

February 12, 2014

Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: Public Hearing Response  
Project 13-072  
NorthPointe ASTC

Dear Ms. Avery,

We are providing this letter to clarify and respond to the mis-impressions those opposing our proposed project stated at their requested Public Hearing on Monday, February 10, 2014. Our intent is to ensure the public record on our proposed project is complete and accurate. My letter focuses on certain key issues we believe your project review process should consider.

Beloit Health System, formally Beloit Memorial Hospital, has worked successfully with the previous Health Facility Planning Board in developing our NorthPointe Health and Wellness Campus and we look forward to a continuing relationship with the current Illinois Health Facilities and Services Review Board (State Agency) and its staff in securing a permit for this proposed multi-specialty ASTC project which will continue to enhance healthcare services for the state-line region, and more specifically Illinois, which we have served since 1991.

The specific considerations we believe to be necessary to clarify follow:

Opposing Organizations

We provided impact letters, as required by State Agency rules, to those Illinois hospitals and

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**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Beloit Clinic**  
1905 E. Huebbe Parkway  
Beloit, WI • (608) 364-2200

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

**NorthPointe Health &  
Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Occupational Health Sports  
& Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

ASTC providers within a 45-minute drive time from our NorthPointe Campus. We received negative responses from Rockford Ambulatory Surgery Center and Swedish American Hospital (a single letter response for both their Rockford and Belvidere facilities) indicating potential adverse impacts on their facilities, but no specific delineation of any impacts that we could quantify and respond to in our permit application.

At the public hearing, Rockford Memorial Health System, Rockford Endoscopy Center, as well as Rockford Orthopedic Surgery Center, indicated their opposition. We find it curious that these specific organizations did not respond to our impact letter yet now oppose our project. In addition, Rockford Memorial did not state why they oppose our project, but indicated they will be submitting a letter to the State Agency outlining their objections. This is disruptive to the review process because it limits our ability to provide the State Agency with information related to their specific objections.

Rockford Endoscopy Center is a single-specialty ASTC with 4 procedure rooms according to IDPH published data and can justify 9 based on IHFSRB criteria, so they have no calculated capacity for additional cases as indicated in their Public Hearing testimony. My notes also indicate Rockford Orthopedic Surgery Center identified itself as a multi-specialty provider. In fact, they provide orthopedic and podiatry services which suggests they too are a specialty and not a multi-specialty provider.

Beloit Health system is committed to work with you and your staff, but without knowing fully the objectors perspectives, we are hindered in providing information you might require.

#### Excess Capacity

Swedish American Health System (Rockford and Belvidere) and Rockford Orthopedics indicated they have capacity to accept ambulatory surgery cases. In fact, we considered market capacity and maldistribution issues in our Permit Application and provided our System oriented perspectives..

Beloit Health System is an integrated provider. We manage our patients care through a continuum of services from physician office-based care, various ambulatory services, hospital care, and longer-term care (assisted living) in order to provide efficient and effective care coordination and value.

As an integrated delivery system, we would be disadvantaged to make referrals outside our system or use other provider facilities. In addition, even if the stated operating rooms and GI procedure rooms calculated “excess capacity” were made available to our physicians, and we utilized these respective facilities, our efficiency and effectiveness as an integrated system would be compromised by reducing physician efficiencies due, in great part, to anticipated scheduling issues, travel distance, and operational processes outside our control, let alone increased travel times for our patients.

### Square Foot Costs

It was stated by one organization opposing our project that the State Agency criteria for ASTC’s is \$291.00/sq. ft. compared to our \$379.00 (Attachment 39). With contingency, our cost approximates \$406.00/sq. ft. In fact, this comparative statement is incorrect. The State Agency Guideline is a 2008 benchmark, and when escalated to the mid point of our proposed construction schedule, approximates \$348.00/sq. ft., not \$291.00 as stated. This ASTC Guideline, with allowable contingency, approximates \$382.00/sq. ft. If our assumptions are correct, and we approximated the State Agency current ASTC cost/sq. ft. guideline correctly, we ultimately may be below the State Agency comparative benchmark cost not “outrageously high” as stated at the public hearing once the Project is bid. Our permit application also provided documentation why our costs may be higher than the State Agency “norm”.

### Hospital Design

By policy, we have designed the proposed ASTC to contemporary hospital standards in that our physicians will be utilizing both the NorthPointe and Beloit Memorial Hospital facilities for similar procedures. We do not want to provide two different facility standards in our System. Our intent is to design the NorthPointe ASTC and our subsequently modernized Beloit Hospital surgery and GI facilities in such a way that the physicians and respective staff will have identical facilities and equipment in order to ensure their efficiency, care quality, and patient safety inherent in similarly designed space.

Our permit application recognized the difference in State Agency criteria between hospital and ASTC facilities and evaluated each for their differences and impact on development costs.

### Patient Origin

Patients do not respect political boundaries. They seek care where they deem it appropriate. The Beloit Health System serves the state-line region and our patients come from both Illinois and Wisconsin. We assume, the Rockford area providers also serve patients who reside in Wisconsin. Hence, the comment that our Illinois based patients do not justify an ASTC belies the facts stated in the physician referral letters provided in our Permit Application. The referral letters justify the proposed ASTC and we do not anticipate a negative impact to current in-market providers. We will be providing local access at NorthPointe to our current Illinois and Wisconsin state line patients.

### Charge Master

As you are well aware, what a healthcare organization might post as charges is far different than what we are reimbursed. Ultimately, our reimbursement for ASTC based procedures will be similar to, if not the same as, those current in-market providers due to similar contractual relationships, Medicare payment schedules, and Medicaid payments. Hence, the public hearing comment is not relevant to operational and reimbursement realities.

### Summary

We trust these responses to the stated comments by those who oppose our Project will assist the State Agency and put the opposition's perspectives in a more reliable context.

We look forward to working with you, your staff, and the Review Board in securing approval for our proposed project which will continue to enhance healthcare in the state-line region.

If you have any questions, I can be reached at 608-364-5685.

Sincerely,



Timothy McKeve  
President

CC: Mike Constantino, Supervisor, Project Review Section  
Ed Parkhurst, Prism Consulting