

Via Electronic Mail

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

RE: Proposed Orthollinois Ambulatory Surgery Center
Project No. 20-040

Dear Ms Avery,

As surgeon specialists and physician leaders at Advocate Sherman Hospital we are writing to outline the significant detriment that the proposed Orthollinois Surgery Center will have on Advocate Sherman Hospital and the communities of need that it serves. We ask the Board to **deny** this application.

Background: Advocate Sherman Hospital was founded more than 130 years ago by community leaders to serve all of Elgin and its surrounding communities. This commitment has been shared by its physicians. **For decades, our care has been critical to socially and economically vulnerable members of our community, including a large Hispanic community. Our patients receive the highest quality care at Advocate Sherman without regard to insurance or immigration status.** As you know, there is no “county” hospital for the under-served of Kane County and surrounding counties. It has been the collective effort of physicians, nurses, administrators and community supporters of Advocate Sherman Hospital to shoulder this responsibility. Sherman provides millions in charity care every year.

Beyond these responsibilities, our physicians have a long history of collaborating to develop amazing clinical programs for our patients at remarkably low cost. These include one of the country’s first community hospital programs for advanced cardiac care, one of the state’s busiest liver and pancreatic surgery programs, and our nationally accredited Breast Center. We believe that there are few community hospitals that routinely provide such state-of-the-art care to the insured and non-insured alike.

Maintaining an economically viable Sherman Hospital is challenging but essential to our work for all patients: Our reality is that significant operating income for the hospital is generated from the small percentage of our patients that carry higher reimbursing insurance. From an operations standpoint, our services must run efficiently. Staffing is economically minded but always safe. Physicians who work at Advocate Sherman community know and accept these challenges. Operating rooms are extensively utilized but OR accessibility is still very reasonable given these important considerations.

An Advocate Sherman Ambulatory Surgery center would add value to the communities we serve by increasing capacity and revenue support for the Hospital’s mission. In fact, Sherman Hospital has a certificate of need (CON) for an ambulatory surgery center on its campus and will move forward with this project. Reviewing the state utilization data of hospital operating/procedure rooms in our area, Advocate Sherman Hospital is the only hospital in our area that has met and exceeded the state’s standard/justification for operating room and procedure room utilization. In fact, the only other center in our area to meet state goals is the Elgin Gastroenterology Endoscopy Center, an outpatient center, which was developed as a partnership with Advocate Sherman Hospital. Further, the Advocate system has maintained funds

for building the Sherman Ambulatory Surgery Center despite all the COVID-related financial hardships of the last 18 months. **In our assessment, only Advocate Sherman Hospital has truly earned the right to lead in the development of a Surgery Center through its community commitment.**

Orthollinois plans to move the Sherman service area's best insured patients to its proposed Surgery Center. Advocate Sherman would lose the associated vital operating income. The Orthollinois proposal and payor mix data from the Orthollinois Rockford Surgery Ambulatory Center clearly outline this plan. Almost 90% of the patients cared for in their Rockford Center are private insurance or private pay and only 0.4% of patients served are Medicaid. Uninsured patients are not served by the center. In their model, even patients with Medicare are minimally represented (approximately 10%) despite the fact that Medicare is the norm for our senior citizens. This proposal comes before you while Sherman is working to recover from the severe financial losses associated with providing COVID care to our community. **Further loss of essential operating income from moving better paying orthopedic cases out of the hospital to an Orthollinois center will likely result in significant service reductions at Advocate Sherman with extraordinary burdens placed on the rest of the medical community and our under-served patients.**

Orthollinois offers no essential support to the hospital. The Orthollinois physicians state that they will continue to provide ER consultation and in-hospital care for poor patients but this will not provide critically needed financial support to the hospital. Their suggestion that ER/inpatient consultation care is an important help to the hospital is not sincere. Accepting emergency consultations for all patients is a baseline standard of community practice, and is always the way physicians have conducted themselves at Advocate Sherman.

Orthollinois is relatively new to our hospital, having acquired several orthopedic surgeons who work at Advocate Sherman in the last few years. Orthollinois does not have involvement in the Elgin community. On its website, Orthollinois lists more than 40 physicians. Only six of the physicians work at Advocate Sherman. None of the its surgeons reside in Advocate Sherman-served communities. **It is indefensible to reap financial benefit from a vulnerable community while potentially harming the hospital that serves as community safety net.**

Orthollinois has made claims to the Board of unsuccessful efforts to develop an Ambulatory Surgery Center with Sherman but has not accurately represented the facts: (1.) Advocate Sherman obtained its CON to build a Surgery Center on its hospital campus several years ago. Surgeons across many specialties joined with Advocate Sherman in the planning. This center did not come to fruition as the contracted management company was not able to provide fair partnership with Advocate and our physician group. The proposed relationship took time to detangle from a legal perspective. (2.) Advocate Sherman was then hindered in pursuing a new development plan by the earlier-than-anticipated retirement of our hospital CEO. (3.) The start of the COVID pandemic coincided with the arrival of our new CEO Sheri DeShazo. Despite the round-the-clock requirements of managing Sherman's major COVID care efforts, our new leader was quickly up-to-speed on the Surgery Center goal. (4.) Efforts to engage in partnership discussion with Orthollinois were met with silence. A regrettable, economically non-viable proposal was finally put forth by Orthollinois just prior to their CON submission. (5.) **Despite this poor faith effort from Orthollinois, Advocate Sherman is still fully available to partner with Orthollinois (and others) in developing the Advocate Sherman Ambulatory Surgery Center.** Again, Advocate Sherman has previously partnered successfully in the development of an outpatient Endoscopy Center with Elgin Gastroenterology. This partnership was developed with transparency and fair play and should be the model going forward. Advocate Sherman will move forward quickly with the development of its on-campus Ambulatory Surgery Center now that pandemic needs have abated. Sherman will proceed with an openness to partnership. **An Advocate Sherman Ambulatory Surgery Center will meet all goals: Protect the hospital's economic viability and the community's safety, and still provide opportunity for physician partners.** We respectfully request the Board support Advocate Sherman Hospital and the communities it serves. Please **deny** the Orthollinois CON request.

Sincerely,



Rachel P Baer MD FACS
General and Breast Surgery
Medical Director, Breast Center
Member of the Medical Staff, 21 years

John Brems MD FACS
General, Liver, and Biliary Surgery
Medical Director, Center for Advanced Liver and
Pancreatic Surgery
Member of the Medical Staff, 10 years

Raja Chatterji MD FACS
Obstetrics and Gynecology, and Urogynecology
Medical Director, Robotic Surgery Services
Past President of the Medical Staff
Member of the Medical Staff, 24 years

Chirag Dholakia MD
General and Advanced Minimally Invasive Surgery
Operating Room Steering Committee
Member of the Medical Staff, 11 years

Lily Hsieh MD
General, Endocrine, and Advanced Minimally Invasive
Surgery
Member of the Medical Staff, 2 years

Leo Farbota MD FACS
General Surgery
Medical Director, Trauma Services
Lead, National Surgical Quality Program
Past Chief of Surgery
Member of the Medical Staff, 33 years

James Griffin MD FACS
Urologic Surgery
Member of numerous hospital service committees
Member of the Medical Staff, 24 years

Nicholas Kunio MD
General and Advanced Minimally Invasive Surgery
Member of the Medical Staff, 6 years