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Transcript of Public Hearing

Date: March 18, 2022

Case: State of Illinois Health Facilities and Services Review Board

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ILLINOIS DEPARTMENT OF PUBLIC HEALTH
HEALTH FACILITIES AND SERVICES REVIEW BOARD
BEFORE HEARING OFFICER APRIL SIMMONS

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IN RE: :
Public Hearing Regarding :
the Establishment of a :
Small-Format Hospital by : Project 20-044
Quincy Physicians and :
Surgeons Clinic, PLLC. :

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PUBLIC HEARING in accordance with requirements
of the Illinois Health Facilities Planning Act

Conducted Virtually

Friday, March 18, 2022

9:00 a.m. CST

Job No.: 437067

Pages: 1 - 34

Reported by: Paula Quetsch, CSR, RPR

1 PUBLIC HEARING held virtually:
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9 Before Paula Quetsch, a Certified Shorthand
10 Reporter, Registered Professional Reporter, and a
11 Notary Public in and for the State of Illinois.
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1 PRESENT:

2 ILLINOIS HEALTH FACILITIES AND SERVICES

3 REVIEW BOARD, by

4 APRIL SIMMONS, Public Hearing Officer

5 GEORGE ROATE, CON Reviewer

6 MICHAEL MITCHELL, IDPH Staff

7 ANN GUILD, Compliance Manager

8 525 West Jefferson Street

9 Second Floor

10 Springfield, Illinois 62761

11 (217) 782-3516

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1 P R O C E E D I N G S

2 HEARING OFFICER SIMMONS: Good morning. My
3 name is April Simmons, and I am the general counsel
4 for the Illinois Health Facilities and Services
5 Review Board. This morning I will also be acting
6 as the hearing officer for today's proceedings.
7 Present with me today also representing the Board
8 are Mike Mitchell, George Roate, and Ann Guild.

9 On behalf of the Board, thank you for
10 attending this public hearing for the establishment
11 of a small-format hospital by Quincy Physicians
12 and Surgeons Clinic, PLLC. As per the rules of
13 the Illinois Health Facilities and Services Review
14 Board, I would like to read the previously published
15 legal notice into the record.

16 Notice of public hearing and written comment.
17 Legal notice of public hearing and opportunity for
18 written comment. In accordance with the requirements
19 of the Illinois Health Facilities Planning Act and
20 77 Illinois Administrative Code Part 1130, notice
21 is given of a public hearing on an application for
22 permit for the proposed establishment of Quincy
23 Medical Group Hospital, Incorporated, a 28-bed
24 hospital located at 3347 Quincy Mall, Quincy,

1 Illinois, from Quincy Medical Group Hospital,
2 Incorporated, Project 20-044. The applicants
3 propose to establish a 28-bed acute care hospital.
4 The total estimated project cost is \$61,142,058.

5 This application for permit has been
6 modified with the addition of Quincy Physicians
7 and Surgeons Clinic, PLLC, d/b/a Quincy Medical
8 Group as an applicant, and this addition is
9 considered a Type A modification. Quincy
10 Physicians and Surgeons Clinic, SC, d/b/a Quincy
11 Medical Group is no longer considered an applicant.

12 The public hearing is to be conducted by
13 the Illinois Health Facilities and Services Review
14 Board pursuant to the Illinois Health Facilities
15 Planning Act. The hearing is open to the public
16 and will afford an opportunity for parties at
17 interest to present written and/or verbal comment
18 relevant to the project. All allegations or
19 assertions should be relevant to the need for the
20 proposed project. Written comments can also be
21 submitted to dph.hfsrb.publichearings@illinois.gov.

22 As previously stated, this public hearing
23 is conducted by the staff of the Illinois Health
24 Facilities and Services Review Board pursuant to

1 the Illinois Health Facilities Planning Act. This
2 hearing is open to the public and affords an
3 opportunity for parties with interest in this
4 project to present written and/or verbal comment
5 relevant.

6 Please note that in order to ensure that
7 the Illinois Health Facilities and Services Review
8 Board public hearings protect the privacy and
9 maintain the confidentiality of an individual's
10 health information, covered entities as defined by
11 the Health Insurance Portability and Accountability
12 Act of 1996 such as hospital providers, health
13 plans, and healthcare clearinghouses submitting
14 oral or written testimony that disclose protected
15 health information of individuals shall have a
16 valid written authorization from that individual.
17 The authorization shall allow the covered entity
18 to share the individual's protected health
19 information at the hearing.

20 Prior to beginning your remarks, please
21 clearly state and spell your first and last name.
22 The applicant shall be afforded an opportunity to
23 provide a summary of the request within the Permit
24 Application 20-044. Today's proceedings will

1 begin with Carol Brockmiller.

2 MS. BROCKMILLER: Good morning. Thank
3 you, April.

4 My name is Carol Brockmiller, C-a-r-o-l
5 B-r-o-c-k-m-i-l-l-e-r. I am the CEO of Quincy
6 Medical Group or QMG. QMG is a physician-led
7 multispecialty group practice, and this year we
8 are celebrating our 85th anniversary. Our
9 physicians have been on a mission to develop a
10 complete continuum of care for all patients in the
11 tri-state region.

12 Rural communities like ours face unique
13 obstacles and health disparities. A large number
14 of residents leave our area and in some cases
15 leave the state to receive more affordable
16 hospital care. We believe that every single human
17 being deserves access to affordable high-quality
18 healthcare and an unparalleled care experience for
19 everyone and close to home. Our multiple
20 integration initiatives we believe help us provide
21 that very thing.

22 In late 2020 we submitted a certificate of
23 need application to establish a small-format
24 hospital in Quincy, a community hospital in every

1 sense of the word. A public hearing on the
2 project took place last January, and since that
3 time we have had many public meetings and
4 discussions about the project. We've met with
5 patients, residents, employers, community
6 organizations, and business leaders to answer
7 questions and share additional details about the
8 project, and during many, many office visits
9 patients ask their QMG physician about how soon
10 our hospital will open.

11 Since we last appeared in front of the
12 CON Board in May, our partner affiliation changed.
13 In December QMG officially entered into a partnership
14 with Duly Health & Care, formerly DuPage Medical
15 Group. We are thrilled to have teamed up with
16 such a transformative and successful physician
17 group like Duly and the partnership makes sense.

18 We share a strategic priority and a vision
19 for improving access to quality, affordable
20 inpatient-centric healthcare, truly delivering health
21 and care in a different way. Our partnership with
22 Duly allows QMG to deepen our investments in Adams
23 County and surrounding communities, and it helps
24 us to continue to provide extraordinary care to

1 all patients.

2 We've had great conversations with so many
3 about QMG's partnership with Duly, what it means
4 for QMG, and what it means for West Central Illinois.
5 We're listening to our consumers, and the feedback
6 has been incredibly positive.

7 Joining forces with Duly allows us to update
8 our infrastructure and technology. It allows us
9 to introduce innovation, to improve access and the
10 care experience, expand our in-network capabilities,
11 and move even faster to provide value-based care.

12 Importantly, QMG remains physician-owned,
13 led, and governed. QMG physician board of directors
14 continues to oversee physician recruitment and
15 retention, quality work, and all clinical best
16 practices. Duly is not making a financial
17 investment in QMG Hospital. Additionally, as
18 stated in the QMG Hospital application, all assets
19 and liabilities will remain with the not-for-profit
20 hospital.

21 As part of the transaction with Duly and
22 for tax purposes QMG was converted from an
23 Illinois SC to an Illinois PLLC. This is much
24 like changing your last name when you get married.

1 We shared this information with the Board along
2 with information regarding our partnership with
3 Duly. The Board determined that Duly was not
4 required to be added as a coapplicant but that the
5 application did need to be updated to reflect QMG,
6 PLLC, that this was a change of the applicant,
7 that this was a Type A modification under the
8 Board's rules, and it triggered today's new public
9 hearing.

10 The conversion did not change the hospital
11 project itself, and it did not change the entity
12 that will hold the license for the hospital. That
13 entity will continue to be QMG Hospital, Inc., a
14 not-for-profit hospital corporation with QMG as
15 the sole corporate member. Respecting the
16 CON Board's determination, we submitted updated
17 application pages as requested, and for efficiency
18 purposes we called for the public hearing today.

19 We sincerely appreciate the time and the
20 effort of the Board staff and the Board's legal
21 General Counsel April Simmons in coordinating and
22 conducting today's hearing. We welcome comments
23 today regarding QMG's conversion and related
24 updates to the application, and we look forward to

1 appearing before the Board next month.

2 Thank you.

3 HEARING OFFICER SIMMONS: Thank you. Next
4 is Anne Murphy.

5 MS. MURPHY: Good morning. My name is
6 Anne Murphy, A-n-n-e M-u-r-p-h-y, and I am outside
7 legal counsel to Blessing Health System. I am
8 speaking in opposition to the Quincy Medical Group
9 Hospital certificate of need permit application.

10 The Board should recognize this project
11 for what it is, an attempt by a large national
12 private equity company to set up a cherry-picking,
13 profit-motivated, low-acuity hospital in rural
14 Illinois. That private equity company Ares
15 Management owns and controls Duly Health & Care.
16 Duly, previously known as DuPage Medical Group,
17 took over Quincy Medical Group in December. QMG
18 Hospital would be controlled by QMG. QMG is
19 controlled by Duly. Duly is controlled by Ares
20 Management, and Ares Management is one of the
21 largest healthcare private equity firms in the
22 United States.

23 We believe this private equity control is
24 quite real, although it is obscured through a web

1 of asset transfers, holding companies, and
2 management arrangements, a common structure used
3 nationally by private equity to control physician
4 groups.

5 This private equity control was not
6 disclosed in the CON application materials nor is
7 it addressed in the Type A modification that
8 triggered today's public hearing. Instead QMG has
9 declined at every turn to explain or even
10 acknowledge its control by private equity, and
11 while we appreciate Ms. Brockmiller's
12 acknowledgment today of the relationship with
13 Duly, we believe that much more needs to be
14 disclosed about the relationship between QMG and
15 Duly and between Duly and Ares Management.

16 The net result of this lack of transparency
17 is a lack of public sunshine notwithstanding
18 public interest in doing so. Despite our best
19 efforts, the CON application for this project
20 continues to mask from the Board and from the
21 public the private equity backing for this project.
22 We have repeatedly requested on the public record
23 that this critically important information see the
24 light of day, and we are doing so again today.

1 The QMG hospital application should reflect
2 the true ownership and control structure for the
3 proposed hospital. Based on materials previously
4 submitted by QMG to Board staff and which we
5 received via our FOIA request, we have identified
6 numerous deficiencies.

7 First, the application continues to show
8 that QMG is 40 percent owned by Unity Point Health.
9 Instead, Duly now owns a nondefined percentage of
10 QMG, and Unity Point is no longer an owner.

11 Second, the application has not been
12 updated to show that QMG has transferred its
13 nonclinical assets to a Duly management company or
14 that QMG now receives management services from
15 that same Duly management company.

16 Third, the application does not disclose
17 the decision-making control that Duly has over
18 QMG through ownership or management contract.

19 Fourth, the application does not disclose
20 the decision-making control that QMG has over the
21 proposed hospital and QMG's role as its sole
22 corporate member nor does it disclose the
23 decision-making control that Duly has in hospital
24 operations through management contracts or otherwise.

1 And finally, QMG has not disclosed on the
2 public record for this application any information
3 whatsoever but for today's acknowledgement regarding
4 the fact that it was acquired by Duly in December or
5 that Duly is controlled by Ares Management.

6 These inaccuracies raise legitimate questions
7 about the validity of any approval to be given by
8 the Board based on this application. We have
9 given the Board ample notice of these unacceptable
10 gaps in the Board's understanding of the proposed
11 hospital and this project.

12 Having been placed on this actual notice,
13 we believe the Board has an affirmative duty to
14 insist upon detailed additional information about
15 the relationship between this proposed hospital,
16 QMG, Duly, and Ares Management.

17 Our concerns about the role of private
18 equity in the proposed QMG hospital are not
19 hypothetical. In our February 7 letter to the
20 Board we detailed numerous concerns already in the
21 public domain about the relationship between Duly
22 and Ares Management, including from the Moody's
23 rating agency, and the adverse impact this may
24 have on healthcare delivery in the region currently

1 served by Blessing Health System.

2 National media is rife with news stories
3 and analyses calling into question whether private
4 equity is compatible with responsible healthcare
5 delivery. A common theme in these materials is
6 that private equity firms typically acquire a
7 healthcare organization, then quickly cut expenses
8 and enhance revenues with the goal of selling the
9 organization several years later at a profit.
10 This leads to obvious public policy concerns about
11 whether this profit-maximizing strategy serves the
12 public healthcare needs of all within the community,
13 especially its most vulnerable citizens.

14 It defies reason and runs counter to the
15 Health Facilities Planning Act for the relationship
16 between the applicants and large private equity to
17 remain unexplored by the Board. As the Board
18 considers the fitness and capabilities of the
19 applicant and undertakes an evidence-based analysis
20 of this project, we believe it must investigate
21 and evaluate this.

22 This is even more compelling because the
23 net effect of this project, if approved, will be
24 to undermine the not-for-profit high-acuity sole

1 community hospital in this part of rural Illinois.
2 The Board has a special responsibility under the
3 Planning Act to protect the safety net, and this
4 project would clearly operate to its detriment.

5 Thank you.

6 HEARING OFFICER SIMMONS: Thank you.

7 Next is Juan Morado -- oh, before you
8 begin, Juan, let me say that if there is anyone
9 that wishes to speak, if you can please indicate
10 by raising your hand or indicate by, if you're on
11 the phone, pressing star 3.

12 Okay. Juan.

13 MR. MORADO: Good morning. My name is
14 Juan Morado, Jr. I represent Blessing Hospital,
15 who is opposed to this project.

16 The application and the individuals
17 advocating for approval of this application today
18 are substantially different from when the Board
19 first considered this project last year. There
20 have been significant changes since the original
21 presentation to the Board, and unfortunately, this
22 Board and the public now know even less about the
23 proposed project than they did last year.

24 As you've heard, a modification has been

1 filed. Additional information was provided to the
2 Board. Both are incomplete. The modification is
3 devoid of any useful information for this Board to
4 evaluate the new ownership of QMG and their role.
5 The applicant's modification itself also fails to
6 properly update and provide additional information
7 related to the following sections of the
8 application:

9 Attachment 1, the new QMG entity is not
10 listed.

11 Attachment 4, the new org charts do not
12 contain the current ownership makeup of the new
13 applicant entity.

14 Attachment 11, there's no mention of the
15 acquisition of QMG by Duly nor does it explain for
16 the public and the Board the role this private
17 equity Ares Management will have in the facility.

18 Attachment 12, there are no updates as to
19 the role of Duly and Ares Management and no
20 acknowledgement that the OIG letter included in
21 the application references an ownership structure
22 that no longer exists.

23 Attachment 18, given Duly's acquisition of
24 QMG's nonclinical assets, this section continues

1 to evade the question of what role they will play
2 in managing the hospital's administrative functions.

3 The additional information QMG did provide
4 reflects that they have chosen to select data in
5 randomized time frames that by coincidence views
6 them being able to establish a need for the
7 proposed project.

8 We believe it's the responsibility and we
9 believe that discretion is an important part of
10 the CON process. It allows the Board to make
11 reasonable exceptions and approve applications
12 when a project does not meet all review criteria,
13 but this application's deficiencies are not
14 reasonable and certainly not innovative.

15 QMG continues to ask this Board to consider
16 factors that the legislature never intended them
17 to consider and in this case several factors that
18 the legislature explicitly provided that the Board
19 should not. Diverting profitable patients away
20 from a hospital for the benefit of private-equity
21 investors is neither reasonable nor innovative.
22 Using a not-for-profit hospital emergency room to
23 draw in patients who can subsequently be referred
24 for the benefit of QMG and Duly's other for-profit

1 practice entities and physicians is not reasonable
2 nor innovative.

3 For these reasons we respectfully request
4 the Board deny this application.

5 HEARING OFFICER SIMMONS: Thank you.

6 Next we have Sarah Stegeman.

7 MS. STEGEMAN: Hi. Can you hear me okay?

8 HEARING OFFICER SIMMONS: Yes, we can.
9 Please proceed.

10 MS. STEGEMAN: I'm Sarah Stegeman,
11 S-a-r-a-h S-t-e-g-e-m-a-n.

12 Good morning. My name is Sarah Stegeman
13 with Blessing Health System, and I am opposed to
14 this project because of the devastating impact it
15 will have on our community hospital and access to
16 healthcare in the region.

17 The last time this application was presented
18 to the Board it was overwhelmingly voted down, as
19 the members recognized the proposed project did
20 not then and still does not meet the multiple
21 standards outlined in its review criteria. The
22 Board even acknowledged that this project can only
23 be successful if it syphons patients from existing
24 providers.

1 QMG has submitted additional information
2 since its first appearance before the Board and
3 through creative projections show there is
4 suddenly a need for their proposed project despite
5 the established review criteria and process clearly
6 reflecting that there is, in fact, no need.

7 QMG has gone to great lengths to criticize
8 Blessing's adherence to the Board's rules and
9 process while at the same time proposing to
10 finance 61 million of debt to add a 25-bed
11 limited-function hospital a mere 1.9 miles away
12 from an already established 247-bed hospital.

13 The undisputed fact is the proposed facility
14 will add zero categories of service in this region,
15 and it will divert private pay patients from
16 Blessing and the cost of region-crucial Federal
17 healthcare dollars for its own sole community
18 hospital.

19 These negative impacts are sufficient. The
20 syphoning of patients will result in reducing
21 capacity to cross-subsidize safety net services as
22 prescribed by the Planning Act, and the loss of
23 Federal healthcare dollars will only serve to impact
24 those in the community who need the help the most.

1 If QMG's ill-advised hospital is approved,
2 the alleged benefits simply do not outweigh the
3 harm it will cause the region. This is not about
4 competition nor is it about innovation or cutting
5 costs. We know this because every innovation QMG
6 claims to have already exist in our healthcare
7 community, and while Blessing continues to cut
8 costs wherever feasible, QMG maintains some of the
9 highest physician fees charged in the community.

10 We believe this application should receive
11 a final denial, as it meets none of the State goals
12 of the CON program and will do harm to existing
13 providers. Thank you.

14 HEARING OFFICER SIMMONS: Thank you.

15 Again, if you wish to speak at this time,
16 please raise your hand or indicate by pressing
17 star 3 on the phone.

18 (No response.)

19 HEARING OFFICER SIMMONS: Mitch, do you
20 see any hands?

21 MR. MITCHELL: No, not at this time.

22 MS. KLEIN: This is Tracey here. Are you
23 going to hold the public comment open? Because I
24 would like to reserve to go at the end, but I'm

1 not sure how you're going to handle it.

2 HEARING OFFICER SIMMONS: Yes, this is
3 scheduled for -- I was just about to say this,
4 Tracey. This is scheduled for two hours, and so
5 we will remain for two hours, and I will come back
6 every so many minutes and ask if anyone else
7 wishes to speak, and you can hold your comments to
8 the end.

9 MS. KLEIN: Thank you.

10 HEARING OFFICER SIMMONS: You're welcome.

11 So I will return in a few minutes to see
12 if anyone wishes to speak at that time.

13 (Recess taken, 9:24 a.m. to 9:28 a.m.)

14 HEARING OFFICER SIMMONS: This is the
15 public hearing for a small-format hospital by
16 Quincy Medical Group. If there's anyone that
17 wishes to speak at this time, please indicate by
18 raising your hand or pressing star 3.

19 (No response.)

20 (Recess taken, 9:28 a.m. to 9:34 a.m.)

21 HEARING OFFICER SIMMONS: This is the public
22 hearing for Quincy Medical Group's establishment
23 of a small-format hospital in Quincy, Illinois.
24 If there is anyone that wishes to speak at this

1 time, please indicate by raising your hand or
2 pressing star 3 on the phone.

3 (No response.)

4 (Recess taken, 9:34 a.m. to 9:39 a.m.)

5 HEARING OFFICER SIMMONS: This is the public
6 hearing for Quincy Medical Group's establishment
7 of a small-format hospital. If anyone wishes to
8 speak at this time, please indicate by raising
9 your hand or pressing star 3.

10 (No response.)

11 (Recess taken, 9:39 a.m. to 9:44 a.m.)

12 HEARING OFFICER SIMMONS: This is the public
13 hearing for Quincy Medical Group's establishment
14 of a small-format hospital. If you wish to speak
15 at this time, please indicate by pressing star 3 on
16 your phone or raising your hand.

17 (No response.)

18 (Recess taken, 9:44 a.m. to 9:50 a.m.)

19 HEARING OFFICER SIMMONS: This is the public
20 hearing for Quincy Medical Group's establishment
21 of a small-format hospital in Quincy, Illinois.
22 If you wish to speak, please indicate by raising
23 your hand or pressing star 3 on your phone.

24 (No response.)

1 (Recess taken, 9:50 a.m. to 10:00 a.m.)

2 HEARING OFFICER SIMMONS: This is the public
3 hearing for Quincy Medical Group establishment of
4 a small-format hospital in Quincy, Illinois. If
5 you wish to speak at this time, please indicate by
6 raising your hand or pressing star 3 on your phone.

7 (No response.)

8 (Recess taken, 10:00 a.m. to 10:10 a.m.)

9 HEARING OFFICER SIMMONS: This is the public
10 hearing for Quincy Medical Group's establishment
11 of a small-format hospital in Quincy, Illinois.
12 If anyone wishes to speak at this time, please
13 indicate by raising your hand or pressing star 3.

14 (No response.)

15 (Recess taken, 10:10 a.m. to 10:20 a.m.)

16 HEARING OFFICER SIMMONS: This is the public
17 hearing for Quincy Medical Group's establishment
18 of a small-format hospital. If you wish to speak,
19 please indicate by raising your hand or pressing
20 star 3.

21 (No response.)

22 (Recess taken, 10:20 a.m. to 10:30 a.m.)

23 HEARING OFFICER SIMMONS: This is the
24 public hearing for Quincy Medical Group's small

1 format hospital in Quincy, Illinois. If you wish
2 to speak at this time, please indicate by raising
3 your hand or pressing star 3 on the phone.

4 (No response.)

5 (Recess taken, 10:30 a.m. to 10:40 a.m.)

6 HEARING OFFICER SIMMONS: This is the public
7 hearing for Quincy Medical Group's establishment
8 of a small-format hospital in Quincy, Illinois.
9 If you wish to speak at this time, please indicate
10 by raising your hand or pressing star 3 if you are
11 on the phone.

12 (No response.)

13 (Recess taken, 10:40 a.m. to 10:49 a.m.)

14 HEARING OFFICER SIMMONS: This is the public
15 hearing for Quincy Medical Group's establishment
16 of a small-format hospital in Quincy, Illinois.
17 Anyone wishing to speak at this time, please
18 indicate by raising your hand or pressing star 3 if
19 you're on the phone.

20 MS. KLEIN: Excuse me, April, do you want
21 me to wait until 11:00, or when do you want me to
22 provide my concluding remarks?

23 HEARING OFFICER SIMMONS: Give me a few
24 more minutes.

1 MS. KLEIN: Okay. Thank you.

2 HEARING OFFICER SIMMONS: Thank you for
3 asking.

4 (A recess was taken from 10:50 a.m. to
5 10:52 a.m.)

6 HEARING OFFICER SIMMONS: Mitch, do you
7 see any hands raised on your end?

8 MR. MITCHELL: No, I don't see any.

9 HEARING OFFICER SIMMONS: Okay. Thank you.
10 Tracey, you may begin.

11 MS. KLEIN: Thank you very much.

12 Good morning. My name is Tracey Klein,
13 K-l-e-i-n, and I proudly represent Quincy Medical
14 Group in their project to establish a small-format
15 hospital in Quincy.

16 We received a letter from Anne Murphy,
17 counsel for Blessing Hospital which was submitted
18 to the Board in February regarding QMG's
19 partnership with Duly. The letter suggested that
20 QMG had not been transparent with the Board and
21 that QMG had been using, words that she used in
22 the letter, "improperly masked purported
23 sponsorship of QMG Hospital by Duly." We heard
24 those same allegations and statements today made

1 by both counsel for Blessing Hospital, and also we
2 heard many other mischaracterizations,
3 misrepresentations that in my opinion might be
4 actionable in a different forum in a different
5 place.

6 QMG's partnership with Duly was finalized
7 with the transaction closing in December. The
8 QMG Hospital application was filed back in
9 December of 2020, a year before the transaction
10 closed and well before discussions regarding a
11 potential partnership with Duly took place.

12 I want to say emphatically that QMG has
13 not improperly masked any alleged sponsorship in
14 its applications. In fact, the opposite is true.
15 There have been multiple discussions with the Board's
16 general counsel regarding QMG's partnership with
17 Duly, including its post-transaction structure.
18 QMG produced numerous documents describing in
19 detail the transaction, and it diligently attempted
20 to follow the Board's process for determining
21 whether any changes were needed to be made to the
22 application as a result of its partnership with Duly.

23 The Board general counsel recently issued
24 a written determination that Duly was not required

1 to be listed as a coapplicant. Why? Because she
2 simply followed the law. She looked at the
3 requirements of Section 1130.220(a)(1) and determined
4 that they were not met.

5 That determination simply was not sufficient
6 for Attorneys Murphy and Morado. They wish to
7 substitute their judgment and their opinions for
8 the current general counsel's determination.

9 Boy, I honestly wish they had been around
10 for Blessing's last two CON applications when they
11 were filed to go through and provide technical
12 comments on those particular applications. I
13 would note that Blessing Hospital lists itself
14 only as the sole applicant in its last three CON
15 applications. It fails to mention that its sole
16 corporate parent is Blessing Corporate Services,
17 and in our opinion Blessing Corporate Services
18 probably should have been added as a coapplicant
19 in those applications.

20 I say that only to point out the double
21 standard that seems to exist and to reflect that
22 maybe some review of one's own conduct and one's
23 own statements is more appropriate in these
24 contexts than simply maligning another healthcare

1 provider that's trying to serve the community.

2 As Carol Brockmiller, CEO of Quincy Medical
3 Group discussed today, as part of the transaction
4 QMG was converted from an SC, or service corporation,
5 to a PLLC, or professional limited liability
6 company. Carol described the conversion as similar
7 to changing your last name after marriage, and
8 that's a great way to describe it.

9 The assertions in the letter submitted on
10 behalf of Blessing Hospital that QMG was dissolved,
11 that a new entity was formed to replace it are
12 simply not accurate, and they seem to me to express
13 a misunderstanding of corporate law.

14 A simple conversion permissible under
15 Illinois law took place. The conversion was
16 discussed with the Board's general counsel, and
17 the Board's general counsel ultimately determined
18 that the conversion from the SC to the PLLC, while
19 not requiring Duly to be listed as a coapplicant
20 did result in a change in the identity of the
21 applicant so that a Type A modification needed to
22 be filed but not that Duly needed to be added as
23 coapplicant.

24 So while not completely clear-cut to us

1 under the regulations, QMG respected the Board's
2 determination, submitted an updated application
3 and updated application pages as requested, and
4 called for the public hearing today to request
5 review of this decision and action.

6 Now, honestly, we felt we had to ask for
7 the public hearing because we perceived opposition
8 might attempt to run out the clock to prevent
9 QMG from actually having its application being
10 heard before time runs out on the merits, and we
11 really felt that statements made by counsel for
12 Blessing Hospital don't accurately reflect QMG's
13 recent partnership with Duly. There have been
14 misrepresentations bordering on reckless falsehoods.
15 Reputations have been maligned. There have been
16 asserted sort of sham objections in what appears
17 to us to be an attempt to interrupt the Board's
18 deliberative process and prevent or steer the
19 Board away from a discussion of this project on
20 the merits.

21 Why? Why try to interrupt the Board's
22 deliberations? We believe the sole goal of this
23 distraction is to preserve Blessing Hospital's
24 position as a monopoly in its marketplace, to

1 prevent new entrants from entering the market.
2 And as counsel for Blessing Hospital knows, that
3 would be an impermissible consideration for the
4 Board, the CON Board in this state, an absolutely
5 impermissible position.

6 So I would say in closing QMG has been
7 transparent, utterly transparent, deserves the
8 opportunity to fully present and discuss the
9 merits of its innovative proposal -- and by the
10 way, it is innovative and almost all the Board
11 members who heard it said the same.

12 And I want to say that I personally have
13 worked with QMG and its physicians over the past
14 five years. They really don't deserve what's been
15 said about them. I've had the honor to get to
16 know them, and I know who runs and leads the
17 clinic. They are fiercely independent, they are
18 smart, they're talented physicians, they're
19 honest, they're forthright, they're good corporate
20 citizens. They are passionate about Quincy and
21 their patients, and they would not have agreed to
22 partner with a group unless they were able to
23 remain deeply involved in the clinical operations
24 and only if the partnership would enhance their

1 ability to continue to provide the best of care to
2 their patients and to the community.

3 So I ask you to keep an open mind, Board
4 staff and Board members, and to really look at the
5 application. A lot of work has gone into it, and
6 we believe it's a strong application.

7 Finally, we thank General Counsel Simmons
8 for putting this hearing together and for all her
9 attention to this matter. Thank you.

10 HEARING OFFICER SIMMONS: Thank you.

11 For the record, let it reflect that the
12 time is now 10:59. For the duration of this
13 two-hour public hearing all of the attendees have
14 been the same, and no one has indicated that they
15 wish to speak at this time.

16 Please note that this project is scheduled
17 for consideration by the Board at its April 26th
18 Board meeting. The State Board meeting will be
19 held virtually beginning at 9:00 a.m. Please
20 refer to the State Board's website for the link to
21 the State Board meeting.

22 The public has until April 6, 2022, to
23 submit signed written comments pertaining to this
24 project. Comments can be sent to the attention of

1 the Illinois Health Facilities and Services Review
2 Board, 525 West Jefferson Street, Second Floor,
3 Springfield, Illinois 62761.

4 The State Board will post its findings in
5 a State Board staff report. This report will be
6 made available on Tuesday, April 12th. The public
7 may submit written responses to errors of the
8 findings of the Board staff to the Illinois Health
9 Facilities and Services Review Board. The public
10 will have until 9:00 a.m. on Monday, April 18th to
11 submit those written responses. The aforementioned
12 report and additional information can be accessed
13 at the Board's web site.

14 At this time I deem this public hearing
15 adjourned. Thank you for your participation in
16 today's proceeding.

17 (Off the record at 11:01 a.m.)
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CERTIFICATE OF SHORTHAND REPORTER

I, Paula M. Quetsch, Certified Shorthand Reporter No. 084-003733, CSR, RPR, and a Notary Public in and for the County of Kane, State of Illinois, the officer before whom the foregoing proceedings were taken, do certify that the foregoing transcript is a true and correct record of the proceedings, that said proceedings were taken by me stenographically and thereafter reduced to typewriting under my supervision, and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 21st day of March, 2022.

My commission expires: October 16, 2025



Notary Public in and for the
State of Illinois