



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-03	BOARD MEETING: May 4, 2021	PROJECT NO: 20-044	PROJECT COST: \$61,142,058
FACILITY NAME: Quincy Medical Group		CITY: Quincy	
TYPE OF PROJECT: Substantive			HSA: III

PROJECT DESCRIPTION: The Applicants (Quincy Medical Group Hospital, Inc., Quincy Physicians & Surgeons, S.C. d/b/a Quincy Medical Group) propose to establish 28-bed hospital in Quincy, Illinois. The proposed hospital will have 25 med-surg beds and 3 obstetric beds and an emergency department. The cost of the project is \$61,142,058 and the expected completion date is September 30, 2025.

The purpose of the Illinois Health Facilities Planning Act is to establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and financial resources to adequately provide a proper service for the community; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process. (20 ILCS 3960/2)

Information received by the State Board regarding this project can be found at <https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Quincy-Medical-Group-Hospital,-Quincy--20-044.aspx> or in the packet of material forwarded to the Board Members.

The following information contained herein shall be considered an addendum to the State Board Report.

- The following criteria listed on page 6 and 7 of the State Board Staff Report (SBSR) shall be amended as follows:

Original Criteria	Amended Criteria
77 IAC 1110.530(c)(1) – Planning Areas Need(formula calculation)	77 Ill. Adm. Code 1100 (formula calculation)
77 IAC 1110.530(c)(2) – Service to Planning AreaResidents	77 IAC 1110.200 (b)(2) – Planning Area Need – Service to Planning Area Residents

77 IAC 1110.530(c)(3) - Service Demand Establishment of Bed Category of Service	77 IAC 1110.200 (b)(3) – Planning Area Need – Service Demand – Establishment of Category of Service
77 IAC 1110.530(c)(5) - Service Accessibility	77 IAC 1110.200 (b)(5) – Planning Area Need – Service Accessibility
77 IAC 1110.530(d), (1), (2) and (3) – Unnecessary Duplication of Service	77 IAC 1110.200 (c)(1) – Unnecessary Duplication of Services
77 IAC 1110.530(d) (2) – Maldistribution of Service	77 IAC 1110.200 (c)(2) – Maldistribution
77 IAC 1110.530 (d) (3) – Impact on Other Providers	77 IAC 1110.200 (c)(3) – Impact of Project on Other Area Providers
77 IAC 1110.3030 (c) (3) – Clinical Services Other than Categories of Services	77 IAC 1110.270 Clinical Services Other than Categories of Services

a. All other criteria not listed above remains the same.

2. Sub-Criterion Service to Planning Area Residents – 1110.200(b)(2)

Original SBSR Report (pg. 6, 18)	Amendment to SBSR
The geographical service area for this project is a 21- mile radius. Within that 21-mile radius the Applicants have identified 25 zip codes with a population of 97,280 residents. From within that 21-mile radius the physicians from Quincy Medical Group have referred 13,537 individuals in 2018 and 2019 for inpatient care or approximately 14% of the inpatient referrals for those two years came from within the 21-mile GSA. As evidence of serving the area residents the State Board requires at a minimum 50% of the patients must come from within the 21-mile GSA.	The geographical service area for this project is a 21- mile radius. Within that 21-mile radius the Applicants have identified 25 zip codes with a population of 97,280 residents. From within that 21-mile radius the physicians from Quincy Medical Group have referred 13,537 individuals in 2018 and 2019 for inpatient care or approximately 66% of the inpatient referrals for those two years came from within the 21-mile GSA. As evidence of serving the area residents the State Board requires at a minimum 50% of the patients must come from within the 21-mile GSA.

- a. Applicant provided Letter dated April 14, 2021, documenting inpatient referrals from QMG physicians in 2018 and 2019 within the 21-mile GSA. (Attachment 1)
- b. In accordance with 77 IAC 1110.200(b)(2), sub-criterion service to planning area residents shall be removed from Page 6 as a criteria for non-compliance.

3. Sub-Criterion Service Demand Establishment of Bed Category of Service –
1110.200(b)(3)

The number of beds proposed to establish a new category of service is necessary to accommodate the service demand experienced annually by the existing applicant facility over the latest 2-year period, as evidenced by historical and projected referrals, or, if the applicant proposes to establish a new hospital, the applicant shall submit projected referrals. An applicant proposing to establish a category of service or establish a new hospital shall submit the following:

- *Physician referral letters that attest to the physician's total number of patients (by zip code of residence) who have received care at existing facilities located in the area during the 12-month period prior to submission of the application;*
- *An estimated number of patients the physician will refer annually to the applicant's facility within a 24-month period after project completion. The anticipated number of referrals cannot exceed the physician's documented historical caseload;*
- *The physician's notarized signature, the typed or printed name of the physician, the physician's office address, and the physician's specialty; and*
- *Verification by the physician that the patient referrals have not been used to support another pending or approved CON application for the subject services.*

Original SBSR (pg. 6, 19)	Amendment to SBSR
<p>The Applicants have provided one referral letter documenting the historical referrals for CY 2018 and CY 2019. The Applicants are estimating they will refer approximately 3,144 patients to the proposed hospital by the second year of operation. (See Appendix A of the Application for Permit). The Applicant are estimating approximately 7,300 patient days. All the 2018 and 2019 historical inpatient referrals were to Blessing Hospital. In 2019 Blessing Hospital had 178 medical surgical beds and 25 obstetric beds with an average daily census of 119.7 and 6.6. This census justifies 141 medical surgical beds at the target occupancy of 85% and 9 obstetric beds at the target occupancy of 75%. The proposed 3,144</p>	<p>The Applicant has provided one referral letter documenting the historical referrals for CY 2018 and CY 2019. The Applicant is estimating referrals at approximately 3,144 patients to the proposed hospital by the second year of operation. The Applicant is estimating approximately 7,300 patient days. The most current census data justifies 142 medical surgical beds at the target occupancy of 85%.</p>

referrals to the new hospital can be accommodated at Blessing Hospital.	
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- b. The Applicant provided a referral letter within the permit application. *(See Appendix I – Physician Referral of the Application for Permit on pages 145-152).*
 - c. In accordance with 77 IAC 1110.200(b)(3), sub-criterion service demand establishment of bed category of service shall be removed as a criteria of non-compliance.
4. Sub-Criterion Service Accessibility – 1110.200(b)(5)

The Applicants shall document one of the restrictions below: *i) The absence of the proposed service within the planning area. ii) Access limitations due to payor status of patients, including, but not limited to, individuals with health care coverage through Medicare, Medicaid, managed care, or charity care; iii) Restrictive admission policies of existing provider; iv) The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, high infant mortality, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.*

Original SBSR (pg. 6, 19)	Amendment to SBSR
There is no absence of medical surgical or obstetric services in the E-05 Hospital Planning Area. There are two hospitals in the E-05 Hospital Planning Area: Blessing Hospital – Quincy and Memorial Association Hospital – Carthage providing medical surgical and obstetric services. Both hospitals are currently underutilized for medical surgical and obstetric services. No access limitations have been identified by the Applicants and no restrictive admission policies at either hospital has been provided by the Applicants. The area population and existing care system have not exhibited indicators of medical care problems. Finally, neither Hospital is at target occupancy for medical surgical or obstetric beds.	<p>The Applicant has provided information that the proposed facility will be within a health professional shortage area.</p> <p>There is no absence of medical surgical or obstetric services in the E-05 Hospital Planning Area. There are two hospitals in the E-05 Hospital Planning Area: Blessing Hospital – Quincy and Memorial Association Hospital – Carthage providing medical surgical and obstetric services. Both hospitals are currently underutilized for medical surgical and obstetric services. No access limitations have been identified by the Applicants and no restrictive admission policies at either hospital has been provided by the Applicants. The area population and existing care system have not exhibited indicators of medical care problems. Finally, neither Hospital is at target occupancy for medical surgical or obstetric beds.</p>

- a. The Applicant provided documentation the proposed hospital site is within a Health Professional Shortage Area (HPSA).
 - b. In accordance with 77 IAC 1110.200(b)(5), sub-criterion service accessibility shall be removed as a criteria of non-compliance.
5. Sub-Criterion Maldistribution of Service – 1110.200(c)(2)
- The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the identified area (within the planning area) has an excess supply of facilities, beds and services characterized by such factors as, but not limited to:
- A) A ratio of beds to population that exceeds one and one-half times the State average;
 - B) Historical utilization (for the latest 12-month period prior to submission of the application) for existing facilities and services that is below the occupancy standard established pursuant to 77 Ill. Adm. Code 1100; or
 - C) Insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above occupancy standards.

Original SBSR (pg.6)	Amendment to SBSR
There is no surplus of medical surgical or obstetric beds in the 21-mile GSA.	There is no surplus of medical surgical or obstetric beds in the 21-mile GSA. Maldistribution exists when the identified area (within the planning area) has an excess supply of facilities, beds and services characterized by such factors as insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above occupancy standards.

- 6. The SBSR shall be amended to reflect the facility name as stated in the application as Quincy Medical Group Hospital, a Not For Profit Corporation, organized in the State of Illinois.