

November 15, 2021

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**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**Via Email Delivery**

Courtney Avery, Administrator  
Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761  
[courtney.avery@illinois.gov](mailto:courtney.avery@illinois.gov)

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

Dear Ms. Avery:

The undersigned area surgery centers are adversely impacted by and continue to oppose Project #20-040, OrthoIllinois Surgery Center, Elgin. Recent utilization data show that the project will have an *even greater adverse impact* on existing providers than when the Review Board issued its Intent to Deny on May 4, 2021. The new data further confirm that there is *more excess surgical capacity now* than when the project was presented to the Review Board last May. The most recent Board Staff Report for the October 26, 2021 meeting reflects this important change in circumstances.

The new utilization data is contained in the 2020 ASTC Facility Profiles and the 2020 Hospital Profiles that have been posted on the Review Board's website. The Board Staff Report for the May 4<sup>th</sup> Board meeting relied on the 2019 Profiles, while the Board Staff Report for the October 26<sup>th</sup> meeting used the updated information in the 2020 Profiles. A comparison of the Tables on page 19 of the May 4<sup>th</sup> Staff Report and Page 10 of the October 26<sup>th</sup> Staff Report shows that ***for each* of the five impacted facilities the total number of cases *declined* from 2019 to 2020. Consequently, the percentage of cases removed from those facilities and redirected to the proposed project increased significantly.** For example, the percentage of cases removed from Algonquin Road Surgery Center increased from 28.4% to 33.09%. The percentage of cases removed from AMITA St. Joseph Hospital increased from 8.6% to 11.32%. Copies of these two Tables are included as Attachment A to this letter.

The 2020 utilization data also show that the existing impacted facilities justified fewer operating rooms than in 2019. Valley Ambulatory Surgery Center justified six of its eight total rooms in 2019, but only five rooms in 2020. AMITA St. Joseph Hospital justified only 4 of its 13 total rooms in 2019 while justifying 3 rooms in 2020. This information is shown in the Tables on page 18 of the May Staff Report and page 10 of the October Staff Report. Copies of these Tables are included as Attachment B to this letter.

This combination of increased impact on existing facilities and greater excess surgical capacity resulted in continued negative findings in the October Board Staff Report under the Board's criteria for Unnecessary Duplication of Services and Impact on Other Providers (Criteria 1110.235(c)(7)). In addition, the Staff continued to find that the project meets *none* of the factors required under the Service Accessibility criterion which must be documented to demonstrate that a project "is necessary to improve access for residents of the [Geographic Service Area]." Criterion 1110.235(c)(6).

Finally, it must be emphasized that the revocation of the Sherman ASTC permit in Project #16-038 **has no impact on the need for the OrthoIllinois project, the adverse impact on existing providers, or the excess capacity in surgical capacity in the area.** That is because Project #16-038 was a joint venture with a hospital and the hospital had committed to close three operating rooms upon the opening of the surgery center, which would have had three operating rooms. Consequently, there would have been no net increase in the area's surgical capacity. In addition, all of the Sherman ASTC's surgical volume was based on Sherman Hospital's own volume and the project did not rely on surgical volume from any other area provider. By contrast, the OrthoIllinois project is adding surgical capacity by four operating rooms and removing all of its surgical volume from other area facilities.

For the above reasons, and those previously expressed in our prior written and oral comment, we respectfully request that the Review Board deny Project #20-040, OrthoIllinois Surgery Center, Elgin.

Sincerely,



Johny Antony  
Administrator  
Ashton Center for Day Surgery



Lauren Blanchard  
Administrator  
Valley Ambulatory Surgery  
Center



Lori Callahan  
Executive Director  
Algonquin Road Surgery Center

CC: Michael Constantino  
IHFSRB Lead Project Reviewer

**F) Unnecessary Duplication/Maldistribution**

**Maldistribution**

There is not a surplus of operating and procedure rooms in this 10-mile GSA as the ratio of operating procedure rooms to population in this area is .1425 rooms per thousand population and the State of Illinois ratio is .1984 per thousand population. To have a surplus of operating procedure rooms in this area the ratio would need to be 1.5 times the State of Illinois ratio. To have a surplus of operating procedure rooms the ratio in this GSA would need to be .1323 rooms per thousand population. There is not a surplus of operating rooms procedure rooms based upon this State Board ratio in this 10-mile GSA.

**Unnecessary Duplication**

There are six ASTCs and three hospitals within the 10-mile GSA. One of the six ASTCs is not operational (Advocate Sherman ASTC) and one ASTC provides gastro services only (Elgin Gastroenterology Endoscopy Center). The remaining four ASTCs are currently underutilized [Algonquin Road Surgery Center, Fox Valley Orthopedic Associates, Ashton Center for Day Surgery and Valley Ambulatory Surgery Center]. Two of the three hospitals within the 10-mile GSA are currently underutilized [Delnor Community Hospital and Presence Saint Joseph Hospital-Elgin]

**Impact on Other Facilities**

As seen below the proposed project will impact existing hospitals and ASTCs within the GSA.

| <b>TABLE SEVEN</b>   |                                  |                               |                   |                                    |                   |
|--|----------------------------------|-------------------------------|-------------------|------------------------------------|-------------------|
| <b>Facilities impacted by Proposed ASTC</b>                              |                                  |                               |                   |                                    |                   |
|  | <b>Advocate Sherman Hospital</b> | <b>AMITA St. Joseph Elgin</b> | <b>NW Huntley</b> | <b>Algonquin Road Surgery Ctr.</b> | <b>Valley ASC</b> |
| <b>Cases <sup>(1)</sup></b>  | 15,174                           | 3,816                         | 5,410             | 2,927                              | 5,495             |
| <b>Total Surgery Hours <sup>(1)</sup></b>                                | 25,214                           | 4,823                         | 11,168            | 3,713                              | 7,882             |
| <b>Estimated # of Cases to be moved to proposed ASTC</b>                 | 941                              | 327                           | 575               | 831                                | 70                |
| <b>Estimated Hours</b>   | 1,678                            | 583                           | 1,025             | 1,482                              | 125               |
| <b>% of Total Cases Removed</b>  | 6.2%                             | 8.6%                          | 10.6%             | 28.4%                              | 1.3%              |
| <b>% of hours Removed</b>  | 6.7%                             | 12.1%                         | 9.2%              | 39.9%                              | 1.6%              |
| 1. Cases and Hours taken from 2019 Hospital and ASTC Profile Information |                                  |                               |                   |                                    |                   |

**Attachment A**  
(page 2 of 2)

only [Elgin Gastroenterology Endoscopy Center]. The remaining three ASTC provide orthopedic services and are not at target occupancy and have the capacity to accommodate the workload proposed by the Applicants.

**Impact on Other Facilities**

As seen below the proposed project will impact existing hospitals and ASTCs within the GSA.

| <b>TABLE SIX</b>   |                                  |                               |                            |                                    |                   |
|--|----------------------------------|-------------------------------|----------------------------|------------------------------------|-------------------|
| <b>Facilities impacted by Proposed ASTC</b>                              |                                  |                               |                            |                                    |                   |
|  | <b>Advocate Sherman Hospital</b> | <b>AMITA St. Joseph Elgin</b> | <b>NW Huntley Hospital</b> | <b>Algonquin Road Surgery Ctr.</b> | <b>Valley ASC</b> |
| <b>Total Cases <sup>(1)</sup></b>  | 12,407                           | 2,888                         | 5,158                      | 2,511                              | 3,131             |
| <b>Total Surgery Hours <sup>(1)</sup></b>                                | 22,867                           | 3,647                         | 9,014                      | 3,972                              | 5,235             |
| <b>Estimated # of Cases to be moved to proposed ASTC</b>                 | 941                              | 327                           | 575                        | 831                                | 70                |
| <b>Estimated Hours</b>   | 1,678                            | 583                           | 1,025                      | 1,482                              | 125               |
| <b>% of Total Cases Removed</b>  | 7.58%                            | 11.32%                        | 11.15%                     | 33.09%                             | 2.24%             |
| <b>% of hours Removed</b>  | 7.34%                            | 15.99%                        | 11.37%                     | 37.31%                             | 2.39%             |
| 1. Cases and Hours taken from 2020 Hospital and ASTC Profile Information |                                  |                               |                            |                                    |                   |

Below are comments [in part] received from existing ASTC's and Hospitals within the

**Algonquin Road Surgery Ctr. dated April 13, 2021**

*"According to Applicants' supplemental filing this Project will take 831 procedures from our facility. In 2020 we performed a total of 2,813 cases. The new Project would take a staggering 30% of our cases and even more staggering 50% of our surgical time. Our facility is already well under target utilization and losing 50% of our surgical hours would take our utilization far lower. A 50% loss of utilization would threaten the sustainability of our surgery center. While we are primarily concerned about the impact that would have on our facility, the Project negatively impacts all affected providers. In its opposition letter to this Project Valley Ambulatory Surgery Center calculated how the Project would affect utilization at all existing providers. The conclusion was that any provider currently operating above target utilization would fall below the standard and that all other facilities would have utilization lowered considerably. If this Project went forward, not a single area facility would meet target utilization."*

**Fox Valley Orthopedics dated April 13, 2021**

*"The Applicants seek to justify a new facility in part, by claiming inadequacies at ARSC [Algonquin Road Surgery Center] and that it would be better to have a dedicated orthopedic facility. These alleged inadequacies are something the three of us are not aware of, and something that we have never seen personally. We have found ARSC to be a great place to perform our orthopedic procedures. We have never had a problem being able to schedule our orthopedic cases at this facility, and at times have done our public aid/Medicaid surgeries at ARSC. Orthopedics is by far the largest specialty at ARSC and constitutes 74% of the procedures performed. ARSC is more than well suited as a facility of excellence for our patients' orthopedic surgical needs. We are concerned about further*

**Attachment B  
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| <b>TABLE SIX<br/>ASTCs and Hospitals within the GSA</b>   |                   |  |                                  |              |                        |                              |
|---|-------------------|--|----------------------------------|--------------|------------------------|------------------------------|
| <b>Facility</b>   | <b>City</b>       | <b>Surgical Specialties</b>  | <b>Operating Procedure Rooms</b> | <b>Hours</b> | <b>Rooms Justified</b> | <b>Met Standard?<br/>(1)</b> |
| Algonquin Road Surgery Center, LLC  | Lake in the Hills | Gastro, OB/GYN, Ophthalmology, Oral/Max, Orthopedics, Otolaryngology, Pain Man., Plastic Surgery Podiatry                  | 4                                | 4,064        | 3                      | No                           |
| Ashton Center for Day Surgery   | Hoffman Estates   | Orthopedics, Otolaryngology, Pain Man., Podiatry   | 4                                | 1,407        | 1                      | No                           |
| Fox Valley Orthopedic Associates  | Geneva            | Orthopedics, Pain Management, Podiatry   | 4                                | 3,922        | 3                      | No                           |
| Valley Ambulatory Surgery Center  | St. Charles       | Gastro, General Surgery, Neuro, OB/GYN, Ophthalmology, Oral/Max, Orthopedics, Otolaryngology, Pain Man., Podiatry, Urology | 8                                | 8,710        | 6                      | No                           |
| Elgin Gastroenterology Endoscopy Center   | Elgin             | Gastro   | 2                                | 5,574        | 4                      | Yes                          |
| Advocate Sherman ASTC   | Elgin             | General Surgery, Ophthalmology, Orthopedics, Otolaryngology, Urology   | 3                                | NA           | NA                     | NA                           |
| <b>Hospitals</b>  |                   |  |                                  |              |                        |                              |
| Delnor Community Hospital   | Geneva            |  | 19                               | 18,007       | 12                     | No                           |
| Advocate Sherman Hospital   | Elgin             |  | 16                               | 28,116       | 19                     | Yes                          |
| AMITA Health Presence Saint Joseph Hospital - Elgin   | Elgin             |  | 13                               | 5,376        | 4                      | No                           |
| <ol style="list-style-type: none"> <li>1. State Board Standard is 1,500 hours per operating/procedure rooms.</li> <li>2. Operating Rooms and Hours from 2019 Hospital and ASTC Profile Data.</li> </ol> |                   |  |                                  |              |                        |                              |

**Attachment B**

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*D) The proposed project is a cooperative venture sponsored by 2 or more persons, at least one of which operates an existing hospital.*

**Revised Finding:** There are five ASTCs and two hospitals within the 10-mile GSA. One of the ASTCs is not in operation [Advocate Sherman ASTC] and one provides gastroenterology services only [Elgin Gastroenterology Endoscopy Center]. The remaining three ASTC provide orthopedic services and are not at target occupancy and have the capacity to accommodate the workload proposed by the Applicants. Additionally, there has been no indication of restrictive admission policies in this GSA. Finally, this project is not a cooperative venture with a hospital. There is existing underutilized capacity in the 10-mile GSA, and it appears service accessibility can be accomplished with the existing providers. [See Table below]

| <b>TABLE FIVE</b>                           |                   |                 |           |        |                 |
|---|-------------------|-----------------|-----------|--------|-----------------|
| ASTCS and Hospitals within the 10-mile GSA. |                   |                 |           |        |                 |
|   |                   |                 |           | 2020   |                 |
| Facility                                    | City              | Procedures      | Rooms     | Hours  | Rooms Justified |
| Algonquin Road Surgery Center               | Lake of the Hills | Multi-Specialty | 4         | 4,205  | 3               |
| Ashton Center for Day Surgery               | Hoffman Estates   | Multi-Specialty | 4         | 1,126  | 1               |
| Valley Ambulatory Surgery Center            | St. Charles       | Multi-Specialty | 8         | 7,137  | 5               |
| Elgin Gastroenterology Endoscopy Center     | Elgin             | Gastro          | 2         | 4,891  | 4               |
| Advocate Sherman ASTC                       | Elgin             | Multi-Specialty | 3         | NA     | NA              |
| <b>Total Operating Procedure Rooms</b>      |                   |                 | <b>21</b> |        | <b>13</b>       |
| Advocate Sherman Hospital                   | Elgin             |                 | 19        | 22,618 | 16              |
| Presence Saint Joseph Hospital - Elgin      | Elgin             |                 | 12        | 4,276  | 3               |
| <b>Total Operating Procedure Rooms</b>      |                   |                 | <b>31</b> |        | <b>19</b>       |

**D) Unnecessary Duplication/Maldistribution**

**Revised Finding:**

**Maldistribution**

There is not a surplus of operating and procedure rooms in this 10-mile GSA as the ratio of operating procedure rooms to population in this area is .1425 rooms per thousand population and the State of Illinois ratio is .1984 per thousand population. To have a surplus of operating procedure rooms in this area the ratio would need to be 1.5 times the State of Illinois ratio. To have a surplus of operating procedure rooms the ratio in this GSA would need to be .1323 rooms per thousand population. There is not a surplus of operating rooms procedure rooms based upon this State Board ratio in this 10-mile GSA.

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