



ALGONQUIN ROAD SURGERY CENTER, LLC

Patient Centered. Extraordinary Care.

July 7, 2021

Via Electronic Delivery

Ms. Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
2nd Floor
Springfield, IL 62761

Re: OrthoIllinois Surgery Center Elgin, LLC (“OrthoIllinois”)
Project No. 20-040
Letter of Opposition

Dear Ms. Savage:

Algonquin Road Surgery Center (“ARSC”) respectfully requests that the Review Board deny the application of OrthoIllinois to establish a new surgery center in Elgin (the “Project”). The Project does not comply with your rules; there is substantial excess surgical capacity in the area, and the Project will have devastating impact on existing area providers and ARSC in particular.

Background of Algonquin Road Surgery Center

Algonquin Road Surgery Center (“ARSC”) is a multi-specialty surgery center and two-thirds of the surgical hours performed here are orthopedic procedures. This surgery center is a joint venture among affiliates of Advocate Aurora Health, Northwestern Medicine and numerous area physicians. Several physicians that are part of the OrthoIllinois Project presently perform procedures in our facility. Our 2019 facility profile shows that our facility operated at 62% of target utilization but for 2020 is operating at only 45% utilization. Six of nine orthopedic surgeons who are part of the OrthoIllinois Project presently perform 1,384 procedures at our facility. Their procedures account for 67% of the surgical hours at our facility. They propose taking 831 cases annually from our facility. As discussed further below, the loss of the procedures from the new OrthoIllinois Project would be devastating to us.

ARSC is Well Suited for Performing the Procedures Proposed for new Project

As the State Board Report makes clear, the Elgin area has excess surgical capacity and there is no need for a new orthopedic surgery center in the area. To try to overcome the data showing excess capacity the Applicants have attempted to argue that other area facilities are unsuitable for their procedures or have other impediments. As president of ARSC I am proud of our surgery center and the quality of

care we provide and take issue with attempts that have been taken to disparage our center. Let me share some key facts:

- 95% Patient Satisfaction Rate
- 90% Physician Satisfaction Rate
- Safety .0056% (serious events over the last 11 years) infection rate .06% (last 8 years)
- Efficient – Our center is more efficient on time of procedure than the proposed time in the proposed Project

With patient and physicians satisfaction scores that high, we are perplexed as to the cause of the new found criticism of our facility, but will in this letter respond to some of the claims that are being made.

Response to Specific Claims about ARSC

Applicants made a number of statements as to why ARSC was not a suitable alternative to their proposed facility or otherwise inferior. I wish to respond to those claims. They made many of these claims in the application and we refuted them in our letter dated April 13. Nevertheless, these claims were repeated in testimony to the Board at the May 4 meeting and we must again refute them.

Claim: *OrthoIllinois physicians can't get more surgical time at ARSC.*

Fact: Our facility is presently operating at 45% of target utilization. We have significant amounts of time available. We have no record of an OrthoIllinois requesting more surgical time and being denied.

Claim: *It is "unsafe" to do certain procedures at ARSC.*

Fact: ARSC safety percentage of serious events is .0056% and its infection rate is .06%. Much lower than the 1% complication rate OrthoIllinois cites for its facility.

Claim: *ARSC does not have adequate sterilization equipment.*

Fact: ARSC purchased a new Sterrad in May 2021. ARSC is finalizing construction plans and will have a replacement washer and sterilizer operational in August/September of this year.

Claim: *Surgical Turnaround time is too slow at ARSC.*

Fact: OrthoIllinois projects its average procedure time, including prep and clean up, to be 1.78 hours per procedure. The average time for an orthopedic procedure at ARSC is 1.37 hours—30% more efficient than the proposed facility.

Claim: *ARSC does not have a Hana Table.*

Fact: ARSC was scheduled to acquire a Hana Table until OrthoIllinois announced it would be taking 831 procedures out of our facility. At that point it became unfeasible.

Claim: *Physician owners wanted to expand the facility but were blocked by the hospital partners.*

Fact: The hospital partners agreed to consider expansion if and when the facility reached 75% utilization. This policy is consistent with Review Board policy and regulations.

ARSC Charges are Less Expensive than Proposed Project

The Applicants have made much about procedures in their facility being less than ones in a hospital. Those cost savings can be achieved by performing those procedures in other surgery centers, like ours, that are underutilized.

What was interesting to discover, however, was that the OrthoIllinois facility will have higher charges than our ARSC facility. We compared the proposed charges in the CON application to our own charges for the same procedure. We found that by over 2-1 ratio we are less expensive than proposed Project.

Conclusion

We ask the Review Board to deny the OrthoIllinois application. The Project goes against what the Planning Act and Review Board should stand for. The Project adds almost \$18 million of health care spending when there is clearly no need. The Project results only in personal gain with no societal or health system gain. The Project further undercuts the model of encouraging health care systems, even competitors, to work collaboratively on the delivery of health care. Algonquin Road Surgery Center stands ready to continue to work with these orthopedic physicians to continue to provide patient care through our existing surgery center.

Very truly yours,



Raja Chatterji, MD
President
Algonquin road Surgery Center