



April 12, 2021

Via Email Delivery

Courtney Avery, Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761
courtney.avery@illinois.gov

Opposition to Project #20-040, OrthoIllinois Surgery Center, Elgin

Dear Ms. Avery:

Valley Ambulatory Surgery Center ("VASC"), St. Charles, opposes Project #20-040, OrthoIllinois Surgery Center, Elgin.

The Project is an Unnecessary Duplication of Services

VASC is located within the geographic service area of the proposed project which relies on surgical volume from VASC to justify its operating rooms. The permit application includes St. Charles, where VASC is located, as within project's service area, and the physician referral letters include patients currently being treated at VASC. *See Application at 179 and 187.*

VASC is a new state-of-the-art surgery center that was approved by the Review Board in Project #17-057 and became operational in October 2019. The project replaced an outdated facility in St. Charles. VASC has a dedicated, specially equipped orthopedic surgical suite used primarily by one of the surgeons who is now committing referrals to the proposed Elgin ASTC. That physician does not need a new surgery center to provide orthopedic services, as he is currently providing those services now in VASC's new building with a dedicated orthopedic OR suite.

This project is the epitome of an unnecessary duplication and maldistribution of services, as the Review Board has already approved two new ASTCs within the proposed project's service area, namely, VASC and the Sherman ASTC which is across the street from the site of the proposed project. The Sherman ASTC, Project #16-038 was approved by the Review Board and is not yet operational. The applicant touts an "industry wide shift in moving orthopedic, pain and podiatric [surgical] services to the less costly ASTC setting" (Application at 179), but the Review Board has already accommodated for this shift in this specific service area with its approvals of the new VASC and Sherman ASTC facilities. The area does not need yet another new ASTC in the same area to address the changing practice pattern.

It is important to note that the project will provide no cost savings whatsoever with respect to the patients redirected from existing ASTCs such as VASC, Algonquin Road Surgery Center and the Advocate Sherman ASTC. The applicant's cost savings argument is based entirely on a

comparison of ASTC facility fees to hospital facility fees. Obviously, there are no such cost differentials with respect to patients redirected from existing surgery centers.

The purpose of the Illinois Health Facilities Planning Act is to provide a proper service of health care to the community in a manner that “avoids unnecessary duplication” and that allow for the development of health care facilities “where the health planning process has identified unmet needs.” 20 ILCS 3960/2. The Review Board’s planning process has *not* identified any unmet need for additional outpatient surgical services in the area. To the contrary, the Review Board’s inventory of health care services and criteria for determining need affirmatively demonstrate that the proposed project is not needed and would constitute an unnecessary duplication of services in violation of the Planning Act and the Review Board’s regulations.

A. The Project Meets *None* of the Criteria for Establishing a new ASTC

The Review Board’s regulations recognize only five circumstances that would justify the establishment of a new ASTC in the area, and the proposed project does not meet any of the five criteria. 77 Ill. Adm. Code 1110.235(c)(6). These criteria are:

1. There are no other ASTCs in the area. This criterion is **not met** because there are four approved ASTCs in the designated service area that provide orthopedic surgery services.
2. The existing ASTC and hospital outpatient surgery services are at or above the State’s utilization standards. This criteria is **not met** because the outpatient surgery services at all of the existing ASTCs and two of the three area hospitals were operating below target utilization levels in 2019, and most certainly all facilities would be significantly below target utilization due to the suspension of elective surgeries resulting from the COVID pandemic.
3. The proposed ASTC offers new services not currently available in the area. This criteria is **not met** because *all* of the surgical services proposed *currently being performed and approved* at area ASTCs and hospitals.
4. The existing facilities have restrictive admission policies. This criteria is **not met** because none of the existing facilities have restrictive admission policies.
5. The proposed project is a cooperative venture sponsored by an existing area hospital. This criteria is **not met** because the project is not sponsored by any of the area hospitals.

Because the proposed project does not meet even one of five justifications listed above for the approval of a new ASTC, the project should be denied.

B. The Project Contravene the Maldistribution Criteria

The State Board’s regulations quantitatively identify unnecessary duplication of health care by the impact a proposed new facility has on the utilization of existing facilities. By this measure, the proposed project is quantitatively and unequivocally an unnecessary duplication of facilities, and creates a severe maldistribution of services.

The permit application reveals that the applicant's entire patient volume will be obtained by redirecting patients from nearby facilities. This will necessarily reduce the utilization of existing facilities in direct contravention of State regulations. In order to prove that a new project will not create unnecessary duplication or the maldistribution of services, an applicant must document that its project "will not lower the utilization of other area providers below the utilization standards" and "will not lower, to a further extent, the utilization of other [area] facilities that are currently (during the latest 12-month period) operating below utilization standards." 77 Ill. Adm. Code 1110.235(c)(7)(C)(ii).

The attached Table shows that only one of the seven area facilities that provide orthopedic surgery, Advocate Sherman Hospital, operated at target utilization in 2019, and that the impact of the proposed project would drop that hospital below target utilization. The two other hospitals and four ASTCs were not at target utilization. In addition, the Table shows that for both hospitals and two ASTCs, the project will *further reduce* utilization below target occupancy, in direct contravention of the Review Board's criterion.

Conclusion

For the above reasons, Valley Ambulatory Surgery Center respectfully requests the Health Facilities and Services Review Board to deny Project #20-040.

Sincerely,



Lauren Blanchard
Administrator
Valley Ambulatory Surgery Center

Adverse Impact of Project #20-040 on Utilization of Existing Facilities

Facility	ORs	Hours	Hours/OR	Surgeries Redirected	Hours Redirected	Remaining Hours	Resulting Hours/OR	Target Utilization
Advocate Sherman Hospital	16	25214	1576	941	1675	23539	1471	1500
Northwestern Huntley Hospital	8	11168	1396	605	1077	10091	1261	1500
Amita St. Joseph Hospital	10	4823	482	327	582	4241	424	1500
Valley Ambulatory ASTC	6	7882	1314	70	125	7757	1293	1500
Algonquin Road ASTC	3	3712	1237	831	1479	2233	744	1500
Ashton Day Surgery ASTC	4	1407	352	***	***	***	352	1500
Advocate Sherman ASTC	3	N/A	N/A	N/A	N/A	N/A	N/A	1500

Source: 2019 Hospital and ASTC Facility Profiles