



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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<b>DOCKET NO:</b> H-01	<b>BOARD MEETING:</b> July 27, 2021	<b>PROJECT NO:</b> 21-011	<b>PROJECT COST:</b>
<b>FACILITY NAME:</b> Physicians Surgical Centre		<b>CITY:</b> O'Fallon	Original: \$180,000
<b>TYPE OF PROJECT:</b> Non-substantive			<b>HSA: XI</b>

**PROJECT DESCRIPTION:** The Applicants (Haris Assets, LLC and O'Fallon Surgical Center LLC d/b/a Physician's Surgical Centre) proposes to add orthopedic surgical services to its current limited-specialty ambulatory surgical treatment center (ASTC) located at 741 Insight Avenue, O'Fallon, Illinois. The expected completion date is December 31, 2021, and the estimated project cost is \$180,000.

This Act shall 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.

## EXECUTIVE SUMMARY

### **PROJECT DESCRIPTION:**

- The Applicants (Haris Assets, LLC, and O’Fallon Surgical Center LLC d/b/a Physician’s Surgical Centre) propose to add orthopedic surgical services to its existing limited-specialty ambulatory surgical treatment center located at 741 Insight Avenue, O’Fallon. The project costs are \$180,000, and the expected completion date is December 31, 2021.
- The surgery center is under the ownership of Dr. Shakeel Ahmed, M.D. Dr Ahmed also own and operates MetroEast Endoscopic Surgery Center, Fairview Heights, a multi-specialty ASTC. MetroEast Endoscopic Surgery Center has a project before the State Board to establish orthopedic surgery services [Project #20-017].
- Physicians Surgical Centre currently provides the following surgical services: Gastro-Intestinal, Pain Management and Ophthalmology. The Applicants propose to add the Orthopedics

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The project is before the State Board because the project proposes a substantial change in scope as defined at 20 ILCS 3960/5.
- One of the objectives of the Health Facilities Planning Act is *“to assess the financial burden to patients caused by unnecessary health care construction and modification. Evidence-based assessments, projections and decisions will be applied regarding **capacity, quality, value, and equity** in the delivery of health care services in Illinois. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process.”* [20 ILCS 3960/2]

### **PURPOSE OF THE PROJECT:**

- The Applicants state: *“The primary purpose of this project is to improve access to this service for residents within the Applicants geographic service area and to increase utilization at PSC, which currently has capacity. Due to the ongoing COVID-19 Pandemic, the Ambulatory Surgery Center Association has urged the ASTCs to coordinate with local hospitals and health systems to perform elective procedures. As hospitals struggle to ensure sufficient capacity, ASTCs can serve as an alternative setting to provide care for patients who would suffer from a delay. Going forward, with the uncertainty of the lasting effects of the COVID-19 pandemic, it will be particularly important to have a non-hospital option for patients who are at high risk for severe COVID-19 illness, such as older adults or those with co-morbidities. Fortunately, orthopedic surgery cases can be safely and efficiently performed in an ASTC freestanding setting. By providing a non-hospital option for these surgical cases, the Applicant will improve patient safety”.*

### **PUBLIC HEARING/COMMENT:**

- A public hearing was offered but was not requested. Letters of support and opposition were received by the State Board. All the information for this project is included in the Board’s packet of information and also can be found at <https://www2.illinois.gov/sites/hfsrb/Projects/Pages/Physicians-Surgical-Center,-OFallon--21-011.aspx>

**SUMMARY:**

- To add a surgical specialty to an existing ASTC an applicant must demonstrate that the proposed surgical service to be added will serve the residents of the geographical service area; there is demand for the surgical service, the addition of the surgical service will improve service access; will not result in an unnecessary duplication of service and will meet an unmet need in the geographical service area. Under current State Board rule an existing licensed ASTC cannot add a surgical specialty unless that specialty is approved by the State Board.
- The Applicants stated the reason for the proposed project was based on increased efficiencies/access, patient convenience, and lower overall patient costs at an ASTC. In addition to the economic advantages, the Applicants also note the potential to alleviate surgical volume at hospitals located in the service area.
- Of the 45 historical referrals submitted by the Applicants 13 referrals or 29% reside within the 17-mile GSA. The Applicants have not demonstrated that 50% of the orthopedic referrals to the ASTC will be serving the patients of the 17-mile GSA.
- By rule the State Board can only accept referrals from IDPH licensed ASTC or Hospitals. The State Board can only accept 9 of the 45 historical referrals: 7 referrals from St. Joseph Hospital in Highland and 2 referrals from Anderson Hospital because these facilities are licensed by IDPH. The remaining 37 orthopedic procedures were performed in Missouri and these facilities are not licensed by IDPH. It appears that the identified demand can be accommodated with the existing capacity within the 17-mile GSA.

<b>State Board Standards Not Met</b>	
<b>Criteria</b>	<b>Reasons for Non-Compliance</b>
77 ILAC 1110.235 (c) (2) (B) – Service to Residents in the GSA	Of the 45 historical referrals 13 (29%) reside within the 17-mile GSA. The Applicants have not demonstrated that 50% of the orthopedic referrals to the ASTC will be serving the patients of the 17-mile GSA.
77 ILAC 1110.235 (c) (3) -Service Demand	The State Board can only accept 9 referrals: 7 referrals from St. Joseph Hospital in Highland and 2 referrals from Anderson Hospital because these facilities are licensed by IDPH. Given the small number of referrals it appears that identified demand can be accommodated with the existing capacity within the 17-mile GSA.
77 ILAC 1110.235 (c) (6) – Service Accessibility	There are existing ASTCs and Hospitals in the 17-mile GSA. One of the ASTCs has been approved to provide orthopedic surgery services in the 17-mile GSA – Anderson Surgical Center. All the hospitals in the 17-mile GSA have the capacity to accommodate the demand identified by this application.
77 ILAC 1110.235 (c) (7) – Unnecessary Duplication of Service	There is existing capacity in the 17-mile GSA can accommodate the workload identified by this Application. A duplication of service will result should this project be approved.

**STATE BOARD STAFF REPORT**  
**Project #21-011**  
**Physicians Surgical Centre, O’Fallon**

<b>APPLICATION/SUMMARY CHRONOLOGY</b>	
Applicant(s)	O’Fallon Surgical Center LLC d/b/a Physician’s Surgical Centre and Haris Assets, LLC
Facility Name	Physicians Surgical Centre
Location	741 Insight Avenue, O’Fallon, Illinois
Permit Holder	O’Fallon Surgical Centre, LLC
Operating Entity/Licensee	O’Fallon Surgical Centre, LLC
Owner of Site	Haris Assets, LLC
Gross Square Feet	N/A
Application Received	April 5, 2021
Application Deemed Complete	April 7, 2021
Financial Commitment Date	December 31, 2021
Anticipated Completion Date	December 31, 2021
Review Period Ends	June 6, 2021
Review Period Extended by the State Board Staff?	No
Can the Applicant request a deferral?	Yes
Expedited Review	No

**I. Project Description**

The Applicants (Haris Assets, LLC, and O’Fallon Surgical Center LLC d/b/a Physician’s Surgical Centre) propose to add orthopedic surgical services to its current limited-specialty ambulatory surgical treatment center located at 741 Insight Avenue, O’Fallon, Illinois. No modernization/construction will occur, no operating rooms will be added, and the project costs are \$180,000. The expected completion date is December 31, 2021.

**II. Summary of Findings**

- A. State Board Staff finds the proposed project is **not** in conformance with all relevant provisions of Part 1110 (77 ILAC 1110).
- B. State Board Staff finds the proposed project is in conformance with Part 1120 (77 ILAC 1120).

**III. General Information**

The Applicants propose to add orthopedic surgical services to its current limited-specialty ambulatory surgical treatment center (ASTC). The existing ASTC includes one procedure rooms, two Stage 1 recovery stations and two Stage 2 recovery stations and provides gastro-intestinal and pain management services. The proposed project will not introduce additional rooms to the facility, project costs total \$180,000, and the expected completion date is December 31, 2021.

Physicians Surgical Centre is located at 741 Insight Avenue, O'Fallon. The surgery center is under the ownership of Dr. Shakeel Ahmed, M.D. Dr Ahmed also own and operates MetroEast Endoscopic Surgery Center, Fairview Heights, a multi-specialty ASTC.

The proposed project is a non-substantive project subject to a Part 1110 review. Part 1120 review is not applicable due to the absence of project costs.

**IV. Project Uses and Sources of Funds**

The Applicant a adding the orthopedic surgical specialty, the project will not result in any construction, alteration, or modification of the existing building. The \$180,000 in identified project costs is for moveable equipment.

## V. Background of the Applicant

### A) Criterion 1110.110(a) – Background of the Applicant

*An Applicant must demonstrate that it is fit, willing and able, and has the qualifications, background, and character to adequately provide a proper standard of health care service for the community.* To demonstrate compliance with this criterion the Applicant must provide

- A) A listing of all health care facilities currently owned and/or operated by the Applicant in Illinois or elsewhere, including licensing, certification, and accreditation identification numbers, as applicable.
- B) A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
- C) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide the authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.
- D) An attestation that the Applicant have had no *adverse action*<sup>1</sup> taken against any facility they own or operate, or a listing of adverse action taken against facilities the Applicant own.

1. The Applicants supplied a list containing 2 facilities under the ownership of the Applicant. The Applicant provided a letter (application p. 50), serving as attestation that there has been no adverse action taken against facilities owned by Applicant during the three (3) years prior to filing the application.
2. The Applicant's letter on Page 50 also contains authorization permitting the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health to have access to any documents necessary to verify information submitted in connection to the Applicant's certificate of need to add surgical specialties. The authorization includes but is not limited to official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.
3. The site is owned by Haris Assets, LLC, and evidence of this can be found at pages 32-41 of the application for permit.
4. Compliance with Executive Order #2006-05 and the Illinois State Agency Historic Resources Preservation Act/Flood Plains Act is inapplicable to the application for permit, because no new construction will occur.
5. Certificates of Good Standing from the State of Illinois has been provided at pages 29 and 30 of the Application for Permit. License and accreditation are provided at pages 51 through 53 of the Application for Permit.

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<sup>1</sup>Adverse action is defined as a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations." (77 IAC 1130.140)

**VI. Purpose of Project, Safety Net Impact Statement and Alternatives**

The following three (3) criteria are informational; no conclusion on the adequacy of the information submitted is being made.

**A) Criterion 1110.110 (b) Purpose of the Project**

To demonstrate compliance with this criterion the Applicant must document that the project will provide health services that improve the health care or well-being of the market area population to be served.

The Applicants state the purpose of the proposed project *“is to improve access to this service for residents within the Applicants geographic service area and to increase utilization at PSC, which currently has capacity. By providing a non-hospital option for these surgical cases, the Applicant will improve patient safety”*.

**B) Criterion 1110.110 (c) - Safety Net Impact Statement**

This project is a non-substantive project and a safety net impact statement is not required. The Applicants reported no Charity Care data for Center for the two facilities under ownership/management of the Applicants (see Table One).

<b>TABLE ONE</b>			
<b>Charity Care Information</b>			
<b>Physician’s Surgical Centre</b>			
	2017	2018	2019
Net Patient Revenue	\$5,664,920	\$845,302	\$48,802
Amount of Charity Care (Charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

**C) Criterion 1110.110 (d) - Alternatives to the Project**

To demonstrate compliance with this criterion the Applicant must document all alternatives to the proposed project that were considered.

The Applicant considered three alternatives in regard to this project, to include the option chosen.

**1) Maintain Status Quo/Do Nothing**

This option would have the applicant continue in the provision of gastroenterology, pain management, and ophthalmology services at Physicians Surgical Center, leaving orthopedic procedures to be performed in one of the existing ASTCs operating in the 17-mile general service area, and at area hospitals. This option was rejected because it would not increase patient access to orthopedic surgical services or relieve operational capacity at hospitals in the service area. No project costs were identified with this alternative.

**2) Utilize Other Health Care Facilities**

The Applicants initially considered the option of utilizing other surgical facilities but realized only one other ASTC in the service area (Edwardsville Ambulatory Surgery

Center), provided orthopedic surgical services, which would not alleviate the utilization capacities at area hospitals. This option was rejected, based on a need to increase access at the existing facility, and the need to relieve operational capacity at area hospitals. There were no project costs identified with this alternative.

### **3) Proposed Alternative**

The Applicants chose the alternative to add the orthopedic surgical specialty, based on increased efficiencies/access, patient convenience, and lower overall patient costs. In addition to the economic advantages, the Applicants note the potential to alleviate surgical volume at hospitals located in the service area.

## **VIII. Project Scope and Size, Utilization and Assurances**

### **A) Criterion 1110.120 (a) - Size of Project**

**To demonstrate compliance with this criterion the Applicant must document that the proposed size of the project is in compliance with the State Board Standard in Part 1110 Appendix B.**

The Applicants propose to add orthopedic surgical specialty to an existing limited-specialty ASTC containing two Procedure Rooms, and six recovery stations. No new construction will occur, no space will be modernized, and the entirety of the project cost (\$180,000), will be used for the purchase/installation of moveable equipment. It appears this criterion is inapplicable to the proposed project.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF PROJECT (77 ILAC 1110.120 (a))**

### **B) Criterion 1110.120(b) – Projected Utilization**

**To demonstrate compliance with this criterion the Applicant must document that the facility will be at target occupancy as specified in Part 1110.**

The proposed project seeks to alleviate potential overutilization of hospital-based surgical services by adding an orthopedic surgical specialty to an existing limited-specialty ASTC. The proposed addition will redesignate the ASTC as multi-specialty. The Physicians Surgical Centre performed 61 total procedures (36 hours) (2019 IDPH hospital survey), and projects there to be 16 additional referrals (24.2 hours), due to the addition of orthopedics. It appears that the Applicants have successfully addressed this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC 1110.120(b))**

### **C) Criterion 1110.120(e) – Assurances**

**To demonstrate compliance with this criterion the Applicant must document that the proposed project will be that by the end of the second year of operation after project completion, the Applicant will meet or exceed the utilization standards specified in Appendix B.**



As documented above the State Board does not have utilization standards for the addition of surgical specialties to an existing ASTC. The Applicant attests the proposed project does not involve additional surgical suites or shell space. The Applicant has successfully addressed this criterion.

**STATE BOARD STANDARD IS IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC 1110.120(e))**

**VIII. Non-Hospital Based Ambulatory Surgical Treatment Center Services**

**A) Criterion 1110.235(a) - 77 Ill. Adm. Code 1100 (Formula Calculation)**

As stated in 77 Ill. Adm. Code 1100, no formula need determination for the number of ASTCs and the number of surgical/treatment rooms in a geographic service area has been established. Need shall be established pursuant to the applicable review criteria of this Part.

**B) Criterion 1110.235(c) (2) (B) (i) & (ii) - Service to Geographic Service Area Residents**

To demonstrate compliance with this criterion the Applicant must document that the primary purpose of the project will be to provide necessary health care to the residents of the geographic service area (GSA) in which the proposed project will be physically located.

- i) The Applicant must provide a list of zip code areas (in total or in part) that comprise the GSA. The GSA is the area consisting of all zip code areas that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the project's site.
- ii) The Applicant must provide patient origin information by zip code for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the GSA. Patient origin information shall be based upon the patient's legal residence (other than a health care facility) for the last 6 months immediately prior to admission.

The Applicants identified a 17-mile geographic service area (“GSA”) for its patient base, consisting of 35 zip codes, and a population of 412,277 residents. The Table below identifies the patient origin by zip code of residence for the prior 12-month period for the referring physician. Of these 45 historical referrals 13 (29%) reside within the 17-mile GSA. The Applicants have not demonstrated that 50% of the orthopedic referrals will be coming from the 17-mile GSA.

<b>TABLE TWO</b>			
Physician Historical Referrals by Zip of Patient Residence			
Zip Code	City	#	Miles from Facility
62269	O'Fallon	1	0
62294	Troy	2	9.8
62281	St. Jacob	2	14.6
62293	Trenton	3	14.7
62265	New Baden	4	16.3
62062	Maryville	1	16.8
62216	Aviston	2	19.2

<b>TABLE TWO</b>			
<b>Physician Historical Referrals by Zip of Patient Residence</b>			
<b>Zip Code</b>	<b>City</b>	<b>#</b>	<b>Miles from Facility</b>
62215	Albers	3	19.4
62040	Granite City	2	21.5
62249	Highland	4	22.7
62230	Breese	2	22.8
62025	Edwardsville	1	23.8
62218	Bartelso	1	27.5
62231	Carlyle	5	31.9
62275	Pocahontas	1	34.3
62088	Staunton	1	34.4
62803	Hoyleton	1	38.4
62246	Greenville	2	39.1
62284	Smithboro	2	47.3
62471	Hagarston	1	58.5
62865	Mulkeytown	1	82.3
62901	Carbondale	1	87.1
62822	Christopher	1	89.5
62906	Anna	1	126.7
Total		45	

**C) Criterion 1110.235(c)(3)(A) & (B) - Service Demand – Establishment of an ASTC Facility or Additional ASTC Service**

To demonstrate compliance with this criterion the Applicant must document that the proposed project is necessary to accommodate the service demand experienced annually by the Applicant, over the latest 2-year period, as evidenced by historical and projected referrals. The Applicant shall document the information required by subsection (c) (3) and either subsection (c) (3) (B) or (C):

**A) Historical Referrals**

The Applicant shall provide physician referral letters that attest to the physician's total number of treatments for each ASTC service that has been referred to existing IDPH-licensed ASTCs or hospitals located in the GSA during the 12-month period prior to submission of the application. The documentation of physician referrals shall include the following information:

- i) patient origin by zip code of residence.
- ii) name and specialty of referring physician.
- iii) name and location of the recipient hospital or ASTC; and
- iv) number of referrals to other facilities for each proposed ASTC service for each of the latest 2 years.

The referring physician performed 45 surgeries over the past 12-months in the facilities listed below. Two of the facilities are in Illinois, Anderson Hospital and St. Joseph Hospital and are licensed by IDPH. The Applicants are proposing to shift 16 of these referrals to the Surgery Center in O’Fallon. By rule the State Board can only accept 9

referrals: 7 referrals from St. Joseph Hospital in Highland and 2 referrals from Anderson Hospital because these facilities are licensed by IDPH. Given the small number of referrals it appears that identified demand can be accommodated with the existing capacity within the 17-mile GSA.

TABLE THREE Referring Physician location of Orthopedic Surgery past 12-months			
Facility	City	Total Cases	Proposed Referrals
Advanced Surgical Center of Sunset Hills	Sunset Hills, Missouri	7	3
Anderson Hospital	Maryville, Illinois	2	2
Apollo Surgery Center	St. Louis, Missouri	3	2
Elite Ambulatory Surgery Center	St. Louis, Missouri	3	2
St. Joseph's Hospital	Highland, Illinois	25	7
St. Louis Spine & Orthopedic Surgery Center	St. Louis, Missouri	5	0
Total		45	16

**D) Criterion 1110.235(c)(5)(A) & (B) - Treatment Room Need Assessment**

A) To demonstrate compliance with this criterion the Applicant must document that the proposed number of surgical/treatment rooms for each ASTC service is necessary to service the projected patient volume. The number of rooms shall be justified based upon an annual minimum utilization of 1,500 hours of use per room, as established in 77 Ill. Adm. Code 1100.

B) For each ASTC service, the Applicant must provide the number of patient treatments/sessions, the average time (including setup and cleanup time) per patient treatment/session, and the methodology used to establish the average time per patient treatment/session (e.g., experienced historical caseload data, industry norms or special studies).

The surgery center has one procedure room and its 2019 utilization justifies the one procedure room. The Applicant has met this requirement.

**E) Criterion 1110.235(c)(6) – Service Accessibility**

The proposed ASTC services being established or added are necessary to improve access for residents of the GSA. The applicant shall document that at least one of the following conditions exists in the GSA:

A) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project.

B) The other IDPH-licensed ASTC and hospital surgical/treatment rooms used for those ASTC services proposed by the project within the identified GSA are utilized at or above the utilization level specified in 77 Ill. Adm. Code 1100.

C) The ASTC services or specific types of procedures or operations that are components of an ASTC service are not currently available in the GSA or that existing underutilized services in the GSA have restrictive admission policies.

D) The proposed project is a cooperative venture sponsored by 2 or more persons, at least one of which operates an existing hospital. Documentation shall provide evidence that:

i) The existing hospital is currently providing outpatient services to the population of the subject GSA.

ii) The existing hospital has sufficient historical workload to justify the number of surgical/treatment rooms at the existing hospital and at the proposed ASTC, based upon the treatment room utilization standard specified in 77 Ill. Adm. Code 1100.

iii) The existing hospital agrees not to increase its surgical/treatment room capacity until the proposed project's

There are existing seven (7) IDPH licensed ASTC including the Applicants within the 17-mile GSA [Table Four]. Under current State Board rule an existing ASTC must receive approval from the State Board to add a surgical specialty. One ASTC in the 17-mile GSA has been approved to provide orthopedic surgical services – Anderson Surgery Center. Anderson Surgery Center was license 7/23/2021. The remaining six ASTCs have not been approved to add this specialty. As seen in the Table Five below all the hospitals have existing capacity to accommodate the workload identified by this project. All the hospitals performed orthopedic procedures in 2019. Finally, the proposed application is not a cooperative venture with a hospital.

<b>TABLE FOUR</b>				
ASTCs within the 17-mile GSA				
Physician's Surgical Center	O'Fallon	0	1	
Skin Cancer Surgery Center	O'Fallon	1.1	1	NA
MetroEast Endoscopy Surgery Center	Fairview Heights	5.8	2	1,351
Eye Surgery Center, LLC	Belleville	6	4	2,728
Bel-Clair Ambulatory Surgical Center	Belleville	9	2	691
Novamed Eye Surgery Center of Maryville	Maryville	13.6	1	1,196
Anderson Surgery Center	Edwardsville	16.9	3	NA
Total Rooms			14	

<b>TABLE FIVE</b>								
Hospitals within the 17-mile GSA								
Hospitals	City	Miles	OR	Hours	OR's Justified	Procedure Rooms	Hours	Procedure Rooms Justified
HSHS St Elizabeth's Hospital	O'Fallon	0.8	10	13,329	8.89	4	5,990	3.99
Memorial Hospital	Shiloh	2	4	3,578	2.39	2	160	0.11
Memorial Hospital	Belleville	7.8	18	11,558	7.71	15	3,085	2.06
Touchette Regional Hospital	Centreville	13.6	4	650	0.43	2	242	0.16
Anderson Hospital	Maryville	14.5	9	8,897	5.93	2	1,630	1.09
Total Rooms			45	38,012		25	11,107	

**F) Criterion 1110.235 (c) (7) - Unnecessary Duplication/Maldistribution**

A) The applicant shall document that the project will not result in an unnecessary duplication. The applicant shall provide the following information for the proposed GSA zip code areas identified in subsection (c)(2)(B)(i):

- i) the total population of the GSA (based upon the most recent population numbers available for the State of Illinois); and
- ii) the names and locations of all existing or approved health care facilities located within the GSA that provide the ASTC services that are proposed by the project.

B) The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the GSA has an excess supply of facilities and ASTC services characterized by such factors as, but not limited to:

- i) a ratio of surgical/treatment rooms to population that exceeds one and one-half times the State average.
- ii) historical utilization (for the latest 12-month period prior to submission of the application) for existing surgical/treatment rooms for the ASTC services proposed by the project that are below the utilization standard specified in 77 Ill. Adm. Code 1100; or

iii) insufficient population to provide the volume or caseload necessary to utilize the surgical/treatment rooms proposed by the project at or above utilization standards specified in 77 Ill. Adm. Code 1100.

C) The applicant shall document that, within 24 months after project completion, the proposed project:

i) will not lower the utilization of **other area providers** below the utilization standards specified in 77 Ill. Adm. Code 1100; and

ii) will not lower, to a further extent, the utilization of other GSA facilities that are currently (during the latest 12-month period) operating below the utilization standards.

There is a total of 84 operating/procedure rooms in the 17-mile GSA. The ratio of operating/procedure rooms per thousand population in the 17-mile GSA is .2035 per thousand population. The ratio of operating/procedure rooms per thousand population in the State of Illinois is .2083 per thousand population. To have a maldistribution of operating/procedure rooms the ratio would need to be 1.5 times the State of Illinois ratio. There is no maldistribution of operating/procedure rooms in this 17-mile GSA.

The Applicant is proposing to remove 7 surgical cases from St. Joseph Hospital in Highland-a critical access hospital and 2 surgical cases from Anderson Hospital in Maryville. Both hospitals are currently operating below the 1,500 hours per operating/procedure rooms.

The approval of the orthopedic surgery services at the ASTC will result in a lowering of the utilization of the operating rooms at the two hospitals in the area [Table Six].

Hospital	City	Miles	Operating Rooms	Hours	Operating Rooms Justified
St. Joseph Hospital	Highland	23.5	3	1,443	1
Anderson Hospital	Maryville	12.6	9	8,897	6

**G) Criterion 1110.235(c)(8)(A) & (B) - Staffing**

**A) Staffing Availability**

To demonstrate compliance with this criterion the Applicant must document that relevant clinical and professional staffing needs for the proposed project were considered and that the staffing requirements of licensure and The Joint Commission or other nationally recognized accrediting bodies can be met. In addition, the Applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

**B) Medical Director**

It is recommended that the procedures to be performed for each ASTC service are under the direction of a physician who is board certified or board eligible by the appropriate professional standards organization or entity that credentials or certifies the health care worker for competency in that category of service.

Physicians Surgical Centre anticipates the satisfactory provision of services using existing staff and notes the ASTC is staffed in accordance with IDPH and Medicare staffing requirements.

**H) Criterion 1110.235(c)(9)-Charge Commitment**

In order to meet the objectives of the Act, which are *to improve the financial ability of the public to obtain necessary health services; and to establish an orderly and comprehensive health care delivery system that will guarantee the availability of quality health care to the general public; and cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process* [20 ILCS 3960/2], the Applicant must submit the following:

- A) a statement of all charges, except for any professional fee (physician charge); and
- B) a commitment that these charges will not increase, at a minimum, for the first 2 years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).

A list of procedures by primary CPT code for the proposed new orthopedic specialty with the maximum charge has been provided as required (application page 73) and attests that the charges for these procedures will not increase in the two years following project completion. The Applicants have met the requirements of this criterion.

**I) Criterion 1110.235(c)(10)(A) & (B) - Assurances**

To document compliance with this criterion

- A) The Applicant must attest that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.
- B) The Applicant shall document that, in the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100. Documentation shall include, but not be limited to, historical utilization trends, population growth, expansion of professional staff or programs (demonstrated by signed contracts with additional physicians) and the provision of new procedures that would increase utilization.

The Applicants attest that a peer review program exists, and the added surgical specialty will aid in the achievement and maintenance of sufficient operational capacities to satisfy the State standard by the second year after project completion.

**IX. Financial Viability**

**A) Criterion 1120.120 – Availability of Funds**

**B) Criterion 1120.130 - Financial Viability**

The Applicant notes the project seeks to add one surgical specialty, changing the designation from limited specialty to multi-specialty. No new construction will occur, and the entirety of the project funding will be used for the purchase of moveable equipment.

**X. Economic Feasibility**

**A) Criterion 1120.140(a) –Reasonableness of Financing Arrangements**

**B) Criterion 1120.140(b) – Conditions of Debt Financing**

**C) Criterion 1120.140 (c) – Reasonableness of Project Costs**

**D) Criterion 1120.140(d) – Projected Direct Operating Costs**

**E) Criterion 1120.140(e) – Total Effect of the Project on Capital Costs**

The Applicants are adding orthopedics surgical specialty to an existing ASTC, with no construction/modernization costs. The Applicants identified \$180,000 in project costs and attribute these costs to the purchase of moveable equipment. The Applicants are funding the project in its entirety with cash and securities; therefore, these criteria are inapplicable.

April 27, 2021

Dr. Shakeel Ahmed  
Chief Executive Officer  
Physicians' Surgical Centre  
741 Insight Avenue  
O'Fallon, Illinois 62269

Dear Dr. Ahmed:


This is a letter of support for Physicians' Surgical Centre and your application to add Orthopedic surgery and consultations to the existing specialties of Ophthalmology and Pain Management to your ambulatory surgery center. As we continue to navigate through the pandemic, patients need to have options for procedures offered in alternative settings and not be required or forced to rely solely on Hospitals as the place for procedures. In these times patients need an option which is safer and cost effective for all procedures. Beyond the pandemic it is just as critical for patients and primary care providers to have options available where patients can be seen efficiently and safely and get the care they need, at a fraction of the cost. We continue to support your efforts to expand services and provide access to all who desire alternatives.

Chestnut Health Systems is a federally qualified health center, (FQHC) providing services in several local communities with serious health disparities. Access to all services, including orthopedic care, is important to all families we serve. Access to affordable services, especially specialty care, is also important for families and individuals to ensure all of their healthcare needs are met. As an FQHC, Chestnut Health Systems provides primary healthcare, including dental services, behavioral health and OB/GYN care. Having surgical services provided at ambulatory surgery centers, like Physicians' Surgical Centre, allows our clients to have quality as well as much more affordable care options.

As a provider that cares for persons with chronic medical and behavioral health conditions Chestnut Health Systems is committed to ensure our families are provided the best choices to access all levels of care including the current services and proposed Orthopedic Services at your center. We congratulate you on the addition of Ophthalmology and Pain Management services at PSC.

Again, we hope you are successful in this venture. You have our full support. Please contact me if I can be of further assistance.

Sincerely,

  
Orville Mercer  
Vice President of Strategy & Innovation  
Chestnut Health Systems

50 Northgate Industrial Drive  
Granite City, Illinois 62040-6852

Phone: (618) 877-4420 TTY: (618) 877-9920  
Fax: (618) 877-9250 (Client Records)



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SPRINGFIELD OFFICE:  
300 CAPITOL BUILDING  
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COMMITTEES:  
APPROPRIATIONS - CAPITAL  
HIGHER EDUCATION  
JUDICIARY - CIVIL  
JUDICIARY - CRIMINAL  
LABOR AND COMMERCE  
PUBLIC UTILITIES

**JAY C. HOFFMAN**  
ASSISTANT MAJORITY LEADER  
STATE REPRESENTATIVE • 113TH DISTRICT

April 20, 2021

Illinois Health Facilities and Services Review Board  
525 W. Jefferson Street  
2<sup>nd</sup> Floor  
Springfield, IL 62761

To Whom It May Concern:

I am writing in support of the addition of Orthopedic Surgery to the Physicians Surgical Centre, in O'Fallon. Physicians Surgical Center successfully added ophthalmology and pain management services in 2020 and is requesting adding orthopedic services.

Families in my District, 113, and those seeking medical services that live outside the District, are looking for affordable and high-quality healthcare for themselves and their families. PSC has provided those services and continues to be accredited by the Joint Commission based on the quality of services it delivers. Even with insurance coverage, deductibles and co-pays can be devastating to a family's budget. The board's approval of Orthopedic Surgery to the services at PSC, improves patient access, patient choice, and ensures quality outcomes at lower costs. Orthopedic Surgery would be a welcome addition to the services PSC is already providing. The savings patients realize by choosing an ambulatory surgery center are also savings realized by insurers, which help contain the rising costs of healthcare.

PSC provides great care, and I am very excited that constituents will have access to orthopedic services at PSC, with a positive decision from the Board.

My office is in full support of the addition of Orthopedic Surgery to Physician Surgical Centre and appreciates the services already provided at the center.

Sincerely,

A handwritten signature in blue ink, appearing to be "Jay C. Hoffman".

Jay C. Hoffman  
State Representative  
113<sup>th</sup> District



Office of State Senator Christopher Belt

Senator Christopher Belt  
57<sup>th</sup> Senate District

M118 State Capitol  
Springfield, IL 62706  
217-782-5399

April 19, 2021

Illinois Facilities and Healthcare Review Board  
525 W. Jefferson Street  
2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Chair Savage et al:

I am writing in support of the addition of Orthopedic Surgery to the Physician's Surgical Centre, (PSC) in O'Fallon. PSC has been a benchmark of medical care and continues to provide excellent patient care here in the Metro East, for many of the constituents served in my district.

The socio-economic status in District 57, ranges from families living below the federal poverty level to those living 200 percent above the federal poverty level. Regardless of socio-economic status of the families I serve, quality, affordable healthcare, is desired by everyone seeking orthopedic medical services. Cost of healthcare continues to be an extremely important topic of conversation of both consumers and payers of healthcare services. The quality of care provided by PSC is without question excellent care. The care provided at PSC is also more affordable for both consumer and the insurers. My office is in full support the addition of Orthopedic Surgery to PSC and appreciates the services already provided at facility.

The families in my district demand both quality and cost-effective alternatives for all of the healthcare services they require. Physicians Surgical Centre provides both. We look forward to a favorable decision in adding Orthopedic services to the scope of services at PSC.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Belt", with a long horizontal flourish extending to the right.

Christopher Belt  
Illinois State Senator  
57<sup>th</sup> District—Illinois



April 20, 2021

Illinois Health Facilities and Services Review Board  
525 W. Jefferson St., Second Floor  
Springfield, IL 62761

Dear Services Review Board:

I would like to offer my support for the expansion of orthopedic services to the Physicians' Surgical Centre. As we are all well aware, Physicians' Surgical Centre has a track record of providing convenient, cost saving and quality care to the indigent population of Southwest Illinois for more than 20 years. In its new location it is even better poised to provide much needed care to patients who in many cases are underinsured and/or underserved, thus have care and referral access issues. Therefore, these patients do not have the same quality of care and support that patients with commercial insurances have experienced.

As we are well aware the Physicians' Surgical Center and its affiliates are the largest specialty provider of healthcare to federally qualified patient's in Southwestern Illinois, even eclipsing the services provided by all local hospitals. This is an astonishing and noteworthy accomplishment. Therefore, I applauded and offer my enthusiastic support for the addition of Orthopedic services as I did for Ophthalmology and Pain Management to the center in O'Fallon, Illinois.

The majority of patients served in my practice are covered by one of the Medicaid plans. Many times when trying to refer a patient to specialists and hospitals for screening procedures or surgeries the patient's insurance coverage is a road block to access services. Because Physician's Surgical Centre has provided more timely consultations this has prevented delays in care. I have referred numerous patients to PSC in the past and look forward to referring patients to the Physicians' Surgical Center for orthopedic consults and surgeries in the future. The addition of orthopedics as a specialty service at PSC allows me to serve my patients and families more efficiently and prevent needless delays complicated by travel outside of their own community for specialty care.

I overwhelmingly endorse and support the proposal to add orthopedic services to Physicians' Surgical Centre.

Sincerely,

A handwritten signature in black ink that reads 'Magner, M.D.' in a cursive style.

John Magner, M.D.

Family Medicine PCP, SIHF Healthcare  
Fellow, American Academy of Family Physicians  
Clinical Assistant Professor, Department of Family and Community Medicine,  
St. Louis University School of Medicine, St. Louis, Missouri  
Medical Director, St. Clair County Health Department, Belleville, Illinois

Illinois Facilities and Healthcare Review Board

525 West Jefferson St.

2nd Floor,

Springfield, IL, 62761

To Whom It May Concern

This is to lend my support to O'Fallon surgical center for the addition of a new specialty add there of location. As a current patient of the practice, I am well aware of the cost savings and efficiency that a surgery center provides to patients compared to larger institutions. Not only do patients get better care more expeditiously at a surgery center, the risk of infection and with current time status of Covid infections is also reduced significantly at these facilities. I feel that Orthopedic Surgeon. would be a great addition to the center and I lend my support to it.

Yours truly,

A handwritten signature in black ink that reads "Billeejon Biederer". The signature is written in a cursive, flowing style.

Billeejon Biederer

Illinois Facilities and Healthcare Review Board

525 West Jefferson St.

2nd Floor,

Springfield, IL. 62761

To Whom It May Concern:

It is my pleasure to lend my support to O'Fallon surgical center for the addition of a new specialty to their location. As a current patient of the practice, I am well aware of the cost savings and efficiency that a surgery center provides to patients compared to larger institutions. Not only do patients get better care more expeditiously at a surgery center, the risk of infections including Covid infections is also reduced significantly at these facilities. I feel that Orthopedic Surgery would be a great addition to the center and I lend my support to it.

Yours Truly,

A handwritten signature in cursive script that reads "Tara Cramer".

TARA Cramer

Illinois Facilities and Healthcare Review Board  
525 w. Jefferson Street  
2<sup>nd</sup> floor  
Springfield, IL 62761

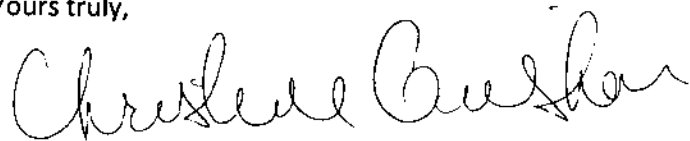
To whom it may concern:

I would like to lend my support to Centre for Gastrointestinal Health and O'Fallon Surgical Center for their effort to add orthopedic surgery care to their surgery center. As a patient of the center, I have experienced outstanding patient care.

Orthopedic patients are a special care population and the availability of surgical care at the surgery center to them would be a great boost to their care.

Good luck to O'Fallon Surgical Center

Yours truly,

A handwritten signature in cursive script that reads "Christine Grisham".

Christine Grisham

Illinois Facilities and Healthcare Review Board,

525 West Jefferson St.

2nd Floor,

Springfield, IL, 62761.

To Whom It May Concern:

Please accept this as my letter of support for O'Fallon surgical center to add orthopedic surgery as a new specialty. I am a patient of Centre for Gastrointestinal Health and it's affiliated surgical centers. I have nothing but the best words to describe the patient care that I receive at their facilities. The addition of orthopedic surgery to their center would bring a much needed specialty care to the people of O'Fallon. I wholeheartedly support this endeavor. Good luck to them.

Sincerely,

A handwritten signature in black ink that reads "Robert Nebelsick". The signature is written in a cursive style with a prominent flourish at the end.

Robert Nebelsick



HSHS St. Joseph's Hospital  
Breese

July 6, 2021

HSHS St. Mary's Hospital  
Decatur

*Via Electronic Delivery*

HSHS St. Anthony's Memorial Hospital  
Effingham

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

HSHS Holy Family Hospital  
Greenville

HSHS St. Joseph's Hospital  
Highland

HSHS St. Francis Hospital  
Litchfield

**Re: Project #21-011, Physicians' Surgical Centre, O'Fallon**

HSHS St. Elizabeth's Hospital  
O'Fallon

**Opposition Statement of HSHS**

HSHS Good Shepherd Hospital  
Shelbyville

Dear Ms. Avery:

HSHS St. John's Hospital  
Springfield

On behalf of the Hospital Sisters Health System ("HSHS") and HSHS St. Joseph Hospital Highland ("Highland"), a 25-bed Critical Access Hospital, I respectfully submit this objection to the CON application Project #21-011, Physicians' Surgical Centre, O'Fallon. Like its predecessor project, MetroEast Endoscopic Surgery Center, #20-017, which the Review Board unanimously voted against, this project also seeks to add orthopedic surgery services to a limited specialty endoscopy center in the MetroEast area.

St. John's College of Nursing  
Springfield

The prior project, #20-017, received *no* votes for approval at the Review Board meeting on September 22, 2020. In response to the Intent to Deny on Project #20-017, the applicant advised that its only referring physician was no longer supporting the project and was withdrawing all prior patient referrals to it. For reasons unknown, the applicant is still allowing that project to proceed to the Board for a vote at the July 27, 2021 meeting notwithstanding that it has no physician referrals and the applicant failed to respond to any of the negative findings upon which the Intent to Deny was based, thereby providing the Review Board with no basis in the record for approving the project.

Project #21-011, Physicians' Surgical Centre, is owned and operated by the same interested party that owns and operates MetroEast Endoscopic Surgery Center and is simply a second attempt to obtain what the Review Board unanimously rejected in the prior project. Like the prior project, Project #21-011 should also be denied as it unnecessarily duplicates existing services, does not improve access, and fails to provide the claimed cost savings.

**Project #21-011 is an Unnecessary Duplication of Services:** The stated purpose of the Illinois CON process, as set forth in the Health Facilities Planning Act, is to establish a procedure that "avoids unnecessary duplication of [healthcare]



facilities and promotes the development of facilities “in areas where the health planning process has identified unmet needs.” There is no identified unmet need for additional orthopedic surgery services in the Metroeast area and, as the Review Board determined on the applicant’s first CON application, this project also constitutes an unnecessary duplication of services.

The Board’s staff found that the original application constituted an unnecessary duplication of services because the area has six hospitals and a surgery center that all provided the same orthopedic surgery services. In addition, the Review Board previously approved another new surgery center in Edwardsville, which is included within the designated service area. All providers have excess surgical capacity and none were operating at the Review Board’s target utilization levels which are minimum levels determined by the Board and designed to be a “measure of service capability and efficient operation” of health care services. 77 Ill. Adm. Code 1100.370(a). Given that the locations of the applicant’s two surgery centers are only three miles apart (the first in Fairview Heights and the second in O’Fallon) the same six hospitals and surgery centers are available to residents of the area. The current project is just as much an unnecessary duplication of services as the first one.

**Project #21-011 will Not Improve Access to Care:** The Review Board’s regulations require an applicant seeking to add services to an existing surgery center to document that the services “are necessary to improve access” for residents of the area. The Board has identified five indicators of need for additional services to improve access and only requires an applicant to document that one of the five exists. On the first page, the Board’s staff found that the applicant could not identify even one of the five factor, and none exist on this second application. The factors are: (1) there are no other surgery centers in the service area, (2) all area surgery centers and hospitals are operating at target utilization levels, (3) existing providers do not provide the proposed service, (4) patients cannot access existing providers due to restrictive admission policies, and (5) the project is a joint venture with an existing area hospital. Not even the applicant itself claims that any of these factors are present.

**Project #21-011 will adversely impacts a federally designated Critical Access Hospital:** The applicant’s first CON project, voted down by the Review Board, relied on the patient referrals of one surgeon, Dr. Felix Ungacta, who sought to redirect 200 surgeries annually from the St. Joseph Hospital in Highland which is a Critical Access Hospital. The current project also relies entirely on patient referrals from Dr. Ungacta. In an attempt to minimize the impact of the project on a Critical Access Hospital, the applicant now claims that Dr. Ungacta will only redirect seven procedures from St. Joseph’s and a total of 16 procedures redirected from St. Joseph’s and other facilities combined. This is an obvious bait-and-switch as the applicant itself openly states in its CON application that it “expects orthopedic surgery volumes to grow over time” and Dr. Ungacta himself states in his referral letter he expects to increase the volume of referrals, presumably after the Review Board were to approve the project. (CON application at pages 90, 91.)

**Project #21-011 will significantly increase patient costs:** The primary justification offered in support of the project is supposed cost savings that the surgery center would charge lower facility fees as compared to existing hospitals. But there are no documented cost savings; to the contrary, the information included in the application proves otherwise. For example, for CPT Code 29807 (Arthroscopy Shoulder Surgical Repair Slap Lesion), the applicant proposes to charge \$39,897 – which is more than double what SJH charges for the same procedure at \$17,535.

Courtney R. Avery

July 2, 2021

Page 3

Moreover, even if the project were able to demonstrate lower facility fee charges (which it has failed to do), the project still could have an overall negative effect on the delivery of health care services to the area due to the adverse impact on the hospital's ability to cross-subsidize other hospital services that operate on a negative margin. The Review Board' staff noted on the first CON application:

"[A]ny savings from lower reimbursements for surgical services at an ASTC need to be compared against the fixed costs that remain at the hospital. It is not clear how much impact the shifting of revenue from one cost center (hospital) to another cost center (ASTC) on the overall cost to health care delivery."

Also, almost half of Dr. Ungacta's referrals to the proposed project are from existing surgery centers. Obviously, there is no cost savings based on facility fees for patients redirected from one surgery center to another.

**HSHS St. Joseph's has Devoted Significant Resources in Collaboration with the Applicant's Referring Physician:** We respectfully note that in 2015, at the request of Dr. Ungacta, St. Joseph's invested close to \$1 million on a Mako surgical robot and spends \$120,000 annually for preventative maintenance. In addition, in February of 2019, St. Joseph's invested another \$290,000 in the "Total Knee Application" software upgrade for the MAKO. It is disappointing, to say the least, that Dr. Ungacta now wants to redirect the bulk of his surgical cases to a competing facility.

For the above reasons, HSHS and St. Joseph Hospital, Highland respectfully request the Health Facilities and Services Review Board to deny Project #21-017, Physicians' Surgical Centre, O'Fallon.

Very truly yours,



Julie Goebel, MHA  
Vice President, Strategy  
HSHS Illinois



**METROEAST AREA COMMUNITY OPPOSITION  
TO DUPLICATE  
PROJECTS  
#21-011 & #21-017**

**RECEIVED**

JUL 07 2021

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

July 7, 2021

**Via Hand Delivery**

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

**Re: Community Opposition Letter to Project #21-011 (Physicians' Surgical Centre, O'Fallon) and Project #20-017 (MetroEast Endoscopy Center, Fairview Heights)**

Dear Ms. Avery:

The undersigned community leaders and representatives stand opposed to the duplicate applications by the same party in interest to add unnneeded orthopedic surgery services to limited specialty endoscopic surgery centers, namely, Project #21-011 (Physicians' Surgical Centre) and Project #20-017 (MetroEast Endoscopic Surgery Center). Please include this opposition letter in both project files.

Project #20-017 received no positive votes from the Health Facilities and Services Review Board at its meeting on September 22, 2020 and was issued an Intent to Deny. Since then, the only physician providing patient referrals to the project has formally withdrawn all referrals in writing. We do not understand why this project remains before the Board. In any event, we respectfully request that the Review Board proceed to issue a denial of Project #20-017, MetroEast Endoscopic Surgery Center, in accordance with the Board's prior Intent to Deny and in light of the absence of any referral volume to the project.

Project #21-011, Physicians' Surgical Centre, O'Fallon, is essentially a duplication of Project #20-017 at another endoscopy center owned by the same party in interest and located approximately three miles away from MetroEast Endoscopic Surgery Center. As with the prior project voted down by the Review Board, Project #21-011 similarly represents an unnecessary duplication of services and will not improve access.

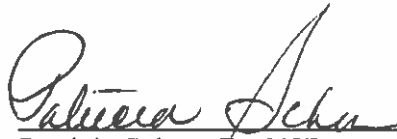
As the Board's staff found on the prior application, the area's six hospitals and two surgery centers (one newly approved) all provide orthopedic surgery services and have excess surgical capacity. Similarly, the project meets none of the Board's criteria for establishing increased access to care given: (a) the excess capacity in the area; (b) the absence of any restrictive admission policies; and (c) the project not being a joint venture with an area hospital.

For the above reasons, we request that the Review Board deny both projects.

Respectfully,



Chris Leidel, B.S., LEHP  
Interim Administrator  
Clinton County Health  
Department



Patricia Schou, FACHE  
Executive Director  
Illinois Critical Access Hospital  
Network



Crystal Albers  
Clinton County Rural Health



Shane Westfall  
Operations Manager  
City of Breese



Brian Wilson

Brian Wilson (Jul 7, 2021 2:35:24 PM GMT)

Brian Wilson  
Chief  
Highland Fire Department



Kurt Prenzler  
Madison County Board  
Chairman



Judy Kuhn  
Madison County Board  
District One



Philip W. Chapman  
Madison County Board  
District Three



Kevin Immermann  
Mayor  
City of Breese



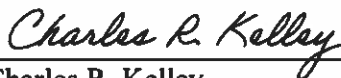
Bill Sullivan  
President/CEO  
Highland Machine Co.



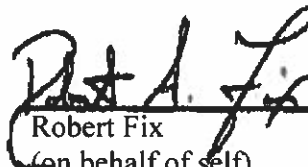
Hillarie Holzinger  
Executive Director  
Highland Chamber of Commerce



Shelly Schadegg  
President  
Breese Chamber of Commerce



Charles R. Kelley  
Chief Operations Officer  
Medstar Ambulance, Inc.



Robert Fix  
(on behalf of self)  
Former Chief of Police, City of Breese  
Former Chairman, Clinton County Board

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PHONE: 217-782-6401  
FAX: 217-782-1141



**CHARLIE MEIER**

STATE REPRESENTATIVE · 108<sup>TH</sup> DISTRICT

**COMMITTEES:**

- AGRICULTURE & CONSERVATION (SPOKESPERSON)
- ENERGY & ENVIRONMENT
- ELEMENTARY & SECONDARY EDUCATION: CURRICULUM & POLICIES
- ECONOMIC OPPORTUNITY & EQUITY (SPOKESPERSON)
- APPROPRIATIONS - HUMAN SERVICES
- MENTAL HEALTH (SPOKESPERSON)

May 11, 2021

Ms. Debra Savage, Chair  
c/o 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)

**RECEIVED**

JUL 07 2021

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**Re: Opposition to Project #21-011  
Physicians' Surgical Centre, O'Fallon**

Dear Madam Chair:

I respectfully submit this letter in opposition to Project #21-011, Physicians' Surgical Centre, O'Fallon. This Certificate of Need (CON) application should be denied because it unnecessarily duplicates existing services, does not improve access, and would adversely impact a critical access hospital.

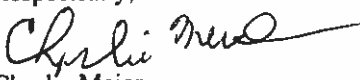
The stated purpose of the Illinois CON process, as set forth in the Health Facilities Planning Act, is to establish a procedure that "avoids unnecessary duplication" of healthcare facilities and promotes the development of facilities "in areas where the health planning process has identified unmet needs." There is no identified unmet need for additional orthopedic surgery services in the Metroeast area. As the Review Board's professional staff found on a similar application filed on behalf the same individual, the area has six hospitals and a surgery center that all provide the same orthopedic surgery services, and all of these providers had excess surgical capacity. The current project is just as much an unnecessary duplication of services as the first one, which received no affirmative votes for approval from the Review Board.

Also, the Review Board's criteria identify five indicators of need for additional services to improve access and only requires an applicant to document that one of the five exists. Neither the first project nor this one satisfies any of the factors, and the applicant itself claims does not claim otherwise.

Finally, Project #21-011 would adversely impact a federally designated Critical Access Hospital, namely, St. Joseph Hospital in Highland. The applicant's first CON project relied on the patient referrals of one surgeon, who promised to redirect 200 surgeries annually from St. Joseph Hospital. That same surgeon is the sole referral source for the current project, and although the referral letter contains a much smaller number of referrals, the CON application states that the applicant "expects orthopedic surgery volumes to grow over time" and the surgeon also states in the referral letter with the application that he expects to increase the volume of referrals. (CON application at pages 90, 91.) In other words, both the applicant and the surgeon are expecting the project to have a much larger impact on existing providers than the referral letter indicates.

For these reasons, I am in opposition to Project #21-011, Physicians' Surgical Centre, O'Fallon.

Respectfully,

  
Charlie Meier  
Illinois State Representative  
108<sup>th</sup> District

DISTRICT OFFICE:  
312 S HIGH ST  
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(618) 416-7407  
(618) 416-7409 FAX

SPRINGFIELD OFFICE:  
300 STATE HOUSE  
SPRINGFIELD, IL 62706  
(217) 782-0104



COMMITTEES:  
CITIES AND VILLAGES  
JUDICIARY - CIVIL  
LABOR AND COMMERCE  
PUBLIC UTILITIES

**JAY C. HOFFMAN**  
ASSISTANT MAJORITY LEADER  
STATE REPRESENTATIVE • 113TH DISTRICT

**RECEIVED**

JUL 07 2021

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

July 5, 2021

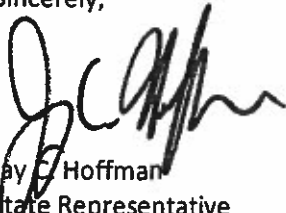
Courtney Avery, Administrator  
Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761  
[courtney.avery@illinois.gov](mailto:courtney.avery@illinois.gov)

Re: Project #21-011, Physicians' Surgical Centre, O'Fallon

Dear Ms. Avery:

I am writing this letter as a follow-up to my letter dated April 20, 2021, that was in support of the addition of orthopedic surgery to the Physicians' Surgical Centre in O'Fallon. Please disregard that earlier letter and instead note that I wish to remain neutral on this project.

Sincerely,

  
Jay C. Hoffman  
State Representative  
113<sup>th</sup> District



Office of State Senator Christopher Belt

Senator Christopher Belt  
57<sup>th</sup> Senate District

M118 State Capitol  
Springfield, IL 62706  
217-782-5399

July 6, 2021

Courtney Avery, Administrator  
Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761  
courtney.avery@illinois.gov

**RECEIVED**

JUL 07 2021

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

Re: Project #21-011, Physicians' Surgical Centre, O'Fallon

Dear Ms. Avery:

I am writing this letter as a follow-up to my letter dated April 19, 2021, that was in support of the addition of orthopedic surgery to the Physicians' Surgical Centre in O'Fallon. Please disregard that earlier letter and instead note that I wish to remain neutral on this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Belt", with a long horizontal line extending to the right.

Christopher Belt  
Illinois State Senator  
57<sup>th</sup> District—Illinois