Springfield clinic
A COMMUNITY OF CARING

Springfield Clinic Main Campus
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Accredited by the Accreditation Association for Ambulatory Healthcare (AAAHC)

November 23, 2022

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Springfield Clinic Cardiac Catheterization, Project No. 22-027
Response to Impact Letter from Springfield Memorial Hospital

Dear Mr. Kniery:

Springfield Memorial Hospital (SMH) recently filed an impact letter in connection with our cardiac catheterization project referenced above. This letter provides a brief response that we hope will benefit Review Board members and staff in their analysis of this project.

We value our relationship with our community hospitals. Before we filed CON application on July 25, I personally met with both presidents of the two Springfield hospitals to let them know of our project. At that time, and in accordance with your regulations, I invited a response to any impact our project may have on any other area facilities. SMH then responded with an impact statement letter which we subsequently filed with the Review Board. See attached. No other provider of cardiac catheterization services responded to indicate that our project would have negative impact and in fact the only other provider of freestanding cardiac catheterization services in the planning area, Quincy Medical Group, indicated that it had no opposition to our project.

We believe the community benefits from having strong hospitals and strong physician services. To that end our project is not intended to negatively impact SMH but rather to provide patients with a lower cost alternative in a non-hospital environment preferred by most patients. The impact letter itself is illustrative of the need for patients to have alternatives. According to the impact letter, SMH indicates that it would lose net revenue and operating margin, which indicates that it has a 35% profit margin on these procedures. Recent federal policymakers have adopted new policy to lower consumer health care costs and encourages projects such as ours.

Payor Cost Savings

The high cost of these procedures in the hospital setting shows why both payors and patients desire a lower cost alternative. The table below shows that Medicare pays almost twice as much for the same procedure in a hospital as in an ASTC.

Comparison of CMS and Patient Cost for Hospital as ASTC Procedures

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		CMS ASC	CMS HOPD	HOPD Total	% Change	CMS ASC	CMS HOPD	HOPD	% Change
CPT Code	Category	Total Cost	Total Cost	Cost increase	Cost Increase	Patient Pay	Patient Pay	Patient Increase	Patient Pay
93451	Diagnostic Cath	$1,535	$3,031	$1,496	97%	$306	$890	$584	191%
93452	Diagnostic Cath	$1,643	$3,139	$1,496	91%	$328	$912	$584	178%
93453	Diagnostic Cath	$1,724	$3,220	$1,496	87%	$344	$928	$584	170%
93454	Diagnostic Cath	$1,646	$3,142	$1,496	91%	$328	$912	$584	178%
93455	Diagnostic Cath	$1,686	$3,182	$1,496	89%	$336	$920	$584	174%
93456	Diagnostic Cath	$1,719	$3,215	$1,496	87%	$343	$927	$584	170%
93458	Diagnostic Cath	$1,702	$3,198	$1,496	88%	$339	$923	$584	172%
93459	Diagnostic Cath	$1,742	$3,238	$1,496	86%	$347	$931	$584	168%
93460	Diagnostic Cath	$1,783	$3,279	$1,496	84%	$356	$940	$584	164%
93461	Diagnostic Cath	$1,823	$3,319	$1,496	82%	$364	$948	$584	160%
92920	PCI	3599	5495	$1,896	53%	719	1098	$379	53%
92928	PCI	6583	10641	$4,058	62%	1315	1603	$288	22%
37220	Peripheral Vascular	2562	5362	$2,800	109%	512	1072	$560	109%
37221	Peripheral Vascular	6736	10543	$3,807	57%	1347	1584	$237	18%
37224	Peripheral Vascular	3525	5407	$1,882	53%	704	1081	$377	54%

Source: CMS website
These are 15 of the top CPT codes that would be performed in our cath lab. It shows two sets of costs, the total cost paid by Medicare and the Total cost paid by the patient

To address this considerable cost of health care the federal Centers for Medicare and Medicaid Services (CMS) announced a directive in early March 2021 to relax the requirement that surgeries for Medicare beneficiaries be performed only on an inpatient basis to qualify for reimbursement. Starting this past January, more than 250 musculoskeletal surgeries were eliminated from the "inpatient-only list," with an additional 1,500 surgeries projected to be eliminated in the following year. CMS contends that the directive, a continuation of previous cost-saving efforts, provides more flexibility for patients and physicians, and lowers costs overall. ASTCs are trending as the "right place for the right care" for the many surgeries with low likelihood of complications. CMS continues to review procedures performed in the ASTC. In addition to commercial payer support, CMS payment decisions has encouraged migration of many procedures, like cardiac and vascular surgery to the ASCs. Research shows that ASCs are the preferred venue for cost savings, quality outcomes and increased patient satisfaction.

Patient Cost Savings

From a patient perspective, it is likely more important for them to save out of pocket costs than to save costs to Medicare or other payors. The table above shows the extraordinary difference in what a Medicare patient would pay for the same in a hospital setting compared to the ASTC setting. A project such as ours provides meaningful cost savings to patients.

Conclusion

While we understand SMH's concern, we encourage the Review Board to prioritize substantial reduction in health care costs and savings to patients over a particular hospitals concern to its operating margin.

Sincerely,

Ray Williams
Chief Executive Officer