esker said. “We are honored to receive such a warm welcome over the more than dozen years we have provided care here.” In all, Sarah Bush Lincoln employs 354 residents of Effingham County.



The proposed project is a \$35 million replacement building for the deteriorating SBL Bonutti Clinic at 1303 Evergreen Street, Effingham. The 65,400-square-foot building will accommodate services, which are currently in Sarah Bush Lincoln buildings in Effingham.



The two-story building will house the established practices of:

- six orthopedists and four of the orthopedic advanced practice providers (Joseph Ajdinovich, MD, Peter Bonutti, MD, Michael Chioffe, MD, Kayla Deters, APRN, Stacia Fallert, APRN, Timothy Gray, MD, Frank Lee, MD, Didi Omiyi, MD, Nick Williams, PA-C, and Tom Williams, PA-C)
- Occupational Medicine practice (Louis Schwing, MD, and Jennifer Hess, APRN)
- **Interventional Pain Management practice** (Brian Ogan, MD)
- Primary Care (Internal Medicine Physician Louis Schwing, MD, and Family Medicine practitioner Cari Fearday, PA-C)
- Walk-In Clinic (Doug Kabbes, MD, and Nicholas Watkins, PA-C)
- Rehabilitation Services including physical and occupational medicine with a rehab pool; and speech therapy
- Diagnostic imaging including general radiology, CT, MRI and ultrasound; clinical laboratory services
- Office space, conference room and storage areas.

Surgeries and procedures will not be performed in the new SBL Bonutti Clinic. They will continue to be performed at the Effingham Ambulatory Surgery Center and at Sarah Bush Lincoln.

SBL Facility Services Director Tim Kastl explained, that Sarah Bush Lincoln purchased the land and two adjacent parcels and requested the city rezone the parcels to comply with the services that are proposed for the site. The proposed plan is to build the new building behind the existing one-story structure and then raze the building to make room for the parking lot. Construction is expected to take about 18 months.

The current SBL Bonutti Clinic was originally constructed more than 50 years ago as a roller skating rink and later served as a shopping center. The building is inefficient and has several issues including a poor HVAC system and leaky roof. "It has outgrown its usefulness," Kastl added.


The proposed building will have a drive-up canopied entrance on the front of the building and a partially covered drop-off entrance on the north side for the Walk-In Clinic. The MRI, which is currently docked outside the building, will be placed inside. The modern building will be finished with brick, stone and metals. The interior will feature a large tiled foyer and area to display art from the Effingham County Art Guild.

The project will be paid for with the sale of bonds. Sarah Bush Lincoln has an A+ bond rating from Standard & Poor's Global Ratings.

Sarah Bush Lincoln is designated as a Top Rural Hospital by The Leapfrog Group, ranking SBL in the top 6 percent of hospitals in the nation. The prestigious designation measures quality and safety of hospitals nationwide. It also was named America's Best Hospital for Orthopedics by Women's Choice Award, which measures quality, safety and patient experience, placing the orthopedic program in the top 11 percent nationwide.

Construction could begin as early as October once a Certificate of Need permit is received. For more information, contact Tim Kastl, **217 258-2537**.

Category: [Announcement](#)

 [SHARE](#)

Next: [Longtime Volunteer Surprised with Honor](#)

Currently Reading: [Sarah Bush Lincoln Submits CON for Effingham Replacement Building](#)

Previous: [Gardner Donates Books to SBL Women & Children's Center](#)

PATIENT RESOURCES