



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: H-02	BOARD MEETING: September 13, 2016	PROJECT NO: 16-021	PROJECT COST: Original: \$11,091,426
FACILITY NAME: Silver Cross Ambulatory Surgery Center		CITY: New Lenox	
TYPE OF PROJECT: Substantive			HSA: IX

PROJECT DESCRIPTION: The applicants (Silver Cross Hospital and Medical Centers, and Silver Cross Ambulatory Surgery Center, LLC) are proposing to establish a multi-specialty ambulatory surgical treatment facility in New Lenox at a cost of \$11,091,426. The project completion date is March 31, 2018.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants (Silver Cross Hospital and Medical Centers and Silver Cross Ambulatory Surgery Center, LLC) are proposing to establish a multi-specialty ambulatory surgical treatment facility at a cost of \$11,091,426, located on the corner of Route 6 and Silver Cross Boulevard, in New Lenox. **The anticipated completion date is March 31, 2018.**
- The proposed facility will be a multi-specialty ASTC with three operating rooms, nine recovery stations, and clinical support space. The proposed facility will offer general surgery, obstetrics/gynecology, ophthalmology, orthopedic, podiatry, and urology surgical services.
- A Type B Modification was submitted on July 13, 2016. The modification added the surgical specialties of pain management, gastrointestinal, and ENT to the proposed ASTC. A Type B Modification **does not** require the State Board to republish a notice for an opportunity of a public hearing.
- The proposed project is a substantive project subject to a 120 day review. The applicants requested expedited review based on possible weather delays that would extend the completion to late 2018 or early 2019. Board Staff granted the request.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project establishes a health care facility (ASTC) as defined by the Illinois Health Facilities Planning Act. (20 ILCS 3960/3)

PURPOSE OF THE PROJECT:

“The Applicants are seeking permission from the Board to establish a multi-specialty ambulatory surgical treatment center on the Silver Cross Hospital campus, near the southwest corner of Route 6 and Silver Cross Boulevard in New Lenox, Illinois (the "Surgery Center"), in order to reduce the high utilization and projected demand for outpatient surgical services at Silver Cross Hospital.”

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but none was requested. No letters of opposition were received.
- Letters of support were received from
 - State Representative Margo McDermed
 - Timothy Balderman, Mayor, Village of New Lenox
 - Lawrence M. Walsh, Will County Executive
 - Bill Foster, US Congressman, 11th District, Illinois

CONCLUSIONS:

- The State Board Staff has reviewed the application for permit and additional information requested by the Board Staff and note the following:
- The State Board does **not** have a need methodology for the establishment of an ASTC. The applicants argue the **need** for the proposed ASTC is based upon the high utilization of the existing eleven (11) operating rooms (ORs) at Silver Cross Hospital. Total surgery hours at Silver Cross Hospital would justify fourteen (14) operating rooms in CY 2014.
- Over the past five years (2010-2014), growth in Silver Cross Hospital’s operating rooms cases has averaged 2.52% annually and 4.68% annually in the number of hours. Over this same five year period, the hospitals’ surgery rooms on average have been operating at 112 % and the procedure rooms at 95%. **[See Table Eleven]**
- According to the applicants, there are a **number of a factors** that have led to the growth in

surgeries at Silver Cross Hospital, including, but not limited to, a modest population growth in Silver Cross Hospital's service area; expanded normal hours of operation in the operating rooms (6:30 am to 7:00 pm on weekdays and 7:30 am to 12:30 pm on Saturday and Sunday; the largest robotic surgery program in the Chicago metropolitan area and second largest robotic surgery program in the Midwest; recruitment of new surgeons to join existing medical practices; and the location of the new hospital directly off I-355, allowing patients easier access to all of the services at Silver Cross Hospital, including surgical services. **[Additional Information Submitted July 12, 2016. See also Purpose of the Project below]**

- Over the past five years (2010-2014), growth at hospitals operating rooms in Health Service Area 6, 7, 8, & 9 (Cook, Dupage, Kane, Lake, McHenry, Grundy, Kankakee, Kendall and Will Counties) has been less than 1% in the number of cases and the number of hours annually. For the ninety (90) ASTCs in these four health service areas there has been no growth in the number of cases and there has been a decrease in the number of hours of approximately 1.00% annually. **[See Table Two and Three]**
- There are twenty three (23) hospitals within 45 minutes of the proposed ASTC with 306 operating rooms and 147 procedure rooms. CY 2014 information justifies 281 operating rooms and 105 procedure rooms at target occupancy (1,500 hours per Operating Room (OR) or Procedure Room). Fourteen (14) or 61% of the twenty three (23) hospitals are not at the target occupancy of 1,500 hour per OR. **[See Table Sixteen at the end of this report]**
- There are thirty one (31) ASTCs within 45 minutes of the proposed facility; eleven (11) are Limited Specialty ASTCs and twenty (20) are Multi Specialty ASTCs. The twenty (20) multi specialty ASTCs have seventy seven (77) operating rooms and twenty eight (28) procedure rooms. CY 2014 information justifies forty one (41) operating rooms and ten (10) procedure rooms at target occupancy. Sixteen (16) of the twenty (20) or 75% of the multi specialty ASTC are not at target occupancy. Limited Specialty ASTC's would have to submit an application for permit to add a surgical specialty. **[See Tables Seventeen and Eighteen at the end of this report]**
- The applicants state that the Surgery Center will have the same charity care, access to care, and financial aid policies as Silver Cross Hospital. The expected payor mix for the proposed ASTC will mirror Silver Cross Hospitals' payor mix for outpatient surgery of Commercial: 67%; Medicare: 25%; Medicaid: 7%; and Self-Pay: 1%. **[Additional Information Submitted July 12, 2016]**
- The State Board Staff notes that for ASTCs, the amount of Medicaid and Charity Care is dependent on the patients referred to the proposed ASTC. In 2014, the 90 ASTCs in HSA 6, 7, 8, & 9 listed Medicaid at .58% of total revenue, and charity care expense as a percentage of total revenue was .19%.
- The applicants addressed a total of **22 criteria** and have not met the following two criteria:

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1110.1540 (h) – Unnecessary Duplication/Mal-distribution	<p>From the Tables at the end of this report similar surgical services are available to the residents of the GSA and are currently being provided at other underutilized hospitals and ASTCs. In response: <i>“The Applicants would assert that Criterion 1110.1540 (h) should not apply because the proposed Surgery Center is being established to solely reduce the high utilization and projected demand for outpatient surgical services at Silver Cross Hospital. Twenty-three (23) physicians have indicated a commitment to performing surgery procedures at the proposed Surgery Center. These same physicians also are currently on staff at Silver Cross Hospital. Referrals from these twenty-three physicians will be patients that are currently receiving care at Silver Cross Hospital. One hundred percent (100%) of the patients for the proposed Surgery Center are projected to come from Silver Cross Hospital's primary service area (and thus, the GSA). Thus, the proposed Surgery Center will not result in unnecessary duplication or mal-distribution of services since the total projected patient volume for the proposed Surgery Center will come entirely from Silver Cross Hospital's existing patient population. Therefore, the Applicants fully anticipate that no other provider will be impacted by the proposed Surgery Center.”</i></p>
Criterion 1120.140 (c) – Reasonableness of Project and Related Costs	<p>The applicants have exceeded the State Board Standards for Site Survey, Soil Investigation and Site Preparation, New Construction and Contingency Costs, and Movable Equipment by a total of \$1,972,436. [See pages 26-27 of this report for the applicants’ reasons for the excess costs]</p>

**Silver Cross Ambulatory Surgery Center
STATE BOARD STAFF REPORT
Project #16-021**

APPLICATION CHRONOLOGY	
Applicants(s)	Silver Cross Hospital and Medical Center, and Silver Cross Ambulatory Surgery Center, LLC
Facility Name	Silver Cross Ambulatory Surgery Center
Location	Corner of Route 6 and Silver Cross Boulevard, New Lenox
Permit Holder	Silver Cross Ambulatory Surgery Center
Operating Entity/Licensee	Silver Cross Ambulatory Surgery Center
Owner of Site	Silver Cross Hospital and Medical Center
Gross Square Feet	13,849 GSF
Application Received	May 17, 2016
Application Deemed Complete	May 18, 2016
Expedited Review Granted	June 10, 2016
Financial Commitment Date	August 2, 2018
Anticipated Completion Date	March 31, 2018
Review Period Ends	September 15, 2016
Review Period Extended by the State Board Staff?	No
Can the applicants request a deferral?	Yes

I. Project Description

The applicants (Silver Cross Hospital and Medical Centers, and Silver Cross Ambulatory Surgery Center, LLC) are proposing to establish a multi-specialty ambulatory surgical treatment facility at a cost of \$11,091,426, located on the corner of Route 6 and Silver Cross Boulevard, in New Lenox. The anticipated completion date is March 31, 2018.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is **not** in conformance with all relevant provisions of Part 1110.
- B. The State Board Staff finds the proposed project is **not** in conformance with all relevant provisions of Part 1120.

III. General Information

The applicants are Silver Cross Hospital and Medical Center and Silver Cross Ambulatory Surgery Center, LLC. Silver Cross Health System, a not-for-profit corporation, was incorporated in 1981 and controls Silver Cross Hospital and Medical Center, a domestic corporation incorporated in 1891. Silver Cross Hospital and Medical Center is a no-for-profit corporation and is the sole member of Silver Cross Ambulatory Surgery Center, LLC. Silver Cross Ambulatory Surgery Center, LLC is a limited liability company organized in the State of Illinois in April of 2016.

This is a substantive project subject to a Part 1110 and Part 1120 review. Financial commitment (i.e. obligation) will occur after project approval.

IV. Health Service Area

The proposed ASTC will be located in Will County in Health Service Area 9 which includes the Illinois counties of Grundy, Kankakee, Kendall, and Will. There are six (6) Hospitals in Health Service Area 9 and nine (9) Ambulatory Surgical Treatment Centers.

Adventist Bolingbrook Hospital	Bolingbrook
Morris Hospital & Healthcare Centers	Morris
Presence Saint Joseph Medical Center	Joliet
Presence St Mary's Hospital	Kankakee
Riverside Medical Center	Kankakee
Silver Cross Hospital	New Lenox
Amsurg Surgery Center	Joliet
Center for Digestive Health	Bourbonnais
Deerpath Orthopedic Surgical Ctr., LLC	Morris
DMG Pain Man. Surgery Ctr., LLC	Naperville
Kendall Pointe Surgery Center, LLC	Oswego
Oak Surgical Institute	Bradley
Plainfield Surgery Center, LLC	Plainfield
Riverside Ambulatory Surgery Center	Bourbonnais
Southwest Surgery Center, LLC	Mokena

The applicants state that the proposed ASTC is needed because of the growth in the number of cases and hours at Silver Cross Hospital's operating rooms. The State Board Staff reviewed operating room cases and operating hours provided by the hospitals and ASTCs within Health Service Area 6, 7, 8, & 9 for the past five years (2010-2014). The compounded annual growth for the years 2010-2014 for hospitals within the four (4) Health Service Areas is approximately .60% in the total number of surgical cases and the number of surgical hours increased approximately .75% compounded annually over this five (5) year period. For the ninety (90) ASTCs in these four health service areas there has been no growth in the number of cases and there has been a decrease in the average number of hours of approximately .73% compounded annually.

Silver Cross Hospital and Medical Center's surgical cases have increased on average approximately 2.52% annually over this same five year period and its surgical hours have increased on average by 4.68% annually.

TABLE TWO
Growth in the number of Surgical Cases and Surgical Hours
Hospitals
5 Years

Health Service Area	Years	Total Surgery Rooms	Total Surgical Cases	Annual Growth in # of Cases	Total Surgical Hours	Annual Growth in # of Hours
HSA6	2010	404	195,443	0.95%	454,951	1.12%
	2014	419	204,717		480,444	
HSA7	2010	376	251,438	0.56%	529,962	0.89%
	2014	404	258,449		553,653	
HSA8	2010	136	98,370	-0.21%	167,311	-0.40%
	2014	147	97,348		163,998	
HSA9	2010	51	36,936	1.09%	78,868	-0.42%
	2014	66	38,946		77,211	
Total	2010	967	582,187	0.59%	1,231,092	0.72%
	2014	1,036	599,460		1,275,306	

Source: CY 2010 & 2014 Annual Hospital Profile Information

TABLE THREE
Growth in the number of Surgical Cases and Surgical Hours
ASTC
5 Years

Health Service Area	Year	Number of OR's	Number of Cases	Annual Growth in # of Cases	Number of Hours	Annual Growth in # of Hours
HSA6	2010	53	42,923	-4.19%	44,921	-2.75%
	2014	52	33,938		38,752	
HSA7	2010	147	110,462	0.09%	120,197	-1.20%
	2014	148	110,953		112,955	
HSA8	2010	31	20,101	7.14%	24,507	3.68%
	2014	39	27,275		29,012	
HSA9	2010	23	14,340	2.38%	19,604	1.33%
	2014	20	16,048		20,903	
Total	2010	254	187,826	0.04%	209,228	-0.73%
	2014	259	188,214		201,623	

Source: CY 2010 & 2014 Annual ASTC Profile Information

IV. Project Description

Silver Cross Ambulatory Surgical Center (“Surgery Center”) will contain three (3) operating rooms, nine (9) recovery rooms and clinical support space. The Surgery Center will also include non-clinical areas such as administration, a waiting room, visitor and staff support, supply rooms and storage. In total, the Surgery Center will occupy 13,849 gross square feet of space. The building that will house the Surgery Center, and land upon which the Surgery Center will sit, will be owned by Silver Cross Hospital.

If the Surgery Center is approved, the ASTC will be considered a multi-specialty ASTC providing Ophthalmology, Podiatry, General, Orthopedic, and Urology specialties.

The Surgery Center will have the same charity care, access to care, and financial aid policies as Silver Cross Hospital. Thus, the Surgery Center will treat Medicare, Medicaid and charity care patients.

Silver Cross Hospital is the sole member of the Surgery Center. If this Certificate of Need Application is approved by the Board, Silver Cross Ambulatory Surgical Center, LLC intends to sell up to forty nine percent (49%) of the membership units in the Surgery Center to physicians (“Syndication”). No physician will be allowed to purchase more than a two and one-half percent (2.5%) interest in the Surgery Center.

Prior to the Syndication, Silver Cross Ambulatory Surgical Center, LLC and Silver Cross Hospital will also enter into a fair market value lease for the Surgery Center Facility.

Silver Cross Ambulatory Surgical Center, LLC may also contract with a management company to provide management services at the Surgery Center. If a management company is ultimately engaged, and the management company seeks ownership as part of its management agreement, thereby decreasing Silver Cross Hospital's interest in SCASC below fifty percent (50%), the Applicants will file a Change of Ownership Application with the Board.

V. Project Costs

The applicants are proposing to fund the project with cash in the amount of \$11,091,426.

TABLE FOUR
Project Uses of Funds and Sources of Funds

Uses of Funds	Non		Total
	Reviewable	Reviewable	
Site Survey and Soil Investigation	\$5,956	\$4,044	\$10,000
Site Preparation	\$714,766	\$485,234	\$1,200,000
New Construction	\$3,307,849	\$2,245,600	\$5,553,449
Contingencies	\$330,784	\$224,560	\$555,344
Architectural and Eng. Fees	\$326,125	\$221,396	\$547,521
Consulting and Other Fees	\$228,143	\$154,879	\$383,022
Movable or Other Equipment	\$2,311,970	\$530,120	\$2,842,090
Total	\$7,225,594	\$3,865,832	\$11,091,426
Sources of Funds	\$7,225,594	\$3,865,832	\$11,091,426
Total	\$7,225,594	\$3,865,832	\$11,091,426

Source: Application for Permit Page 6

VI. Purpose of the Project, Safety Net Impact Statement, Alternatives

A) Criterion 1110.230 (a) – Purpose of the Project

The applicants are asked to:

1. Document that the project will provide health services that improve the health care or well-being of the market-area population to be served.
2. Define the planning area or market area, or other area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The applicants stated the following:

“The Applicants are seeking permission from the Board to establish a multi-specialty ambulatory surgical treatment center on the Silver Cross Hospital campus, near the southwest corner of Route 6 and Silver Cross Boulevard in New Lenox, Illinois (the “Surgery Center”), in order to reduce the high utilization and projected demand for outpatient surgical services at Silver Cross Hospital.”

[Source Application for Permit pages 50-59 for complete discussion of the Purpose of the Project]

The applicants provided the reasons for the increase in surgeries at Silver Cross Hospital stating *“There is has been a number of a factors have led to the tremendous growth in surgeries at Silver Cross Hospital, including, but not limited to, the following: (a) modest population growth in Silver Cross Hospital’s service area (approximately 0.4% year over year); (b) expanded normal hours of operation in the operating rooms (6:30 am to 7:00 pm on weekdays and 7:30 am to 12:30 pm on Saturday and Sunday, and even had to expand hours beyond these times on high demand days); (c) extremely high patient satisfaction (89th percentile in the Press Ganey database for outpatient surgery); (d) word of mouth from patients telling other patients about their positive experiences at Silver Cross Hospital; (e) patients*

instructing their surgeons that they would prefer to have their surgeries performed at Silver Cross Hospital; (f) largest robotic surgery program in the Chicago metropolitan area and second largest robotic surgery program in the Midwest, with over 1,000 robotic surgery cases per year at Silver Cross Hospital and outstanding outcomes; (g) existing private physicians and medical practices on the Medical Staff at Silver Cross Hospital have recruited new surgeons to join their practices (many coming from out-of-state and/or recently completing fellowships); and (h) although this last point is harder to prove out, Silver Cross Hospital is now located directly off I-355, allowing patients easier access to all of the services at Silver Cross Hospital, including surgical services.” [Source: Additional Information submitted July 12, 2016 by the applicants]

B) Criterion 1110.230 (b) – Safety Net Impact Statement

The applicants are asked to document:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

The applicants stated the following: *“The proposed Surgery Center will have no negative impact on essential safety net services.”*

TABLE FIVE			
Safety Net Impact Information			
Net Patient Revenue	\$289,786,000	\$309,018,000	\$323,175,000
<u>CHARITY</u>			
Charity (# of patients)	2013	2014	2015
Inpatient	1,079	1,038	1,063
Outpatient	3,597	3,533	3,826
Total	4,676	4,571	4,889
Charity (cost in dollars)			
Inpatient	\$5,139,000	\$4,923,000	\$3,419,000
Outpatient	\$3,721,000	\$3,148,000	\$2,186,000
Total	\$8,860,000	\$8,071,000	\$5,605,000
% of Charity Care/Net Rev.	3.06%	2.61%	1.73%
<u>MEDICAID</u>			
Medicaid (# of patients)	2013	2014	2015
Inpatient	2,186	2,611	2,997
Outpatient	31,092	31,670	32,024
Total	33,278	34,281	35,021
Medicaid (revenue)			
Inpatient	\$15,714,000	\$14,091,000	\$12,190,000
Outpatient	13,985,000	21,165,000	\$26,560,000
Total	\$29,699,000	\$35,256,000	\$38,750,000
% of Medicaid to Net Revenue	10.25%	11.41%	11.99%
Source: Application for Permit pages 345-347			
1. Silver Cross Hospital's Community Benefit Report at pages 348-350 of the Application for Permit			

In 2015, Silver Cross provided over \$40 million in charity care and other community benefits. The numbers reported below are all reported at cost.

TABLE SIX
Silver Cross Hospital and Medical Center
Community Benefits

Charity Care (at cost)	\$5,605,000
Unreimbursed Medicaid at cost	\$6,046,000
Subtotal (Charity Care & Medicaid):	\$11,651,000
Additional Community Benefit:	
Language Assistance	\$69,000
Donations	\$305,000
Volunteer Services	\$2,655,000
Education	\$1,400,000
Unreimbursed Medicare at cost	\$19,250,000
Subsidized Health Services	\$1,261,000
**Bad Debts (at cost)	\$3,375,000
Other Community Benefits	\$48,000
Total Community Benefit	\$40,014,000

**46% of bad debt patients are uninsured = \$1,551,000 (at cost)

Source: Application for Permit page 349

Silver Cross Hospital and Medical Center defines self-pay as any patient that lacks commercial healthcare insurance, does not qualify for Medicare or any of the Medicare managed care plans, and/or does not qualify for Medicaid or any of the Medicaid managed care plans.

TABLE SEVEN
Silver Cross Hospital and Medical Center
Self Pay Patients and Revenue

	FY 2013	FY 2014	FY 2015
Number of Inpatient Self Pay Patients	274	413	348
Number of Outpatient Self Pay Patients	12,068	10,627	8,188
Total Self Pay Patients	12,342	11,040	8,536
Inpatient Self Pay Revenue	\$818,000	\$614,000	\$600,000
Outpatient Self Pay Revenue	\$9,371,000	\$3,236,000	\$1,140,000
Total Revenue	\$10,189,000	\$3,850,000	\$1,740,000

Source: Application for Permit Page 346

C) Criterion 1110.230 (c) Alternatives to the Project

To document compliance with this criterion the applicants are requested to provide the alternatives considered, the reason for the alternatives were rejected, and the estimated cost for each alternative.

The Applicants considered four (4) alternatives to the proposed project:

1. Do nothing;
2. Eexpand Silver Cross Hospital's Procedural Care Unit;
3. Establish a surgery center in Homer Glen on the same campus that houses the Silver Cross Free Standing Emergency Care Center; or

4. Construct a stand-alone hospital-based outpatient department on the Silver Cross Hospital Campus in New Lenox.
 1. The first alternative was rejected because it did not address the increased demand at the hospital. There would be **no cost to this alternative.**
 2. The second alternative was rejected because it would be too costly, would take longer to complete, and would be extremely disruptive to existing patient care and hospital operations. **Total cost of this alternative is \$29,378,313**
 3. The third alternative was rejected because the Homer Glen site is landlocked and Silver Cross would have to acquire additional parking and make other improvements to accommodate the staff and patients. In addition, the Homer Glen campus is approximately 10 miles away from the Silver Cross Hospital campus in New Lenox. Physicians would have to travel between Silver Cross Hospital and the surgery center. **The cost of this alternative is \$12,199,075.**
 4. This alternative was rejected because it would not provide the lowest cost setting for patients. While reimbursement is higher for a hospital-based outpatient department (“HOPD”), patients would have higher out-of-pocket costs. In addition, certain commercial payers are now directing physicians to perform outpatient cases in separately licensed surgery centers if clinically appropriate. For these reasons, the HOPD alternative was rejected. **The cost of this alternative is \$10,971,735** (exactly the same cost as the proposed Surgery Center less CON consulting fees, CON attorney fees, and CON filing.) [Source: Application for Permit pages 138-140]

VII. Size of the Project, Projected Utilization of the Project, Assurances

A) Criterion 1110.234 (a) – Size of the Project

To document compliance with this criterion the applicants must document that the proposed surgical rooms and recovery stations meet the State Board GSF Standard’s in Section 1110 Appendix B.

The applicants are proposing three (3) surgical rooms and nine (9) recovery stations. The State Board Standard is 2,075-2,750 BGSF per operating room. The State Board does not have gross square footage standards for recovery stations for ASTCs. The State Board allows four (4) recovery stations per operating room or a total of twelve (12) recovery stations for the three operating rooms. For the three (3) operating the applicants are proposing 8,249 BGSF or 2,750 BGSF per operating room.

Based upon the information submitted by the applicants in the application for permit the applicants have met the requirements of the State Board. [Source: Application for Permit pages 141-143]

B) Criterion 1110.234 (b) – Projected Utilization

To document compliance with this criterion the applicants must document that the proposed surgical rooms will be at target utilization or 1,500 hours per operating room by the second year after project completion. Section 1110 Appendix B

The State Board Standard is 1,500 hours per operating room or a total of 4,500 hours for the proposed three (3) operating rooms. The Applicants are projecting a total of 2,165 surgeries (or 3,489 hours) in 2018 and 2,252 surgeries (or 3,628 hours) in 2019. Based upon these projections the applicants can justify the three (3) operating rooms being proposed. [Source: Application for Permit page 144]

C) Criterion 1110.234 (e) – Assurances

To document compliance with this criterion the applicants must provide an attestation that the proposed project will be at target occupancy two years after project completion.

The applicants have provided the necessary attestation at page 268 of the Application for Permit.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT, PROJECTED UTILIZATION, AND ASSURANCES (77 IAC 1110.234 (a), (b), and (e))

VIII. Establish an Ambulatory Surgical Treatment Center

A) Criterion 1110.1540 (b)(1) and (3) - Background of the Applicant

To demonstrate compliance with this criterion the applicants must provide documentation of the following:

- 1) Any adverse action taken against the applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed healthcare facility, or against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.
- 2) A listing of all health care facilities currently owned and/or operated by the applicant in Illinois or elsewhere, including licensing, certification and accreditation identification numbers, as applicable;

Silver Cross Hospital is a fully licensed, Medicare-certified, Joint Commission accredited, Illinois not-for-profit general hospital. Copies of the current licenses and Joint Commission accreditation for Silver Cross Hospital have been provided in the application for permit. The applicants provided documentation attesting that there have been no adverse actions taken against any facility owned or operated by Silver Cross Hospital during the three (3) years prior to the filing of this Application. The applicants authorized the Illinois Health Facilities & Services Review Board and the Illinois Department of Public Health to access their records to verify information submitted in the application. The applicants are in compliance with Executive Order #2006-5 and the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended 17

IAC 4180). All required reports have been filed with the Illinois Department of Public Health including APORS, Cancer Registry, and the Annual Hospital Questionnaires. [Source: Application for Permit pages 46-49]

All physicians that submitted referral letters for the proposed ASTC are licensed in the State of Illinois. www.idfpr.com

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANTS (77 IAC 1110.1540 (b)(1) and (3))

B) Criterion 1110.1540 (c)(2)(A) and (B) – Service to GSA Residents

To demonstrate compliance with this criterion the applicants must provide a list of zip codes that comprise the geographic service area. The applicant must also provide patient origin information by zip code for the prior 12 months. This information must verify that at least 50% of the facility’s admissions were residents of the geographic service area.

1. By rule the applicants are to identify all zip codes within forty five (45) minutes of the proposed ASTC. The applicants provided this information at pages 51-57 of the application for permit. There are approximately 340 zip codes within this forty-five (45) minute geographical service area.
2. The applicants identified fourteen (14) zip codes which according to the applicants is Silver Cross Hospital and Medical Center’s primary service area. All fourteen (14) zip codes are within the proposed forty five (45) minute geographical service area. The applicants stated that 100% of the projected referrals for the proposed ASTC will come from these fourteen (14) zip codes. The applicants also provided the estimated and projected population for these 14 zip codes. Based upon the estimate and the projection for 2016-2021, as documented in Table Eight, the applicants are expecting very little growth in these fourteen (14) zip codes for the next five years.

Zip Code	City	Estimated 2016	Projected 2021	% Change
60403	Crest Hill	17,536	17,826	1.65%
60421	Elwood	4,005	4,068	1.57%
60423	Frankfort	31,595	32,211	1.95%
60432	Joliet	21,026	20,579	-2.13%
60433	Joliet	16,463	15,985	-2.90%
60435	Joliet	47,103	46,212	-1.89%
60436	Joliet	17,316	16,796	-3.00%
60439	Lemont	24,086	25,066	4.07%
60441	Lockport	36,958	37,341	1.04%
60442	Manhattan	10,196	10,410	2.10%
60448	Mokena	24,730	25,115	1.56%
60451	New Lenox	34,470	34,940	1.36%
60467	Orland Park	27,615	28,714	3.98%
60491	Homer Glen	22,960	22,815	-0.63%
Total		336,059	338,078	0.60%

Source Application for Permit page 150

3. The applicants provided twenty three (23) physician referral letters from physicians that will refer patients to the proposed ASTC. All of the physicians are on the medical staff of Silver Cross Hospital and Medical Center. The State Board Staff's review of these 23 referral letters note that a total of 2,312 patients reside within these fourteen zip codes in the proposed geographical service area. [See Table Nine below]

TABLE NINE
Residents of patients referred to
Silver Cross Hospital and Medical
Center
Prior 12 months

Zip Code	City	Patients
60403	Crest Hill	64
60421	Elwood	75
60423	Frankfort	183
60432	Joliet	158
60433	Joliet	133
60435	Joliet	181
60436	Joliet	91
60439	Lemont	81
60441	Lockport	269
60442	Manhattan	128
60448	Mokena	177
60451	New Lenox	572
60467	Orland Park	73
60491	Homer Glen	127
Total		2,312

Based upon the information provided in the application for permit and summarized above it appears that the proposed ASTC will provide services to the residents of the forty five (45) minute geographic service area.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION GEOGRAPHIC SERVICE AREA NEED (77 IAC 1110.1540 (c)(2)(A) and (B))

C) Criterion 1110.1540 (d)(1) and (2) - Service Demand – Establishment of an ASTC Facility

To document compliance with this criterion the applicants must provide physician referral letters that attest to the total number of treatments for each ASTC service that was referred to an existing IDPH-licensed ASTC or hospital located in the GSA during the 12-month period prior to the application. The referral letter must contain:

1. Patient origin by zip code of residence;
 2. Name and specialty of referring physician;
 3. Name and location of the recipient hospital or ASTC; and
 4. Number of referrals to other facilities for each proposed ASTC service for each of the latest two years;
 5. Estimated number of referrals to the proposed ASTC within 24 months after project completion
 6. Physician notarized signature signed and dated; and
 7. An attestation that the patient referrals have not been used to support another pending or approved CON application for the subject services.
-
1. The applicants submitted twenty three (23) physician referral letters. Of those letters, two (2) could not be accepted because the zip codes of the historical referrals were not provided. We also did not accept the projected referrals that exceeded the total historical referrals. The applicants did not provide the historical referrals from facilities other than Silver Cross Hospital and Medical Center. The applicants stated that utilization at the proposed Surgery Center will come entirely from cases surgeons are already performing at Silver Cross Hospital and Medical Center. The State Board Staff accepted these referral letters based upon the applicants' attestation.
 2. The referral letters stated there were 2,645 procedures performed by the physicians listed below in the prior 12 months. Based on the explanation above, 2,055 referrals were accepted by the State Board Staff for a total of 3,170 hours.
 3. Based upon the 3,170 hours the applicants can justify the demand for three (3) operating rooms. [3,170 hours/ 1,500 hours = 2.11 rooms or 3 rooms].

TABLE TEN
State Board Staff's Review of Referral Letters

Physician	Specialty	Historical Referrals	Projected Referrals	Accepted Referrals	Average	Projected Referrals	Accepted Referrals
		Prior 12 Months	ASTC		Time Hours per Case	Total Hours	Total Hours
Syed Bokhari	General Surgery	107	110	107	1.8	198	193
Mark Danielson	General Surgery	174	205	174	1.8	369	314
Reza Gamagami	General Surgery	953	400	400	1.8	720	720
Shishin Yamada	General Surgery	80	100	80	1.8	180	144
Francisco Garcini	Gyne	92	80	80	1.8	144	144
Gamilah Piere	Gyne	79	80	80	1.8	144	144
Peter Vienne	Gyne	4	75	4	1.8	135	8
Timothy Kisla	Ophthalmology	389	475	389	0.9	427.5	351
Tomasz Antkowiak	Ortho	18	50	18	1.9	95	35
Brian Burgess	Ortho	11	11	11	1.9	20.9	21
Giridhar Burra	Ortho	36	50	36	1.9	95	69
Robert Daley	Ortho	7	20	0	1.9	38	0
Bradley Dworsky	Ortho	41	41	41	1.9	77.9	78
Jason Hurbanek	Ortho	28	28	28	1.9	53.2	54
Elliot Nacke	Ortho	34	40	34	1.9	76	65
Robert Semba	Ortho	122	130	122	1.9	247	232
Cary Templin	Ortho	7	7	0	1.9	13.3	0
Paul Trksak	Ortho	106	106	106	1.9	201.4	202
Cynthia Sink	Podiatry	13	12	12	1.7	20.4	21
Bruce Smit	Podiatry	12	18	12	1.7	30.6	21
Greg Andros	Urology	46	35	35	1.6	56	56
Ryan Manecke	Urology	35	42	35	1.6	67.2	56
Sandeep Sawhney	Urology	48	50	48	1.6	80	77
Edward Jurkovic	Gastro	135	150	135	0.7	105	94.5
Andrew Hendrix	Pain Man.	32	50	32	0.5	25	16
Scott DiVenere	ENT	23	50	23	1.5	75	34.5
Brian Farrell	ENT	9	10	9	1.5	15	13.5
Silvio Marra	ENT	3	3	3	1.5	4.5	4.5
Nirav Thakkar	ENT	1	1	1	1.5	1.5	1.5
Total		2,645	2,429	2,055		3,715	3,170

Source: Application for Permit pages 191-231 and Type B Modification received July 13, 2016

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE DEMAND (77 IAC 1110.1540 (d)(1) and (2))

D) Criterion 1110.1540 (f)(1) and (2) - Treatment Room Need Assessment

To document compliance with this criterion the applicants must provide the projected patient volume or hours to justify the number of operating rooms being requested. The applicants must document the average treatment time per procedure.

1. The applicants provided the average case time per procedure as well as the projected volume for the first two years after project completion (2018 and 2019) as required. [See Table Above]
2. The referral letters discussed above indicate that these surgeons will refer approximately 2,055 cases in 2019 at the proposed Surgery Center. One hundred percent (100%) of the patients for the proposed Surgery Center are projected to come from Silver Cross Hospital's primary service area.

Based upon the State Board Staffs review of the referral letters the applicants can justify 3,170 procedure hours in the first year (2019) after project completion. This number of hours will justify the three (3) operating rooms being requested by the applicants.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION TREATMENT ROOM NEED ASSESSMENT (77 IAC 1110.1540 (f) (1) (2))

E) Criterion 1110.1540 (g) - Service Accessibility

To document compliance with this criterion the applicants must document that the proposed ASTC services being established is necessary to improve access for residents of the GSA by documenting one of the following:

- 1) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project;
- 2) The other IDPH-licensed ASTC and hospital surgical/treatment rooms used for those ASTC services proposed by the project within the identified GSA are utilized at or above the utilization level specified in 77 Ill. Adm. Code 1100;
- 3) The ASTC services or specific types of procedures or operations that are components of an ASTC service are not currently available in the GSA or that existing underutilized services in the GSA have restrictive admission policies;
- 4) **The proposed project is a cooperative venture sponsored by two or more persons, at least one of which operates an existing hospital.** Documentation shall provide evidence that:
 - A) The existing hospital is currently providing outpatient services to the population of the subject GSA;
 - B) The existing hospital has sufficient historical workload to justify the number of surgical/treatment rooms at the existing hospital and at the proposed ASTC, based upon the treatment room utilization standard specified in 77 Ill. Adm. Code 1100;
 - C) The existing hospital agrees not to increase its surgical/treatment room capacity until the proposed project's surgical/treatment rooms are operating at or above the

utilization rate specified in 77 Ill. Adm. Code 1100 for a period of at least 12 consecutive months; and

- D) The proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

Service Accessibility is the ability to get medical care and services when needed.

The applicants stated *“the proposed Surgery Center will address the surgical care demand issues at Silver Cross Hospital. At this point, in order to deal with the high utilization in its Procedural Care Unit, Silver Cross Hospital has been offering extended hours of operation during weekdays and providing surgical time on weekends. But, at a certain point, if Silver Cross Hospital does not expand its surgical capacity, serious delays are going to start occurring and patients seeking surgical services are going to be negatively impacted. The proposed Surgery Center is the most cost effective way for Silver Cross to relieve the demand pressure in its Procedural Care Unit and provide the surgical services that its patients are demanding.”* [Source: Application for Permit page 238]

The applicants have chosen to address Number Four (4) above. The proposed ASTC is currently not a cooperative venture. Silver Cross Hospital and Medical Center wholly owns the proposed ASTC at this time. According to the applicants *“Silver Cross Ambulatory Surgery Center intends to sell up to forty nine percent (49%) of the membership units in Silver Cross Ambulatory Surgery Center to physicians (the "Syndication"). No physician will be allowed to purchase more than a two and one-half percent (2.5%) interest in Silver Cross Ambulatory Surgery Center. Silver Cross Ambulatory Surgery Center may also contract with a management company to provide management services at the Surgery Center. If a management company is ultimately engaged, and the management company seeks ownership as part of its management agreement, thereby decreasing Silver Cross Hospital's interest in Silver Cross Ambulatory Surgery Center below fifty percent (50%), the Applicants will file a Certificate of Need (Change of Ownership) Application with the Board.”*

- A) As documented at Criterion 1110.1540 (c)(2 (A) and (B) – Service to Area Residents, Silver Cross Hospital and Medical Center is providing care to the residents of the proposed GSA.
- B) As Table Eleven (below) illustrates, the average historical usage for the past five years at Silver Cross Hospital and Medical Center (2010-2014) justifies fourteen (14) operating rooms and five (5) procedure rooms. The Hospital currently has eleven (11) operating rooms and (4) four procedure rooms.
- C) The applicants stated *“Silver Cross Hospital and Medical Centers ("Silver Cross Hospital") will not increase its surgical/treatment room capacity at Silver Cross Hospital until the proposed Silver Cross Ambulatory Surgery Center (the "Surgery Center") achieves its target utilization rate for twelve (12) consecutive months.”* [Source: Application for Permit page 240]
- D) The applicants stated *“the customary rates at the proposed Surgery Center will be lower than the customary rates at Silver Cross Hospital for comparable procedures.”* [Source: Application for Permit page 240]

The applicants demonstrated that the proposed ASTCs target population will be Silver Cross Hospital and Medical Center’s existing patient base and access to care will be improved for this population. Additionally, based on State Board Staff’s review of the historical utilization data, the proposed ASTC will improve access to care because Silver Cross Hospital and Medical Center’s operating rooms are on average operating at 112 % and the procedure rooms are operating on average at 95.2% over the five-year period (CY 2010-2014).

TABLE ELEVEN
Silver Cross Hospital and Medical Center
Historical Utilization
Surgery Rooms

	Surgery Rooms	Surgical Cases			Hours			Operating Rooms Justified
		Inpatient	Outpatient	Total Cases	Inpatient	Outpatient	Total	
2010	11	3,733	5,107	8,840	9,039	7,137	16,176	11
2011	11	3,643	5,377	9,020	9,677	9,157	18,834	13
2012	11	3,174	6,496	9,670	8,122	9,745	17,867	12
2013	11	3,278	6,373	9,651	8,711	10,703	19,414	13
2014	11	3,801	6,153	9,954	10,021	9,670	19,691	14

Procedure Rooms

	Procedure Rooms	Cases			Hours			Rooms Justified
		Inpatient	Outpatient	Total	Inpatient	Outpatient	Total	
2010	4	1,363	4,683	6,046	1,005	3,383	4,388	3
2011	4	1,320	5,351	6,671	1,015	4,058	5,073	4
2012	4	1,487	6,205	7,692	1,153	4,541	5,694	4
2013	4	1,584	6,834	8,418	1,265	5,765	7,060	5
2014	4	1,722	7,466	9,188	1,276	5,051	6,344	5

Source: 2010 – 2014 Annual Hospital Questionnaire

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE ACCESSIBILITY (77 IAC 1110.1540 (g))

F) Criterion 1110.1540 (h)(1), (2), and (3) - Unnecessary Duplication/Mal-distribution/Impact on Other Providers

- 1. To demonstrate compliance with this criterion the applicants must provide a list of all licensed hospitals and ASTC’s within the proposed GSA and their historical utilization (within the 12-month period prior to application submission) for the existing surgical/treatment rooms.**
- 2) To demonstrate compliance with this criterion the applicants must document the ratio of surgical/treatment rooms to the population within the proposed GSA that exceeds one and one half-times the State average.**
- 3) To demonstrate compliance with this criterion the applicants must document that, within 24 months after project completion, the proposed project:**

- A) Will not lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm. Code 1100; and
- B) Will not lower, to a further extent, the utilization of other GSA facilities that are currently (during the latest 12-month period) operating below the utilization standards.

The applicants stated the following to address this criterion:

*“The Applicants have elected to complete Criterion 1110.1540(h) (Unnecessary Duplication/Maldistribution). However, Applicants would assert that Criterion 1110.1540 (h) should not apply because the proposed Surgery Center is being established to solely reduce the high utilization and projected demand for outpatient surgical services at Silver Cross Hospital. Twenty-three (23) physicians have indicated a commitment to performing surgery procedures at the proposed Surgery Center. These same physicians also are currently on staff at Silver Cross Hospital. Referrals from these twenty-three physicians will be patients that are currently receiving care at Silver Cross Hospital. One hundred percent (100%) of the patients for the proposed Surgery Center are projected to come from Silver Cross Hospital’s primary service area (and thus, the GSA). Thus, the proposed Surgery Center will not result in unnecessary duplication or mal-distribution of services since the total projected patient volume for the proposed Surgery Center will come entirely from Silver Cross Hospital’s existing patient population. **Therefore, the Applicants fully anticipate that no other provider will be impacted by the proposed Surgery Center.**”*

“The Applicants are projecting that all of the cases for the Surgery Center will come directly from Silver Cross Hospital. Meaning, utilization at the Surgery Center will come entirely from cases that would have otherwise been performed at Silver Cross Hospital. To that end, the Applicants only asked surgeons currently on the active Medical Staff at Silver Cross Hospital to submit attestations and asked those same surgeons to limit their attestations to patients located in Silver Cross Hospital’s primary service area, defined by the following zip codes: 60403, 60421, 60423, 60432, 60433, 60435, 60436, 60439, 60441, 60442, 60448, 60451, 60467, and 60491. Thus, unlike many surgery center applications that support their projections by pulling surgical cases from multiple facilities, the Applicants have literally only listed cases from their own physicians at their own hospital on their own campus. In other words, unlike many surgery center applications that assert that there will no impact on other facilities, the Applicants firmly believe that no other facility will be impacted by the Surgery Center because all of the projected cases will come from their own physicians at their own hospital on their own campus. Indeed, the entire rationale for establishing the Surgery Center was to relieve the extremely high utilization rate of the operating rooms at Silver Cross Hospital. In 2014, the eleven operating rooms at Silver Cross Hospital had a utilization rate of 119.3%. In 2015, the utilization rate increased to 129.7%. 2016 is even busier, with the eleven operating rooms on pace to hit a utilization rate of 138.5%. [Source Additional information requested by State Board Staff submitted July 12, 2016]

1. Unnecessary Duplication of Service

a. Hospitals

There are 23 hospitals within the forty-five minute geographical service area. Based upon CY 2014 information there are 306 operating rooms and 147 procedure rooms at the 23 hospitals. CY 2014 utilization justifies 281 operating rooms and 105 procedure rooms.

b. Limited Specialty ASTC

There are 32 ASTC's within the forty-five minute geographical service area. One ASTC was approved but is not yet operational (Preferred Surgery Center). Based upon CY 2014 information eleven (11) of the 31 ASTCs within 45 minutes are limited specialty ASTC's and would need State Board approval to add specialties. Of these eleven (11) ASTC's there are a total of nineteen (19) operating rooms and seven (7) procedure rooms. CY 2014 utilization justifies eleven (11) operating rooms and eight (8) procedure rooms for these limited specialty ASTCs.

c. Multi-Specialty ASTC

There are twenty (20) ASTC's that are multi-specialty ASTC's. These twenty (20) ASTC's have a total of seventy seven (77) operating rooms and twenty eight (28) procedure rooms. CY 2014 information justifies forty one (41) operating rooms and ten (10) procedure rooms at these 20 ASTC's.

2. Mal-Distribution

The twenty three (23) hospitals have 306 operating rooms and 147 procedure rooms. The thirty-one (31) ASTC's have a total of ninety six (96) operating rooms and thirty-five (35) procedure rooms. There are a total of 406 operating rooms and 131 procedure rooms in this forty-five minute geographical service area. The applicants did not provide the population for the proposed forty-five (45) minute geographical service area as required by this criterion.

3. Impact on Other Facilities

The applicants stated that no other provider within the forty five minute service area will be impacted because the volume for the proposed ASTC is coming from Silver Cross Hospital and Medical Center.

From the Tables at the end of this report it appears that similar surgical services being proposed to be performed at this ASTC are available to the residents of the of the forty-five (45) minute service area and are currently being provided at other hospitals and ASTCs that are underutilized. Based upon the 2014 Hospital and ASTC profile information that the State Board Staff has reviewed it appears that an unnecessary duplication of service will result with the establishment of the proposed ASTC.

Additionally, the applicants did not provide the population within the forty-five minute geographic service area. To determine if there is a surplus of operating

rooms/procedure rooms in this geographic area the applicants are required to provide the names of facilities in the geographical area, and the utilization of each facility.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE, MALDISTRIBUTION/ IMPACT ON OTHER FACILITIES (77 IAC 1110.1540 (h)(1), (2), and (3))

G) Criterion 1110.1540 (i) - Staffing

To demonstrate compliance with this criterion, the applicants must provide documentation that relevant clinical and professional staffing needs will be met and a medical director will be selected that is board certified.

To address this criterion the applicants provided a narrative explaining how the staffing requirements will be met at the proposed ASTC.

“Silver Cross Hospital has been experiencing very favorable vacancy rates for staff subject to licensing by the Department of Financial and Professional Regulation in its Procedural Care Unit. Over the past year, the vacancy rate in Silver Cross Hospital’s Procedural Care Unit has averaged below 1.6%.

Silver Cross Hospital uses a variety of tools to recruit staff to its Procedural Care Unit, including, but not limited to, web based programs and traditional sites and methods such as nurse.com, indeed.com, monster.com, careerbuilder.com, National Healthcare Career Network, Sun-Times Network, Joliet Herald, Chicago Tribune, and nursing job fairs. Silver Cross Hospital intends to use those same recruiting tools to staff the proposed Surgery Center, as well as transferring staff from the Procedural Care Unit to the proposed Surgery Center. Thus, the Applicants are very confident that they will be able to staff the proposed Surgery Center.

Medical Director

“Like Silver Cross Hospital’s Procedural Care Unit, the proposed Surgery Center will have a Medical Director. The Medical Director will be board certified in his/her specialty and will be responsible for the clinical direction at the proposed Surgery Center.” [Source: Application for Permit page 242]

A copy of the proposed Medical Director Agreement for the proposed Surgery Center is included in the application for permit.

The proposed medical director’s agreement calls for an initial term of two years with one year renewals and the medical director will report to the Administrator of the proposed ASTC. The Medical Director will be board certified by the American Board of Surgery/American Board of Anesthesia. [See Pages 243-258 of the Application for Permit for the complete agreement]

Based upon the information provided in the application for permit, it appears that the proposed ASTC will be properly staffed and will meet all IDPH licensing and accreditation requirements.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION STAFFING (77 IAC 1110.1540 (i))

H) Criterion 1110.1540 (j) - Charge Commitment

To document compliance with this criterion the applicants must provide the following:

- 1) A statement of all charges, except for any professional fee (physician charge); and
- 2) A commitment that these charges will not be increased, at a minimum, for the first two years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).

The applicants stated the following:

"I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, and pursuant to 77 Ill. Admin. Code § 1110.1540(j), that the usual and customary charges set forth on the attached table will not be increased, at a minimum, for the first two years of operation following the licensure and opening of the proposed Silver Cross Ambulatory Surgery Center, to be located near the southwest corner of Route 6 and Silver Cross Boulevard in New Lenox, Illinois, unless a permit is first obtained pursuant to 77 Ill. Admin. Code § 1130.310(a)."

Based upon the above attestation by John Krepps, Senior Vice President of Finance and Chief Financial Officer the applicants have successfully addressed Criterion 1110.1540 (j) Charge Commitment. [Source: Application for Permit pages 260-264]

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION CHARGE COMMITMENT (77 IAC 1110.1540 (j))

I) Criterion 1110.1540 (k) - Assurances

To demonstrate compliance with this criterion the applicants must attest that a peer review program will be implemented and the proposed ASTC will be at target occupancy two years after project completion.

The applicants provided the following attestation signed by Paul Pawlak, President & CEO Silver Cross Ambulatory Surgery Center LLC and Silver Cross Hospital and Medical Centers

"I hereby certify, under penalty of perjury as provided in §1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 111 0.1 540(k) (l), as follows:

- 1. Silver Cross Hospital and Medical Centers ("Silver Cross Hospital") has a robust peer review program.*
- 2. Silver Cross Hospital will establish a robust peer review program (the "Peer Review Program") at the proposed Silver Cross Ambulatory Surgery Center (the "Surgery Center").*
- 3. The Surgery Center's Peer Review Program will evaluate whether patient outcomes are consistent with quality standards established by professional organizations for ambulatory surgical treatment centers and if outcomes do not meet or exceed those*

quality standards, a quality improvement plan will be initiated." [Source: Application for Permit page 268]

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.1540 (k))

IX. FINANCIAL VIABILITY

A) Criterion 1120.120 - Availability of Funds

B) Criterion 1120.130 - Financial Viability

To demonstrate compliance with this criterion the applicants must provide evidence that sufficient resources are available to fund the project.

The applicants are funding this project with cash in the amount of \$11,091,420. The applicants provided Silver Cross Health System and Affiliates 2015 Audited Financial Statements as evidence of sufficient cash to fund the project. As of September 30, 2015 the applicants had cash in the amount of \$30,462,000 and \$120,483,000 reserved for capital improvements. Because the applicants are funding the project from internal sources the applicants have qualified for the financial waiver.

Based on State Board's Staff review of the 2015 and 2014 audited financial statements, sufficient cash is available to fund the project. [Source: Application for Permit pages 303-336]

TABLE TWELVE
Silver Cross Health System
Financial Performance
(In thousands)

	30-Sep 2015	30-Sep 2014
Cash	\$30,462	\$26,950
Current Assets	\$88,252	\$84,316
Land Building Equipment	\$455,053	\$468,226
Current Liabilities	\$94,270	\$92,341
LTD	\$419,236	\$381,686
Net Patient Revenue	\$338,418	\$323,776
Total Operating Revenue	\$348,804	\$347,477
Total Operating Expenses	\$344,052	\$349,980
Operating Income	\$4,752	(\$2,503)
Operating Margin	1.36%	-0.72%
Non Operating Income	(\$66,593)	\$8,343
Excess Income	(\$61,841)	\$5,840
Excess Margin	-17.73%	1.68%
Reserved for Capital Improvements	\$120,483	\$100,638
Liquidity		
Current Assets/Current Liabilities	<1	<1
Days Cash on Hand	39	34
Average Age of Plant	7	6
Debt and Liabilities		
LTD To Capitalization	70.20%	61.50%

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS AND FINANCIAL VIABILITY (77 IAC 1120.120 and 77 IAC 1120.130)

X. ECONOMIC FEASIBILITY

- A) Criterion 1120.140 (a) - Reasonableness of Financing Arrangements**
- B) Criterion 1120.140 (b) - Terms of Debt Financing**

The applicants are funding this project with cash in the amount of \$11,091,420. Debt is not being used to finance this project.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCING ARRANGEMENTS TERMS OF DEBT FINANCING (77 IAC 1120.140 (a) (b))

C) Criterion 1120.140 (c) - Reasonableness of Project Costs

The State Board developed standards for site survey soil investigation and site preparation [5% of new construction and contingency], new construction and contingencies [RS Means inflated to midpoint of construction], and architectural and engineering fees [percentage of new construction and contingencies]. As documented in the Table below the applicants have not met the State Board standards for

- site survey soil investigation and site preparation
- new construction and contingencies
- movable equipment

For the remaining line items no State Board standards have been developed.

TABLE THIRTEEN					
Project Reviewable Costs					
Use of Funds	Reviewable Cost	State Standard	Applicants Costs	Exceeds Standard	Standard Met?
Site Survey and Soil Investigation	\$5,956	} 5.00% \$181,932	19.81%	\$538,790 ⁽¹⁾	No
Site Preparation	\$714,766				
New Construction Contracts	\$3,307,849	} \$379.69/GSF	\$441.10/GSF	\$506,571 ⁽²⁾	No
Contingencies	\$330,784				
Architectural and Engineering Fees	\$326,125	6.89-10.35%	5.96%	8.96%	Yes
Consulting and Other Fees	\$228,143	NA	NA	NA	NA
Movable Equipment	\$2,311,970	\$461,631	\$770,656	\$927,075 ⁽³⁾	No

1. [\$5,956 + \$714,766 = \$720,722 - \$181,932 = \$538,790]
2. [\$441.10 - \$379.69 = \$61.41 x 8,249 Clinical GSF = \$506,571]
3. [\$770,656 - \$461,631 = \$309,025 x 3 OR = \$927,075]

The applicants provided the following explanation for the overages:

*“The **Site Survey, Soil Investigation and Site Preparation** component exceeds the Section 1120 norm because the building site for the proposed Surgery Center is undeveloped farm land. Thus, the Applicants will have to pay for grading, utility hookups, access roads, parking and landscaping in order to have a pad ready site*

*The **Construction Contracts and Contingencies** costs of \$441 .10 per GSF exceeds the Section 1120 norm because the proposed Surgery Center is being built according to hospital outpatient department standards. That said, construction of the proposed Surgery Center is still significantly less expensive than constructing additional operating rooms inside Silver Cross Hospital.*

*The **Equipment** component exceeds the Section 1120 norm because the types of surgeries that will be performed in the proposed Surgery Center will be comparable to the types of outpatient surgeries that would have otherwise been performed in Silver Cross Hospital. Thus, the proposed Surgery Center needs equipment capable of supporting these types of cases. Also, certain equipment costs (e.g., a sterilizer) are "sunk costs" and are capable of supporting more than just 3 operating rooms. That said, the Applicants engaged an equipment planning specialist to assist the Applicants in the selection of the equipment and to minimize the equipment costs at the proposed Surgery Center. The Applicants also reviewed other CON Applications as an audit check and it would appear that the equipment costs are in line with, or lower than, many of those projects. See, e g., Advocate Condell Ambulatory Surgery Center, Project No. 15-017*

(\$827,143 in clinical equipment costs per operating room).” [Source: Application for Permit pages 341-342]

Below is a list of the equipment to be used in the proposed ASTC.

<u>Equipment</u>	
Clinical Equipment	\$2,311,970
Copiers, Office Equipment & App.	\$18,500
Furniture	\$100,250
Security	\$55,534
Shelving	\$48,000
Support Carts	\$2,500
Medical Records	\$10,000
Artwork	\$10,000
IT Network I Voice Installation	\$60,000
Miscellaneous Building Support Items	\$11,500
Signage	\$75,000
IT Network & Desktop Hardware	\$106,903
IT Software, Setup & Training	<u>\$31,933</u>
Total	\$2,842,090

Source: Application for Permit pages 42-44

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140 (c))

D) Criterion 1120.140 (d) Projected Operating Costs

To determine compliance with this criterion the applicants must provide documentation of the projected operating costs per procedure.

The applicants provided the necessary information as required. The projected operating cost per treatment is \$1,775.66. This appears reasonable when compared to previously approved projects.

Total Operating Expenses	\$4,389,458
Depreciation Expense	-\$300,000
Bad Debt Expense	-\$90,678
Total	\$3,998,780
Est. Number of Procedures	<u>2,252</u>
Project Costs per Procedure	\$1,775.66

Source: Application for Permit page 343

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION PROJECTED OPERATING COSTS (77 IAC 1120.140 (d))

- E) Criterion 1120.140 (e) – Total Effect of the Project on Capital Costs**
To determine compliance with this criterion the applicants must provide documentation of the projected capital costs per equivalent patient day.

The applicants provided the necessary information as required. The projected capital cost per procedure is \$100,000 or \$40.40 per procedure. This appears reasonable when compared to previously approved projects. [Source: Application for Permit page 344]

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.140 (e))

TABLE SIXTEEN
Hospitals within the forty five (45) minute geographic service area⁽¹⁾

Hospitals	City	Adjusted Time ⁽²⁾	Operating Rooms	Total Hours	Total OR's Justified	Procedure Rooms	Total Hours	Procedure Rooms Justified
Presence Saint Joseph Medical Center	Joliet	19.6	17	19,235	12.82	8	5,716	3.81
Advocate South Suburban Hospital	Hazel Crest	23	9	8,454	5.64	2	2,452	1.63
Adventist Bolingbrook Hospital	Bolingbrook	24.2	6	7,113	4.74	7	3,037	2.02
Franciscan St. James & Health Center	Olympia Flds.	24.2	7	3,660	2.44	6	2,895	1.93
Ingalls Memorial Hospital	Harvey	26.5	9	10,299	6.87	4	1,425	0.95
Palos Community Hospital	Palos Heights	29.9	14	18,575	12.38	4	4,816	3.21
MetroSouth Medical Center	Blue Island	29.9	11	7,283	4.86	4	4,874	3.25
Adventist LaGrange Memorial Hospital	LaGrange	34.5	11	12,977	8.65	4	3,737	2.49
Roseland Community Hospital	Chicago	35.7	3	769	0.51	7	662	0.44
Advocate Trinity Hospital	Chicago	38	6	5,304	3.54	6	2,873	1.92
Adventist Glen Oaks Medical Center	Glendale Hts.	39.1	5	3,281	2.19	3	1,179	0.79
St. Bernard Hospital	Chicago	39.1	6	2,859	1.91	0	0	0.00
MacNeal Memorial Hospital	Berwyn	40.3	18	18,180	12.12	8	29,041	19.36
Little Company of Mary Hospital and Health Care Ctr.	Evergreen Pk.	40.3	9	9,930	6.62	7	8,188	5.46
VHS Westlake Hospital	Melrose Park	44.9	9	9,399	6.27	3	612	0.41
Advocate Good Samaritan Hospital	Downers Gr.	31.1	15	22,453	14.97	8	5,883	3.92
Adventist Hinsdale Hospital	Hinsdale	31.1	12	19,197	12.80	6	5,382	3.59
Edward Hospital	Naperville	35.7	18	33,216	22.14	9	12,940	8.63
Elmhurst Memorial Hospital	Elmhurst	39.1	15	27,604	18.40	6	5,311	3.54
Central DuPage Hospital	Winfield	40.3	26	40,453	26.97	7	12,541	8.36
Alexian Brother Medical Center	Elk Grove Vl.	42.6	15	21,185	14.12	18	14,964	9.98
Loyola University Medical Center	Maywood	43.7	27	60,335	40.22	10	16,786	11.19
Advocate Christ Hospital and Medical Center	Oak Lawn	44.9	38	58,864	39.24	10	11,604	7.74
Totals			306	420,625	280.42	147		104.61

1. Information from 2014 Hospital Profiles at www.hfsrb.gov
2. Adjusted time determined by Map Quest and adjusted per 77 IAC 1100.510 (d)
3. Sorted by Adjusted Time

TABLE SEVENTEEN
Limited ASTC's within the forty five (45) minute geographic service area⁽¹⁾

Facility	City	Specialty	Adjusted Time ⁽²⁾	Limited	Operating Rooms	Operating Room Hours	Number of OR's Justified	Procedure Rooms	Procedure Room Hours	Number of Procedure Rooms Justified
Ambul. Surgi-Ctr. of Downers Grove	Downers Grove	OB/Gynecology	31.1	Limited	3	1,157.30	0.77	0	0.00	0.00
Naperville Fertility Center	Naperville	OB/Gynecology	32.2	Limited	1	645.00	0.43	0	0.00	0.00
Cadence Surgery Center	Warrenville	Ortho., Pain Man.	34.5	Limited	4	4,810.75	3.21	0	0.00	0.00
Eye Surgery Center of Hinsdale	Hinsdale	Ophthalmology, Laser Eye	35.7	Limited	2	2,500.00	1.67	1	0.00	0.00
Palos Hills Surgery Center	Palos Hills	Orthopedic	35.7	Limited	2	434.75	0.29	0	0.00	0.00
Chicago Prostate Cancer Surgery Ctr.	Westmont	Urology	38	Limited	2	713.00	0.48	0	0.00	0.00
Elmhurst Medical and Surgical Ctr.	Elmhurst	Podiatry	38	Limited	1	128.00	0.09	0	0.00	0.00
Midwest Endoscopy Center	Naperville	Gastro-Intestinal	38	Limited	0	0.00	0.00	2	5067.33	3.38
Oak Lawn Endoscopy	Oak Lawn	Gastro-Intestinal	38	Limited	0	0.00	0.00	2	5617.00	3.74
United Therapy - LaGrange	LaGrange	Urology	39.1	Limited	1	2,748.00	1.83	0	0.00	0.00
DuPage Eye Surgery Center	Wheaton	Ophthalmology	44.9	Limited	3	2,272.97	1.52	2	239.18	0.16
Total					19	15,409.77	10.27	7		7.28

1. Information from 2014 ASTC Profiles at www.hfsrb.gov
2. Adjusted time determined by Map Quest and adjusted per 77 IAC 1100.510 (d)
3. Sorted by adjusted time

TABLE EIGHTEEN
Multi-Specialty ASTC within the forty five minute geographical service area ⁽¹⁾

Facility	City	Specialty	Adj. Time ⁽²⁾	Multi	OR's	OR's Hours	# of OR's Justified	Procedure Rooms	Procedure Room Hours	Number of Procedure Rooms Justified
Southwest Surgery Center, LLC	Mokena	Ophthalmology, Oral/Max., Ortho., Otolaryn., Pain Man., Plastic, Podiatry, Gastro	12.7	Multi	4	7,335.30	4.89	1	0.00	0.00
Tinley Woods Surgery Center	Tinley Park	General, Laser Eye, Neurological, OB/Gyn, Ophthal., Oral/Max., Ortho., Otolaryn., Pain Man., Plastic, Podiatry, Thoracic, Urology, Gastro	12.7	Multi	4	3,566.00	2.38	1	591.25	0.39
Orland Park Surgery Center, LLC	Orland Park	Ortho., Otolaryn., Pain Man., Plastic, Podiatry	15	Multi	5	1,034.75	0.69	0	0.00	0.00
HealthSouth Amsurg. Surgery Center	Joliet	Cardio., Derm., Gastro., General, Laser Eye, Neuro., OB/Gyn., Ophthal.,Ortho., Otolaryn., Pain Man., Plastic., Podiatry, Thoracic, Urology	21.9	Multi	4	6,146.70	4.10	3	1863.25	1.24
Ingalls Same Day Surgery	Tinley Park	General,OB/Gyn., Ophthal., Oral/Max, Ortho., Otolaryn., Pain Man., Plastic., Podiatry, Urology,	23	Multi	4	4,215.25	2.81	0	0.00	0.00
Forest Medical Surgical Center	Justice	Gastro., Pain Man., Podiatry, Urology	32.2	Multi	2	955.00	0.64	2	0.00	0.00
Midwest Center for Day Surgery	Downers Grove	Gastro., OB/Gyn., Ophthal., Ortho., Otolaryn., Plastic, Podiatry, Urology	32.2	Multi	5	3,215.75	2.14	0	0.00	0.00

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Multi-Specialty ASTC within the forty five minute geographical service area ⁽¹⁾

Facility	City	Specialty	Adj. Time ⁽²⁾	Multi	OR's	OR's Hours	# of OR's Justified	Procedure Rooms	Procedure Room Hours	Number of Procedure Rooms Justified
Palos Surgicenter LLC	Palos Heights	General, Laser Eye, Neuro, Ophthal., Ortho., Otolaryn., Pain Man., Plastic., Podiatry	32.2	Multi	3	2,167.25	1.44	2	0.00	0.00
Dupage Medical Group Surgery Center	Lombard	General, OB/Gyn., Ophthal., Ortho., Otolaryn., Pain Man., Plastic., Podiatry, Urology, Gastro.	33.4	Multi	5	9,484.75	6.32	3	5078.75	3.39
The Center for Surgery	Naperville	OB/Gyn., Ophthal., Ortho., Pain Man., Plastic., Podiatry, Urology, Gastro.	33.4	Multi	8	3,625.25	2.42	3	418.00	0.28
Hinsdale Surgical Center	Hinsdale	General, Laser Eye, OB/Gyn., Ophthal., Oral/Max., Ortho., Otolaryn., Pain Man., Plastic., Podiatry, Urology	34.5	Multi	4	4,761.00	3.17	2	207.00	0.14
Midwest Eye Center, S. C.	Calumet City	Ophthal., Plastic., Laser Eye	34.5	Multi	2	918.00	0.61	1	522.00	0.35
Oak Brook Surgical Center	OakBrook	Cardio., Gastro., Gen., Neuro., OB/Gyn., Ophthal., Ortho., Pain Man., Plastic., Podiatry, Urology	34.5	Multi	5	2,930.25	1.95	0	0.00	0.00
Edward Plainfield Surgery Center	Plainfield	General., OB/Gyn., Ophthal., Ortho., Otolaryn., Pain Man., Plastic, Urology	36.8	Multi	3	1,797.00	1.20	1	457.25	0.30

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Multi-Specialty ASTC within the forty five minute geographical service area ⁽¹⁾

Facility	City	Specialty	Adj. Time ⁽²⁾	Multi	OR's	OR's Hours	# of OR's Justified	Procedure Rooms	Procedure Room Hours	Number of Procedure Rooms Justified
Naperville Surgical Center	Naperville	Ophthal., Ortho., Pain Man., Plastic, Podiatry, Urology, Gastro	38	Multi	4	1,880.00	1.25	1	0.00	0.00
Salt Creek Surgery Center	Westmont	Ortho., Pain Man., Podiatry	36.8	Multi	0	0.00	0.00	4	3314.50	2.21
Novamed Surgery Center of Oak Lawn	Oak Lawn	Ophthal., Ortho., Pain Man., Plastic, Podiatry	38	Multi	4	1,688.46	1.13	0	0.00	0.00
Alden Center for Day Surgery Ctr. LLC	Addison	Gastro., OB/Gyn., Ortho., Pain Man., Podiatry	41.4	Multi	4	958.88	0.64	0	0.00	0.00
Elmhurst Outpatient Surgery Center	Elmhurst	General, OB/Gyn., Ortho., Otolaryn., Plastic, Podiatry, Urology, Cataract, Gastro., Laser Eye, Pain Man.,	41.4	Multi	4	1,665.12	1.11	4	1547.27	1.03
Loyola Amb. Surgery at Oakbrook Terrace	Oakbrook Terrace	Derm., Gastro., General, Neuro., OB/Gyn., Ophthal., Oral/Max., Ortho., Otolaryn., Podiatry, Urology	43.7	Multi	3	2,897.50	1.93	0	0.00	0.00
Total					77	61,242.21	40.83	28	13,999.27	

1. Information from 2014 ASTC Profiles at www.hfsrb.gov
2. Time determine by MapQuest and Adjusted per 77 IAC 1110.510 (d)
3. Sorted by adjusted time

<u>Ownership, Management and General Information</u>		<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Paul Pawlak	White	84.5%	Hispanic or Latino:	3.9%
ADMINSTRATOR PHONE	815-300-1234	Black	9.7%	Not Hispanic or Latino:	92.4%
OWNERSHIP:	Silver Cross Hospital & Medical Center	American Indian	0.1%	Unknown:	3.7%
OPERATOR:	Silver Cross Hospital & Medical Center	Asian	0.3%		
MANAGEMENT:	Not for Profit Corporation (Not Church-R	Hawaiian/ Pacific	0.0%	IDPH Number:	5827
CERTIFICATION:	None	Unknown	5.4%	HPA	A-13
FACILITY DESIGNATION:	General Hospital			HSA	9
ADDRESS	1900 Silver Cross Boulevard	CITY:	New Lenox	COUNTY:	Will County

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	<u>Authorized CON Beds 12/31/2014</u>	<u>Peak Beds Setup and Staffed</u>	<u>Peak Census</u>	<u>Admissions</u>	<u>Inpatient Days</u>	<u>Observation Days</u>	<u>Average Length of Stay</u>	<u>Average Daily Census</u>	<u>CON Occupancy Rate %</u>	<u>Staffed Bed Occupancy Rate %</u>
Medical/Surgical	185	185	185	13,862	50,009	6,699	4.1	155.4	84.0	84.0
0-14 Years				0	0					
15-44 Years				2,445	7,082					
45-64 Years				4,467	15,501					
65-74 Years				2,547	9,302					
75 Years +				4,403	18,124					
Pediatric	8	8	8	336	710	307	3.0	2.8	34.8	34.8
Intensive Care	28	28	28	1,612	5,862	9	3.6	16.1	57.4	57.4
Direct Admission				1,587	4,104					
Transfers				25	1,758					
Obstetric/Gynecology	30	30	30	3,030	7,033	300	2.4	20.1	67.0	67.0
Maternity				2,731	6,694					
Clean Gynecology				299	339					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	14	14	14	748	4,532	0	6.1	12.4	88.7	88.7
Rehabilitation	24	24	24	574	7,341	0	12.8	20.1	83.8	83.8
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedcated Observation	0					0				
Facility Utilization	289			20,137	75,487	7,315	4.1	226.9	78.5	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>							
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Public</u>	<u>Private Insurance</u>	<u>Private Pay</u>	<u>Charity Care</u>	<u>Totals</u>
Inpatients	43.3%	13.0%	1.0%	35.5%	2.1%	5.2%	
	8729	2611	199	7147	413	1038	20,137
Outpatients	25.9%	14.9%	0.2%	52.4%	5.0%	1.7%	
	54963	31670	425	111330	10627	3533	212,548

<u>Financial Year Reported:</u>	10/1/2013 to	9/30/2014	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>					<u>Charity Care Expense</u>	<u>Total Charity Care Expense</u>
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Public</u>	<u>Private Insurance</u>	<u>Private Pay</u>	<u>Totals</u>			
Inpatient Revenue (\$)	41.6%	8.5%	0.0%	49.5%	0.4%	100.0%		8,071,000	
	68,583,000	14,091,000	0	81,539,000	614,000	164,827,000	4,923,000		
Outpatient Revenue (\$)	18.4%	13.4%	0.0%	66.2%	2.0%	100.0%			
	29,121,000	21,165,000	0	104,817,000	3,236,000	158,339,000	3,148,000	2.5%	

<u>Birthing Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	2,718		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	2,708		Beds	0	0	Heart:	0
Birthing Rooms:	0		Patient Days	5,457	579	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		6,497	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	12		<u>Laboratory Studies</u>			Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0		Inpatient Studies		448,920	Total:	0
C-Section Rooms:	2		Outpatient Studies		1,072,155		
CSections Performed:	816		Studies Performed Under Contract		32,580		

Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	68	37	195	97	292	2.9	2.6
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	9	9	1628	2019	3598	3661	7259	2.2	1.8
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	0	0	531	84	2308	210	2518	4.3	2.5
OB/Gynecology	0	0	0	0	243	902	612	1608	2220	2.5	1.8
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	0	0	0	780	0	678	678	0.0	0.9
Orthopedic	0	0	0	0	860	1054	2127	1352	3479	2.5	1.3
Otolaryngology	0	0	0	0	86	331	168	494	662	2.0	1.5
Plastic Surgery	0	0	0	0	21	198	61	306	367	2.9	1.5
Podiatry	0	0	0	0	5	204	11	353	364	2.2	1.7
Thoracic	0	0	0	0	75	1	198	1	199	2.6	1.0
Urology	0	0	1	1	284	543	743	910	1653	2.6	1.7
Totals	0	0	10	10	3801	6153	10021	9670	19691	2.6	1.6

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

16

Stage 2 Recovery Stations

36

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	3	3	1722	7364	1276	5051	6327	0.7	0.7
Laser Eye Procedures	0	0	1	1	0	102	0	17	17	0.0	0.2
Pain Management	0	0	0	0	0	0	0	0	0	0.0	0.0
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Multipurpose Non-Dedicated Rooms**Emergency/Trauma Care**

Certified Trauma Center	Yes
Level of Trauma Service	Level 1
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	950
Patients Admitted from Trauma	705
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	38
Persons Treated by Emergency Services:	71,158
Patients Admitted from Emergency:	11,158
Total ED Visits (Emergency+Trauma):	72,108

Free-Standing Emergency Center

Beds in Free-Standing Centers	6
Patient Visits in Free-Standing Centers	11,017
Hospital Admissions from Free-Standing Center	478

Outpatient Service Data

Total Outpatient Visits	212,548
Outpatient Visits at the Hospital/ Campus:	202,009
Outpatient Visits Offsite/off campus	10,539

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	3
Cath Labs used for Angiography procedures	1
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	1

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	3,879
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	1,593
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	1,342
EP Catheterizations (15+)	944

Cardiac Surgery Data

Total Cardiac Surgery Cases:	0
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	0
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	0

Diagnostic/Interventional Equipment**Examinations****Therapeutic Equipment****Therapies/ Treatments**

	Owned		Contract		Inpatient	Outpt	Contract	Owned		Contract	
General Radiography/Fluoroscopy	16	0	15,950	44,521	0			Lithotripsy	0	0	0
Nuclear Medicine	4	0	1,920	2,282	0			Linear Accelerator	0	0	0
Mammography	2	0	0	11,879	0			Image Guided Rad Therapy			0
Ultrasound	6	0	7,369	18,069	0			Intensity Modulated Rad Thrp			0
Angiography	4	0						High Dose Brachytherapy	0	0	0
Diagnostic Angiography			842	751	0			Proton Beam Therapy	0	0	0
Interventional Angiography			928	414	0			Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	1	0	0	0			Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	3	0	12,295	19,729	0						
Magnetic Resonance Imaging	2	0	3,515	5,797	0						

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