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Transcript of Hearing

Date: February 15, 2022

Case: State of Illinois Health Facilities and Services Review Board

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

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In Re: :
Public Comments :
Regarding Application : Project No.
for Change of : E-001-22
Ownership Exemption :
for Peoria Day :
Surgery Center. :

- - - - - x

HEARING in accordance with requirements of the
Illinois Health Facilities Planning Act
Conducted Virtually
Tuesday, February 15, 2022
9:01 a.m. CT

Job No.: 429364
Pages: 1 - 23
Reported By: Courtney Petros, RPR, CSR

1 Public hearing, conducted virtually:

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8 Before Courtney Petros, a Certified Shorthand
9 Reporter, Registered Professional Reporter, and a
10 Notary Public in and for the State of Illinois.

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A P P E A R A N C E S

PRESENT:

ILLINOIS HEALTH FACILITIES AND SERVICES

REVIEW BOARD, by

APRIL SIMMONS, General Counsel

GEORGE ROATE, CON Reviewer

MICHAEL CONSTANTINO, IDPH Staff

MICHAEL MITCHELL, IDPH Staff

525 West Jefferson Street

Second Floor

Springfield, IL 62761

(217) 782-3516

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

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

9 On behalf of the State Board, thank you
10 for attending this public hearing for the change
11 of ownership of Peoria Day Surgery Center.

12 Per the rules of the Illinois Health
13 Facilities and Services Review Board, I would like
14 to read the previously published legal notice into
15 the record.

16 Notice of public hearing and written
17 comment. Legal notice of public hearing and
18 opportunity for written comment. Notice of
19 opportunity for public hearing and opportunity for
20 public comment.

21 In accordance with the requirements of the
22 Illinois Health Facilities Planning Act and 77
23 Illinois Administrative Code Part 1130, notice is
24 given of a public hearing on an exemption for a

1 change of ownership of Peoria Day Surgery Center,
2 7309 North Knoxville Avenue, Peoria, Illinois.
3 And that's Exemption No. 001-22.

4 This exemption application was called
5 substantially complete on January 6th, 2022. This
6 application is tentatively scheduled to be heard
7 at the March 15th State Board meeting.

8 Written public comments on this exemption
9 application will be accepted by the State Board no
10 later than February 23rd, 2022. Information
11 regarding this hearing or any other activities of
12 the Illinois Health Facilities and Services Review
13 Board can be obtained at the State Board's
14 website.

15 As previously stated, this public hearing
16 is conducted by staff of the Illinois Health
17 Facilities and Services Review Board pursuant to
18 the Illinois Health Facilities Planning Act.

19 This hearing is open to the public and
20 affords an opportunity for parties with interest
21 in the project to present written and/or verbal
22 comment relevant to the project. All allegations
23 or assertions should be relevant to the need for
24 the proposed project and be supported with two

1 copies of documentation or materials that are
2 printed or typed on paper.

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

18 I ask that you please limit your testimony
19 to two minutes. Prior to beginning your remarks,
20 please clearly state and spell your first and last
21 name.

22 The applicant shall be afforded an
23 opportunity to provide a summary of the request
24 within Exemption Application E001-22. Today's

1 proceedings will begin with Cal Thomas.

2 Mr. Thomas, you can proceed.

3 MR. THOMAS: Good morning. Are you guys
4 able to hear us okay?

5 MS. SIMMONS: Yes, we are. Thank you.

6 MR. THOMAS: My apologies. This is Cal
7 Thomas. C-A-L. T-H-O-M-A-S. Chief development
8 officer for Springfield Clinic.

9 First off, just wanted to thank everybody
10 for pulling this together this morning. Thank
11 you, April, thank you, Mike, Mike, and George, for
12 conducting this hearing.

13 What we'd like to do to start off is prior
14 to talking specifically about Peoria Day Surgery
15 Center, we thought it may be helpful to give a
16 quick history overview of -- of Springfield
17 Clinic. And then I will hand it over to Jen
18 Boyer, our senior vice president of operations, to
19 talk specifically about -- about the ASC.

20 So just to give a frame of reference for
21 the folks this morning, you know, Springfield
22 Clinic has been in business for 83 years. We're
23 the second largest physician-owned practice in the
24 state of Illinois.

1 We begin our journey in the partnership
2 back in 1939 with five physicians, and we've grown
3 today to be a team of over 650 providers. We
4 cover 20 counties throughout Central Illinois, and
5 we have 80-plus medical specialties that make up
6 the partnership. We also partner with 15
7 hospitals throughout the region, and we cover,
8 from a clinic perspective, locations -- over
9 90-plus locations throughout -- throughout the
10 region.

11 Specifically to Peoria, that was a natural
12 progression for Springfield Clinic. We started
13 our operations in Peoria back in August of 2020.
14 We had strong interest from local physicians. It
15 was a natural progression. We had a growing
16 percentage of patients from that market that were
17 utilizing services in other -- other locations for
18 the clinic, so it made sense, from our
19 perspective, in that regard.

20 After two years in the Peoria market, we
21 have a team of over 40 providers. Our employee
22 total is just under 140 employees. And we have
23 eight locations spread throughout Morton, Pekin,
24 and Peoria.

1 The Springfield Clinic is focused on
2 providing the highest quality health care at an
3 economical value, and it is our mission that we do
4 so locally. We want to keep the care local in the
5 communities that we're -- we're within.

6 I'd like to hand it over to Jen, who is
7 going to talk specifically about the PDSC.

8 MS. BOYER: Good morning. My name is
9 Jennifer Boyer. J-E-N-N-I-F-E-R. B-O-Y-E-R. And
10 I'm senior vice president of operations. Thanks,
11 Cal, for turning it over.

12 I -- I wanted to focus a little bit on the
13 work that we do from an ambulatory surgery center
14 in our Springfield market today. So in -- in --
15 really, in the early 1990s, we began our ASC
16 journey with two ORs. And over the last several
17 years, we've continued to grow -- grow our volume
18 to where in -- we just finished 2021 with a volume
19 of 25,257 visits. Those visits are consisted of a
20 multispecialty center that has an endoscopy suite,
21 ORs, as well as pain procedure rooms.

22 Our endoscopy suite makes up about 49
23 percent of that, our OR about 35 percent, and our
24 pain suites about 16 percent. But we continue to

1 partner with the multispecialty surgeons and
2 proceduralists within -- within our partnership
3 base to continue to -- to grow and expand. We do
4 do total joints. We started that in 2016 and
5 really has given that opportunity for patients to
6 not have to stay in the inpatient world.

7 So, really, you know, as we've grown in
8 our ASC over the last several years, we know that
9 we stayed focus on exceptional quality patient and
10 physician experience and, really, efficiency of a
11 surgery center at a lower cost to our payors than
12 -- than our hospital partners.

13 So with the successful operations of our
14 Springfield-based ASC and as Springfield Clinic
15 expanded to Peoria to provide -- it was important
16 for us to begin to provide ambulatory surgery
17 center services to support our Peoria-based
18 physicians and our patients, which really leads us
19 into our Peoria Day Surgery Center interests.

20 So Peoria Day Surgery Center transaction,
21 the PS -- the Peoria Day Surgery Center, which
22 I'll speak to as PDSC, the leadership contacted
23 Springfield Clinic in late November after OSF and
24 the Center for Health withdrew their interest.

1 Springfield Clinic immediately began
2 working with PDSC leadership as well as the
3 bankruptcy court on a purchase strategy. Really,
4 the timeline leading up to our engagement with
5 PDSC began in 2018 when the PDSC leadership began
6 the journey really to partner with an additional
7 entity to continue to sustain growth and service
8 to the -- Peoria and surrounding communities.

9 In October of 2018, PDSC entered Chapter
10 11 bankruptcy and operated under the supervision
11 of the bankruptcy court. Fast forward to May 13th
12 of 2021, the bankruptcy court authorized the sale
13 to the Center for Health pending the Review Board
14 change of ownership approval. During this time,
15 Peoria Day Surgery Center and the Recovery Care
16 Center continued to operate and was recredentialed
17 for three years with AAAHC, their -- their
18 credentialing body.

19 On June 25th of 2021, the Center for
20 Health filed for the change of ownership with the
21 Review Board, and that was approved on August 9th
22 of 2021. Over the next several months, the Center
23 for Health and Peoria Day Surgery Center continued
24 to work together. They had a closing scheduled on

1 September 1st of 2021. Then rescheduled on the
2 30th of September. Once again, rescheduled to the
3 9th of October, 2021. And, ultimately, extended
4 to the 11th of November and then the 16th of
5 November.

6 On the 18th of November, 2021, OSF and the
7 Center for Health withdrew their interest in
8 Peoria Day Surgery Center, at which time, Peoria
9 Day Surgery Center leadership engaged with
10 Springfield Clinic.

11 So over the next couple weeks, Springfield
12 Clinic and the leadership of Peoria Day Surgery
13 Center worked together. We entered in a letter of
14 intent for purchase on December 13th. Over the
15 next month, the next couple weeks to month, we
16 secured the real estate.

17 As we prepared to file for the change of
18 ownership, the CON change of ownership with the
19 Review Board, we found that the Center for Health
20 and OSF still held their change of ownership, and
21 so we -- they relinquished that to the Review
22 Board on January 3rd. We submitted the CON on
23 January 4th with final documentations on January
24 6th.

1 And since then, Peoria Day Surgery Center
2 has notified the State of the temporary suspension
3 of services and with their plans to update every
4 30 days until which time they have -- they have a
5 change of ownership, which, then, Springfield
6 Clinic will -- will resume -- will continue to do
7 the update.

8 So this transaction continues to move
9 forward today as we work with Illinois Department
10 of Public Health and the Review Board on the next
11 steps. Thank you.

12 MS. SIMMONS: Thank you. At this time,
13 Mr. Feldman, I believe you wanted to say a few
14 words. I believe you can unmute yourself, sir.

15 MR. FELDMAN: There. Can you hear me
16 okay?

17 MS. SIMMONS: Yes, we can. Please
18 proceed.

19 MR. FELDMAN: All right. I apologize. My
20 video is not coming up, but I'll keep my time to
21 just about five minutes.

22 Good morning. And thank you for allowing
23 me to speak. My name is Tom Feldman. That's Tom,
24 F-E-L-D-M-A-N, and I am the CEO of the Center For

1 Health Ambulatory Surgery Center in Peoria,
2 Illinois.

3 This public hearing was scheduled at my
4 request. Subsequent to the Review Board setting
5 this date, I asked that the public hearing be
6 canceled due to an unforeseen circumstance
7 impacting my calendar and had planned to submit
8 some written commentary. I was then advised by
9 Board staff that once scheduled, a public hearing
10 could not be canceled. Fortunately, I was able to
11 change other commitments and be present to provide
12 the following.

13 My intent is to ensure that the State
14 Board staff and Review Board itself are fully
15 aware of the unique local circumstances pertaining
16 to this ambulatory surgery center as you all
17 prepare to review for Board consideration.

18 To the best of my knowledge, these factors
19 are unusual to this specific situation. By way of
20 background, the Review Board approved my
21 organization to acquire the assets of Peoria Day
22 Surgery Center on July 29th, 2021. Permit
23 No. E016-21.

24 On December 15th, 2021, we requested this

1 approved permit be relinquished for several
2 reasons, not the least of which was the surgery
3 center's physical plant condition. Our
4 relinquishment was approved on December 29th,
5 2021. Our relinquishment letter request -- our
6 relinquishment request letter will be attached
7 when submitting written testimony for your files
8 following this hearing.

9 Our permit approval was for an asset
10 purchase. From my perspective, the current permit
11 application under review is for both the subject
12 assets and also for building acquisition, which is
13 material -- materially different in scope in that
14 it proposes to change the ownership of a health
15 care facility, which may or may not be a Review
16 Board consideration.

17 My primary point is that I am very aware
18 of the local situation and suggest the current
19 owner, their management, and the applicant provide
20 full information to the Review Board and its staff
21 during the review and approval process, which led
22 to my request for a public hearing to ensure
23 certain local factors be considered. There are
24 three compelling factors that I'd like to address

1 specifically.

2 The current owners and their management
3 have not scheduled procedures for the past six
4 months, including February, and services have been
5 suspended and the subject health facility's
6 capacity is not available to Peoria and the
7 region. I am not aware the appropriate
8 notifications have been made to either the Review
9 Board or IDPH, let alone submission of monthly
10 reports, which I understand are required when a
11 service or facility suspends its operations.

12 Number two, the existing building has
13 significant physical issues, as indicated in my
14 December 15th, 2021, permit relinquishment request
15 letter. Again, that will be attached to my
16 written testimony submittal for the Board files.
17 These issues may have been disclosed to IDPH but
18 not the Review Board. There is no indication in
19 the subject COE CHOW permit application that they
20 have been considered as a capitalized expense.

21 My point is that the building remediations
22 and corrections may be necessary to secure a
23 license from IDPH post an ownership change let
24 alone to provide an environment to ensure quality

1 care.

2 Number three and finally, we have
3 documentation that the applicant does not expect
4 to schedule any procedures until February 2023,
5 which is between 5 and 6 months after the 12
6 months allowed if services were formally suspended
7 in September of 2021. This suggests the services
8 may need to be established under Review Board CON
9 criteria. These factors, if validated in the
10 staff review process, raise significant issues,
11 which I respectfully suggest be considered prior
12 to Review Board deliberation.

13 Thank you for your attention to these
14 factors and your time this morning.

15 MS. SIMMONS: Thank you, Mr. Feldman. I
16 have one more speaker for Springfield Clinic,
17 however, I want to suggest -- I see there's quite
18 a few callers and other individuals. If you wish
19 to speak, if you can please indicate, if you're a
20 caller, by pressing star 3 or raise your hand at
21 this time.

22 This hearing is scheduled for a period of
23 an hour, and we will continue for the duration of
24 this hour. So, again, if you wish to speak,

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

3 And, Mitch, if you see a hand or a star or
4 something, let me know.

5 MR. MITCHELL: Will do.

6 MS. SIMMONS: Thank you. Joe, do you wish
7 the last speaker to go now or would you like to
8 wait and see if anyone else wishes to speak?

9 MR. OURTH: Since I don't think we
10 anticipate any more speakers, I think that we
11 would be good to have Tom close. And then we can
12 just be on -- everyone can be on pause until the
13 end of the -- the open time that you're holding
14 open, April.

15 MS. SIMMONS: Okay. That sounds fine.
16 Mr. Tom Fitch.

17 MR. FITCH: Good morning. This is Tom
18 Fitch. F-I-T-C-H. And I am the vice president of
19 facilities, real estate, and construction for
20 Springfield Clinic.

21 So in closing the Springfield Clinic
22 presentation for this public hearing, you've heard
23 from my colleagues, Cal Thomas and Jen Boyer.
24 And, April, this really summarized the

1 presentation that we wanted to make today and
2 would be interested in any questions or comments
3 that you would like us to address before we wrap
4 up our presentation.

5 MR. OURTH: And, Tom, I don't anticipate
6 in this forum that they will have any questions.
7 So I think you can conclude.

8 MR. FITCH: Okay. Yeah. If there's no
9 additional information requested from us, April,
10 we would just like to, you know, thank you and
11 George and the rest of the staff for hosting the
12 meeting today and we appreciate your time and --
13 and we will be prepared to address any outstanding
14 questions at the -- the March Board meeting.

15 MS. SIMMONS: Thank you, Mr. Fitch.
16 Typically, the Board will review the transcripts.
17 And if they have any additional questions, they
18 will address those at the Board meeting.

19 MR. FITCH: Okay. Thank you.

20 MS. SIMMONS: Thank you. Again, this is
21 -- if you can indicate by pressing star 3 or raise
22 your hand if you wish to speak at this time. We
23 will pause and give those that wish to speak a
24 moment. And I'll come back in a few minutes.

1 Again, this is the public hearing for the
2 Exemption Application E001-22. If anyone wishes
3 to speak, please indicate if you're on the phone
4 by dialing star 3 or raise your hand at this time.
5 I am seeing none at this time. I will come back
6 in five minutes or so.

7 This is the public hearing for Exemption
8 Application E001-22. If you wish to speak at this
9 time, please indicate by pressing star 3 on the
10 phone or raising your hand. Seeing none at this
11 time.

12 If anyone wishes to speak at this time,
13 please indicate by pressing star 3 on your phone
14 or by raising your hand.

15 Is there anyone who wishes to testify who
16 has not had an opportunity to testify at this
17 time?

18 (No response.)

19 MS. SIMMONS: If the record can reflect
20 that the time is now 9:57. The individuals on the
21 attendee list -- there no new attendees and no one
22 is indicating that they wish to testify at this
23 time.

24 Please note that this project is scheduled

1 for consideration by the Board at its March 15th,
2 2022 meeting. The State Board meeting will be
3 held virtually beginning at 9:00 a.m. Please
4 refer to the State Board's website for the link to
5 the State Board meeting.

6 The public has until February 23rd, 2022,
7 to submit signed written comments pertaining to
8 this project. Comments should be sent to the
9 attention of April Simmons, General Counsel,
10 Illinois Health Facilities and Services Review
11 Board, 525 West Jefferson Street, Second Floor,
12 Springfield, Illinois 62761.

13 The State Board will post its findings in
14 a State Board staff report. The report will be
15 made available on Tuesday, March 1st, 2022. The
16 public may submit written responses to errors in
17 the findings of the Board staff to the Illinois
18 Health Facilities and Services Review Board.

19 The public will have until 9:00 a.m. on
20 Monday, March 7th, 2022, to submit written
21 responses to the content of the report findings
22 and that report can be accessed on the Illinois --
23 on the HFSRB website.

24 Are there any questions? If there are,

1 please indicate by raising your hand.

2 (No response.)

3 MS. SIMMONS: Seeing none, I deem this
4 public hearing adjourned. Thank you for your
5 participation in today's proceedings.

6 (Off the record at 9:59 a.m.)

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1 CERTIFICATE OF SHORTHAND REPORTER - NOTARY PUBLIC

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3 I, Courtney Petros, Registered
4 Professional Reporter, Certified Shorthand
5 Reporter and Notary Public, the officer before
6 whom the foregoing proceedings were taken, do
7 hereby certify that the foregoing transcript is a
8 true and correct record of the testimony given;
9 that said testimony was taken by me and thereafter
10 reduced to typewriting under my direction; that
11 reading and signing was not requested; and that I
12 am neither counsel for, related to, nor employed
13 by any of the parties to this case and have no
14 interest, financial or otherwise, in its outcome.

15 IN WITNESS WHEREOF, I have hereunto signed
16 this 18th day of February, 2022.
17 My commission expires May 6th, 2023.

18
19 

20 COURTNEY PETROS, RPR, CSR
21 NOTARY PUBLIC IN AND FOR THE
22 STATE OF ILLINOIS
23
24