

# Polsinelli Shughart<sup>PC</sup>

Anne M. Cooper  
(312) 873-3606  
acooper@polsinelli.com

161 N. Clark Street, Suite 4200  
Chicago, IL 60601  
(312) 819-1900  
Facsimile: (312) 819-1910  
www.polsinelli.com

May 2, 2011

**FEDERAL EXPRESS  
ELECTRONIC MAIL**

Michael Constantino  
Supervisor, Project Review Section  
Illinois Department of Public Health  
Health Facilities and Services Review Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

**RECEIVED**

MAY 03 2011

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**Re: Apollo Health Center, Ltd. (Proj. No. 11-002)**

Dear Mr. Constantino:

I am writing on behalf of Apollo Health Center, Ltd. ("Apollo") in response to the Health Facilities and Services Review Board ("HFSRB") request for additional information dated April 14, 2011. For your review, we have provided a narrative detailing the cross-subsidization of the facility fee, discounted physician fees, and resources to fund the project.

Cross Subsidization of Facility Fee

As stated in its application, the primary purpose of the surgery center is to increase access to gastroenterology, obstetrics/gynecology and urology services for low-income population groups. Apollo will improve access to health care to these groups by becoming Medicare and Medicaid certified and offering highly discounted rates for those who have a demonstrated financial hardship but do not qualify for Medicaid. (App. pp 42-43). Apollo will utilize the higher reimbursement it receives from commercial payors to cross-subsidize the facility fee for low-income patients who have a demonstrated financial hardship and do not qualify for Medicaid.

Individuals who do not qualify for Medicaid but meet Apollo's financial hardship criteria will receive an 80% discount on the facility charge. Attached at Attachment 1 is a table with all procedures proposed to be performed at the facility, the facility fee, and the total procedure charge. The procedure charge includes the facility fee, anesthesiologist fee, and physician fee. As Apollo does not set the anesthesiologist or physician fee schedules, the average anesthesiologist and physician charge for each procedure are reported as part of the total

Chicago Kansas City St. Louis Denver Phoenix Washington, DC New York Wilmington DE

procedure charge. Copayment information was not included as the amount will vary depending upon the payor and the plan; however, Apollo will collect all copayments authorized by payors. Finally, the actual discount for each procedure was not reported. As previously set forth, patients who qualify for the financial hardship discount will receive an 80% discount off the facility fee; however, anesthesiologist and physician fee discounts will vary by physician.

As previously stated in the application, Apollo has a financial hardship policy for patients who do not qualify for Medicaid and are either: (1) a student, (2) single parent, (3) handicapped or disabled, or (4) unemployed or employed less than full time are entitled. Individuals who meet these criteria receive an 80% discount on the facility fee. (App. p. 54).

Finally, as Apollo is a new entity with no historical information it is difficult to project its payor mix. However, Apollo anticipates its payor mix will be consistent with other surgery centers in the State and HSA 7; however, it projects it will have a slightly lower percentage of Medicare and slightly higher percentage of private payors compared to other surgery centers. Apollo's anticipated payor mix is as follows:

<b>Payor</b>	<b>Percent</b>
Medicare	10.7%
Medicaid	1.5%
Public Insurance	3.4%
Private Insurance	74.4%
Private Pay	10.0%

As shown on page 142 of the application, Apollo anticipates providing a significant amount charity care. These projections are made in good faith and should not be considered a guarantee. The amount of actual charity care provided will be dependent on several factors, including the number of procedures performed at the surgery center, the number of patients who qualify for the hardship discount, and the ability of the facility to cross-subsidize charity care through revenue from other procedures.

#### Discounted Physician Fee

Importantly, Apollo does not set the fee schedules of the physicians who will perform procedures at the surgery center and cannot mandate that physicians discount their fees for patients who meet its financial hardship criteria. However, all physicians who provided referral letters as part of Apollo's certificate of need application have committed to following Apollo's financial hardship policy and have agreed to offer an 80% discount to all patients that meet the financial hardship criteria. Attached hereto as Attachment 2 are letters from patients of Apollo's referring physicians attesting to the receipt of charity care. Apollo will recommend physicians who subsequently apply for privileges to discount their fees for individuals who satisfy its financial hardship criteria.

Michael Constantino  
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Resources to Fund the Project

The project will be funded through leases and cash. A copy of the facility lease and a letter of intent for equipment acquisition is provided in the application. (App. pp 107-121). Copies of letters from Blue Horizon Asset Management, evidencing sufficient financial resources to acquire the medical equipment are attached as Attachment 3.

Thank you for your time and consideration of our additional information for Apollo Health Center, Ltd. If you have any questions or need any additional information, please feel free to contact me.

Sincerely,



Anne M. Cooper

AMC:  
Attachments  
061486 405476

# Charge Commitment for Apollo Health Center, LTD.

Procedure Code	Description	Facility Charges*	Total Charges
43200	Esophagoscopy, diagnostic, with or without collection of specimen(s) by brushing or washing	\$2,359	\$3,877
43202	Esophagoscopy with biopsy, single or multiple	\$2,359	\$3,979
43204	Esophagoscopy with injection sclerosis of esophageal varices	\$2,359	\$4,435
43216	Esophagoscopy with removal of tumor(s), polyp(s), or other lesion(s) by hot biopsy forceps or bipolar cautery	\$2,359	\$4,537
43227	Esophagoscopy with control of bleeding (eg, injection, bipolar cautery, unipolar cautery, laser, heater probe, stapler, plasma coagulator)	\$2,751	\$4,827
43231	Esophagoscopy with endoscopic ultrasound examination	\$2,751	\$4,497
43234	Upper gastrointestinal endoscopy, simple primary examination (eg, with small diameter flexible endoscope) (separate procedure)	\$3,134	\$4,550
43235	Upper gastrointestinal endoscopy including esophagus, stomach and either the duodenum and/or jejunum as appropriate; diagnostic, with or without collection of specimen(s) by brushing or washing (separate procedure)	\$2,359	\$3,877
43245	Upper gastrointestinal endoscopy with dilation of gastric outlet for obstruction (eg, balloon, guide wire, bougie)	\$2,751	\$4,675
45000	Transrectal drainage of pelvic abscess	\$2,793	\$4,332
45005	Incision and drainage of submucosal abscess, rectum	\$3,248	\$4,459
45100	Biopsy of anorectal wall, anal approach (eg, congenital megacolon)	\$4,417	\$6,118
45300	Proctosigmoidoscopy, rigid: diagnostic, with or without collection of specimens(s) by brushing or washing (separate procedure)	\$2,429	\$3,058
45305	Proctosigmoidoscopy with biopsy, single or multiple	\$2,429	\$3,058
45308	Proctosigmoidoscopy with removal of single tumor, polyp, or other lesion by hot biopsy forceps or bipolar cautery	\$2,429	\$3,341
45309	Proctosigmoidoscopy with removal of single tumor, polyp, or other lesion by snare technique	\$2,429	\$3,341
45330	Sigmoidoscopy, flexible; diagnostic, with or without collection of specimen(s) by brushing or washing (separate procedure) <i>(Listed in original list as 42330)</i>	\$2,725	\$3,431
45331	Sigmoidoscopy with biopsy, single or multiple	\$2,725	\$3,760
45333	Sigmoidoscopy with removal of foreign body	\$2,725	\$3,943
45334	Sigmoidoscopy with removal of tumor(s), polyp(s), or other lesion(s) by hot biopsy forceps or bipolar cautery	\$2,429	\$4,208
45335	Sigmoidoscopy with directed submucosal injections(s), any substance	\$2,347	\$3,599
45355	Colonoscopy, rigid or flexible, transabdominal via colotomy, single or multiple	\$2,408	\$3,523
45378	Colonoscopy, flexible, proximal to splenic flexure; diagnostic, with or without collection of specimen(s) by brushing or washing, with or without colon decompression (separate procedure)	\$3,223	\$5,150
45380	Colonoscopy with biopsy, single or multiple	\$2,793	\$4,873
45381	Colonoscopy with directed submucosal injection(s), any substance	\$2,793	\$5,329

Procedure Code	Description	Facility Charges*	Total Charges
45382	Colonoscopy with control of bleeding (eg, injection, bipolar cautery, unipolar cautery, laser, heater probe, stapler, plasma coagulator)	\$2,793	\$5,329
45383	Colonoscopy with ablation of tumor(s), polyp(s), or other lesion(s) not amenable to removal by hot biopsy forceps, bipolar cautery or snare technique	\$2,793	\$5,456
45384	Colonoscopy with removal of tumor(s), polyp(s), or other lesion(s) by hot biopsy forceps, bipolar cautery	\$2,793	\$5,456
45385	Colonoscopy with removal of tumor(s), polyp(s), or other lesion(s) by snare technique	\$2,793	\$5,456
49320	Laparoscopy, abdomen, peritoneum, and omentum; diagnostic, with or without collection of specimen(s) by brushing or washing (separate procedure)	\$6,725	\$9,444
52000	Cystourethroscopy (separate procedure)	\$2,700	\$3,767
52001	Cystourethroscopy with irrigation and evacuation of multiple obstructing clots	\$4,018	\$5,567
52007	Cystourethroscopy, with biopsy(s)	\$2,835	\$5,138
52204	Cystoscopy, with biopsy of bladder	\$5,678	\$7,490
52214	Cystourethroscopy, with fulguration (including cryosurgery or laser surgery) of trigone, bladder neck, prostatic fossa, urethra, or periurethral glands	\$5,138	\$6,950
52290	Cystourethroscopy; with ureteral meatotomy, unilateral or bilateral	\$4,179	\$6,066
52630	Transurethral resection; residual or regrowth of obstructive prostate tissue including control of postoperative bleeding, complete (vasectomy, meatotomy, cystourethroscopy, urethral calibration and/or dilation, and internal urethrotomy are included)	\$6,594	\$10,677
53240	Marsupialization of urethral diverticulum, male or female	\$5,852	\$8,602
54057	Destruction of lesion(s), penis (eg, condyloma, papilloma, molluscum contagiosum, herpetic vesicle), simple; laser surgery	\$2,750	\$4,683
54060	Destruction of lesion(s), penis (eg, condyloma, papilloma, molluscum contagiosum, herpetic vesicle), simple; surgical excision	\$4,004	\$5,300
54065	Destruction of lesion(s), penis (eg, condyloma, papilloma, molluscum contagiosum, herpetic vesicle), extensive (eg, laser surgery, electrosurgery, cryosurgery, chemosurgery)	\$4,004	\$6,574
54150	Circumcision, using clamp or other device with regional dorsal penile or ring block	\$4,368	\$5,370
54161	Circumcision, surgical excision other than clamp, device or dorsal slit; older than 28 days of age	\$3,225	\$6,077
54162	Lysis or excision of penile post-circumcision adhesions	\$4,753	\$5,847
54163	Repair incomplete circumcision	\$4,753	\$5,847
55200	Vasotomy, cannulization with or without incision or vas, unilateral or bilateral (separate procedure)	\$4,753	\$6,673
55250	Vasectomy, unilateral or bilateral (separate procedure), including postoperative semen examination(s)	\$3,975	\$6,857
55450	Ligation (percutaneous) of vas deferens, unilateral or bilateral (separate procedure)	\$1,561	\$2,999
56405	Incision and drainage of vulva or perineal abscess	\$308	\$1,071

Procedure Code	Description	Facility Charges*	Total Charges
56420	Incision and drainage of Bartholin's gland abscess	\$406	\$1,326
56440	Marsupialization of Bartholin's gland cyst	\$4,319	\$5,958
56441	Lysis of labial adhesions	\$3,934	\$4,966
56442	Hymenotomy, simple incision	\$3,934	\$4,416
56501	Destruction of lesion(s), vulva; simple (eg, laser surgery, electrosurgery, cryosurgery, chemosurgery)	\$2,750	\$3,429
56515	Destruction of lesion(s), vulva; extensive (eg, laser surgery, electrosurgery, cryosurgery, chemosurgery)	\$4,606	\$6,640
56605	Biopsy of vulva or perineum (separate procedure); 1 lesion	\$2,750	\$3,387
56700	Partial hymenectomy or revision of hymenal ring	\$3,934	\$5,461
56740	Excision of Bartholin's gland or cyst	\$3,225	\$5,089
57000	Colpotomy; with exploration	\$3,934	\$6,707
57010	Colpotomy; with exploration with drainage of pelvic abscess	\$4,319	\$7,318
57020	Colpocentesis (separate procedure)	\$2,268	\$3,363
57022	Incision and drainage of vaginal hematoma; obstetrical/postpartum	\$3,563	\$4,772
57023	Incision and drainage of vaginal hematoma; non-obstetrical (eg, post-trauma, spontaneous bleeding)	\$3,878	\$5,087
57061	Destruction of vaginal lesion(s); simple (eg, laser surgery, electrosurgery, cryosurgery, chemosurgery)	\$2,545	\$4,692
57065	Destruction of vaginal lesion(s); extensive (eg, laser surgery, electrosurgery, cryosurgery, chemosurgery)	\$2,750	\$5,977
57100	Biopsy of vaginal mucosa; simple (separate procedure)	\$1,863	\$2,511
57105	Biopsy of vaginal mucosa; extensive, requiring suture (including cysts)	\$4,319	\$6,060
57120	Colpocleisis (Le Fort type)	\$4,280	\$6,323
57135	Excision of vaginal cyst or tumor	\$4,319	\$6,537
57415	Removal of impacted vaginal foreign body (separate procedure) under anesthesia (other than local)	\$4,319	\$5,371
57513	Cautery of cervix; laser ablation	\$2,750	\$3,704
57520	Conization of cervix, with or without fulguration, with or without dilation and curettage, with or without repair; cold knife or laser	\$3,775	\$5,686
58120	Dilation and curettage, diagnostic and/or therapeutic (nonobstetrical)	\$3,775	\$5,495
58345	Transcervical introduction of fallopian tube catheter for diagnosis and/or re-establishing patency (any method), with or without hysterosalpingography	\$5,593	\$7,903
58555	Hysteroscopy, diagnostic (separate procedure)	\$3,225	\$5,314
58558	Hysteroscopy, surgical; with sampling (biopsy) of endometrium and/or polypectomy, with or without D & C	\$4,858	\$7,929
58559	Hysteroscopy, with lysis of intrauterine adhesions (any method)	\$4,634	\$8,320
58563	Hysteroscopy, surgical; with endometrial ablation (eg, endometrial resection, electrosurgical ablation, thermoablation)	\$9,751	\$14,099
58600	Ligation or transecton of fallopian tube(s), abdominal or vaginal approach, unilateral or bilateral	\$9,520	\$14,968
58660	Laparoscopy, surgical; with lysis of adhesions (salpingolysis)	\$8,995	\$14,377

<b>Procedure Code</b>	<b>Description</b>	<b>Facility Charges*</b>	<b>Total Charges</b>
58661	Laparoscopy, surgical; with removal of adnexal structures (partial or total oophorectomy and/or salpingectomy)	\$8,995	\$14,181
58662	Laparoscopy, surgical; with fulguration or excision of lesions of the ovary, pelvic viscera, or peritoneal surface by any method	\$8,995	\$14,836
58670	Laparoscopy, surgical; with fulguration of oviducts (with or without transection)	\$6,825	\$10,273
58671	Laparoscopy, surgical; with occlusion of oviducts by device (eg, band, clip or Falope ring)	\$7,935	\$11,383
58740	Lysis of adhesions (salpingolysis, ovariolysis)	\$2,985	\$6,190
59812	Treatment of incomplete abortion, any trimester, completed surgically	\$5,243	\$7,185
59820	Treatment of missed abortion, completed surgically; first trimester	\$5,243	\$7,244
59821	Treatment of missed abortion, completed surgically; second trimester	\$5,243	\$7,500
59830	Treatment of septic abortion, completed surgically	\$5,363	\$7,190
59840	Dilation and curettage	\$5,300	\$7,529
59841	Dilation and evacuation	\$5,243	\$7,586
59856	Induced abortion, by 1 or more vaginal suppositories (eg, prostaglandin)with or without cervical dilation (eg, laminaria), with dilation and curettage and/or evacuation	\$5,368	\$7,263
59857	Induced abortion, by 1 or more vaginal suppositories (eg, prostaglandin)with or without cervical dilation (eg, laminaria), with hysterotomy (failed medical evacuation)	\$5,362	\$7,262
59870	Uterine evacuation and curettage for hydatidiform mole	\$7,243	\$9,472

\*Patients who meet Apollo's financial hardship criteria will receive an 80% discount off of the facility charge

[REDACTED]

Waukegan, IL, 60087

PT # 133844

To whom it may concern,  
I recieved cherity care from Dr. Vinod  
Goyal today, Friday April 29th 2011

Sincerely,

[REDACTED]

[REDACTED]  
[REDACTED]  
Chicago IL. 60653

PT. 142781

TO whom it may concern:

I received charity care from  
Dr Faramarz Salimi today, Friday  
April 29, 2011.

Sincerely,

[REDACTED]

[REDACTED]  
[REDACTED]

HASCO, IL. 60143

Account # 142792

To whom it may concern:  
I recieved charity care from Dr.  
Josephine Hamper today, Friday April 29, 201.

Sincerely,

[REDACTED]

  
Peoria, IL 61603

April 30, 2011

Patient ID # 142784

To whom it may concern,

I would like to thank Dr. Ventura for providing me with charity care service at no cost today, April 30, 2011.

I authorize the release of this letter regarding the charity care I received.

Sincerely,



[REDACTED]

[REDACTED]

Orland Park, IL 60462

April 30, 2011

Patient ID: 142797

To Whom It May Concern,

I would like to thank Dr. Chandler for providing me with charity care service at no cost today, April 30, 2011.

I authorize the release of this letter regarding the charity care I received.

Sincerely,

[REDACTED]

[REDACTED]  
[REDACTED]  
Chicago, IL 60649

April 30, 2011

Pt 142779

To Whom it may concern

I would like to thank the Dr Faramarz Salimi  
for providing me with charity care service  
at no cost today, April 30 2011

I authorize the release of this letter regarding  
the charity care I received

Sincerely  
[REDACTED]

[REDACTED]  
Woodridge, IL 60517

May 2, 2011

Patient ID #142772

To whom it may concern,

I would like to thank Dr. Ventura for providing me with charity care service at no cost today, May 2, 2011.

I authorize the release of this letter regarding with charity care I received.

Sincerely,  
[REDACTED]

I would like to personally thank the staff of Dr. Ventura's clinic for making me feel as comfortable as possible considering the situation.

To Dr. Ventura I would like to extend my deepest appreciation for helping me financially in my time of need. ~~and~~ and taking my financial circumstance into consideration.

Thank you. [REDACTED]

Blue Horizon  
ASSET MANAGEMENT

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500 N. Michigan Avenue  
Suite 2030  
Chicago, IL 60611

Ph: (312) 410-8400  
Fax: (312) 410-7228  
[www.bluehorizonfunds.com](http://www.bluehorizonfunds.com)

April 25, 2011

Apollo Health Center, Ltd.  
1640 N. Arlington Heights Road  
Suite 110  
Arlington Heights, IL 60004

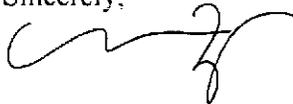
RE: Account Number: BHG-042

To Whom It May Concern:

The balance of the above referenced account is \$188,553.92, and is available to your corporation, Apollo Health Center, Ltd.

Please feel free to contact us if you have any questions.

Sincerely,



Chris Ziobehr  
*Client Relations*

Blue Horizon  
ASSET MANAGEMENT

500 N. Michigan Avenue  
Suite 2030  
Chicago, IL 60611

Ph: (312) 410-8400  
Fax: (312) 410-7228  
[www.bluehorizonfunds.com](http://www.bluehorizonfunds.com)

April 25, 2011

Apollo Health Center, Ltd.  
1640 N. Arlington Heights Road  
Suite 110  
Arlington Heights, IL 60004

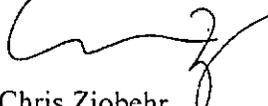
RE: Account Number: BHP-168

To Whom It May Concern:

The balance of the above referenced account is \$201,974.29, and is available to your corporation, Apollo Health Center, Ltd.

Please feel free to contact us if you have any questions.

Sincerely,



Chris Ziobehr  
*Client Relations*