

Department of Healthcare and Family Services (“HFS”)
c/o Steffanie Garrett, General Counsel
201 South Grand Avenue East
Springfield, Illinois 62763

Re: Springfield Clinic Medicaid Services
Letter Addressing HFS Comments

Dear Ms. Garrett,

As you know, Springfield Clinic has applied for a Certificate of Need (“CON”) to establish cardiac catheterization services at its ambulatory surgical treatment center (“ASTC”) in Springfield (the “Project”). At the initial hearing on this Project at the December 13, 2022 meeting of the Illinois Health Facilities and Services Review Board (“HFSRB”) comments from the Director of HFS were read during the public participation portion of the meeting expressing concern regarding the extent of services provided to Illinois Medicaid enrollees and addressing other issues.¹

Since that December meeting we have also made significant strides in expanding Medicaid access at the ASTC. We have also appreciated the opportunity to work with HFS to address these concerns and to reconcile our data with the Departments regarding Springfield Clinic’s service to Medicaid patients. We hope these efforts have addressed concerns regarding our commitment to improving access to quality care for this most vulnerable population. We are proud to be a top provider of Medicaid services in central Illinois and approval of this Project will allow us to increase our footprint. The Project will also address ongoing capacity concerns at our Springfield hospitals (which continue to be significant barriers to care) and yield major cost savings resulting in more affordable, local care for all patients.

This letter summarizes key information with the hope that we successfully address any HFS concerns Springfield Clinic’s commitment to serving Illinois Medicaid residents. In the event HFS has further questions or concerns, we kindly ask that those concerns be communicated to us so we can address those in a timely manner and prior to our reappearance before the HFSRB on October 3, 2023.

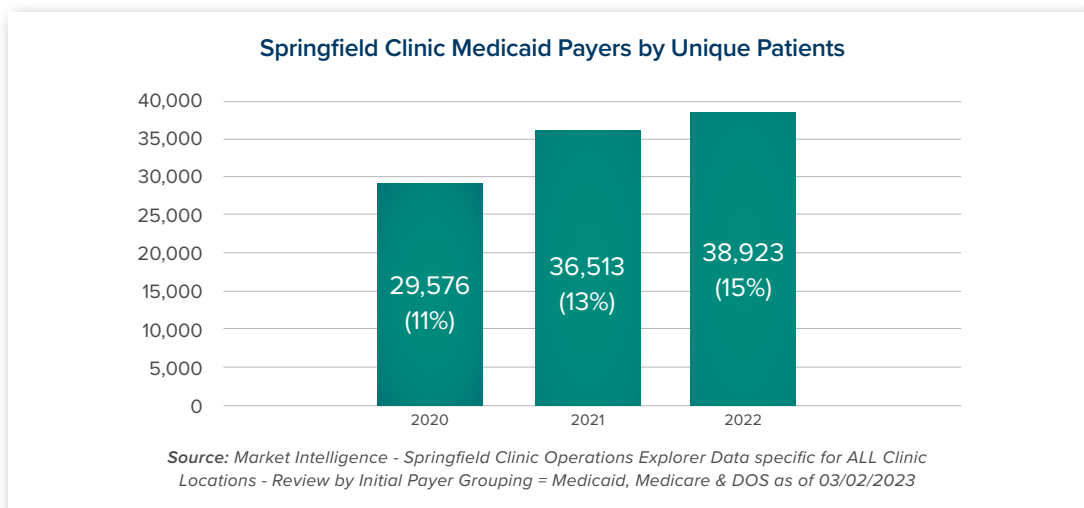
[1] Comments from the Director of HFS were read during the public participation of the December 2022 HFSRB meeting, indicating that (i) Springfield Clinic served 42% fewer Medicaid patients in 2021 than in 2018 despite an increase in Medicaid enrollees in Sangamon County during that time period, and (ii) the percentage of Medicaid patients seen in Springfield Clinic’s ASTC had decreased from 0.13% in 2018 to 0.03% in 2020. Those comments also referenced that data collected by the Illinois Department of Public Health (“IDPH”) indicated that almost all patients seen in Springfield Clinic’s ASTC were covered by Medicare or commercial payers.

I. Springfield Clinic’s Commitment to Serving Illinois Medicaid Population

Springfield Clinic recognizes that HFS is tasked with ensuring Illinoisans have access to quality care, especially our most vulnerable population. We remain most appreciative and supportive of HFS’ commitment to reducing health disparities and improving health equity in the communities of the patients we serve. These efforts and commitments are deeply important to Springfield Clinic’s mission also. Since 1939, Springfield Clinic has been dedicated to delivering the highest quality care to patients throughout central Illinois. We have worked hard to stay true to our roots: ensuring that exceptional care is available close to home for all members of our community.

A. Springfield Clinic is a Top Provider of Medicaid Services in Central Illinois

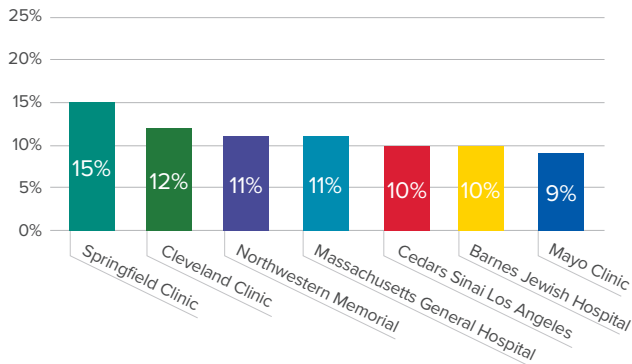
Springfield Clinic has been a Medicaid provider for almost 60 years – first accepting Medicaid in 1965. As a result of various initiatives, including significant efforts over the past three years, we are proud to be a significant partner with HFS in providing Medicaid services in central Illinois. As of 2022, approximately 15% of our overall patient population were Medicaid patients – up from 11% in 2020.²



By comparison, with an overall Medicaid population of 15%, Springfield Clinic is above many of the top 20 healthcare providers nationwide. We are also within the same range of Medicaid patients seen by local hospital Springfield Memorial Hospital, which includes a large volume of care provided by Springfield Clinic physicians.

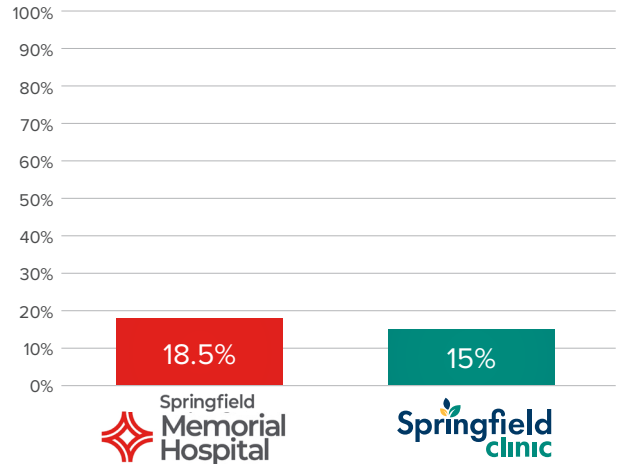
[2] From 2020-2022, Springfield Clinic increased its number of unique Medicaid patients from 29,576 to 38,923 patients, representing an increase from 11% to 15% of our overall patient population.

Percent of Medicaid Patients Seen by Top National Health Care Organizations



Source: Emerson, J., Gamble, M. (2022). Payer mix in the nation's top 20 hospitals. Becker's Healthcare. <https://www.beckerspayer.com/payer/payer-mix-in-the-nation-s-top-20-hospitals.html>

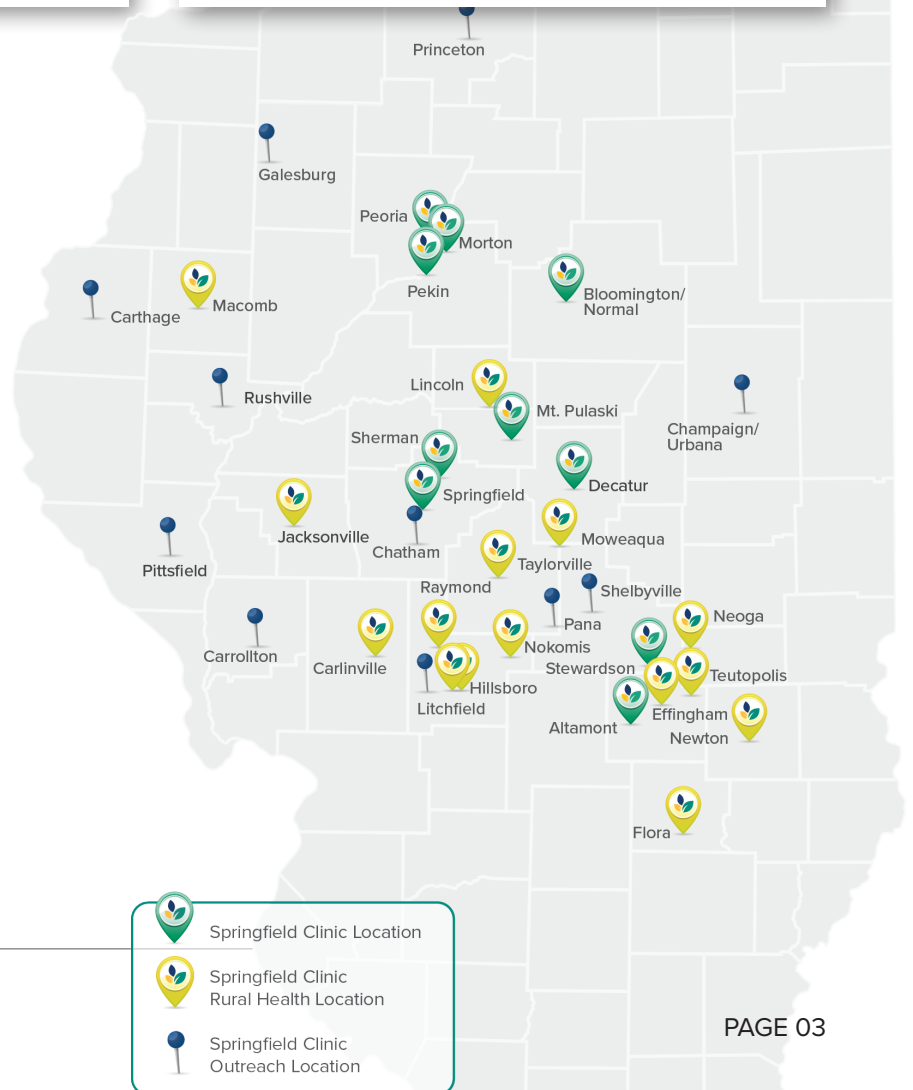
Percent of Patients Medicaid



Source: 2020 Hospital Profile Reports - Springfield Memorial Hospital - <https://hfsrb.illinois.gov/inventoriesdata/facilityprofiles.html>

Additionally, over the past 30 years, Springfield Clinic has built a vast Rural Health network with 15 Rural Health locations throughout 20 counties. Our Medicaid patient population is as high as 50% in several of these counties.

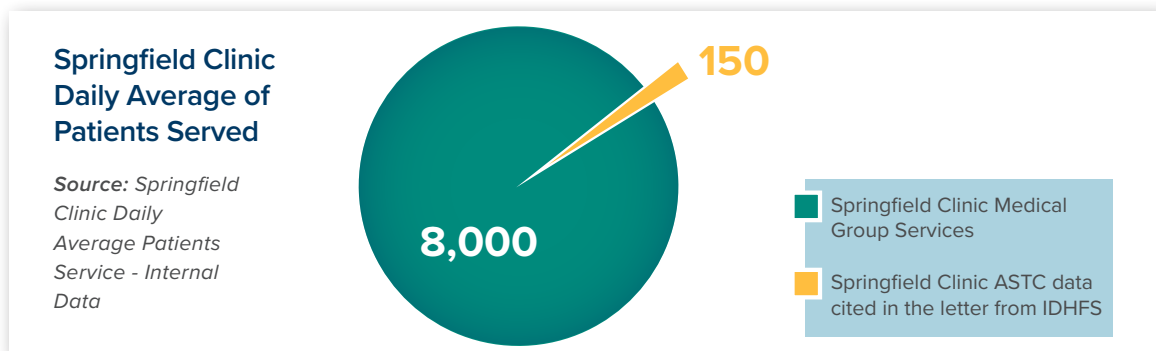
Further, many Springfield Clinic physicians see Medicaid patients at a much greater rate than 15%. For example, as of July 2023, 38% of all pediatric patients seen by Springfield Clinic physicians are Medicaid patients.



B. Identification and Reconciliation of Data

As Springfield Clinic evaluated the concerns raised by HFS during the December 2022 HFSRB meeting and referenced data, it became evident that the data relied upon by HFS did not fully reflect the historic and ongoing service to Medicaid patients of the entire Springfield Clinic organization, including recent, intentional Medicaid expansion initiatives.

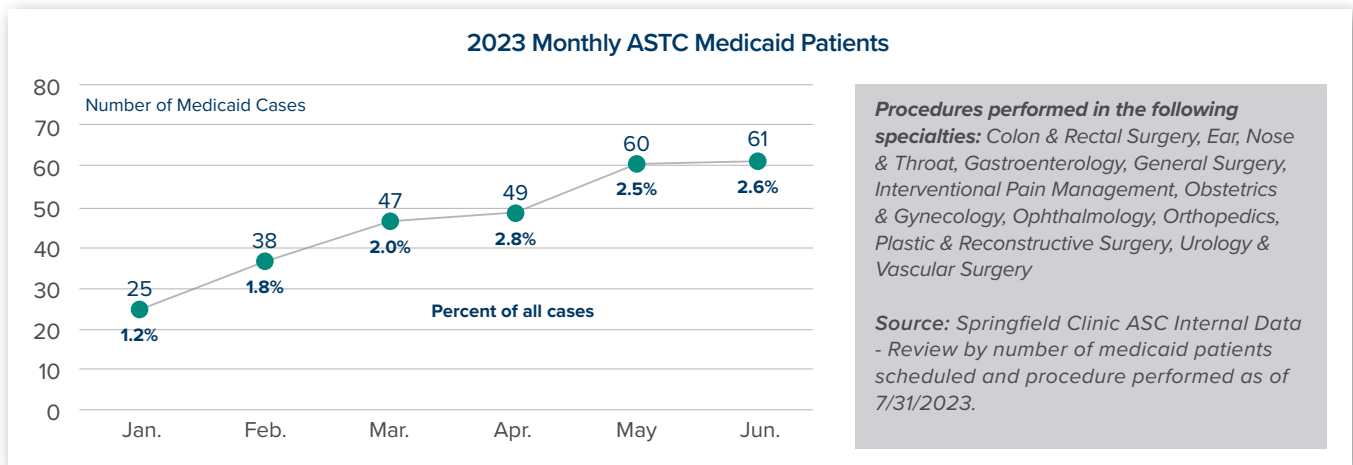
As acknowledged, the data referenced by HFS during the HFSRB meeting was based on only a small portion of Springfield Clinic’s services – our Springfield ASTC. Springfield Clinic currently sees as many as 8,000 patients a day throughout its various practice locations. Only 150 of those 8,000 patients are seen in our its Springfield ASTC.



Springfield Clinic recently coordinated efforts with HFS to ensure Medicaid data submitted by Springfield Clinic’s ASTC was received and accurate in 2023. During this process, Springfield Clinic’s IT department identified a submission issue that required the use of Internet Explorer IE5 in order to properly submit claims which has been implemented and updated Clinic wide. After identifying the issue and coordinating a solution, Springfield Clinic received confirmation from HFS on August 8, 2023 that Medicaid claims from the ASTC have been received and are being processed to date. In addition, Springfield Clinic confirmed that Medicaid Managed Care Organization (“MCO’s”) claims are being processed by those payers.

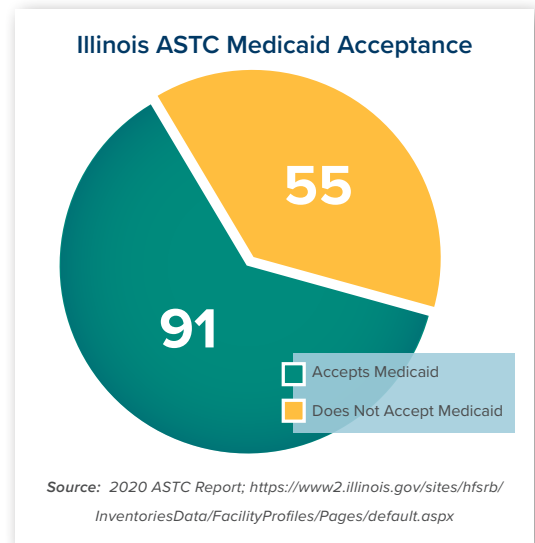
C. Springfield Clinic’s Commitment to Serving Medicaid Population Through ASTC

In 2022 Springfield Clinic acted to increase its Medicaid services provided through our Springfield ASTC and also committed to a similar increase at our Peoria ASTC when it reopens in 2024. Unfortunately, the record of that level of Medicaid services was not reflected in the information used at the December 13, 2022 HFSRB meeting. At the Springfield ASTC our Medicaid patients have grown to currently represent 2.6% of all cases in our Springfield ASTC, and we are committed to increasing that percentage to 5-7% over the remainder of 2023. We purposely delayed the subsequent Review Board hearing on our Project to be able to show evidence of the Medicaid commitment at our Springfield ASTC.



As of 2020 (the most recently available information), only 62% of the ASTCs in IL accepted Medicaid. In 2020, the median percentage of Medicaid patients cared for statewide in an ASTC was 0.03%. This is substantially less than the 2.6% current and 5-7% projected Medicaid population seen in Springfield Clinic’s ASTC.

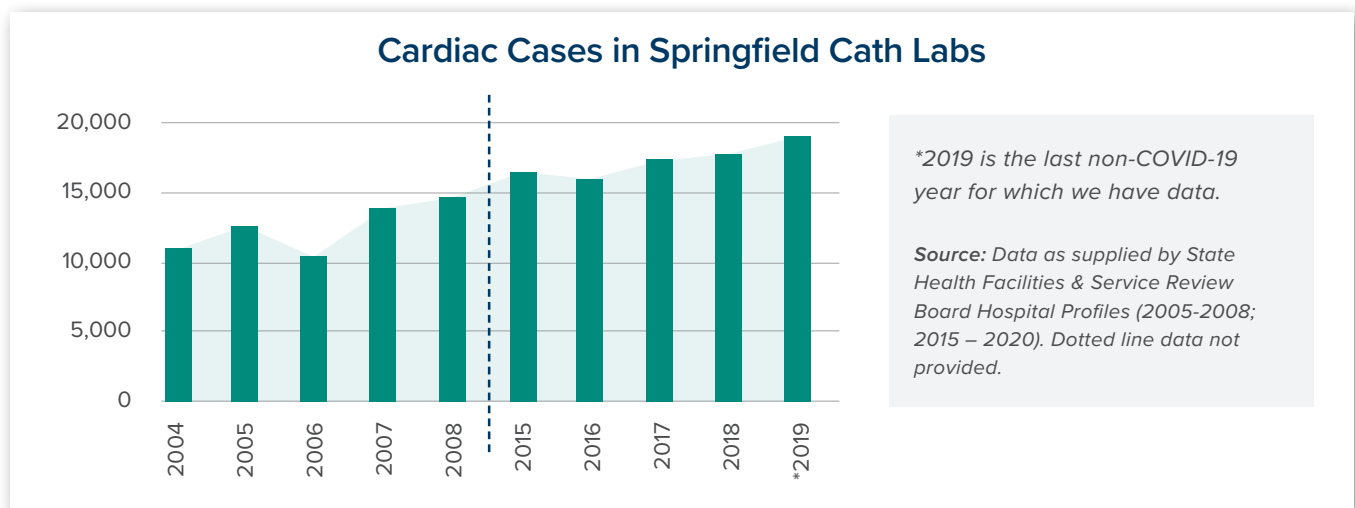
Currently, 10-12% of Springfield Clinic’s cardiology patient population are Medicaid patients, higher than the national average of 8.6%.³ In light of the recent Springfield Clinic ASTC Medicaid certification and with approval of the Project, Springfield Clinic expects this percentage will increase.



II. Project is Needed to Remove Barriers to Care and Make Care More Affordable for All Patients

During the December 2022 HFSRB Meeting, HFS expressed concern that approval of the Project could result in a negative financial impact to local hospitals based on an assumption that Springfield Clinic’s ASTC would pull commercial and Medicare patients away from the hospitals. As noted above, Springfield Clinic’s ASTC provides care to patients of all payer types, including, among others, Medicaid patients, and Springfield Clinic is committed to increasing the number of Medicaid patients treated at its ASTC. With approval of the Project, Springfield Clinic will care for more, not less, Medicaid patients, and there is no expected disproportionate impact to the hospitals in regard to payer mix.

Springfield Clinic expects to complete 840 cases per year between the two proposed catheterization labs. Between 2004-2019, the number of catheterization procedures at Springfield hospitals increased from 11,085 to 19,180 — a 4% annual increase and 58% overall increase — while the number of approved catheterization labs remained stagnant at 15. We believe this growth in catheterization procedures will continue. Consequently, as the number of procedures increase our ASTC will primarily capture the new volume growth without a significant loss in volume to existing hospitals. There is no expectation that Springfield hospitals will suffer any significant financial loss with the approval of the Project.

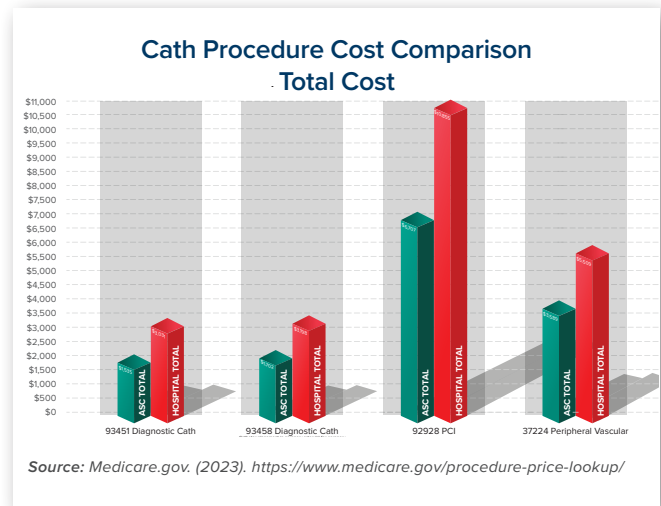
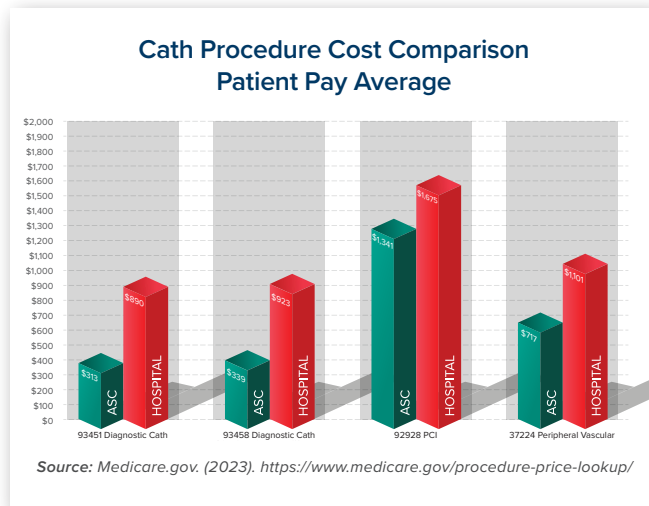


[3] Source: Srivastava, G. et. al. (2019). Association of Hospital Racial Composition and Payer Mix With Mortality in Acute Coronary Syndrome. Journal of the American Heart Association. <https://www.ahajournals.org/doi/full/10.1161/JAHA.119.012831>

Of note, when we appeared before the HFSRB in December 2022, we understood that Springfield Memorial Hospital was operating only 4 of its 5 approved catheterization labs due to staffing issues. We were recently informed that Springfield Memorial Hospital is now only operating 3 of its 5 catheterization labs due to ongoing staffing issues. These capacity restrictions, along with the increased volume in procedures, has resulted in significant barriers to care in our community.

Approval of this Project and the addition of 2 catheterization labs in the community will help to address the capacity issues and result in more procedures being performed overall in Springfield – both in hospitals and Springfield Clinic’s ASTC – and result in a decrease in wait times and delays. Currently, patients experience an average delay of 41 days from receiving a stress test and undergoing a catheterization procedure in the hospital. By adding 2 new catheterization labs in the community, that wait time can be reduced to only 1 week.

As demonstrated in the figure below, the Project will also result in significant cost savings to patients and payers – making local care more affordable for all patients. In some instances, patients could see as much as a 65% reduction in the cost of their procedure.



This Project is greatly needed in our community. We sincerely thank you for your continued partnership and your ongoing commitment to ensuring all Illinois residents have access to high-quality healthcare. As mentioned above, should you have any remaining questions or concerns regarding the Project or Springfield Clinic's commitment to serving Illinois Medicaid residents, we kindly ask that you communicate those concerns to us as soon as possible so that we can timely address those concerns prior to the October 3, 2023 HFSRB meeting.

We look forward to our continued partnership with DHS.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Boyer".

Jennifer Boyer
Senior Vice President of Operations