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ILLINOIS STATE SENATE

CRISTINA CASTRO STATE SENATOR 22ND DISTRICT

April 6, 2021

Hon. Debra Savage, Chair c/o Courtney Avery, Administrator Health Facilities and Services Review Board 525 West Jefferson Street, 2nd Floor Springfield, Illinois 62761 courtney.avery@illinois.gov

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HEALTH FACILITIES & SERVICES REVIEW BOARD

Re: Project #20-040, OrthoIllinois Surgery Center, Elgin

Dear Madam Chair:

Please accept this letter as a retraction of my prior letter of support dated January 8, 2021 for Project #20-040, OrthoIllinois Surgery Center, Elgin. That letter was based on what I believed, and still believe, to have been good faith information honestly presented to me at the time. However, I have since, upon further independent investigation, learned additional information that gives me serious reservations about the project and requires that I maintain a neutral stance on it.

Specifically, the project, by the applicant's own admission, is not committed to the provision of Medicaid and Safety Net services – yet the project will nevertheless be drawing much of it high margin patient volume from my region's leading Medicaid and Safety Net providers. On page 275 of the Certificate of Need ("CON") application, where the applicant is to address the project's impact on Safety Net services, I read the following statement: "Ambulatory Surgical Treatment Centers are not providers of safety net services, with all procedures scheduled on an elective basis." That same page of the application also shows that the applicant for the CON permit has historically provided no charity care and no Medicaid services.

Support for Safety Net services is and should continue to be a central tenet of the Certificate of Need process under the Health Facilities Planning Act. (20 ILCS 3960/2). A project that offers no Safety Net services, while impacting existing providers that do, requires the careful consideration and due weighing of interests by which that Act entrusts the Review Board with requisite discretion, authority and obligation.

Also, it was not made clear to me who the applicant actually is here. My understanding was that the applicant was the well-established physician practice group Ortho Illinois, a long-time and valued member of our community, and the name of the project certainly suggests that is the case. Yet, I read in the permit application on page 275 that the sole applicant on this project, despite the similarity in name to the practice group, "is a new entity" and "thus has no history of



services." The applicant itself appears to have no financial assets or access to requisite capital, and where the permit application requires this information it appears that the assets and access of the physician practice group, Ortho Illinois, and not those of the applicant are provided. The Illinois Bank & amp; Trust letter regarding conditions of financing (page 265) is addressed to the practice group and not the applicant. The value of land is shown as an asset of the project (page 272), but the Purchase and Sale Agreement (page 28) shows the practice group as the buyer. This is another matter which causes reservations in my mind about the project.

For the above reasons, I retract my prior letter of support for Project #20-040, and I am taking a neutral position on the project. I hope the Review Board will exercise its discretion, authority and obligation with careful consideration of the impacts on Safety Net service providers in the greater Elgin community.

Sincerely,

State Senator Cristina Castro

22nd District