



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-04	BOARD MEETING: January 24, 2017	PROJECT NO: 16-038	PROJECT COST: Original: \$12,718,852
FACILITY NAME: Advocate Sherman Ambulatory Surgery Center		CITY: Elgin	
TYPE OF PROJECT: Substantive			HSA: VIII

DESCRIPTION: The applicants are proposing to establish a multi-specialty Ambulatory Surgical Treatment Center (ASTC) with three (3) operating rooms and twelve (12) recovery stations at a cost of \$12,718,852 in Elgin, Illinois. The anticipated completion date is March 31, 2019.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants are proposing to establish a multi-specialty Ambulatory Surgical Treatment Center with three (3) operating rooms and twelve (12) recovery rooms at a cost of \$12,718,852 in Elgin, Illinois. The anticipated completion date is March 31, 2019.
- The proposed ASTC will provide five (5) surgical specialties: general, ophthalmology, orthopedic, otolaryngology, and urology.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project proposes to establish a health care facility as defined by the Illinois Health Facilities Planning Act (20 ILCS 3960).

PUBLIC HEARING/COMMENT:

- No letters of opposition were received by the State Board Staff. Letters of support were received from:
 - Mayor of Elgin - David J. Kaptain
 - State Representative Anna C. Moeller – 43rd District
 - James Garcia – Executive Director, Centro de Informaci6n
 - Natalie Simpson, Resident
 - Tom Severson – Pastor, Vineyard Church of Elgin
 - David Schmidt – Fire Chief, Elgin Fire Department
 - Dorothy Poulus, MD
 - Chirag Dholakia, MD
 - Jongwook Ham, MD
 - Barbara Jeffers - Executive Director, Kane County Health Department
 - Jeffrey Swoboda - Chief of Police, Elgin
 - Monica S. Teschke, Resident
 - Johanna Rios, Resident
 - Raquel Gomez, Resident
 - Blanca Jiminez, Resident
 - Francisco Castaneda, Resident
 - Guadalupe Zavala, Resident
 - Griselda Zavala, Resident
 - Blanca Arrendondo, Resident
 - Deborah Hrubby, Resident
 - Valerie Dolwaldt, Resident
- A public hearing was held on November 4, 2016. Eighty (80) individuals were in attendance. Twenty-seven (27) individuals spoke in support of the project and four (4) individuals spoke in opposition. Courtney Avery, Administrator was the hearing officer and the Honorable Judge Alan J. Greiman (Ret) attended the hearing as a representative of the State Board.
- Those in support of project emphasized that the proposed project will offer outpatients high quality surgical benefits at a lower cost than having them in the main hospital. Those in support felt the proposed project will provide greater access for outpatient surgical services to the community, especially those who are challenged to pay the high copayments and deductibles.
- Those in opposition emphasized that there is sufficient surgical capacity in the forty-five (45) minute geographic service area. According to those in opposition the addition of another surgery center would be an irresponsible use of \$12.7 million dollars that surely could benefit patients in other ways. Those in opposition felt the state-created geographic service area includes a

reasonable forty (45) minute travel time for outpatient surgeries, which are scheduled in advance and are non-emergent. The opposition stated that all twenty-eight (28) facilities in the service area can accommodate additional surgeries. The vast majority are also multispecialty clinics that provide services similar to those proposed by Advocate Sherman.

CONCLUSION:

- The State Board Staff reviewed the application for permit, information provided at the public hearing, additional information provided by the applicants, and support and opposition letters received by the Board Staff and note the following:
- The State Board does not have a calculated need methodology for the establishment of an ASTC. The State Board is asked to consider the establishment of an ASTC based upon existing operating/procedure room capacity within a forty-five (45) minute service area; and whether the existing operating/procedure rooms (i.e. capacity) can accommodate the additional projected demand based upon the most recent utilization data at the existing hospitals and ASTCs.
- The proposed project is a **cooperative venture** with Advocate Sherman Hospital, Surgical Care Affiliates, and thirteen (13) physician members on the Sherman medical staff.
- The applicants addressed a total of twenty-two (22) criteria and have failed to successfully address the following:

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1110.1540 (g) – Service Accessibility	State Board rules require that Advocate Sherman Hospital have sufficient historical utilization to justify the eighteen (18) operating/procedure rooms at the hospital and the three (3) operating/procedure rooms being proposed at the ASTC. Based upon the historical utilization Advocate Sherman Hospital can justify sixteen (16) operating rooms and two (2) procedure rooms and not the twenty-one (21) operating/procedure rooms being proposed by this application.
Criterion 1110.1540 (h) (1) – Unnecessary Duplication of Service	<ul style="list-style-type: none"> • There are eight (8) limited specialty ASTC’s within forty-five (45) minutes of the proposed facility. These eight (8) facilities would have to submit an application for permit to add specialties. • Of the twenty (21) multi-specialty ASTCs; nineteen (19) ASTCs are not at the target occupancy of 80%. • There are twenty-one (21) hospitals within forty-five (45) minutes of the proposed project. Centegra Hospital – Huntley was licensed 7/01/2016 and no data is available. Of the remaining twenty (20) hospitals fifteen (15) were not at target occupancy. . .
Criterion 1110.140 (c) – Reasonableness of Project Costs	The applicants did not meet the State Board Standards for New Construction Costs and Contingencies, and Movable Equipment. [See page 22 of this report for an explanation of the cost differences]

STATE BOARD STAFF REPORT
#16-038
Advocate Sherman Ambulatory Surgery Center

APPLICATION SUMMARY/CHRONOLOGY	
Applicants	Advocate Sherman Ambulatory Surgery Center, LLC, Advocate Sherman Hospital, Advocate Health Care Network, Evangelical Services Corporation, Surgical Care Affiliates Inc., Surgical Care Affiliates, LLC, SCA Surgery Holdings, LLC, SCA-Illinois, LLC, and Advocate-SCA Partners, LLC
Facility Name	Advocate Sherman Ambulatory Surgery Center
Location	1445 North Randall Road, Elgin, Illinois
Application Received	September 12, 2016
Application Deemed Complete	September 12, 2016
Permit Holder	Advocate Sherman Ambulatory Surgery Center, LLC
Operating Entity/Licensee	Advocate Sherman Ambulatory Surgery Center, LLC
Owner of the Site	Advocate Sherman Hospital
Project Financial Commitment Date	January 24, 2019
Gross Square Footage	15,010 GSF
Project Completion Date	March 31, 2019
Review Period Ends	January 11, 2017
Request a Deferral?	Yes

I. The Proposed Project

The applicants are proposing to establish an Ambulatory Surgical Treatment Center with three (3) operating rooms and twelve (12) recovery stations at a cost of \$12,718,852 in Elgin, Illinois. The anticipated completion date is March 31, 2019

II. Summary of Findings

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

III. General Information

The applicants are Advocate Sherman Ambulatory Surgery Center, LLC, Advocate Sherman Hospital, Advocate Health Care Network, Evangelical Services Corporation, Surgical Care Affiliates Inc., Surgical Care Affiliates, LLC, SCA Surgery Holdings, LLC, SCA-Illinois, LLC, and Advocate-SCA Partners, LLC. The proposed facility will be located in the HSA VIII Health Service Area and HPA-11 Hospital Planning Area. Financial commitment will occur after permit approval. The proposed project is subject to a Part 1110 and Part 1120 review.

Advocate Health Care has ownership interests in the following health care facilities:

Facility	City	Facility	City
Advocate BroMenn Medical Center	Normal	BroMenn Care and Comfort Suites	Bloomington
Advocate Christ Medical Center	Oak Lawn	Dreyer Ambulatory Surgery Center	Aurora
Advocate Condell Medical Center	Libertyville	Golf Surgical Center	Des Plaines
Advocate Eureka Hospital	Eureka	Digestive Disease Endoscopy Center	Normal
Advocate Good Samaritan Hospital	Downers Grove	RML Specialty Hospital –Hinsdale	Hinsdale
Advocate Good Shepherd Hospital	Barrington	RML Specialty Hospital – Chicago	Chicago
Advocate Illinois Masonic Medical Center	Chicago	Sherman West Coast (nursing care)	Elgin
Advocate Lutheran General Hospital	Park Ridge	Midwest Center for Day Surgery	Downers Grove
Advocate Sherman Hospital	Elgin	Tinley Woods Surgery Center	Tinley Park
Advocate South Suburban Hospital	Hazel Crest	Naperville Surgical Centre, LLC	Naperville
Advocate Trinity Hospital	Chicago	Algonquin Road Surgery Center, LLC	Lake in the Hills
The Center for Orthopedic Medicine, LLC	Bloomington		

Source: Information provided by the applicants received November 16, 2016

IV. Project Costs and Sources of Funds

The applicants are funding this project with cash of \$3,179,713 and a mortgage of \$9,539,139. The operating deficit/start-up costs are projected to be \$346,426.

TABLE ONE
Project Costs and Sources of Funds

	Reviewable	Non Reviewable	Total
Preplanning Costs	\$63,433	\$22,067	\$85,500
Site Survey and Soil Investigation	\$7,048	\$2,452	\$9,500
Site Preparation	\$259,667	\$90,333	\$350,000
New Construction Contracts	\$4,865,730	\$1,692,694	\$6,558,424
Contingencies	\$450,072	\$156,587	\$606,659
Arch. and Eng. Fees	\$418,535	\$145,600	\$564,135
Consulting and Other Fees	\$234,609	\$80,860	\$315,469
Movable or Other Equipment	\$2,762,951	\$710,367	\$3,473,318
Loan Issue Expense	\$27,859	\$9,691	\$37,550
Net Interest Expense	\$248,538	\$86,462	\$335,000
Other Costs to be Capitalized	\$284,371	\$98,927	\$383,298
Total Project Costs	\$9,622,812	\$3,096,040	\$12,718,852
Cash			\$3,179,713
Mortgage			\$9,539,139
Total Sources of Funds			\$12,718,852

Source: Application for Permit page 22

Itemization of Costs Application for Permit pages 77-78

V. Purpose of the Project, Safety Net Impact Statement, Alternatives to the Proposed Project

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

To demonstrate compliance with this criterion the applicants must provide documentation of the existing problems to be solved by the proposed application for

permit; the population to be served; and how the proposed project will rectify the problems identified.

The applicants stated the following:

“The purpose of the proposed Project is to meet the community needs for access to high quality, cost-efficient outpatient surgical care. The applicants propose to establish a modern, state-of-the art ambulatory surgery treatment center (ASTC) on the campus of Advocate Sherman Hospital (Sherman). The fifteen physicians who anticipate performing outpatient surgery at the proposed ASTC are all on the staff at Sherman Hospital. Referrals to the ASTC will be from the base of patients that are currently receiving outpatient surgical procedures at Sherman. The physicians and Sherman are proposing a facility that will allow procedures that are appropriate for an ASTC to be performed in a setting that has been demonstrated to be less costly, more efficient, and more convenient for patients and their families.

Physicians are being encouraged by insurers to familiarize themselves with ambulatory surgery centers in their area and obtain privileges to perform procedures in those centers if they do not already have them. Insurers are now expecting that certain procedures be performed in an ASTC rather than a hospital. Since nearly all the physicians listed in this application are not on the staff of an ASTC, they cannot meet many of their patients’ insurance requirements. These procedures will require prior authorization if performed in an outpatient hospital setting. No prior authorization is required if they are performed in an ambulatory surgery center.

The applicants expect the service area of the proposed ambulatory surgery treatment center to replicate that of Advocate Sherman Hospital. Advocate Sherman Hospital is a major provider of health care to the residents of Kane County, serving the residents of Elgin and Kane County since 1888. The hospital has continued to adapt to changing health care needs, identifying the need to provide the continuum of outpatient services to families that live in the hospital's defined service area.

As a Level II Trauma Center serving a wide region of geography, Advocate Sherman Hospital's scheduled outpatient procedures are not always performed as anticipated due to emergency or trauma patients taking higher priority for surgical time. With only one surgical department on campus for both inpatients and outpatients, efficiency and throughput are not as desirable as in a sole ambulatory setting. While Advocate Health Care continues to strengthen its population health strategy, it is important to identify opportunities to meet the demands and expectations of the population in the service area. With increasing out-of-pocket expenses, high deductible plans, and increasing co-payments, patients are becoming more cost sensitive which is impacting patients' willingness to get procedures done promptly.” [Application for Permit page 88-92]

B) Criterion 11110.230 (b) – Safety Net Impact Statement

To document compliance with this criterion the applicants must document the amount of Medicaid and charity care that has been provided by Advocate Sherman Hospital for the past three (3) years prior to the filing of the application for permit.

The applicants do not believe the proposed project will have a negative effect on the existing safety net services available to the community. It will have charity care policies and treat Medicare and Medicaid patients, similar to the cooperating venture hospital, Advocate Sherman Hospital. [Application for Permit pages 171-172]

TABLE TWO
Advocate Sherman Hospital Safety Net Information
Charity Care

Calendar Year	2013	2014	2015
Net Revenue	\$296,569,296	\$295,137,803	\$307,787,253
Inpatient	466	135	288
Outpatient	1,605	4,299	2,493
Total	2,071	4,434	2,781
Inpatient	\$1,163,529	\$4,154,000	\$2,313,000
Outpatient	\$1,290,645	\$3,703,000	\$2,505,000
Total	\$2,454,174	\$7,857,000	\$4,818,000
Charity Expense % of Net Revenue	.8%	2.7%	1.6%
Medicaid			
Medicaid	2013	2014	2015
Inpatient	2,253	2,302	2,075
Outpatient	49,991	49,770	43,658
Total	52,244	52,072	45,733
Inpatient	\$21,095,179	\$26,850,499	\$31,066,928
Outpatient	\$6,533,693	\$8,651,213	\$12,675,666
Total	\$27,628,872	\$35,501,712	\$43,742,594
Medicaid % of Net Revenue	9.31%	12.02%	14.2%

The expected payor mix for the proposed ASTC as well as the expected cost of charity care expected in year two (2) after project completion is outlined below. The applicants noted that there was no category of private pay broken out but blended with the charity care. The “other” category under payor mix would reflect Worker’s Compensation cases and an occasional employer self-funded case.

Payor Sources/Payor Mix

Private Insurance/Managed Care	56.60%
Medicaid	8.10%
Medicare	31.20%
Charity	2.90%
Other	1.20%
Total	100.00%
Expected Year 2 Patient Revenue	\$5,638,800
Amount of Charity Care (charges)	\$147,173
Cost of Charity Care	\$125,097

C) Criterion 1110.230 (c) – Alternatives to the Proposed Project

To document 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 five (5) alternatives to the proposed project.

1. Maintain the Status Quo:

This alternative was rejected because it would not alleviate the co-mingling of inpatient and outpatient cases that increase the outpatient surgery cost per case. The current situation does not provide an option to offer surgery at a freestanding site, increasingly expected by payors and patients to limit costs. There are no capital costs to this alternative.

2. Utilize available space in a Medical Office Building (“MOB”) adjacent to Sherman Hospital:

The applicants considered available space on the 5th floor of the adjacent MOB to establish the proposed ASTC. The alternative was rejected because construction in the MOB would cause significant disruption to the tenants in the rest of the building. This location affects access, requiring additional costs to add an elevator and upgrade the entry into the MOB. Accommodating the ASTC floor plan into the existing, long narrow footprint of the MOB also increases cost, decreases design efficiency, and poses challenges for streamlined operating efficiencies. The capital costs for this alternative is \$13,000,000

3. Modernize the existing hospital surgery suite to add a dedicated area for outpatient procedures.

This alternative was rejected because of the location of the current surgical suite, developing a separate outpatient surgical suite would require significant relocation of other departments or an addition to the hospital. That option proved to be quite costly. While that alternative would provide separate ORs for outpatients, the ease of access and the opportunity to enhance patient and physician satisfaction compared to a freestanding facility would be limited. This alternative was rejected due to increased capital costs, inefficiencies in care delivery and patient and physician dissatisfaction. The capital cost to this alternative is \$17,100,000.

4. Utilize other health care resources to serve the population:

This alternative was rejected because utilizing other facilities would leave the hospital and the physicians without the ability to manage quality and cost. Without this option on the Advocate Sherman campus, patients would be forced to leave the area for this type of care and not maintain their current physician relationship. According to the applicants they were unable to estimate the cost impact on patients and physicians.

5. Build a dedicated ambulatory surgery treatment center at another location.

This alternative was rejected because according to the applicants any distance between the ASTC and the hospital poses several disadvantages not incurred with an on-campus location. A site remote from the hospital reduces physician access to their inpatients and other hospital departments. Distance to the hospital for support services and preadmission testing also pose challenges in access, creates potential duplication of resources, and lowers efficiencies. Capital Costs. Same development cost as recommended option, with increased operating costs.

6. According to the applicants the proposed project was selected for the following reasons:

“A. Capital cost is lower to build an ambulatory surgery treatment center than expanding the hospital surgery suite, due to the high cost of renovating within a hospital setting while maintaining services.

B. This option allows for a lower cost of care at the same high quality. As one of the largest Accountable Care Organizations (ACO) in the nation, Advocate understands and is committed to offering options to provide the right care, at the right time in the right place for our patients. Advocate has implemented many innovative models of care to limit costs, while maintaining quality, such as case management/transitions of care, retail options, clinics and registries to manage patients with chronic disease, and services to allow patients to safely remain in their home.

C. The option of an ambulatory surgery treatment center on campus provides patients and physicians with the most efficient model of care. Location on the hospital campus allows for the use of hospital ancillary and support services to meet the needs of the ASTC patients.

D. Patient access and satisfaction will be enhanced in this ambulatory setting, providing easy parking, streamlined processing, and focuses on the needs of the outpatient.

E. Patients are already familiar with the location of the Sherman Hospital campus and the fact that the Center is on a hospital campus will provide patients additional confidence as opposed to if it was off campus.

F. Physician satisfaction will be enhanced in this ambulatory setting, with streamlined processes and higher frequency of on-time starts, without trauma and emergency patients.

G. Financial benefit will be provided for both patients and payers due to the lower cost for these outpatient surgical procedures. This option has become increasingly important with higher out of pocket costs for patients. More payors are setting expectations and incentives to perform several types of outpatient surgeries in a non-hospital setting.

H. Patients will have access to a high quality, appropriate setting while maintaining current health care relationships in their service area. By developing this ASTC in partnership with Advocate Health Care, the applicants will provide the efficiencies that are part of the Accountable Care Organization by lowering health care cost, enhancing the quality of care and improving health care outcomes. The proposed Project is supported by the integration of systems that focus on managing population-based health status for patients living in the service area.

I. Collaboration with the hospital, physicians and the partnership with Surgical Care Affiliates; brings expertise in this model of ambulatory care and will provide an integrated delivery system for surgical care.” [Application for Permit page 97-102]

VI. Size of the Project, Projected Utilization, Assurances

A) Criterion 1110.234 (a) - Size of the Proposed Project

To demonstrate compliance with this criterion the applicants must document that the proposed size of the project meets the standards published in Part 1110 Appendix B.

The applicants are proposing a total of 11,136 GSF of clinical space. The clinical space will consist of three (3) operating rooms and twelve (12) recovery stations in 6,489 GSF of space. Clinical support space will comprise 4,467 GSF of space. The State Board Standard is 2075-2750 GSF per operating room or a total of 8,250 GSF of space for the three (3) operating rooms and twelve (12) recovery stations. The applicants have met the requirements of this criterion.

Clinical support space includes areas outside the operation room area and the Post Anesthesia Care Unit. That includes staff lounge, male and female lockers and toilets, janitor's closet, medical gases room, vacuum pump room, clinical engineering, clean linen, soiled linen, equipment storage, nurses' station, six pre-operative bays and a patient toilet. The sterile operating room area includes three operating rooms, two scrub stations, sterile storage, clean workroom, soiled workroom, sterile closet, anesthesia office, waste holding room, bio-waste room, equipment storage, dictation area, and janitor's closet. In addition, there are twelve (12) beds in the Post Anesthesia Care Unit with a nursing station, nourishment station, medications area, and patient toilets.

There are six (6) pre-operative stations included in the clinical support space that are only for patients before surgery. Patient education, processing of permits, changing clothes for the procedure, physician pre-op visits, marking of the surgical site, and administering medications are some of the pre-operative activities that will happen there. Once the surgery is done, all patients will go to the twelve (12) station post anesthesia care unit. [Application for Permit pages 81 and 103 and additional information from the applicants]

B) Criterion 1110.234 (b) – Projected Utilization

To demonstrate compliance with this criterion the applicants must document that the proposed project will be at target utilization within two (2) years after project completion.

The applicants are projecting 3,625 hours of surgery for the three (3) operating rooms within two (2) years after project completion or March 2021. Fifteen (15) physicians have stated that they anticipate referring 2,579 cases or 3,625 hours of outpatient surgery to the proposed ASTC. The State Board Standard is 1,500 hours per operating room. If the projected hours materialize the applicants will be at target occupancy within two (2) years after project completion. [Application for Permit page 104]

C) Criterion 1110.234 (e) – Assurances

To demonstrate compliance with this criterion the applicants must document that the proposed project will attain target utilization two (2) years after project completion.

The applicants have provided the necessary attestation at page 107 of the application for permit.

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

VII. Non-Hospital Based Ambulatory Surgical Treatment Center Services

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

To demonstrate compliance with this criterion the applicants must document any adverse action taken against the applicants in the three (3) years prior to the filing of the application for permit; a listing of all health care facilities owned and operated by the applicants, and authorization allowing the State Board and the Illinois Department of Public Health access to any documentation to verify information in the application for permit.

The proposed Advocate Sherman ASTC, LLC will be owned by Advocate-SCA Partners, LLC which is comprised of SCA-Illinois, LLC with 51% interest and Advocate's for-profit corporation, Evangelical Services Corporation, with the other 49% interest. Advocate-SCA Partners, LLC will hold 51 % interest in the Advocate Sherman Ambulatory Surgery Center, LLC. The physician members of the Advocate Sherman Ambulatory Surgery Center, LLC will have a combined interest of 49%, and none of them will hold 5% or more ownership. [Application for Permit pages 21 and 69]

1. The applicants provided a listing of all health care facilities owned or operated by the applicants including licensing information and Medicare certification. There has been no adverse action taken against *any* facility owned and/or operated by the applicants during the three (3) years prior to the filing of the application. Authorization permitting HFSRB and Illinois Department of Public Health access to any documents necessary to verify information that have been submitted with the application for permit was provided as required.
2. A letter attesting that Advocate Sherman Hospital owns the site signed by the Chief Executive Officer of Advocate Sherman Hospital and notarized was provided as evidence of site ownership.
3. Certificates of Good Standing were provided for the applicants (Advocate Sherman Ambulatory Surgery Center, LLC, Advocate Sherman Hospital, Advocate Health Care Network, Evangelical Services Corporation, Surgical Care Affiliates Inc., Surgical Care Affiliates, LLC, SCA Surgery Holdings, LLC, SCA-Illinois, LLC, and Advocate-SCA Partners, LLC). **Reviewer Note:** Surgical Care Affiliates, LLC, SCA Surgery Holdings, LLC, and SCA-Illinois, LLC, are registered in the State of Delaware. These entities conduct no business in Illinois other than to serve as holding entities and are not required by the Illinois Secretary of State to register to do business in Illinois.
4. The applicants have attested that the proposed ASTC is not located in a Flood Plain Zone per Executive Order #2006-05
5. The Illinois Historic Preservation Agency has determined that the site has no historic, architectural, or archaeological sites exist within the project area.
6. The applicants have submitted all reports required by the HFSRB and the Illinois Department of Public Health.
7. All fifteen (15) physicians that provided referral letters are licensed by the Illinois Department of Professional Regulation and have not had any disciplinary action taken against them. www.idfpr.gov

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

B) Criterion 1110.1540 (c) (2) (A) & (B) - Geographic Service Area Need (“GSA”)

To demonstrate compliance with this criterion the applicants must document that the number of surgical/treatment rooms and the ASTC services proposed will serve the residents of the forty-five (45) minute service area.

The applicants provided a list of one hundred eighty-one (181) zip codes that lie within the forty-five (45) minute geographic service area (“GSA”) as required. [See Application for Permit pages 113-117]. The applicants also provided patient origin information by zip code for the past twelve (12) months for the physicians that referred patients to Advocate Sherman Hospital’s outpatient surgical department that will be referring patients to the proposed ASTC. **Reviewer Note:** The applicants stated the patient base will come solely from Advocate Sherman Hospital.

Based upon the Board Staff’s review of the list of one hundred eighty-one (181) zip codes that lie within the forty-five (45) minute GSA compared to the patient origin zip code information documented in the referral letters, the proposed ASTC will serve the residents of the forty-five (45) minute GSA. [Application for Permit pages 112-117]

**TABLE THREE
Summary of Referral Letters**

Physicians	Specialty	Outpatient Cases 2015	% of cases from 45-Minute GSA	Proposed Referrals	Hours/Case	Total Hours
Leo Farbota	General	192	97.50%	135	1.32	178.2
Rachel Baer	General	197	99.00%	153	1.32	201.96
Chirag Dholakia	General	194	99.40%	140	1.32	184.8
Nicolas Kunio	General	129	100.00%	90	1.32	118.8
Raul Aron	General	366	97.70%	330	1.32	435.6
Jeffrey Kazaglis	Ortho	189	97.30%	157	1.83	287.31
Scott Mox	Ortho	143	97.80%	116	1.83	212.28
Jongwook Ham	ENT	158	99.70%	130	1.99	258.7
Jane Dillon	ENT	118	96.50%	96	1.99	191.04
Aijaz Alvi	ENT	85	97.60%	70	1.99	139.3
James Griffin	URO	450	98.30%	425	1.24	527
Ramesh Khanna	URO	322	98.90%	254	1.24	314.96
Evelyn Ackerman	OPT	297	96.00%	252	1.19	299.88
Belal Bakir	OPT	209	99.00%	178	1.19	211.82
Michael Siegle	OPT	62	96.80%	53	1.19	63.07
Totals		3,111		2,579		3,625

Source: Application for Permit Page 174-207

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE TO GSA RESIDENTS (77 IAC 1110.1540 (c) (2) (A) & (B))

C) Criterion 1110.1540 (d) (1) & (2) - Service Demand

To demonstrate compliance with this criterion the applicants must document that there is sufficient demand for the proposed facility.

The applicants provided fifteen (15) referral letters from physicians that will be referring patients to the proposed facility. The physician letters contained the following:

1. The number of cases that were referred to Advocate Sherman Hospital outpatient surgical department for CY 2015 by zip code of residence.
2. The number of cases that will be referred to the proposed ASTC within twenty-four (24) months after project completion.
3. The physician specialty.
4. The physician referral letter was notarized and signed by the physician.
5. The statement that the proposed referrals have not been used for any other application for permit.
6. A statement that the information is true and correct.

The fifteen (15) physician referrals are in compliance with the State Board requirements. The applicants are proposing three (3) operating rooms, twelve (12) recovery stations, six (6) pre-operative stations and support space. The applicants are projecting 2,579 cases and 3,625 hours twenty-four (24) months after project completion. Based upon the State Board Staff's review of the fifteen (15) referral letters submitted by the applicants, it appears that there is sufficient demand to justify the three (3) operating rooms being proposed at the State Board target occupancy of 1,500 hours per operating/procedure room. [3,625 hours/1,500 hours = 3 rooms] [Application for Permit Page 174-207]

Reviewer Note: As part of this project the applicants have committed to reduce its operating rooms at Advocate Sherman Hospital at the time the proposed ASTC opens to thirteen (13) operating rooms from sixteen (16) operating rooms, until such time as the proposed ASTC achieves 4,500 surgery hours over twelve (12) consecutive months.

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

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

To demonstrate compliance with this criterion the applicants must provide the projected number of hours for each service proposed and the average time per specialty.

The applicants provided the number of cases and hours per specialty as required. If the cases materialize the applicants can justify the three (3) operating rooms being proposed. [Application for Permit page 119]

TABLE FOUR
Five (5) surgical specialties to be performed at the
proposed ASTC

	Hour/Case	Case	Total Hours
Urology	1.24	679	842
Otolaryngology	1.99	296	590
Orthopedics	1.83	273	500
General Surgery	1.32	848	1,120
Ophthalmology	1.19	483	575
Total		2,579	3,625

Source: Application for Permit Page 105

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 demonstrate compliance with this criterion the applicants must document 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.**

The proposed project is a cooperative venture between Advocate Sherman Hospital, Surgical Care Affiliates, and thirteen (13) physician members on the Sherman medical staff. According to the applicants the patient base will come solely from Advocate Sherman Hospital. According to the applicants approximately eighty-seven percent (87%) of the patients will come from seventeen (17) of the one hundred eighty-one (181) zip codes in the proposed GSA.

- A) Advocate Sherman Hospital is currently providing outpatient surgical services to the GSA.
- B) Over the past five (5) years Advocate Sherman Hospital has average approximately 23,100 hours for the sixteen (16) operating rooms and 2,127 hours for the two (2) procedure rooms at the hospital. This workload is sufficient to justify the sixteen operating rooms [23,100 hours/1,500 hours = 16 operating rooms] and the two (2) procedure rooms [2,127 hours/1,500 hours = 2 rooms]. Advocate Sherman Hospital does not have sufficient workload to justify the number of operating/procedure rooms at the hospital (18) and the proposed ASTC (3).
- C) Should the project be approved, the applicants have committed to reduce its operating rooms at the time the proposed ASTC opens to thirteen (13), until such time as the proposed ASTC achieves 4,500 surgery hours over twelve (12) consecutive months.
- D) The charges performed at the ASTC on average will be approximately 38% less than performed at the hospital outpatient surgery department. [See Table Eleven at end of this report]

Current State Board rules require that Advocate Sherman Hospital have sufficient historical utilization to justify the eighteen (18) operating/procedure rooms at the hospital and the three (3) operating/procedure rooms being proposed at the ASTC. Based upon the historical utilization Advocate Sherman Hospital can justify sixteen (16) operating rooms and two (2) procedure rooms and not the twenty-one (21) rooms being proposed by this application. [Application for Permit page 121]

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

E) Criterion 1110.1540 (f) (1) (2) (3) - Unnecessary Duplication/Mal-distribution/Impact on Other Providers

To determine compliance with this criterion the applicants must document the total population of the proposed GSA, the names of the hospitals and ASTCs located in the proposed GSA, the ratio of surgery/treatment rooms in the State of Illinois to the total population in the State of Illinois, the ratio of surgery/treatment rooms in the GSA to the population in the GSA, and the utilization of the existing hospitals and ASTCs in the GSA.

1. Unnecessary Duplication of Service

There are twenty-one (21) hospitals and twenty-nine (29) ASTCs currently operating within the proposed GSA.

- A) There are eight (8) limited specialty ASTCs with seventeen (17) operating rooms and five (5) procedure rooms. Based upon CY 2015 utilization, four (4) limited specialty ASTCs are at target occupancy. [Table Twelve]
- B) There are twelve (12) multi-specialty ASTCs within the proposed GSA with forty (40) operating rooms and nine (9) procedure rooms. Based upon CY 2015 utilization, one (1) multi-specialty ASTC was at target occupancy. [Table Thirteen]
- C) There are nine (9) ASTC within the proposed GSA that provide all of the services being proposed by this project with forty-seven (47) operating rooms and sixteen (16) procedure rooms. Based

upon CY 2015 utilization, one (1) multi-specialty ASTC was at target occupancy. [Table Fourteen]

- D) There are twenty-one (21) hospitals within the proposed GSA. One hospital was not in operation in 2015. Of the remaining twenty (20) hospitals within the proposed GSA in which the Board Staff has data twelve (12) hospitals were at target occupancy. [Table Fifteen]

Reviewer Note: Centegra Hospital - Huntley was licensed 7/1/2016. The State Board does not have utilization information for this hospital for CY 2015.

Based upon CY 2015 data as described above there is excess capacity at nineteen (19) existing multi-specialty ASTCs and eight (8) hospitals in the proposed GSA. **Reviewer Note:** Limited specialty ASTCs would require State Board approval to add a specialty. Multi-specialty ASTCs can add a specialty without State Board approval until January 1, 2018.

2. Mal-Distribution

The total population within the proposed GSA is 2,350,000. The number of surgery/treatment rooms in the proposed GSA is 462 surgery/treatment rooms. The ratio of surgery/treatment rooms to population in the proposed GSA is one (1) surgical/treatment room per every 5,087 individuals.

The estimated 2015 population in the State of Illinois is 12,859,995. The number of surgery/treatment rooms in the State of Illinois in 2015 is 3,084. The ratio of surgery/treatment rooms to population in the State of Illinois is one (1) surgical/treatment room per every 4,170 individuals.

The ratio in the proposed GSA (1 room per every 5,087 individuals) is not 1.5 times the ratio in the State of Illinois (1 room per every 4,170 individuals). There is not a surplus of surgical/treatment rooms in the proposed GSA based upon the comparison of these two ratios.

3. Impact on Other Providers

The applicants stated the following:

“All patients that will be referred to this ASTC will replicate Sherman's current patient origin. The ASTC is not expected to draw patients from any other facility. Therefore, this should not diminish the patient case volume at any other ASTC or hospital besides Advocate Sherman Hospital, and therefore not result in any mal-distribution.”

Based upon the information reviewed there appears to be excess surgical/treatment room capacity within the proposed GSA. All surgical specialties proposed by this project are being provided in the proposed GSA. Of the twenty-one (21) multi-specialty ASTCs nine (9) ASTCs provide the same specialties as proposed by this project. These nine (9) facilities are identified below and their utilization information for CY 2015 is provided in Table Sixteen at the end of this report. These nine (9) facilities forty-seven operating rooms are at approximately sixty-four percent (64%) utilization and the sixteen (16) procedure rooms are at approximately fifty-six percent (56%) utilization. [Application for Permit page 122-124]

TABLE FIVE

Nine ASTCs offering same services as proposed by this application

Facility	City
Valley Ambulatory Surgery Center	St. Charles
Northwest Surgicare HealthSouth	Arlington Heights
Northwest Community Day Surg.	Arlington Heights
Dreyer Ambulatory Surgery Center	Aurora
Golf Surgical Center	Des Plaines
Loyola Amb. Surg. Ctr. At Oakbrook	Villa Park
Midwest Center For Day Surgery	Downers Grove
Oak Brook Surgical Center, The	Oakbrook
Hinsdale Surgical Center	Hinsdale

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION/MALDISTRIBUTION OF SERVICE/IMPACT ON OTHER FACILITIES (77 IAC 1540 (f) (1) (2) (3))

F) Criterion 1110.1540 (i) (1) (2) – Staffing

To demonstrate compliance with this criterion the applicants must document that the clinical and professional staffing needs can be met.

The applicants provided a narrative to address this criterion.

Staffing the proposed ASTC will be addressed through various means. Advocate Sherman Hospital has a long history of staffing its hospital surgery department. The Advocate system uses a web-based method of recruiting and maintains a list of possible candidates; this facilitates the hiring of qualified staff. Surgical Care Affiliates (SCA) has many years of experience successfully staffing its other ASTCs, SCA operates 185 surgical facilities, including surgery centers, surgical hospitals, and hospital surgery departments, in 34 states. It employs approximately 5,000 teammates. SCA also utilizes web-based recruiting tools and has an applicant tracking software that allows it to maintain high end quality applicant tracking. SCA anticipates hiring a lead administrator and director of nursing to begin the process of recruiting. This type of ASTC usually employs around 30 FTE's, clinical and non-clinical to run the facility. The ASTC is essentially day shift, and no Sundays, making it attractive to applicants.

All physicians will be Board certified in their specialty. The ASTC will follow conditions for coverage established by the Centers for Medicare and Medicaid Services. The Medical Director shall represent both the clinical and medical needs of the Facility. The Medical Director shall also represent the views of the Medical Staff and be responsible for communicating concerns, conclusions, recommendations and decisions of the Medical Staff to the Governing Body. In addition, the Medical Director shall review and make recommendations on policies affecting the direct delivery of patient care and the purchase of equipment needed to maintain and improve upon the delivery of patient care at the Facility. The Medical Staff has the right to a representative on the Governing Body and may elect representatives from each specialty to the Medical Executive Committee that advises the Governing Body. The Medical Staff Representative shall, together with the Medical Director, represent the views and concerns of the Medical Staff. [Application for Permit page 125]

Reviewer Note: Should the proposed project be approved, IDPH licensure would require the Medical Director Resume, Supervising Nurses Resume, listing of medical staff, listing of physicians, podiatrists and dentists and their license number with privileges, a listing of personnel that will employed by the facility, a

copy of the transfer agreement with a hospital within fifteen (15) minutes of the proposed site, and possesses a valid Clinical Laboratory Improvement Amendments (CLIA) certificate or waiver for those tests performed by the facility or a written agreement with a laboratory that possesses a valid CLIA certificate or waiver to perform any required laboratory procedures that are not performed in the ASTC.

The Centers for Medicare & Medicaid Services (CMS) regulates all laboratory testing (except research) performed on humans in the U.S. through the Clinical Laboratory Improvement Amendments (CLIA). In total, CLIA covers approximately 254,000 laboratory entities. The objective of the CLIA program is to ensure quality laboratory testing. <https://www.cms.gov>

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING (77 IAC 1540 (i) (1) (2))

G) Criterion 1110.1540 (j) (1) (2) - Charge Commitment

To demonstrate compliance with this requirement the applicants must provide

- 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 comparison of Advocate Sherman Hospital's outpatient surgical charges to the proposed ASTC charges as required. Additionally the applicants have made the necessary attestations as required by this criterion. [Application for Permit pages 127-130 and the Table Thirteen at the end of this report]

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION CHARGE COMMITMENT (77 IAC 1540 (j) (1) (2))

H) Criterion 1110.1540 (k) (1) (2) - Assurances

To demonstrate compliance with this criterion the applicants must document that a peer review program will be implemented and that in the second year of operation after project completion date the annual utilization of surgical/treatment rooms will meet or exceed 1,500 hours per surgical/treatment room.

The applicants have provided the necessary attestations as required by this criterion. [Application for Permit page 131]

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1540 (k) (1) (2))

VIII. Financial Viability

A) Criterion 1120.120 – Availability of Funds

To document compliance with this criterion the applicants must provide evidence of an “A” or better bond rating or documentation that sufficient funds are available to fund the proposed project.

The applicants are funding this project with cash of \$3,179,713 and a mortgage of \$9,539,139 for a total of \$12,718,852. The applicants provided the audited financial statements for the year ending December 31, 2015 for Advocate Health Care Network and Surgical Care Affiliates, Inc. Additionally, Advocate Healthcare Network provided evidence of an “A” or better bond rating from

- Moody’s Investor Service - “Aa2”
- Fitch Ratings in a Notice of Ratings Action – “AA”
- Standard & Poor’s Rating Service -“AA”

TABLE SIX

Advocate Health Care Network and Subsidiaries Audited Financial Statements December 31st (In thousands)				Advocate Sherman Hospital
	2015	2014	2013	2015
Cash	\$203,792	\$272,912	\$563,229	\$11,661
Current Assets	\$1,248,543	\$1,322,268	\$1,524,917	\$75,007
Total Assets	\$9,634,175	\$9,534,180	\$9,049,946	\$492,261
Current Liabilities	\$1,441,184	\$1,439,058	\$1,380,596	\$84,511
LTD	\$1,539,372	\$1,458,375	\$1,452,109	\$811
Net Patient Service Revenue	\$4,884,611	\$4,786,197	\$4,468,468	\$294,429
Total Revenue	\$5,392,562	\$5,231,393	\$4,938,002	\$299,742
Expenses	\$5,062,027	\$4,900,793	\$4,637,807	\$289,436
Operating Income	\$330,535	\$330,600	\$300,195	\$10,306
Revenues in Excess of Expenses	\$78,605	\$369,607	\$765,320	\$3,843

TABLE SEVEN
Surgical Care Affiliates, Inc.
December 31,
(In thousands)
Audited

	2015	2014
Cash	\$79,269	\$8,731
Current Assets	\$314,862	\$237,492
Total Assets	\$2,007,806	\$1,647,435
Current Liabilities	\$258,087	\$248,250
LTD	\$858,044	\$665,119
Net Patient Service Revenue	\$971,422	\$788,048
Total Revenue	\$1,051,490	\$864,736
Expenses	\$856,686	\$696,379
Operating Income	\$244,671	\$200,921
Net Income	\$273,625	\$157,149

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)

B) Criterion 1120.130 – Financial Viability

To document compliance with this criterion the applicants must provide evidence of an “A” or better bond rating to qualify for the financial viability waiver or provided evidence that the proposed project will be funded internally.

Audited Financial Statements were provided for Advocate Health Care Network and Surgical Care Affiliates, Inc. Surgical Care Affiliates, Inc. is a publicly traded company. Projected information for the first two (2) years after project completion was provided for the proposed ASTC.

TABLE EIGHT
Advocate Sherman ASTC

	Formula	State Standard	Year 1	Year 2
Current Assets (CA)			\$2,225,000	\$2,400,000
Current Liabilities (CL)			\$1,150,000	\$1,050,000
Current Ratio	CA/CL	>1.5	1.93	2.29
Net Income (NI)			\$227,071	\$412,145
Net Operating Revenues (NOR)			\$2,624,197	\$3,870,488
Net Margin Percentage	NI/NOR	>3.5%	8.65%	10.65%
LTD			\$9,240,193	\$8,239,014
LTD + Net Assets			\$13,644,119	\$12,333,097
LTD Debt to Capitalization	LTD/LTD + NA	<80%	67.72%	66.80%
Net Income (NI)			\$227,071	\$412,145
Depreciation (Dep)			\$1,470,724	\$1,260,621
Interest Expense (IE)			\$0	\$0
Principle Payments (PP)			\$245,621	\$256,845
Interest Expense (IE)			\$268,435	\$257,211

TABLE EIGHT				
Advocate Sherman ASTC				
	Formula	State Standard	Year 1	Year 2
Projected Debt Service Coverage	NI + Dep.+ IE/PP + IE	>1.75	3.30	3.25
Cash			\$514,687	\$562,819
Operating Expense (OE)			\$4,342,619	\$4,354,515
Depreciation Expense (DEP)			\$1,470,724	\$1,260,621
Days Cash on Hand	Cash/OE-DEP/365 days	>45 days	65.41	66.40
Cash			\$514,687	\$562,819
Designated Funds (DF)			\$1,050,000	\$1,050,000
Principle Payments (PP)			\$245,621	\$256,845
Interest Expense (IE)			\$268,435	\$257,211
Cushion Ratio	Cash+ DF/PP+IE	>3.0	3.04	3.14

The projections for the Table above are as follows:

Assumption used in Projection of Financial Ratios
Documented Above

- Increase in case volume Year 2 of 6.82%
- Net Patient Revenue/case in Year 1 of \$2,205
- Year 2 Net Patient Revenue/case of \$2,567. After start up year, surgeons typically bring higher acuity cases, resulting in associated higher reimbursement.
- Capital allowance of 6.75% of Net Patient Revenue in Year 2 as safety buffer if any additional equipment/materials are needed once operations are seasoned.
- Bad debt of 1.75%-2.0% of Net Patient Revenue
- Tax rate of 30% Year 1 and 35% Year 2
- Depreciation higher in Year 2 due to way capital expenses are placed on books
- Management fee of 5%
- Variable expense increases 4.5% Year 2
- Salaries/wages/benefits increase 4.4% Year 2

Information provided December 7, 2016 by the applicants

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.130)

IX. Economic Feasibility

A) Criterion 1120.140 (a) - Reasonableness of Financing Arrangements

B) Criterion 1120.140 (b) – Terms of Debt Financing

The applicants attested “This letter is to attest to the fact that the total estimated project costs and related costs will be funded in total or in part by borrowing because a portion or all of the cash equivalents must be maintained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 for the ASTC. The conditions of debt financing are reasonable. The selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment

privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors.”

The applicants provided a letter from Associated Bank that stated “*The purpose of this letter is to provide in writing, the basic terms and conditions upon which Associated Bank may be willing to consider providing \$7,000,000 construction financing, \$3,000,000 equipment financing and a \$1,500,000 working capital line of credit.*” *The letter was not a commitment to lend.*” A letter of intent for a forty (40) year ground lease between the ASTC and Advocate Sherman Hospital was also provided. This letter was accepted because of the guarantees of Advocate Health Care Network and Surgical Care Affiliates. [See Table Nine below for outline of financing]

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

**TABLE NINE
Terms of Financing**

Loan Amount (Construction Loan)	\$7,000,000
Construction Loan Payment	Interest Only
Permanent Financing	Commence - July,2018
Interest Rate	Floating
Term of Permanent Financing	20 Years Amortization
Collateral	1 st lien on real estate 75% of construction value or appraised value
Guarantee	Advocate Health Care Network and Surgical Care Affiliates, Inc. for a minimum of two years
Equipment Loan	\$3,000,000 based upon 75% of purchase price
Interest Rate	Floating
Term	7 years
Collateral ⁽¹⁾	GBSA - General Business Security Agreement
Guarantee	Advocate Health Care Network and Surgical Care Affiliates, Inc. for a minimum of two years
Working Capital Line of Credit	\$1,500,000
Interest Rate	Floating
Term	364 Days
Collateral	GBSA - General Business Security Agreement
Guarantee	Advocate Health Care Network and Surgical Care Affiliates, Inc. for a minimum of two years

1. A document that provides a lender a security interest in a specified asset or property that is pledged as collateral.

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

To demonstrate compliance with this criterion the applicants must provide evidence that the costs of the project meet the State Board Standards of Part 1120 Appendix A.

The applicants did not meet State Board Standards for the following line item amounts:

- new construction costs and contingency costs of \$391.08/GSF
- movable or other equipment standard of \$386,609 per operating room

TABLE TEN
Project Costs compared to State Standard

	Project Costs		State Standard		Met Standard
Preplanning Costs	\$63,433	0.79%	1.80%	\$145,418	Yes
Site Survey and Soil Invest. Site Preparation	\$266,715	5.00%	5.00%	\$266,715	Yes
New Construction Contracts Contingencies	\$5,315,802	\$477.36/GSF	\$391.08/GSF	\$4,355,067	No
Contingencies	\$450,072	8.47%	10.00%	\$531,580	Yes
Architectural and Engineering Fees	\$418,535	7.16%	8.37%	\$444,933	Yes
Movable or Other Equipment	\$2,762,951	\$920,984	\$386,609/OR	\$1,159,827	No
Consulting and Other Fees	\$234,609		NA		
Loan Issue Expense	\$27,859		NA		
Net Interest Expense	\$248,538		NA		
Other Costs to be Capitalized	\$284,371		NA		

An explanation of the project costs exceeding the State Board Standard is provided below:

“The cost of construction and contingencies is higher than the Code suggests. That is due to several reasons. Foremost, it is being built to provide the flexibility for five different surgical specialties to perform surgeries in any of the operating rooms. The associated clinical space must also be built to provide the support that varies with the needs of cases for general surgery, orthopedics, ophthalmology, urology and otolaryngology. Second, this facility is designed for long-term durability providing greater cost effectiveness in later years. Third, the building must be constructed right next to an active hospital which is more demanding than building in a "green field" site. The building process will need to work around the hospital traffic, and be sensitive to issues of sound. This may mean starting later in the day and quitting earlier. As a part of Advocate's population health strategy, the Advocate Sherman Ambulatory Surgery Center will focus on providing a lower cost setting for patients to receive the same high-quality care they have become accustomed to receiving from Advocate hospitals. Because the objective is to provide access in this setting to as many patients and physicians as possible, the ASIC will be investing in equipment to serve a wide variety of patient and physician needs. Though this increases the initial capital investment required, it will allow the ASTC to deliver efficient, high quality, and more affordable care to patients seeking care from five different physician specialties. This is not easily available to patients and physicians within the Advocate Network in and around Advocate Sherman Hospital.” [Application for Permit page 79]

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) – Direct Operating Costs

To determine compliance with this criterion the applicants must document the direct operating costs per equivalent patient day.

The applicants are estimating direct operating costs of \$1,507 per equivalent patient day.

E) Criterion 1120.140 (e) – Effect of the Project on Capital Cost

To determine compliance with this criterion the applicants must document the capital costs per equivalent patient day.

The applicants are estimating capital costs per equivalent patient day of \$336.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERIA DIRECT OPERATING COSTS, TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.140 (d) (e))

TABLE ELEVEN
ASTC Charges compared to Hospital O/P Charges

Description	ASTC Charge	Hospital O/P Charge	% Difference
47562 - LAPAROSCOPIC CHOLECYSTEC	\$15,385	\$25,438	39.52%
49505 - PRP I/HERN INIT REDUC >5	\$11,177	\$18,738	40.35%
52648 - LASER SURGERY OF PROSTAT	\$13,344	\$14,439	7.58%
36561 - INSERT TUNNELED CV CATH	\$9,614	\$14,697	34.59%
47563 - LAPARO CHOLECYSTECTOMY/G	\$15,385	\$25,460	39.57%
49650 - LAP ING HERNIA REPAIR IN	\$15,385	\$26,960	42.93%
50590 - FRAGMENTING OF KIDNEY ST	\$9,786	\$10,882	10.07%
52224 - CYSTOSCOPY AND TREATMENT	\$6,444	\$10,170	36.64%
52005 - CYSTOSCOPY URETER CATH	\$6,444	\$11,513	44.03%
60240 - REMOVAL OF THYROID	\$15,385	\$28,482	45.98%
29827 - ARTHROSCOP ROTATOR CUFF	\$19,021	\$24,080	21.01%
55700 - BIOPSY OF PROSTATE	\$6,444	\$12,636	49.00%
31254 - REVISION OF ETHMOID SINU	\$13,118	\$22,015	40.41%
64721 - CARPAL TUNNEL SURGERY	\$5,957	\$10,345	42.42%
49585 - RPR UMBIL HERN REDUC >5	\$11,177	\$14,575	23.31%
52332 - CYSTOSCOPY AND TREATMENT	\$9,598	\$16,054	40.21%
29881 - KNEE ARTHROSCOPY/SURGERY	\$10,248	\$13,461	23.87%
52281 - CYSTOSCOPY AND TREATMENT	\$6,444	\$10,253	37.15%
42820 - REMOVE TONSILS AND ADENO	\$6,917	\$13,786	49.83%
19120 - REMOVAL OF BREAST LESION	\$9,360	\$14,404	35.02%
49560 - RPR VENTRAL HERN INIT RE	\$11,177	\$19,802	43.56%
19125 - EXCISION BREAST LESION	\$9,360	\$18,619	49.73%
38500 - BIOPSY/REMOVAL LYMPH NOD	\$9,360	\$19,816	52.77%
60500 - EXPLORE PARATHYROID GLAN	\$15,256	\$26,498	42.43%
55250 - REMOVAL OF SPERM DUCT(S)	\$6,444	\$7,157	9.96%
31255 - REMOVAL OF ETHMOID SINUS	\$13,118	\$26,283	50.09%
42826 - REMOVAL OF TONSILS	\$6,917	\$14,428	52.06%
52352 - CYSTOURETERO W/STONE REM	\$9,598	\$18,047	46.82%
27570 - FIXATION OF KNEE JOINT	\$4,691	\$7,549	37.86%
52356 - CYSTO/URETERO W/LITHOTRI	\$13,344	\$21,018	36.51%
69436 - CREATE EARDRUM OPENING	\$6,917	\$9,223	25.00%
49561 - RPR VENTRAL HERN INIT BL	\$11,177	\$17,898	37.55%
26055 - INCISE FINGER TENDON SHE	\$6,226	\$8,717	28.58%
52235 - CYSTOSCOPY AND TREATMENT	\$9,598	\$15,372	37.56%
29824 - SHOULDER ARTHROSCOPY/SUR	\$10,248	\$21,133	51.51%
36590 - REMOVAL TUNNELED CV CATH	\$3,690	\$5,679	35.02%
11406 - EXC TR-EXT B9+MARG >4.0	\$4,437	N/A	N/A
29888 - KNEE ARTHROSCOPY/SURGERY	\$19,819	\$25,868	23.38%
49587 - RPR UMBIL HERN BLOCK> 5	\$11,177	\$16,097	30.56%
52310 - CYSTOSCOPY AND TREATMENT	\$6,444	\$8,660	25.59%
63030 - LOW BACK DISK SURGERY	\$19,021	\$24,804	23.31%
29880 - KNEE ARTHROSCOPY/SURGERY	\$10,248	\$14,301	28.34%
60220 - PARTIAL REMOVAL OFTHYRO	\$15,385	\$25,614	39.94%

31276 - SINUS ENDOSCOPY SURGICAL	\$13,118	\$29,040	54.83%
38510 - BIOPSY/REMOVAL LYMPH NOD	\$9,360	\$15,864	41.00%
42830 - REMOVAL OF ADENOIDS	\$11,188	\$12,360	9.48%
55040 - REMOVAL OF HYDROCELE	\$11,177	\$14,698	23.96%
49525 - REPAIR ING HERNIA SLIDIN	\$11,177	\$17,450	35.95%
36819 - AV FUSE UPPR ARM BASILIC	\$16,236	\$29,675	45.29%
49324 - LAP INSERT TUNNEL IP CAT	\$15,385	\$20,267	24.09%
23430 - REPAIR BICEPS TENDON	\$19,021	\$22,876	16.85%
31267 - ENDOSCOPY MAXILLARY SINU	\$13,118	\$18,745	30.02%
42821 - REMOVE TONSILS AND ADENO	\$6,917	\$14,835	53.37%
46270 - REMOVE ANAL FIST SUBQ	\$7,108	\$14,020	49.30%
11771 - REMOVE PILONIDAL CYST EX	\$4,437	N/A	N/A
46922 - EXCISION OF ANAL LESION	\$7,108	\$13,336	46.70%
52351 - CYSTOURETERO OR PYELOS	\$9,598	\$18,063	46.86%
54161 - CIRCUM 28 DAYS OR OLDER	\$6,444	\$12,147	46.95%
20680 - REMOVAL OF SUPPORT IMPLA	\$6,050	\$13,524	55.26%
23071 - EXC SHOULDER LES SC 3 CM	\$6,050	\$130,806	95.37%
25609 - TREAT FX RADIAL 3+ FRAG	\$19,021	\$29,622	35.79%
30465 - REPAIR NASAL STENOSIS	\$15,256	\$20,427	25.31%
31256 - EXPLORATION MAXILLARY SI	\$8,521	\$17,172	50.38%
44970 - LAPAROSCOPY APPENDECTOMY	\$19,871	\$31,486	36.89%
46255 - REMOVE INT/EXT HEM 1 GRO	\$7,108	\$14,990	52.58%
51715 - ENDOSCOPIC INJECTION/IMP	\$9,598	\$10,786	11.01%
11404 - EXC TR-EXT B9+MARG 3.1-4	\$4,030	N/A	N/A
11426 - EXC H+NK-SP B9+MARG >4	\$6,050	N/A	N/A
29879 - KNEE ARTHROSCOPY/SURGERY	\$10,248	\$16,312	37.18%
31535 - LARYNGOSCOPY W /BIOPSY	\$8,521	\$16,774	49.20%
42825 - REMOVAL OF TONSILS	\$11,188	\$11,331	1.26%
46260 - REMOVE IN/EX HEM GROUPS	\$9,953	\$17,395	42.78%
52214 - CYSTOSCOPY AND TREATMENT	\$6,444	\$13,151	51.00%
60260 - REPEAT THYROID SURGERY	\$17,431	\$26,047	33.08%
11424 - EXC H-F-NK-SP B9+MARG 3.	\$6,050	N/A	N/A
22903 - EXC ABO LES SC 3 CM	\$6,050	\$11,300	46.46%
23073 - EXC SHOULDER TUM DEEP 5	\$6,050	\$13,806	56.18%
25607 - TREAT FX RAD EXTRA-ARTIE	\$19,021	\$23,236	18.14%
29822 - SHOULDER ARTHROSCOPY/SUR	\$10,248	\$17,968	42.97%
31536 - LARYNGOSCOPYW/BX OPS	\$8,521	\$15,514	45.08%
36830 - ARTERY-VEIN NONAUTOGRAFT	\$16,236	\$26,868	39.57%
42415 - EXCISE PAROTID GLAND/LES	\$15,256	\$29,486	48.26%
46200 - REMOVAL OF ANAL FISSURE	\$7,108	\$10,975	35.23%
49565 - REREPAIR VENTRL HERN RED	\$11,177	\$19,865	43.74%
52240 - CYSTOSCOPY AND TREATMENT	\$9,598	\$20,851	53.97%
52276 - CYSTOSCOPY AND TREATMENT	\$6,444	\$10,268	37.24%
54840 - REMOVE EPIDIDYMIS LESION	\$9,598	\$12,872	25.44%
Average			38.20%

N/A denotes cases of this CPT code that cannot be easily compared. When performed at the hospital these cases usually took several charge codes.

TABLE TWELVE
Limited Specialty ASTC within 45 minutes

Name	City	Adjusted (1) (2)	Surgical Specialties (3)	Operating Rooms	Hours	Procedure Rooms	Hours	Met Standard?
Illinois Hand & Upper Extremity Center	Arlington Heights	25.3	Orthopedic	1	875	0	0	Yes
Hart Road Pain and Spine Institute	Barrington	26.45	Neurological, Pain Management	2	202	1	1,295	No
Advantage Health Care, Ltd.	Wood Dale	34.5	OB/GYN. Urology	2	1,940	0	0	Yes
DuPage Eye Surgery Center	Wheaton	39.1	Laser Eye, Ophthalmology	3	2,323	2	238	No
River North Surgical Suites Elmhurst Foot and Ankle	Elmhurst	42.55	Podiatry	1	162	0	0	Yes
DuPage Orthopedic Group Surgery Center	Warrenville	43.7	Orthopedic, Pain Management	4	4,342	0	0	No
Eye Surgery Center of Hinsdale	Hinsdale	44.85	Laser Eye, Ophthalmology	2	1,633	1	353	No
Albany Medical Surgical Center	Chicago	44.90	OB/GYN	2	2,427	0	0	Yes
Total				17	13,904	5	1,886	
1. Time and Distance determined by MapQuest and adjusted per 1100.510 (d) Normal Travel Time 2. Time and Distance provided by the applicants November 16, 2016. 3. Number of Operating/Procedure Rooms/Hours and surgical specialties taken from 2015 ASTC Questionnaire Data								

TABLE THIRTEEN
Multi-Specialty ASTC within 45 minutes

	City	Adjusted ⁽¹⁾⁽²⁾	Surgical Specialties ⁽³⁾	Operating Rooms	Hours	Procedure Rooms	Hours	Met Standard?
Algonquin Road Surgery Center, LLC	Lake In The Hills	13.8	Neurological, OB/GYN, Ophthalmology, Oral Maxillofacial, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry	3	2,632	1	456	No
Ashton Court For Day Surgery	Schaumburg	13.8	Ophthalmology, Orthopedic, Pain Management, Plastic, Podiatry	4	1,705	0	0	No
The Hoffman Estates Surgery Center	Hoffman Estates	18.4	General, Laser Eye, OB/GYN, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Podiatry	3	4,725	1	858	Yes
Tri-Cities Surgery Center	Geneva	23	General, Gastroenterology, OB/GYN, Ophthalmology, Urology	3	1,634	2	3,417	No
Fox Valley Orthopaedic Associates	Geneva	24.15	Orthopedic, Pain Management, Podiatry	4	4,336	0	0	No
Aiden Center For Day Surgery Center, LLC	Addison	31.05	Gastroenterology, OB/GYN, Podiatry	4	531	0	0	No
Apollo Health Center	Des Plaines	34.5	OB/GYN, Pain Management, Urology	2	132	0	0	No
Foot & Ankle Surgical Center	Des Plaines	37.95	Orthopedic, Pain Management, Podiatry	3	1,194	0	0	No
The Midlands Surgery Center	Sycamore	43.7	Neurological, OB/GYN, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology	3	2,866	0	0	No
Children's Outpatient Services at Westchester	Westchester	43.7	Dermatology Gastroenterology General Ophthalmology Oral/Maxillofacial Orthopedic Otolaryngology Plastic Urology	3	2,794	0	0	No
Illinois Sports Medicine & Orthopedic Surgery Center	Morton Grove	43.7	Orthopedic, Otolaryngology, Plastic, Podiatry, Pain Management	4	2,886	1	560	No

Elmhurst Outpatient Surgery Center	Elmhurst	44.85	General, OB/GYN, Ophthalmology, Orthopedic, Pain Management, Plastic, Podiatry, Urology, Laser Eye, Gastrointestinal	4	1,856	4	1,477	No
Total				40	27,291	9	6,768	
<ol style="list-style-type: none"> 1. Time and Distance determined by MapQuest and adjusted per 1100.510 (d) Normal Travel Time 2. Time and Distance provided by the applicants November 16, 2016. 3. Number of Operating/Procedure Rooms/Hours and Surgical Specialties taken from 2015 ASTC Questionnaire Data 								

TABLE FOURTEEN
Nine Facilities within Forty-Five (45) Minutes Providing All Services Proposed by this Project.

Name	City	Adjusted (1) (2)	Surgical Specialties ⁽³⁾	Operating Rooms	Hours	Procedure Rooms	Hours	Met Standard?
Valley Ambulatory Surgery Center	St. Charles	18.4	Dermatology, Gastroenterology, General, Neurological, OB/GYN, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology	7	5,627	1	0	No
Northwest Surgicare Healthsouth	Arlington Heights	27.6	Dermatology, Gastroenterology, General, OB/GYN, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Podiatry, Urology, Laser Eye	4	2,395	2	123	No
Northwest Community Day Surg.	Arlington Heights	28.75	General, OB/GYN, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Vasectomy	10	9,620	1	9	No
Dreyer Ambulatory Surgery Center	Aurora	37.95	Cardiovascular, General, OB/GYN, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology	4	3,042	6	4,935	No
Golf Surgical Center	Des Plaines	40.25	General, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Pain Management, Plastic, Podiatry, Urology, Gastro- intestinal, Laser Eye, Minor Procedures	5	4,133	3	1,049	No
Loyola Amb. Surg. Ctr. At Oakbrook	Villa Park	42.55	Cardiovascular, Dermatology, General, Neurological, OB/GYN, Ophthalmology, Oral/Maxillofacial, Orthopedic, Otolaryngology, Podiatry, Urology	3	2,465	0	0	No

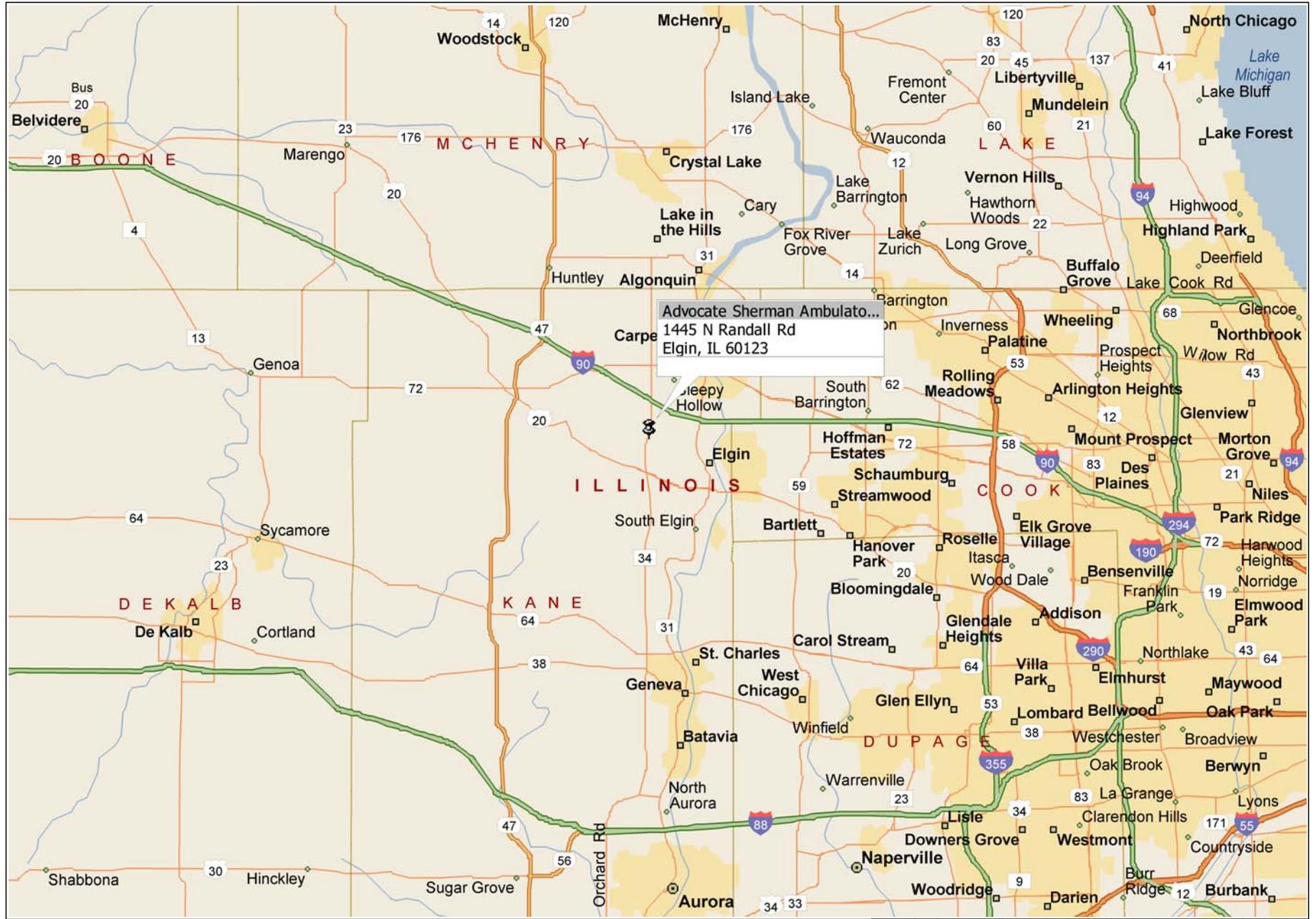
Midwest Center for Day Surgery	Downers Grove	43.7	Gastroenterology, General, OB/GYN, Ophthalmology, Orthopedic, Otolaryngology, Plastic, Podiatry, Urology	5	3,434	0	0	No
Oak Brook Surgical Center	Oakbrook	43.7	General, Neurological, OB/GYN, Ophthalmology, Orthopedic, Pain Management, Plastic, Podiatry, Urology, Exam, IVIG	5	2,090	1	718	No
Hinsdale Surgical Center	Hinsdale	44.85	General, OB/GYN, Ophthalmology, Oral/Maxillofacial, Otolaryngology, Orthopedic, Pain Management, Plastic, Podiatry, Urology, Laser Eye	4	5,317	2	372	No
Total				47	38,123	16	7,206	

1. Time and Distance determined by MapQuest and adjusted per 1100.510 (d) Normal Travel Time
2. Time and Distance provided by the applicants November 16, 2016.
3. Number of Operating/Procedure Rooms/Hours and Surgical Specialties taken from 2015 ASTC Questionnaire Data

TABLE FIFTEEN
Hospitals within 45 minutes

Facility	City	HSA	Adjusted Time (1) (2)	Operating Rooms (3)	Hours	Procedure Rooms	Hours	Met Standard?
Advocate Sherman Hospital	Elgin	8	0	16	23,053	3	2,054	No
Presence Saint Joseph Hospital	Elgin	8	6.9	10	5,620	3	821	No
Centegra Hospital –Huntley (4)	Huntley	8	17.25	8	0	2	0	
St. Alexius Medical Center	Hoffman Estates	7	18.4	11	16,859	10	10,988	No
Delnor Community Hospital	Geneva	8	23	10	12,268	4	3,169	No
Alexian Brothers Medical Center	Elk Grove Villa	7	26.45	14	21,164	18	14,706	No
Centegra Hospital - Woodstock	Woodstock	8	28.75	5	7,353	4	2,718	No
Northwest Community Hospital	Arlington Heights	7	28.75	14	22,263	9	11,136	Yes
Advocate Good Shepherd Hospital	Barrington	7	33.35	11	20,108	7	6,498	Yes
Centegra Hospital - McHenry	McHenry	8	34.5	10	13,975	8	4,759	No
Adventist Glen Oaks Medical Center	Glendale Heights	7	36.8	5	3,015	3	1,145	No
Advocate Lutheran General Hospital	Park Ridge	7	36.8	24	43,632	9	10,398	Yes
Central DuPage Hospital	Winfield	7	36.8	26	41,252	7	9,684	Yes
SwedishAmerican Medical Center	Belvidere	1	35.65	2	418	0	0	No
Presence Holy Family Hospital	Des Plaines	7	37.95	5	1,591	5	560	No
Presence Mercy Center	Aurora	8	37.95	12	5,705	2	1,101	No
Presence Resurrection Medical Center	Chicago	6	41.4	13	11,958	10	4,484	No
Advocate Good Samaritan Hospital	Downers Grove	7	43.7	15	23,181	8	5,345	No
Gottlieb Memorial Hospital	Melrose Park	7	43.7	9	10,360	2	3,150	No
Elmhurst Memorial Hospital	Elmhurst	7	44.85	14	25,128	6	6,700	Yes
Kishwaukee Community Hospital	DeKalb	1	44.85	7	6,258	4	8,360	No
Total				241	315,161	125	107,484	
<ol style="list-style-type: none"> 1. Time and Distance determined by MapQuest and adjusted per 1100.510 (d) Normal Travel Time 2. Time and Distance provided by the applicants November 16, 2016. 3. Number of Operating/Procedure Rooms/Hours and Surgical Specialties taken from 2015 Hospital Questionnaire Data 4. Centegra Hospital-Huntley licensed 7-1-2016 – No Data Available 								

16-038 Advocate Sherman Ambulatory Surgery Treatment Center - Elgin



Advocate Sherman Ambulato...
1445 N Randall Rd
Elgin, IL 60123

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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	2	2	147	0	760	0	760	5.2	0.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	12	12	1138	3446	3032	4547	7579	2.7	1.3
Gastroenterology	0	0	1	1	518	1223	587	1404	1991	1.1	1.1
Neurology	0	0	0	0	50	90	158	90	248	3.2	1.0
OB/Gynecology	0	0	0	0	196	884	416	1400	1816	2.1	1.6
Oral/Maxillofacial	0	0	0	0	11	27	19	87	106	1.7	3.2
Ophthalmology	0	0	0	0	3	1574	8	1880	1888	2.7	1.2
Orthopedic	0	0	0	0	900	776	2366	1420	3786	2.6	1.8
Otolaryngology	0	0	0	0	39	505	74	1004	1078	1.9	2.0
Plastic Surgery	0	0	0	0	42	215	110	530	640	2.6	2.5
Podiatry	0	0	0	0	48	275	79	492	571	1.6	1.8
Thoracic	0	0	0	0	166	16	534	30	564	3.2	1.9
Urology	0	0	1	1	169	1318	393	1633	2026	2.3	1.2
Totals	0	0	16	16	3427	10349	8536	14517	23053	2.5	1.4

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

17

Stage 2 Recovery Stations

13

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	2	2	517	1223	530	1161	1691	1.0	0.9
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
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

Multipurpose Non-Dedicated Rooms

Minor Procedures	0	0	1	1	264	131	248	115	363	0.9	0.9
	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

Emergency/Trauma Care

Certified Trauma Center	Yes
Level of Trauma Service	Level 1
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	374
Patients Admitted from Trauma	312
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	27
Persons Treated by Emergency Services:	65,056
Patients Admitted from Emergency:	9,175
Total ED Visits (Emergency+Trauma):	65,430

Free-Standing Emergency Center

Beds in Free-Standing Centers	0
Patient Visits in Free-Standing Centers	0
Hospital Admissions from Free-Standing Center	0

Outpatient Service Data

Total Outpatient Visits	302,753
Outpatient Visits at the Hospital/ Campus:	197,969
Outpatient Visits Offsite/off campus	104,784

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	6
Cath Labs used for Angiography procedures	2
Dedicated Diagnostic Catheterization Lab	1
Dedicated Interventional Catheterization Labs	2
Dedicated EP Catheterization Labs	1

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	2,614
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	1,110
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	690
EP Catheterizations (15+)	814

Cardiac Surgery Data

Total Cardiac Surgery Cases:	147
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	147
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	86

Diagnostic/Interventional Equipment

	Examinations					Therapeutic Equipment			Therapies/ Treatments
	Owned	Contract	Inpatient	Outpt	Contract	Owned	Contract		
General Radiography/Fluoroscopy	33	0	21,484	52,167	0	Lithotripsy	0	1	122
Nuclear Medicine	4	0	808	5,698	0	Linear Accelerator	1	0	2,180
Mammography	6	0	1	15,374	0	Image Guided Rad Therapy			0
Ultrasound	15	0	4,049	30,379	0	Intensity Modulated Rad Thrp			1,358
Angiography	4	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			117	97	0	Proton Beam Therapy	0	0	0
Interventional Angiography			101	72	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	1	0	0	554	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	7	0	7,937	21,493	0				
Magnetic Resonance Imaging	2	0	1,375	5,544	0				