



Hospital Sisters
HEALTH SYSTEM

HSHS St. Joseph's Hospital
Breese, IL

HSHS St. Mary's Hospital
Decatur, IL

HSHS St. Anthony's Memorial
Hospital
Effingham, IL

HSHS Holy Family Hospital
Greenville, IL

HSHS St. Joseph's Hospital
Highland, IL

HSHS St. Francis Hospital
Utchfield, IL

HSHS St. Elizabeth's Hospital
O'Fallon, IL

HSHS Good Shepherd Hospital
Shelbyville, IL

HSHS St. John's Hospital
Springfield, IL

HSHS St. Mary's Hospital
Medical Center
HSHS St. Vincent Hospital
Green Bay, WI

HSHS St. Clare Memorial
Hospital
Oconto Falls, WI

HSHS St. Nicholas Hospital
Sheboygan, WI

HSHS Medical Group

Prairie Cardiovascular

Honorable Debra Savage, Chairperson
Illinois Health Facilities & Services Review Board
525 W. Jefferson St., Second Floor
Springfield, IL 62762

Re: Opposition to CON #25-012
Proposed New ASTC in Mt. Zion

RECEIVED

MAY 20 2025

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear Members of the Review Board,

As Chief Operating Officer of Hospital Sisters Health System (HSHS) Central Illinois Market, I am writing to formally oppose Certificate of Need Application #25-012 submitted by Surgical Partners & Associates, LLC, proposing the establishment of a new ambulatory surgical treatment center (ASTC) in Mt. Zion, Illinois. This project does not meet statutory or regulatory requirements under the Illinois Health Facilities Planning Act and could result in significant harm to existing providers, including HSHS St. Mary's Hospital and several other community hospitals in our region.

First and foremost, the proposed ASTC duplicates services already available at area healthcare facilities, which currently have excess surgical capacity. The Planning Act was established to avoid the unnecessary duplication of existing services (20 ILCS 3960/2). This project clearly contravenes that objective. The applicants propose adding three new operating rooms, despite the fact that all hospitals in the region currently operate below the state's utilization targets and have excess surgical capacity.

We estimate that the proposed redirection of cases and contribution margin will most severely redirect 84% of St. Mary's Hospital outpatient orthopedic cases while also significantly harming the volumes of other critical access hospitals.

St. Mary's Hospital was approved by the Review Board for a \$90 million modernization project, which put a main emphasis on expanding surgical services and operating rooms. The significant threat this ASTC project poses to positive-margin procedures like outpatient orthopedics, would call into question our project's viability.

St. Mary's financial position has worsened since the modernization project was approved in August 2023. Then, the five-year total hospital operating loss for the five-year period FY18 to FY22 was almost \$60 million and averaging \$12 million per year. Now, the five-year total operating loss for the five-year period FY20 to FY 2024 is over \$76 million and averaging over \$15 million a year.

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HSHS St. Mary's Hospital: Operating Losses

	FY20	FY21	FY22	FY23	FY24
Net Operating Income (<i>millions</i>)	(\$15.9)	(\$8.1)	(\$19.8)	(\$11.1)	(\$21.8)
% Net Operating Income	- 9.9%	- 4.7%	- 11.2%	- 18.9%	- 17.6%

The loss of this contribution margin places a direct threat on current operations. Moreover, it risks the viability of recently approved infrastructure investments that were predicated on projected service line volumes—volumes that would be stripped away if this ASTC is allowed to move forward.

Other factors to take into account on this project include increases in labor and staffing costs while healthcare facilities in Illinois and across the country face well documented staffing shortages. Recruiting clinical professionals is especially difficult for areas with declining population and decreasing hospital utilization like the greater Decatur region.

It is likely that the new ASTC would divert nurses, surgical techs and anesthesiologists from already strained hospital staffing. Every facility in our region is facing significant workforce shortages, and the proposed project would escalate recruitment challenges and increase labor costs, further threatening access to care in underserved areas.

We are a Mission-based, non-profit hospital committed to serving all. St. Mary's Hospital is an essential provider of safety net services for patients who are uninsured, underinsured, geographically isolated, or otherwise face barriers to care safety net services. Redirecting high-margin orthopedic surgeries away from our hospital will undermine our ability to fund and maintain emergency departments and other essential—but unprofitable—services.

Let it be clear, HSHS is not opposed specifically to this provider group and appreciate that they, too, are integrated members of the local communities they serve. We continue to be open to further support and partner with them in various ways in serving patients at St. Mary's, but we do respectfully ask the Review Board to assess the impact of this project on all existing healthcare providers and communities and deny this application.

Sincerely,



Chad Markham
Chief Operating Officer
HSHS Central Illinois Market