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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Lawrence J. Morrissey
Mayor
Office of the Mayor

February 18, 2014

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62762

RE; Project No. 13-072 North Pointe Health and Wellness Campus Ambulatory Surgery Treatment Center, Roscoe

Dear Ms. Avery:

As Mayor of the City of Rockford, please accept this letter of my opposition to the Beloit Health System (the "applicant") to establish an ambulatory surgery treatment center ("ASTC") in Roscoe, Illinois, here in Winnebago County.

Rockford area residents enjoy easy access to globally competitive health care. Rockford is a regional center for health care services in Illinois ensuring all medical needs can be met. The three major facilities in Rockford are Rockford Memorial Hospital as part of Rockford Health System, SwedishAmerican Hospital, a subsidiary of SwedishAmerican Health System, and OSF Saint Anthony Medical Center.

As pointed out in Beloit's application, this region already has excess surgical capacity with all eight surgical facilities in the area operating below the State's target utilization level. Adding unneeded capacity in the area will have a negative effect on existing providers, especially hospitals providing many services to patients of limited means and where reimbursement does not cover the cost of service. Beloit, which operates its own hospital in Wisconsin, understands this principle well. It references a study in its CON application, which notes that freestanding surgery centers are "criticized for 'cream skimming' profitable patients and procedures, important sources of revenue for general hospitals." (CON application at page 88.)

In this regard, it is noteworthy that U.S. Census data show the percentage of persons below the poverty level in Roscoe at 5.8%, while the poverty level in Beloit where the applicant's hospital is located is 24%. In Rockford, where three full service hospitals are located, the poverty level is 25.1%.

The applicant claims existing facilities will not be adversely impacted because the new ASTC will only be treating patients "relocated" from the applicant's hospital in Beloit, Wisconsin. All of the physician referral letters contain the statement that the "greatest majority of my patients reside in Wisconsin."

If the applicant's claims are true, and the proposed ASTC in Roscoe, Illinois is intended to primarily serve Wisconsin patients currently being served at the applicant's Wisconsin facility, the better alternative would be to improve or expand the applicant's facilities at its Beloit, Wisconsin campus as three of the alternatives explored by the applicant involve improvement or expansion of the Beloit campus which are less costly than the total cost of their proposed Project No. 13-072.

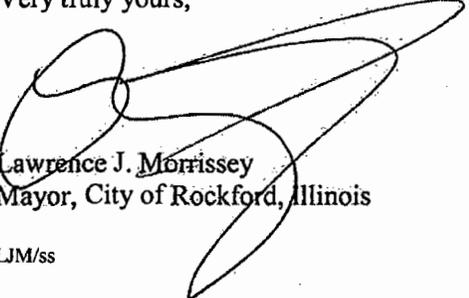


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There is no need for additional operating rooms in Roscoe, Illinois in northern Winnebago County. The area is well served by eight existing Illinois facilities, all of which have excess capacity. The applicant's existing ORs on its Beloit campus are underutilized and, according to the applicant, are in need of upgrading. If the applicant truly desires to improve patient access, it should upgrade and build its Wisconsin facilities for its Wisconsin patients.

The City of Rockford respectfully requests that the Illinois Health Facilities and Services Review Board deny Project No. 13-072, North Pointe Health and Wellness Campus Ambulatory Surgery.

Very truly yours,



Lawrence J. Morrissey
Mayor, City of Rockford, Illinois

LJM/ss