STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 •(217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-06	BOARD MEETING: October 25, 2016	PROJECT NO: 16-031	PROJECT COST: Original: $21,766,530
FACILITY NAME: Rush Oak Brook Surgery Center		CITY: Oak Brook	
TYPE OF PROJECT: Substantive			HSA: VII

PROJECT DESCRIPTION: The applicants (Rush University Medical Center and Rush Oak Brook Surgery Center, LLC) are proposing to establish a multi-specialty ambulatory surgical treatment facility (ASTC) in Oak Brook at a cost of $21,766,530. The project completion date is June 1, 2019.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants (Rush University Medical Center ("RUMC") and Rush Oak Brook Surgery Center, LLC) are proposing to establish a multi-specialty ambulatory surgical treatment facility at a cost of $21,766,530, in a newly constructed Medical Office Building located at 2011 York Road, in Oak Brook. **The anticipated completion date is June 1, 2019.**
- The proposed facility will be a multi-specialty ASTC with eight (8) operating/procedure rooms (6 Class C, 2 Class B), thirty-two (32) recovery stations, and clinical support space. The proposed facility will offer general surgery, gynecological surgery, gastroenterology, otolaryngology, orthopedic surgery, plastic surgery, urological surgery, vascular surgery, and pain management surgical services. The proposed ASTC will operate as a "closed staff" facility, with only faculty members of Rush University Medical Center being eligible to apply for surgical privileges.
- The proposed ASTC will be located in a newly established Medical Office Building built by Rush University Medical Center, and its subsidiaries as Project #16-032, Rush Oak Brook Orthopedic Center. Project #16-032 is a three story Medical Office Building containing the proposed ASTC, and other ancillary services. The Medical Office Building will house Rush University Medical Center services and physicians as well as physicians from Midwest Orthopaedics at Rush, LLC.
- The proposed project is a substantive project subject to a 120 day review. The applicants requested an expedited review based on the projects relationship to Project #16-032, a non-substantive project with a sixty (60) day review period. The request was granted.

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 stated:

"The proposed project is limited to the establishment of a multi-specialty Ambulatory Surgery Treatment Center (ASTC) for use by physician members of the faculty of Rush University Medical Center (RUMC). As such, and with the improved accessibility to outpatient surgical services that will result from the proposed project, the health care and well being of the market area population to be served will be improved. The purposes of the proposed project are to:

- *Provide high quality outpatient services in an efficient and cost-effective manner, as mandated by the changing health care delivery environment, including the provisions of the Affordable Care Act and limitations placed on physician and institutional providers by the insurance industry; and*
- *Reduce the high utilization of the surgical suite at Rush University Medical Center (RUMC).*

The development of the proposed ASTC near the intersection of I-294, I-88 and the Eisenhower Expressway will significantly improve accessibility for patients of both RUMC and MOR ("Midwest Orthopaedics at Rush") *residing in the western, northwestern and southwestern Cook County communities, DuPage County, Kane County, Will County, Kendall County and beyond, that have traveled to the RUMC campus for outpatient surgery."*

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but no public hearing was requested.
- Letters of support were received from
  - Michael Connelly, State Senator, 21st District
  - Patricia Bellock, State Representative, 47th District
  - Toni Preckwinkle, Cook County Board President

- Gopal Lalmalani, President, Village of Oak Brook
- Mike Feigenbaum, General Manager, Westin Lombard Yorktown Center
- Randy Schumacher, General Manager, Chicago Marriott, Oak Brook Hotel
- Kristen Marsh, Greater Oak Brook Chamber of Commerce and Economic Development
- Richard Pellegrino**,** Executive Director West Central Municipal Conference

Those in support or the proposed project felt the proposed facility and the services provided will benefit the residents of western Cook and DuPage Counties, and reduce the need for area residents to travel to Chicago for both certain episodic and routine medical services and expand access to additional quality healthcare services.

- Two letters of opposition were received from
- **Mary Lou Mastro, President and CEO Elmhurst Hospital** stated in part: *"Over 20 hospitals within a 30 minute drive time from the proposed Rush ASTC site are not meeting the IHFSRB surgical capacity standard of 1,500 hours per operating room. In addition, there are 36 ASTCs within a thirty minute drive of the proposed ASTC, of which 27 do not meet the surgical utilization standards. Moreover, existing ASTCs are grossly underutilized, with only two of the 27 ASTCs with capacity operating above 50% utilization. Nearly half of the underutilized ASTCs rely on orthopedic cases - the main focus of the Rush ASTC project - to drive 20% or more of their business. Elmhurst Hospital currently has 15 operating rooms. In calendar year 2015, 60% of its surgical cases were outpatient, with 36% of all outpatient surgeries being orthopedic. It is anticipated that there will be a continued shift of orthopedic volume from inpatient to the outpatient setting, thus the percent of outpatient orthopedic surgical cases will continue to increase. Elmhurst Hospital will be at risk for losing these orthopedic and other outpatient surgical cases to the proposed Rush ASTC, causing significant negative impact on Elmhurst Hospital's operating room utilization and financial performance."* [Letter received September 29, 2016]
- **Pamela Dunley, RN, Chairman of the Board, Elmhurst Outpatient Surgery Center stated in part**: *"Elmhurst Outpatient Surgery Center is a multi-specialty ASTC that performs over 2,600 surgical cases annually within 4 operating rooms. Elmhurst Outpatient Surgery Center provides high quality, cost effective surgical care to the same geographic service area as the proposed Rush ASTC. Elmhurst Outpatient Surgery Center continuously exceeds expectations of patients by offering state-of-the-art surgical technologies and physicians who deliver the most advanced and best care possible. The Rush ASTC project stands to diminish the operations at the Elmhurst Outpatient Surgery Center, and many other ASTCs and hospitals, as there is significant excess operating room capacity in the market. Elmhurst Outpatient Surgery Center is operating at approximately 30% of available capacity. This level of underutilization is not uncommon. There are 27 ASTCs within a thirty minute drive time of the proposed Rush ASTC that do not meet the IHFSRB surgical capacity standard of 1,500 hours per operating room. Of the 36 ASTCs within this geographic area, only 2 are operating above 50% of available capacity. Should the Rush ASTC be approved, this severe underutilization and excess capacity in the market will only be exacerbated leading to added cost and inefficiency in the healthcare delivery system."* [Letter received September 29, 2016]

CONCLUSIONS:

- The State Board Staff has reviewed the application for permit and additional information provided and note the following:
- There are approximately 145 zip codes within the proposed geographical service area (GSA) with a population of approximately 4.5 million. The applicants expect ninety (90%) of the referrals will come from within this proposed GSA.
- This project is being submitted to the State Board as a cooperative venture by Rush University Medical Center and Midwest Orthopeadics at Rush. To be a cooperative venture a hospital has to be one of the members of the cooperative venture. This hospital is Rush University Medical Center. State Board rules state that the hospital (Rush University Medical Center) has to have sufficient historical utilization at the hospital to justify both the total number of operating/procedure rooms currently at the hospital (46) and the proposed ASTC (8) which in this case would be a total of fifty four (46+8 =54) operating/procedure rooms. Currently, there are forty-six (46) operating/procedure rooms at the hospital and the utilization at the hospital will

justify fifty-one (51) operating/procedure rooms and not the fifty-four (54) operating/procedure rooms being requested.

- The State Board does **not** have a need methodology for the establishment of an ASTC. There are a total of fifty-one (51) hospitals with 889 operating/procedure rooms and fifty (50) ASTCs with a total of 172 operating/procedure rooms in the proposed geographical service area. Two of the hospital are children's hospitals and were not included in the evaluation. Thirty-four (34) of forty-nine hospitals operating/procedure rooms are not at target occupancy. Thirty-one (31) of the thirty four (34) multi-specialty ASTCs are not at target occupancy. Of the sixteen (16) limited specialty ASTCs six (6) are not at target occupancy. [See Tables at the end of this report]
- The applicants addressed a total of **22 criteria** and have not met the following criteria:

State Board Standards Not Met	
Criteria	**Reasons for Non-Compliance**
Criterion 1110.1540 (g) (4) B) C) –Service Accessibility	As a joint venture the applicants must justify that there is sufficient historical volume to justify the total existing operating/procedure rooms and the additional rooms being proposed by the project. Rush University Medical Center. CY 2015 workload will justify fifty-one (51) operating/procedure rooms and not the fifty-four (54) total operating/procedure rooms being requested. The applicants did not agree to increase its total surgical/treatment room capacity until the proposed projects surgical/treatment rooms are operating at or above the target utilization rate. The applicants only committed "outpatient surgical capacity" not to be increased and not the total surgical operating/treatment room capacity as required by State Board Rule. **The applicants note** that the operating room utilization will justify forty-two (42) operating rooms which would justify the current thirty-one (31) operating rooms plus the six (6) operating rooms currently being requested.
Criterion 1110.1540 (h) (1) – Unnecessary Duplication	There are forty-nine (49) hospitals within the forty-five (45) minute geographical service area. Of these forty-nine (49) hospitals, there are 885 operating/procedure rooms. CY 2015 utilization justifies 731 operating/procedure rooms at these hospitals. There are thirty-four (34) ASTC's that are multi-specialty ASTC's. These thirty four (34) ASTC's have a total of one hundred seventy-two (172) operating/procedure rooms. Based upon CY 2015 utilization one hundred nine (109) operating/procedure rooms are justified. There are sixteen (16) limited specialty ASTC's within the forty-five (45) minute geographical service area and a total of thirty-nine (39) operating/procedure rooms. Based upon CY 2015 utilization information fifteen (15) operating/procedure rooms are justified

Rush Oak Brook Surgery Center
STATE BOARD STAFF REPORT
Project #16-031

APPLICATION CHRONOLOGY	
Applicants(s)	Rush University Medical Center, Rush Oak Brook Surgery Center, LLC
Facility Name	Rush Oak Brook Surgery Center
Location	2011 York Road, Oak Brook
Permit Holder	Rush University Medical Center
Operating Entity/Licensee	Rush Oak Brook Surgery Center, LLC
Owner of Site	Rush Oak Brook Orthopedic Center, LLC
Gross Square Feet	31,940 GSF
Application Received	August 3, 2016
Application Deemed Complete	August 8, 2016
Expedited Review Granted	August 10, 2016
Financial Commitment Date	October 25, 2018
Anticipated Completion Date	June 1, 2019
Review Period Ends	December 6, 2016
Review Period Extended by the State Board Staff?	No
Can the applicants request a deferral?	Yes

I. Project Description

The applicants (Rush University Medical Center, and Rush Oak Brook Surgery Center, LLC) are proposing to establish a multi-specialty ambulatory surgical treatment facility at a cost of $21,766,530, located at 2011 York Road, in Oak Brook. The project completion date is June 1, 2019.

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 in conformance with all relevant provisions of Part 1120.

III. General Information

The applicants are Rush University Medical Center and Rush Oak Brook Surgery Center, LLC. Rush University Medical Center (RUMC), is an academic medical center, was incorporated in 1983 and controls Rush University Medical Center, Rush Oak Park Hospital and Rush Surgicenter. Rush Oak Brook Surgery Center, LLC is a new entity owned fifty percent (50%) by Rush Oak Brook ASC, LLC and fifty percent (50%) by MOR Oak Brook ASC, LLC. Rush University Medical Center is guaranteeing the mortgage on the medical office building that will house the proposed ASTC. Per the applicants, the proposed site is being acquired, and a copy of the deed and certification of

ownership will be submitted on or before consideration of the project by the State Board. Rush Oak Brook Surgery Center, LLC will lease space in the medical office building. This is a substantive project subject to a Part 1110 and Part 1120 review. Financial commitment will occur after permit issuance.

IV. Health Service Area/Health Planning Area

The proposed ASTC will be located in DuPage County in Health Service Area 7 which includes suburban Cook and DuPage counties. There are six (6) Hospitals in Health Planning Area A-05 and nine (19) Ambulatory Surgical Treatment Centers.

TABLE ONE
Hospitals and ASTCs in the HPA A-05 Health Service Area

Adventist Glen Oaks Hospital	Glendale Heights
Adventist Hinsdale Hospital	Hinsdale
Central DuPage Hospital	Winfield
Edward Hospital	Naperville
Elmhurst Memorial Hospital	Elmhurst
Advocate Good Samaritan Hospital	Downers Grove
Midwest Endoscopy Center	Naperville
Naperville Surgical Center	Naperville
DuPage Orthopedic Group	Warrenville
The Center for Surgery	Naperville
Naperville Fertility Center	Naperville
Ambulatory Surgi. Downers Grove	Downers Grove
Midwest Center for Day Surgery	Downers Grove
Salt Creek Surgery Center	Westmont
Chicago Prostate Cancer Surg. Ctr.	Westmont
Eye Surgery Center of Hinsdale	Hinsdale
Hinsdale Surgical Center	Hinsdale
DuPage Eye Surgery Center	Wheaton
DuPage Medical Group Surg. Ctr.	Lombard
Oak Brook Surgical Center	Oak Brook
Alden Center for Day Surgery	Addison
Loyola Ambulatory Surgery Center	Villa Park
Elmhurst Medical & Surgical Ctr.	Elmhurst
Elmhurst Outpatient Surgery Center	Elmhurst
Advantage Health Care Ltd.	Wood Dale

The applicants state that the proposed ASTC is needed because of the growth in the number of cases and hours at Rush University Medical Center operating/procedure rooms and to improve access for patients traveling to RUMC for outpatient surgery. Board Staff reviewed operating/procedure room cases and operating/procedure hours provided by the applicants over the past five (5) years, and data suggests the utilization of surgical and

procedure rooms at Rush University Medical Center have increased 1.5% compounded annually over these five (5) years. Additionally, the State Board has seen little or no growth in operating/procedure room hours for hospitals and ASTCs in the HSA7 Service Area – the location of proposed ASTC. Growth in the operating/procedure room hours in HSA6 Service Area grew at a rate of 1.2% compounded annually in hospital operating room/procedure hours. There was no growth in the number of operating/procedure hours for ASTCs in the HSA6 Service Area.

TABLE TWO
Utilization of Surgical Services at Rush University Medical Center

Year	Surgical Hours	# of Surgery Rooms	# of Surgery Rooms Justified	Procedure Rooms	Hours	Total OR/Procedure Rooms	Total Hours	Rooms Justified
2015	62,337	31	42	15	13,935	46	76,272	51
2014	64,045	31	43	14	12,315	45	76,360	51
2013	59,003	31	40	13	11,553	44	70,556	48
2012	59,262	31	40	13	11,181	44	70,443	47
2011	57,969	29	39	13	12,527	42	70,496	47

Data Taken from Hospital Profiles for Years 2011, 2012, 2013, 2014, and 2015

V. Project Description

Rush Oak Brook Surgery Center will consist of six (6) Class C Operating Rooms, two (2) Class B Operating Rooms, thirty-two (32) Recovery stations, and support/administrative and public spaces. The 31,940 GSF ASTC will be located in the Rush Oak Brook Orthopaedic Center, a 105,000 GSF Medical Office Building, located at 2011 York Road, Oak Brook (Project #16-032).

The proposed surgery center will be considered a multi-specialty ASTC providing Gastroenterology, General Surgery, Gynecology, Otolaryngology, Orthopedic, Plastic Surgery, Vascular Surgery, Pain Management, and Urology surgical specialties.

The Surgery Center will operate as a closed staff facility, with only faculty members of Rush University Medical Center being eligible to apply for surgical privileges. According to the applicants the proposed ASTC will be utilized as a teaching facility by Rush University Medical Center.

VI. Project Costs

The applicants are proposing to fund the project with a combination of cash in the amount of $1,136,801, mortgages totaling $10,231,210, and the fair market value of leases totaling $10,398,519. The estimated start-up costs and operating deficit is approximately $700,000.

TABLE THREE
Project Costs and Sources of Funds

Uses of Funds	Reviewable	Total
Preplanning	$75,000	$75,000
New Construction	$5,525,620	$5,525,620
Contingencies	$479,100	$479,100
Architectural and Eng. Fees	$540,000	$540,000
Consulting and Other Fees	$590,000	$590,000
Movable or Other Equipment	$3,958,467	$3,958,467
Net Interest During Const.	$199,824	$199,824
Fair Mkt. Value of Leased Sp.	$10,398,519	$10,398,519
Total	**$21,766,530**	**$21,766,530**
Sources of Funds		
Cash & Securities	$1,136,801	$1,136,801
Mortgages	$10,231,210	$10,231,210
Leases (FMV)	$10,398,519	$10,398,519
Total	**$21,766,530**	**$21,766,530**

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 proposed project is limited to the establishment of a multi-specialty Ambulatory Surgery Treatment Center (ASTC) for use by physician members of the faculty of Rush University Medical Center (RUMC). As such, and with the improved accessibility to outpatient surgical services that will result from the proposed project, the health care and well being of the market area population to be served will be improved. The purposes of the proposed project are to:

- *Provide high quality outpatient services in an efficient and cost-effective manner, as mandated by the changing health care delivery environment, including the provisions of the Affordable Care Act and limitations placed on physician and institutional providers by the insurance industry; and*
- *Reduce the high utilization of the surgical suite at Rush University Medical Center (RUMC).*

During 2014, and as reported in RUMC's 2015 IDPH Annual Hospital Profile, RUMC's surgical suite functioned at 34.1 % above the IDPH's target utilization level. The project's Geographic Service Area

(GSA), consistent with Section 1110.1540c.2)A), consists of those ZIP Code areas located within 45 minutes of the proposed site, and a listing of those ZIP Code areas is provided, following this narrative. The identified GSA includes a major portion of the metropolitan Chicago area, consistent with the patient origin of the surgeons anticipated to refer patients to the ASTC, and RUMC's status as a regional referral center. That area extends to Hawthorn Woods on the north, the Dan Ryan Expressway on the east, Olympia Fields on the south and Geneva on the west. The 2018 population of the GSA, based on ZIP Code-specific projections developed by GeoLytics, Inc. will be 4,585,701. The objective of the proposed project is to proceed, without delay, toward the opening of the proposed ASTC. A measurable goal of the proposed project is to significantly reduce the utilization rate of RUMC's surgical suite."

Accessibility will be improved in two primary fashions. First, accessibility will be improved by "off-loading" cases from RUMC. As you are aware, the surgical suite at RUMC operated at 134% of the IDPH's target utilization level in 2015, and has been operating at similar levels for a number of years. As you are also aware, Rush Surgicenter, which is on the RUMC campus, operated at 104% of the IDPH's target utilization level in 2015. Second, as an academic medical center and referral center, RUMC attracts a significant portion of its patient population from neighborhoods and communities remote to the RUMC campus. Similarly, as one of the premier orthopaedic practices in the Country, MOR ("Midwest Orthopeadics at Rush") *draws patients from the metro-region, including Western suburbs, and throughout Illinois and beyond. The development of the proposed ASTC near the intersection of I-294, I-88 and the Eisenhower Expressway will significantly improve accessibility for patients of both RUMC and MOR residing in the western, northwestern and southwestern Cook County communities, DuPage County, Kane County, Will County, Kendall County and beyond, that have traveled to the RUMC campus for outpatient surgery. At the same time, the accommodating of these patients in a more accessible location will improve accessibility to the RUMC surgical suite and Rush Surgicenter by "freeing-up" OR time for residents in the neighborhoods and communities surrounding the RUMC campus, and in the neighborhoods and communities to the northeast, east, and southeast. Thirty-one physicians provided the required "pledge" letters, used to confirm that the proposed ASTC would meet the IDPH's utilization target. Those physicians cumulatively performed nearly 11,000 outpatient cases in 2015 at a Rush facility or an ASTC in Chicago's Loop. 4,274 of those cases were performed at RUMC. Therefore, the applicants have documented that both accessibility will be improved and the utilization of the surgical suite at RUMC will be reduced. Lastly, RUMC's OR utilization alone supports the eight proposed ORs at the surgery center. Offloading all of the required surgical caseload alone to the proposed surgery center would not, however, accomplish the other purpose of the project, which is to improve accessibility for RUMC and MOR patients living primarily in the Western suburbs. [Application for Permit page 44-47 and Supplemental information submitted to the State Board September 30, 2016]*

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:

"Rush University Medical Center ("RUMC") is a major provider of charity care and Medicaid services. In 2015, nearly $21,000,000 (cost) in charity care and nearly $120,000,000 in Medicaid services were provided by RUMC. The proposed project is limited to the establishment of a multi-specialty Ambulatory Surgery Treatment Center (ASTC). Due to the nature of ASTCs, it is not anticipated that a substantial amount of safety net services will be provided at the proposed facility. The establishment of the ASTC, however, will have no negative impact on the provision of safety net services by RUMC, and its long-standing commitment to the provision of those services will continue. The proposed project is not anticipated to have any impact on the cross-subsidizing of safety net services between the ASTC and any other facility." The proposed project is not anticipated to have any impact on the cross-subsidizing of safety net services between the ASTC and any other facility." [Application for Permit Pages 215]

TABLE FOUR Safety Net Impact Information Rush University Medical Center			
Net Patient Revenue	**$966,970,000**	**$1,005,637,800**	**$1,081,808,000**
	CHARITY		
Charity (# of patients)	2013	2014	2015
Inpatient	2,146	1,720	705
Outpatient	24,877	22,238	13,573
Total	27,023	23,958	14,278
Charity (cost in dollars)			
Inpatient	$20,964,033	$19,040,534	$10,392,361
Outpatient	$15,753,055	$15,722,789	$10,413,490
Total	$36,717,088	$34,763,323	$20,805,851
% of Charity Care/Net Rev.	3.79%	3.38%	1.92%
	MEDICAID		
Medicaid (# of patients)	2013	2014	2015
Inpatient	6,720	8,842	7,280
Outpatient	83,073	92,486	97,916
Total	89,793	101,328	105,196
Medicaid (revenue)			
Inpatient	$95,683,000	$98,482,000	$94,862,000
Outpatient	$14,284,000	$14,646,000	$24,880,000
Total	$109,967,000	$113,128,000	$119,742,000
% of Medicaid to Net Revenue	11.3%	11.2%	11%

Source: Application for Permit pages 23-24

Table Five contains the outpatient payor mix for Rush University Medical Center, including the anticipated payor mix for the proposed ASTC. According to the applicants *"the members have agreed that the ASTC will adopt and abide by RUMC's charity care and financial assistance policies. In addition, the ASTC will enroll in Medicaid fee for service and managed care programs. The ASTC will operate under RUMC's admissions, financial assistance and charity care policies (attached), and will not discriminate in the admission of patients in regard to race, ethnicity, nation of origin, age, sex, sexual orientation, payor, or ability to pay. In addition, the ASTC will, on an annual basis, evaluate Medicaid-sponsored programs, and participate in programs deemed reasonable by the ASTC, and with enrollees anticipated to seek care from members of the medical staff."*

TABLE FIVE
Rush University Medical Center Payor Mix
And Projected Payor Mix for the Proposed ASTC

Insurance	RUMC (1)	ASTC (2)
Commercial Insurance	71.9%	70-74%
Medicare	21.7%	20-24%
Medicaid	5.9%	3-5%
Charity Care	2.45%	1-2%
Self Pay/Other	0%	1-2%

1.2015 Hospital Profile Information for Rush University Medical Center – Outpatient Revenue by Payor Source
2. Revised estimate of the projected payor mix information for ASTC received September 28, 2016

C) Criterion 1110.230 (c) Alternatives to the Project
To demonstrate compliance with this criterion the applicants must document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.

The applicants considered one (1) alternative to the proposed project:

Construct a Free-Standing ASTC

The applicants rejected the only alternative to the one proposed in this application, which was to construct a free-standing ASTC. The applicants cited the desire of the physicians/surgeons to have surgical facilities co-located in an office building where said physicians can establish office/clinic space, to better serve their patient base. The applicants further cite that purchase costs of separate land, and expenses of operating a separate facility as key determinants in arriving at their decision. The estimated capital costs for the construction of the building for the ASTC is approximately $12.1 million. That cost does not include the cost of the land. [Application for Permit page 48]

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 six (6) operating rooms (Class C), two (2) procedure rooms (Class B), 24 Phase II and eight (8) Phase I recovery stations. The State Board Standard is 2,075-2,750 BGSF per operating room and 1,600-2,200 DGSF for procedure rooms. 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/procedure room or a total of thirty-two (32) recovery stations for the eight operating/procedure rooms. For the six (6) operating rooms the applicants are proposing a total of 16,500 BGSF and the two (2) procedure room a total of 4,400 DGSF.

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 page 49]

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 12,000 hours for the proposed eight (8) operating/procedure rooms. The applicants are projecting a total of 6,174 patients/cases (or 10,859 hours) in 2020. The State Board Staff's review of the projected referrals from the three (3) Rush facilities found that a total of 6,163 cases will be referred to the proposed facility. These 6,163 cases total 10,854 hours which would justify the eight (8) operating/procedure rooms. [10,854/1,500 = 7.23 rooms] [Source: Application for Permit page 50 and pages 54-85]

C) Criterion 1110.234 (e) – Assurances
To document compliance with this criterion the applicants must provide an attestation that the propose project will be at target occupancy two years after project completion.

The applicants have provided the necessary attestation at page 203 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;

Rush University Medical Center is a fully licensed, Medicare-certified, Joint Commission accredited, and an academic medical center. Copies of the current licenses and Joint Commission accreditation for Rush University Medical Center 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 Rush University

Medical Center 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 40-43]

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

The proposed multi-specialty ASTC will be a cooperative venture between Rush University Medical Center and Midwest Orthopaedics at Rush, LLC. Rush Oak Brook Surgery Center, LLC, will be owned fifty percent (50%) by Rush Oak Brook ASC, LLC and fifty percent (50%) by MOR Oak Brook ASC, LLC.

Midwest Orthopaedics at Rush, LLC is not considered an applicant as members of an entity that must be an applicant are not required to be an applicant on the basis of their membership in the joint venture. Midwest Orthopaedics at Rush, LLC is not the licensed entity, nor does it have final control of the licensed entity. It is not a related person making payments on the debt, nor actively involved in the provision of care and does not control the physical plant and capital assets.

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 46-47 of the application for permit. There are approximately 145 zip codes within this forty-five (45) minute geographical service area with a population of 4,585,701. [See Application for Permit page 46-47]

2. The applicants provided thirty-one (31) physician referral letters from physicians that are members of either Rush University Medical Group or Midwest Orthopaedics at Rush, LLC and all are faculty members of Rush University Medical Center. The thirty-one (31) physicians have agreed to refer patients to the proposed ASTC after project completion. The State Board Staff's review of these thirty-one (31) referral letters note that a total of 10,949 patients were referred to Rush University Medical Center, Rush Surgicenter, Rush

Oak Park and Gold Coast Surgicenter in 2015. It is projected that 6,174 patients will be referred to the proposed ASTC after project completion. The referring physicians attest that at least 90% of the patient referrals reside within the proposed forty-five (45) minute geographical service area. According to the applicants the ninety percent (90%) estimate was made after discussions with representatives of Rush University Medical Center and Midwest Orthopaedics at Rush, LLC familiar with their group's historical patient origin. [Application for Permit page 54]. The State Board Staff accepted this estimate given that one hundred forty-five (145) zip codes with a population of over 4.5 million comprise this proposed forty-five (45) minute GSA.

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 thirty-one (31) physician referral letters. The thirty-one (31) referral letters were from physicians currently on staff at Rush University Medical Center. The identified patients were either treated at Rush University Medical Center, Rush Surgicenter, Rush Oak Park Hospital or Gold Coast Surgicenter.

2. Patient origin by zip code of residence was provided for **all** physicians of Rush University Medical Center and Midwest Orthopaedics at Rush, LLC for all RUMC affiliated facilities. [Information received September 28, 2016] The name and location of the recipient hospitals and ASTCs, the number of referrals for CY 2015 and the estimated number to be referred within twenty-four (24) months after project completion were provided. The referral letters were signed and notarized as required and the appropriate attestation was made. The applicants did not provide referral

information for CY 2014. The State Board Staff accepted the one year referrals because all of the accepted referrals will be coming from Rush University Medical Center owned or controlled health care facilities.

3. The stated purpose of the proposed project as documented above at 77 IAC 1110.230 (a) is to reduce the high utilization at Rush University Medical Center's Operating/Procedure Rooms and improved for services at Rush University Medical Center. Rush University Medical Center controls three (3) of the facilities in which the thirty-one (31) physicians provided historical referrals to justify the number of cases to be referred to the proposed ASTC. Those facilities are:

1. **Rush University Medical Center** an acute care hospital approved for 727 beds.
2. **Rush Oak Park Hospital** a 237 bed acute care, rehabilitation, and skilled nursing hospital located in Oak Park, Illinois.
3. **Rush Surgicenter** located on the campus of Rush University Medical Center is a multi-specialty ASTC with four (4) operating rooms.

Because Rush University Medical Center is the applicant on this application for permit, the State Board Staff accepted historical referrals from the three (3) facilities identified above as being reasonable. The historical referrals for the Gold Coast Surgery Center were not accepted because Rush University Medical Center does not own or control Gold Coast Surgery Center.

4. The State Board Staff's review of the projected referrals to the three (3) Rush facilities found that a total of 6,163 cases will be referred to the proposed facility. These 6,163 cases total 10,854 hours which would justify the eight (8) operating/procedure rooms. [10,854/1,500 = 7.23 rooms]

5. Based upon the projected referrals there is sufficient demand to warrant the eight (8) operating/procedure rooms being requested. The table below documents the referrals of the thirty-one (31) physicians and their historical and projected referrals and average case time. Sixty-four percent (64%) of the cases and sixty eight percent (68%) of the case time will be orthopedic surgeries.

TABLE SIX
Summary of Referrals [1]

Physician	Surgical Specialty	Total Proposed Referrals	Rush University Medical Center	Rush Surgicenter	Rush Oak Park Hospital	Total	Total Cases to be Referred to Proposed Facility	Cases Accepted	Time Per Case	Total Hours
Losurdo, John	Gastro	1,067	942		125	1,067	93	93	1.70	158
Sargon, Peter	Gastro	424	422		2	424	162	162	1.70	275
Madrigrano, Andrea	General Surgery	344	237	103	4	344	317	317	2.20	697
Myers, Jonathan	General Surgery	189	189			189	175	175	2.20	385
Singer, Marc	General Surgery	139	139			139	117	117	2.20	257
Wool, Norman	General Surgery	208	208			208	181	181	2.20	398
Dewdney, Summer	Gyn	109	109			109	100	100	1.90	190
Maurice, Joseph	Gyn	51	51			51	51	51	1.90	97
Bach, Bernard	Ortho	394		394		394	394	394	1.50	591
Bush-Joseph, Charles	Ortho	368		353	15	368	315	315	1.50	473
Cohen, Mark	Ortho	701	135	396		531	453	453	1.50	680
Cole, Brian	Ortho	970		220	401	621	459	459	1.50	689
Fernandez, John	Ortho	918	2	362	285	649	577	577	1.50	866
Forsythe, Brian	Ortho	317		7	103	110	109	109	1.50	164
Lee, Simon	Ortho	332	103	229		332	281	281	1.50	422
Nho, Shane	Ortho	599	2	133	259	394	295	295	1.50	443
Nicholson, Gregory	Ortho	275	6		144	150	154	150	1.50	225
Romeo, Anthony	Ortho	433	11		272	283	203	203	1.50	305
Verma, Nikil	Ortho	577	1	168	170	339	301	301	1.50	452
Wysocki, Robert	Ortho	434	22		197	219	285	219	1.50	329
Yanke, Adam	Ortho	177	3	81	93	177	174	174	1.50	261
LoSavio, Phillip	Otolaryn	253	253			253	220	220	2.50	550
Nielsen, Thomas	Otolaryn	134	134			134	123	134	2.50	335
Revenaugh, Peter	Otolaryn	122	106	16		122	110	110	2.50	275
Wiet, R. Mark	Otolaryn	108	108			108	89	89	2.50	223
Cheng, David	Pain Management	658	658			658	100	100	0.50	50
Anthony, Anuja	Plastic Surgery	73	64	9		73	66	66	3.50	231
Kouris, George	Plastic Surgery	180	157	23		180	114	114	3.50	399
Ekbal, Shahid	Urology	110	110			110	106	106	2.00	212
Khare, Narenda Kumar	Urology	92	68		24	92	65	65	2.00	130
McCarthy, Walter	Vascular	34	34			34	33	33	2.90	96
Total		**10,790**	**4,274**	**2,494**	**2,094**	**8,862**	**6,222**	**6,163**		**10,854**

1. Source: Application for Permit pages 55-85; summary page 54 of application

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS 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. Based upon the State Board Staff's review of the referral letters the applicants can justify 10,854 hours in the first year after project completion. This number of operating/procedure hours will justify the eight (8) operating/procedure rooms being requested by the applicants [10,854/1,500 = 7.23 rooms]

2. The average case time for the physicians was provided by the applicants as required. As can be seen in the table below the applicants' average case time exceeds the State of Illinois average case time on average by approximately 33%. If the State of Illinois case time is used the applicants can justify 7,863 hours and 6 operating/procedure rooms and not the eight (8) operating/procedure rooms being requested. According to the applicants the additional case time is the result of the physicians providing training and teaching to residents and medical students. Per the applicants the physicians who will be referring patients to the proposed facility will be providing training and teaching at the proposed ASTC.

Specialty	Applicants Time Per Case(1)	State of Illinois Time Per Case CY 2015 (2)	Total Case Time State of Illinois [hours]
Gastro	1.70	0.8	204
General Surgery	2.20	1.07	845.3
Gyn	1.90	0.95	143.45
Ortho	1.50	1.35	5335.20
Otolaryn	2.50	1.17	634.14
Pain Management	0.50	0.5	50
Plastic Surgery	3.50	2.11	376.80
Urology	2.00	1.22	208.62
Vascular	2.90	2.9	95.70
Total			7,863 hrs.

1. Applicants case time based upon physician experience
2. State of Illinois case time taken from 2015 Hospital Profiles

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS 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 <u>one</u> 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.

1. There are existing ASTCs in the identified GSA.
2. There are underutilized ASTC and hospital surgical/treatment rooms in the identified GSA.
3. The proposed surgical services are available in the identified in the GSA.
4. The applicants are proposing a multi-specialty ASTC that will be a cooperative venture between Rush University Medical Center and Midwest Orthopaedics at Rush, LLC. Therefore, the applicants must address Item 4 A) B) C) D) above.

A) Based upon the zip code information provided by the applicants, Rush University Medical Center, Rush Oak Park Hospital, and Rush Surgicenter provide outpatient surgical services to the proposed population of the GSA.

B) In 2015 the Rush University Medical Center (i.e. the existing hospital) had a total of forty-six (46) operating /procedure rooms and the CY 2015 workload will justify fifty-one (51) operating/procedure rooms. [See Table Below] The applicants are proposing forty-six (46) operating/procedure rooms at the hospital and eight (8) operating/procedure rooms at the proposed ASTC for a total of fifty-four (54) operating/procedure rooms. The hospital does not have sufficient workload to justify the fifty-four (54) operating/procedure rooms being proposed. **State Board Staff Comment:** The applicants note that the operating room utilization will justify forty-two (42) operating rooms which would justify the current thirty-one (31) operating rooms plus the six (6) operating rooms currently being requested.

TABLE EIGHT Utilization RUMC - CY 2015							
Facility	Operating Rooms	Hours	Procedure Rooms	Hours	Total Rooms	Total Hours	Total Justified
RUMC	31	62,237	15	13,935	46	76,172	51

C) The applicants agreed not to increase their *"outpatient surgical capacity"* at Rush University Medical Center for twelve (12) consecutive months after the proposed ASTC is operating at target occupancy. **State Board Staff Comment:** This subpart is not limited to outpatient operating/procedure rooms. The subpart calls for the applicants to limit their total operating/procedure room capacity and not just outpatient capacity.

D) The applicants stated the proposed charges for services will be lower than the charges associated with comparable outpatient surgical procedures performed at Rush University Medical Center. A sampling of charges was provided as evidence that the proposed charges would be lower than the outpatient surgical procedures performed at Rush University Medical Center. This sample was provided because the master charge list has not been prepared. The State Board Staff accepted this explanation and is relying upon the attestation of the applicants that the statement is true and correct. Additionally, the State Board Staff understands that charges at an ASTC will be less than the outpatient charges at a hospital. [See Application for Permit page 201]

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS <u>NOT</u> IN CONFORMANCE WITH CRITERION SERVICE ACCESSIBILITY (77 IAC 1110.1540 (g))

F) Criterion 1110.1540 (h)(1), (2), and (3) - Unnecessary Duplication/Maldistribution/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 identified a general service area (GSA), extending 45 minutes in all directions from the site of the proposed ASTC. This GSA includes 145 zip codes, and the projected 2018 population for this GSA is 4,585,701, per GeoLytics.

There are a total of fifty-one (51) hospitals and fifty (50) ASTCs in the identified service area. [See Tables at the end of this report] The two children's hospitals were not considered in this evaluation.

1. Unnecessary Duplication of Service

a. Hospitals

There are forty-nine (49) hospitals within the forty-five (45) minute geographical service area. Of these forty-nine (49) hospitals, there are 885 operating/procedure rooms. CY 2015 utilization information justifies 731 operating/procedure rooms at these hospitals.

b. Limited Specialty ASTC

There are sixteen (16) limited specialty ASTCs within the forty-five (45) minute geographical service area and a total of thirty-nine (39) operating/procedure rooms. Based upon CY 2015 utilization information fifteen (15) operating/procedure rooms are justified.

c. Multi-Specialty ASTC

There are thirty-four (34) ASTCs that are multi-specialty ASTCs. These ASTCs have a total of one hundred seventy-two (172) operating/procedure rooms. Based upon CY 2015 utilization information one hundred nine (109) operating/procedure rooms are justified.

2. Mal-Distribution

The proposed ASTC's geographic service area has an estimated population of 4,585,701. The number of operating/procedure rooms within this area is approximately 1,100 operating/procedure rooms. That equates to one (1) operating/procedure room per every 4,169 individuals. The State of Illinois estimated population for 2015 is 12,859,995. The number of operating/procedure rooms in the State of Illinois is 3,084 rooms. The ratio of population to operating/procedure rooms is one (1) operating/procedure room per every 4,170 individuals. Based upon this analysis it does not appear there is a surplus of operating/procedure rooms in this forty-five minute geographical service area. [A surplus is defined as the ratio of operating/procedure rooms to the population within the forty-five (45) minute GSA [GSA Ratio], to the State of Illinois ratio that is 1.5X the GSA ratio.]

3. Impact on Other Facilities

The applicants stated that no other provider within the forty-five (45) minute service area will be impacted because the volume for the proposed ASTC is coming from Rush University Medical Center staff/faculty members exclusively.

From the data provided in Tables at the end of this report, it appears that similar surgical services being proposed to be performed at the proposed 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 2015 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.

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.

"The proposed ASTC will be staffed with relevant clinical and professional personnel, using applicable licensure, accreditation, and other regulatory agencies' standards as a minimum level for actual staffing. ASTC positions are generally highly sought-after positions, and that fact, coupled with the Applicants' history of having great success in attracting highly qualified staff, provide the Applicants with a high degree of certainty that difficulties will not arise during the recruitment process. Initially, positions will be made available to qualified personnel employed by the Applicants. Should any positions remain unfilled, normal recruitment methods, including professional journals and appropriate websites will be used. A Medical Director, appropriately credentialed to oversee the clinical aspects of the ASTC, including active participation in the recruitment process and the development of policies and procedures relating to clinical matters, will be named prior to the ASTC's opening."

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 provided a representative sampling of the surgical procedures to be performed at the proposed ASTC, and an attestation that the applicants will not increase charges for services in the first two (2) years of operation (application, p. 201). The applicants believe anticipated charges in the proposed ASTC will be 41.3%-70.3% below those of Rush University Medical Center.

Procedure	OR	ASTC
Removal Of Breast Lesion	$9,330	$3,732
Excision Breast Lesion	$10,982	$4,393
Removal Of Support Implant	$12,014	$4,389
Incise Finger Tendon Sheath	$9,526	$2,956
Removal Of Implant From Hand	$8,761	$3,281
Knee Arthroscopy/Surgery	$13,225	$7,765
Repair Of Nasal Septum	$25,562	$10,225
Remove Tonsils And Adenoids	$10,493	$4,197
Cystoscopy And Treatment	$10,766	$4,306
Carpal Tunnel Surgery	$11,208	$3,331

* Escalated by 3% annually from 2016

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 attestations, citing the following:

1) *"The Applicants attest that a peer review program, consistent with applicable professional organizations' standards will be developed for and implemented at the proposed ASTC; and that the peer review program will evaluate whether patient outcomes are consistent with applicable quality of care standards. Should an instance arise where outcomes do not meet or exceed standards, an appropriate quality improvement plan will be initiated."*
2) *"As a result of the high surgery utilization levels experienced at Rush University Medical Center in recent years, which operated at 34.1% above the IDPH's target utilization level in 2015, the Applicants anticipate that the proposed ASTC will operate at or exceed the IDPH's target utilization level in its second year of operation. This expectation is further supported by the letters from physicians included which cumulatively identify nearly 6,200 anticipated referrals."*

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 a combination of cash in the amount of $1,136,801, mortgages totaling $10,231,210, and leases with a fair market value of $10,398,519. The applicants provided audited financial statements from years 2014 and 2015, with application #16-025, Rush South Loop Medical Office Building. The applicants also provided proof of an A or better Bond Rating from Moody's Investor Service (application, p. 204), dated January 2015. **State Board Staff Comment:** The A or better bond rating submitted is out of compliance with IL77 Admin. Code 1120.20(c), which states an A or better bond rating must be less than 18 months old. The applicants noted its evaluation of bond status is reviewed bi-annually, and new verification will not be issued until January 2017. Because the applicants provided its' most recent A or better bond rating, and justification for its age, the State Board Staff believes the applicants have qualified for the financial waiver.

TABLE EIGHT
Rush University Medical Center
2015 and 2014
(In Millions)

	2015	2014
Cash	$125,882	$115,584
Current Assets	$420,880	$396,616
PPE	$1,188,021	$1,186,957
Total Assets	$2,998,177	$2,905,318
Current Liabilities	$445,063	$436,706
LTD	$544,807	$489,170
Total Liabilities	$1,388,858	$1,238,572
Patient Revenue	$1,481,790	$1,391,181
Total Revenue	$1,740,661	$1,626,523
Expenses	$1,670,431	$1,553,514
Operating Income	$70,230	$73,009
Operating Margin	4.73%	5.24%
Excess of Revenues Over Expenses	($22,721)	$89,768
Excess Margin	(.09%)	8.1%

Source: Supplemental Information submitted for #16-025, on July 14, 2016

Board Staff review of the 2015 and 2014 audited financial statements (application #16-025), and review of the Applicants A-Bond rating reveals that sufficient cash is available to fund the project.

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 a combination of cash in the amount of $1, 136,801, mortgages totaling $10,231,210, and leases with a fair market value of $10,398,519. The applicants provided certified attestation that the combination of debt and equity financing represents the lowest net cost reasonably available to the applicants at this time, and has proven to be the most advantageous funding strategy available to the applicants. [Application for Permit page 212]

The space for the ASTC has not been approved by the State Board or built. The lease for the ASTC has not been negotiated. The applicants provided a term sheet from Wintrust Bank for the construction loan. The State Board Staff accepted the term sheet because the applicants have stated that Rush University Medical Center will be guaranteeing the mortgage loan once construction is finished, and Rush University Medical Center has an A or better bond rating. Below is a short summary of the term sheet.

Construction Loan	The loan is a $56,200,000 Senior Secured Non-Revolving Credit Facility [(1)]
Collateral	Four (4) story ±96,700 square foot medical office building that will include medical office space, an ambulatory surgery center, rehabilitation and recovery services and various outpatient medical services. The building, together with a 485-stall covered parking structure and all real property improvements located 2011 South York Road Oak Brook, Illinois
Completion Date	18- months from construction loan closing
Term	Two years with one five year option
Interest Rate	Tier I – Initial Rate at Closing plus 250 basis points above the 30-day LIBOR [(2)] Tier II – Substantial Completion plus 225 basis points above the 30-day LIBOR

1. A senior credit facility is a secured loan that takes precedence over unsecured "junior loans" provided by a lender. A senior secured loan is backed by collateral proffered by the borrower, which can be sold in the event that the borrower defaults on a loan payment or is unable to repay the full amount.
2. LIBOR - London Interbank Offered Rate
3. Source: Application for Permit #16-032 pages 49-56

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 staff applied the reported clinical costs against the applicable State Board standards.

Preplanning Costs are $75,000 and are .75% of new construction, contingencies, and movable equipment costs of $9,963,187. This appears reasonable compared to the State Board standard of 1.8%.

New Construction and Contingencies – These costs total $6,004,720 or $188.00/GSF. ($6,004,720/31,940=$188.00). This appears reasonable when compared to the State Board Standard of $391.08/GSF (2018 mid-point of construction).

Contingencies – These costs total $479,100 and are 8.6% of new construction costs. This appears reasonable when compared to the State Board Standard of 10%.

Architectural and Engineering Fees – These costs total $540,000 and are 8.9% of new construction and contingencies. These costs appear reasonable when compared to the State Board Standard of 6.11% - 9.17%.

Consulting and Other Fees – These costs are $590,000. The State Board does not have a standard for these costs.

Movable Equipment – These costs total $3,783,924.17, or $472,990.44 per room for an eight (8) room facility. This appears reasonable when compared to the State Board standard is $475,480.30 per room for the year 2018 (mid-point of construction).

State Board Staff Note: The applicants listed the reviewable costs as $3,958,467. However $174,542.82 of that cost was non-reviewable as itemized at page 38 of the application for permit. [$3,958,467 - $174,542.83 = $3,783,924.17]

Net Interest Expense During Construction – These costs total $199,824. The State Board does not have a standard for these costs.

FMV of Leased Space/Equipment – These cost total $10,398,519. The State Board does not have a standard for these costs.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH THE REASONABLENESS OF PROJECT COSTS CRITERION (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 $2,602.57. This appears reasonable when compared to previously approved projects.

TABLE NINE Projected Operating Costs per Procedure	
Salaries	$4,094,630
Benefits	$1,023,657
Medical Supplies	$10,949,972
Total	$16,068,259
Est. Number of Procedures	6,174
Project Costs per Procedure	$2,602.57

Source: Application for Permit page 214

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 $257.12 per procedure. This appears reasonable when compared to previously approved projects.

TABLE TEN Capital Cost per Surgical Case	
Interest Expense	$283,822
Depreciation & Amortization	$1,303,627
Total	$1,587,449
Est. Number of Procedures	6,174
Project Costs per Procedure	$257.12

Source: Application for Permit page 214

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 ELEVEN
Limited Specialty ASTC [1]
Within the Proposed GSA

Ambulatory Surgical Treatment Center	City	Adjusted Time [2]	Limited Surgical Specialties	Surgery Rooms	Hours	Number of Rooms Justified	Procedure Rooms	Hours	Number of Rooms Justified
Elmhurst Medical & Surgical Center	Elmhurst	4.4	Podiatry	1	162	1	0	0	0
Eye Surgery Center of Hinsdale	Hinsdale	5.5	Ophthalmology, Laser Eye	2	1,633	2	1	353	1
Chicago Prostate Cancer Surgery Center	Westmont	8.8	Urology	2	629	1	0	0	0
United Therapy - LaGrange	LaGrange	13.2	Urology	1	2,480	2	0	0	0
Ambul. Surgicenter of Downers Grove	Downers Grove	14.3	Orthopedic	3	952	1	0	0	0
Lisle Center For Pain Management	Lisle	17.6	Neurological, Pain Management	2	202	1	1	1,294	1
Naperville Fertility Center	Naperville	19.8	OB/GYN	1	814	1	0	0	0
DuPage Orthopedic Group Surgery Center	Warrenville	20.9	Orthopedic, Pain Management	4	4,341	3	0	0	0
Advantage Health Care, Ltd.	Wood Dale	22	OB/GYN, Urology	2	1,940	2	0	0	0
DuPage Eye Surgery Center	Wheaton	24.2	Ophthalmology, Laser Eye	3	2,323	2	2	237	1
Palos Hills Surgery Center	Palos Hills	28.6	Othopedic, Pain Management	2	1,671	2	0	0	0
Midwest Endoscopy Center	Naperville	29.7	Gastroenterology	0	0	0	2	6,458	5
Oak Lawn Endoscopy	Oak Lawn	31.9	Gastroenterology	0	0	0	2	5,513	4
The Glen Endoscopy Center	Glenview	31.9	Gastroenterology	0	0	0	3	3,357	3
Ravine Way Surgery Center	Glenview	33	Orthopedic	3	3,463	3	0	0	0
Albany Medical Surgical Center	Chicago	34.1	OB/GYN	2	2,476	2	0	0	0
Total				**28**	**23,085**	**23**	**11**	**17,212**	**15**

1. Information taken from 2015 ASTC Profile Information
2. Travel time taken from MapQuest and adjusted per 1100.510 (d)

TABLE TWELVE
Multi-Specialty ASTC [1]
Within the Proposed GSA

Ambulatory Surgical Treatment Center	City	Adjusted Time [2]	Multi Surgical Specialties	Surgery Rooms	Hours	Number of Rooms Justified	Procedure Rooms	Hours	Number of Rooms Justified
Elmhurst Outpatient Surgery Center	Elmhurst	2.2	General, OB/Gyn, Ophthalmology, Orthopedic,Otolaryngology,Plastic, Podiatry, Urology, Cataract, Gastro, Laser Eye, Pain Management	4	1,856	2	4	1,476	1
Children's Memorial Spec. Ped.	Westchester	3.3	Dermatology, Gastro, General, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Plastic, Urology	3	2,794	2	0	0	0
Loyola Amb. Surgery Ctr. at Oakbrook	Oakbrook Terrace	5.5	Cardiovascular, Dermatology,General,Neurological,OB/Gyn, Ophthalmology, Oral/Maxillofacial, Orthopedic,Otolaryngology,Podiatry, Urology	3	2,466	2	0	0	0
Hinsdale Surgical Center	Hinsdale	6.6	General, OB/Gyn, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Laser Eye	4	5,316	4	2	372	1
The Oak Brook Surgical Center	Oakbrook	9.9	General, Neurological, OB/Gyn, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, IVIG	5	2,090	2	1	718	1
DuPage Medical Group Surgery Center	Lombard	12.1	General, OB/Gyn, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Gastro-Intestinal	8	9,845	7	3	6,893	5
Salt Creek Surgery Center	Westmont	13.2	Orthopedic, Pain Management, Plastic, Podiatry	4	3,574	3	0	0	0
Midwest Center for Day Surgery	Downers Grove	14.3	General, Gastro, OB/GYN, Orthopedic, Ophthalmology, Otolaryngology, Plastic, Podiatry, Urology	5	3,434	3	0	0	0
The Center for Surgery	Naperville	17.6	General, Ophthalmology, OB/GYN, Oral Maxillofacial, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Gastro	8	3,714	3	3	492	1
Apollo Health Center	Des Plaines	18.7	OB/GYN, Pain Management, Podiatry	2	132	1	0	0	0

TABLE TWELVE
Multi-Specialty ASTC [1]
Within the Proposed GSA

Ambulatory Surgical Treatment Center	City	Adjusted Time [2]	Multi Surgical Specialties	Surgery Rooms	Hours	Number of Rooms Justified	Procedure Rooms	Hours	Number of Rooms Justified
Golf Surgical Center	Des Plaines	23.1	General, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Gastrointestinal, Laser Eye, Minor Surgery	5	4,133	3	3	1,048	1
Alden Center for Day Surgery Center, LLC	Addison	24.2	Gastroenterology, OB/GYN, Podiatry	4	531	1	0	0	0
Lakeshore Physicians & Surgery Ctr.	Chicago	24.2	General, Gastroenterology, Orthopedic, Pain Management, Urology	2	1,082	1	0	0	0
Forest Medical-Surgical Center	Justice	26.4	Gastroenterology, General, Pain Management, Podiatry, Urology	2	640	1	2	125	1
Regenerative Surgery Center	Des Plaines	28.6	Othopedic, Pain Management, Podiatry	3	1,194	1	0	0	0
Illinois Sports Medicine & Orthopedic Surgery Ctr.	Morton Grove	28.6	Othopedic, Otolaryngology, Plastic, Podiatry, Pain Management	4	2,886	2	1	559	1
Dreyer Ambulatory Surgery Center	Aurora	31.9	Cardiovascular, General, OB/GYN, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Gastroenterology	4	3,042	3	6	4,934	4
Novamed Surgery Center of Oak Lawn	Oak Lawn	31.9	Ophthalmology, Orthopedic, Pain Management, Plastic, Podiatry	4	1,589	2	0	0	0
Northwest Community Day Surg.	Arlington Heights	33	General, Orthopedic, OB/Gynecology, Ophthalmology, Oral/Maxillofacial, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Vasectomy	10	9,620	7	1	1	1
Northwest SurgiCare HealthSouth	Arlington Heights	34.1	Dermatology, Gastro, General, OB/GYN, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Podiatry Urology, Laser Eye, Pain Management	4	2,395	2	2	123	1
Rush Surgicenter - Prof. Bldg.	Chicago	34.1	General, OB/Gynecology, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology	4	6,254	5	0	0	0

TABLE TWELVE
Multi-Specialty ASTC [1]
Within the Proposed GSA

Ambulatory Surgical Treatment Center	City	Adjusted Time [2]	Multi Surgical Specialties	Surgery Rooms	Hours	Number of Rooms Justified	Procedure Rooms	Hours	Number of Rooms Justified
Naperville Surgical Centre	Naperville	36.3	Ophthalmology, Orthopedic, Plastic, Podiatry, Urology	3	1,664	2	0	0	0
Palos Surgicenter, LLC	Palos Heights	36.3	General, Laser Eye, Neurological, Ophthalmology, Orthopedic, Pain Management, Plastic, Podiatry, Gastro-intestinal	3	2,525	2	2	529	1
Loyola University Amb. Surg. Ctr.	Maywood	36.3	Gastroenterology, General, Neurological, OB/GYN, Pain Management, Ophthalmology,Orthopedic, Oral/Maxillofacial, Plastic, Urology	8	9,884	7	0	0	0
Castle Surgicenter, LLC	Aurora	37.4	Orthopedic, Pain Management, Podiatry	2	1,473	1	0	0	0
Edward Plainfield Surgery Center	Plainfield	38.5	General, OB/Gynecology, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic, Urology, Gastro-Intestinal	3	2,130	2	1	371	1
Novamed Surgery Center of River Forest	River Forest	38.5	Laser Eye, Ophthalmology, Plastic	2	545	1	0	0	0
Fox Valley Orthopaedic Associates	Geneva	39.6	Orthopedic, Pain Management, Podiatry	4	4,335	3	0	0	0
The Hoffman Estates Surgery Center	Hoffman Estates	39.6	General, Laser Eye, OB/GYN, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Podiatry, Gastro-Intestinal	3	4,752	4	1	857	1
Preferred Surgicenter, LLC	Orland Park	39.6	Neurological, OB/Gynecology, Orthopedic, Pain Management, Podiatry, Plastic, Gastro-Intestinal	4	155	1	1	94	1
Magna Surgical Center	Beford Park	40.7	General, OB/GYN, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Podiatry	3	2,192	2	0	0	0

TABLE TWELVE
Multi-Specialty ASTC [1]
Within the Proposed GSA

Ambulatory Surgical Treatment Center	City	Adjusted Time [2]	Multi Surgical Specialties	Surgery Rooms	Hours	Number of Rooms Justified	Procedure Rooms	Hours	Number of Rooms Justified
Kendall Pointe Surgery Center, LLC	Oswego	41.8	General, OB/GYN, Opthalmology, Pain Management, Plastic, Podiatry, Urology, Gastro-Intestinal	3	1,473	1	1	56	1
Six Corners Sameday Surgery	Chicago	41.8	General, Orthopedic, Pain Management, Gastro-Intestinal	4	200	1	1	0	0
North Shore Same Day Surgery Center	Lincolnwood	42.9	Gastroenterology, General, OB/GYN, Ophthalmology,Pain Management, Podiatry, Urology	3	2,558	2	0	0	0
Total				**137**	**102,468**	**86**	**35**	**18,647**	**23**

1. Information taken from 2015 ASTC Profile
2. Travel time taken from MapQuest and adjusted 1.15 per 77 IAC 1100.510 (d)

TABLE THIRTEEN
Hospitals within the Proposed GSA [1]

Hospital	City	Adjusted Time [2]	Surgery Rooms	Total Hours	Operating Rooms Justified	Proc. Rooms	Hours	Proc. Rooms Justified	Total OR/Proc. Rooms	Total Rooms Justified	Met Target Occupancy?
Presence Resurrection Med. Ctr.	Chicago	26.4	13	11,958	8	10	4,484	3	23	11	No
Presence St. Francis Hospital	Evanston	41.8	14	8,912	6	4	2,934	2	18	8	No
Presence Mercy Center	Aurora	30.8	12	5,705	4	2	1,101	1	14	5	No
St. Elizabeth's Hospital	Chicago	38.5	5	939	1	5	0	0	10	1	No
Alexian Brothers Medical Center	Elk Grove Village	22	14	21,164	14	18	13,532	9	32	23	No
Presence Holy Family Hospital	Des Plaines	26.4	5	1,591	1	5	560	0	10	1	No
Community First	Chicago	33	9	3,826	3	5	3,708	2	14	5	No
Little Company of Mary Hospital & Health Ctr.	Evergreen Park	35.2	9	8,580	6	8	4,803	3	17	9	No
Franciscan St. James Hospital & Health Ctr.	Olympia Fields	41.8	7	3,499	2	6	2,524	2	13	4	No
Holy Cross Hospital	Chicago	41.8	7	2,569	2	5	2,255	2	12	3	No
VHS Westlake Hospital	Melrose Park	18.7	6	2,674	2	4	683	0	10	2	No
Loretto Hospital	Chicago	19.8	5	707	0	3	137	0	8	1	No
Gottlieb Memorial Hospital	Melrose Park	23.1	6	2,674	2	4	683	0	10	2	No
MetroSouth Medical Center	Blue Island	31.9	10	6,911	5	5	4,545	3	15	8	No
Norwegian American Hospital	Chicago	34.1	5	2,652	2	4	166	0	9	2	No
Rush Oak Park Hospital	Oak Park	18.7	9	7,473	5	3	1,759	1	12	6	No
MacNeal Memorial Hospital	Berwyn	20.9	18	18,148	12	0	0	0	18	12	No
Adventist Glen Oaks Med. Ctr.	Glendale Heights	22	5	3,015	2	3	1,145	1	8	3	No
Adventist Bolingbrook Hospital	Bolingbrook	25.3	6	7,138	5	7	4,169	3	13	8	No
Edward Hospital	Naperville	26.4	18	25,898	17	9	5,914	4	27	21	No
St. Bernard Hospital	Chicago	31.9	7	2,311	2	0	0	0	7	2	No
Ingalls Memorial Hospital	Harvey	33	9	9,569	6	4	1,091	1	13	7	No
Adventist LaGrange Memorial Hospital	LaGrange	11	11	12,846	9	4	3,476	2	15	11	No
Saint Mary of Nazareth Hospital	Chicago	36.3	8	8,886	6	5	4,462	3	13	9	No
Advocate Trinity Hospital	Chicago	41.8	6	6,350	4	5	3,873	3	11	7	No
Jackson Park Hosp. Foundation	Chicago	44	6	2,136	1	0	0	0	6	1	No
Advocate Good Samaritan Hospital	Downers Grove	14.3	15	23,181	15	8	5,345	4	23	19	No
Mount Sinai Hospital Med. Ctr.	Chicago	27.5	9	11,237	7	4	2,653	2	13	9	No
Swedish Covenant Hospital	Chicago	34.1	10	16,604	11	7	3,931	3	17	14	No
South Shore Hospital	Chicago	44	5	2,330	2	0	0	0	5	2	No
St. Anthony Hospital	Chicago	28.6	4	2,830	2	1	717	0	5	2	No
St. Alexius Medical Center	Hoffman Estates	35.2	11	16,859	11	10	10,988	7	21	19	No
Adventist Hinsdale Hospital	Hinsdale	9.9	12	19,172	13	6	4,858	3	18	16	No
Palos Community Hospital	Palos Heights	27.5	14	20,009	13	5	6,359	4	19	18	No

TABLE THIRTEEN
Hospitals within the Proposed GSA [1]

Hospital	City	Adjusted Time [2]	Surgery Rooms	Total Hours	Operating Rooms Justified	Proc. Rooms	Hours	Proc. Rooms Justified	Total OR/Proc. Rooms	Total Rooms Justified	Met Target Occupancy?
Shriner's Hospitals for Children [4]	Chicago	30.8	4	3,121	0	0	0	0	0	0	NA
Skokie Hospital	Skokie	41.8	10	11,434	8	7	11,893	8	17	16	No
VHS West Suburban Med. Ctr.	Oak Park	22	8	8,794	6	4	8,229	5	12	11	Yes
Northwest Community Hospital	Arlington Heights	31.9	14	22,263	15	9	11,136	7	23	22	Yes
Advocate South Suburban Hospital	Hazel Crest	35.2	9	13,140	9	2	3,239	2	11	11	Yes
Rush Copley Memorial Hospital	Aurora	36.3	11	19,172	13	5	3,603	2	16	15	Yes
LaRabida Children's Hospital [5]	Chicago	40.7	0	0	0	0	0	0	0	0	NA
Central DuPage Hospital	Winfield	33	26	41,252	28	7	9,684	6	33	34	Yes
John H. Stroger Hospital of Cook Ct.	Chicago	27.5	20	33,940	23	8	9,967	7	28	29	Yes
Silver Cross Hospital	New Lenox	36.3	11	21,394	14	5	6,181	4	16	18	Yes
Glenbrook Hospital	Des Plaines	33	9	12,720	8	7	16,396	11	16	19	Yes
Rush University Medical Center	Chicago	34.1	31	62,337	42	15	13,935	9	46	51	Yes
University of Illinois Hospital	Chicago	36.3	20	43,713	29	8	6,986	5	28	34	Yes
Advocate Christ Hospital & Health Ctr.	Oak Lawn	25.3	39	72,429	48	10	12,019	8	49	56	Yes
Elmhurst Memorial Hospital	Elmhurst	2.2	14	36,828	25	6	6,700	4	20	29	Yes
University of Chicago Medical Ctr.	Chicago	37.4	35	78,903	53	18	16,311	11	53	63	Yes
Loyola Univ. Med. Ctr./Foster G. McGaw	Maywood	17.6	28	59,391	40	10	17,877	12	38	52	Yes
Total			**595**		**562**	**290**		**169**	**885**	**731**	

1. Information taken from 2015 Hospital Questionnaire
2. Travel Time Determined by MapQuest and adjusted by 1.15 per 77 IAC 1100.510 (d)
3. Procedure rooms times include gastro, laser eye, pain management, and crystoscopy
4. Shriner's Hospital for Children was not included in the evaluation
5. LaRabida Children's Hospital not included in evaluation
6. NA- Not Applicable
7. Note: Travel time calculated by the applicants and adjusted by 1.10. This was not accepted by the State Board Staff and travel times were all recalculated by State Board Staff.

16-032 Rush Oak Brook Surgery Center

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