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February 13, 2019

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HEALTH, FACILITIES &
SERVICES REVIEW BOARD

By Hand Delivery

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**Re: Safety Net Impact Statement Response in Opposition to
Project #18-042, Quincy Medical Group Surgery Center**

Dear Ms. Avery,

Blessing Hospital submits the enclosed Safety Net Impact Statement Response in opposition to Project#18-042, Quincy Medical Surgery Center and as provided by Section 5.4(f) of the Illinois Health Facilities Planning Act ("Planning Act"). 20 ILCS 3960/5.4(f). The Planning Act provides that support for safety net services is a "central tenet" of the Certificate of Need process (20 ILCS 3960/2). Contrary to this central tenet, the proposed project will have a profound and permanent negative impact on safety net services in the Quincy region as addressed more fully in the enclosed Response. The project should therefore be denied.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. M. Gerveler', is written over a horizontal line.

Patrick M. Gerveler
Executive Vice President/Chief Financial Officer
Blessing Hospital

Enclosures

**Safety Net Impact Statement Response of Blessing Hospital
In Opposition to
Project #18-042, Quincy Medical Group Surgical Center**

Pursuant to Section 5.4(f) of the Illinois Health Facilities Planning Act, Blessing Hospital submits this Safety Net Impact Statement Response to the application of Quincy Medical Group (“QMG”) to establish an ambulatory surgical treatment center (“ASTC”) in Quincy with five operating rooms, three procedure rooms, a cardiac catheterization service and a CT scanner.

Blessing Hospital is the primary supporter and provider of safety net services in Adams County, and the adverse financial impact of the proposed project on Blessing Hospital will have a direct, profound and permanent adverse impact on the safety net services that Blessing Hospital provides and subsidizes.

QMG’s permit application reveals that QMG intends to redirect 12,654 surgical cases and 629 cardiac catheterization cases from Blessing’s ASTC and hospital to the proposed facility, totaling 13,283 cases. (Appl. at 71-72.) This will dramatically reduce the utilization of the two existing facilities in direct contravention of Review Board’s regulations. In 2017, the Blessing ASTC had a total of 10,804 cases. QMG’s proposed facility would require *all* of the Blessing ASTC 10,804 cases plus an additional 2,479 surgical and catheterization cases from Blessing Hospital.¹ To make matters worse, QMG is likely to refer the higher paying patients to its own facility while leaving Blessing with the higher-risk and underinsured patients. QMG’s for-profit status and its investors require such behavior.

The 13,094 cases QMG proposes to redirect from Blessing’s not-for-profit facilities to QMG’s for-profit ASTC will result in lost revenue of \$41 million *annually* and the permanent loss of at least 400 jobs, many of which will be workers providing safety net services. Blessing’s subsidy of safety net services, in dollar terms only, totals \$17 million annually and this subsidy will be impossible to maintain after QMG draws \$41 million out of the existing health care system annually for the benefit of QMG’s for-profit investors.

QMG claims that the proposed ASTC, as a for-profit entity, will pay \$64,000 per year in taxes. (CON Application “Appl.” at 56.) That is small recompense to the community for the staggering damage the project will inflict on needed safety net services provided by Blessing and relied on by the community.

Public Act 96-0031 – Protection of the Safety Net

In 2009, the Illinois General Assembly substantively amended the Illinois Health Facilities Planning Act (Planning Act), 20 ILCS 3960/1 *et seq.*; Public Act 96-0031. The amendment implemented many of the recommendations of the Task Force on Health Planning Reform (“Task Force”), especially those related to the support and protection of safety net services in Illinois. In its Final Report to the Illinois General Assembly, the Task Force noted:

¹ For 2018, the Blessing ASTC caseload (ORs and procedure rooms) to 10,208 cases. In addition, the outpatient OR and procedure room cases at Blessing Hospital also *declined* in 2018 to 4,428 cases (compared to 4,630 cases in 2017). These numbers absolutely refute QMG’s ridiculous claim that Blessing’s outpatient caseload will nearly double in the next four years.

“In order to increase support for safety net services, recommendations drafted jointly by the Attorney General’s Office and the Illinois Hospital Association were accepted.” (Final Report at 11.) Section 5.4(a) of the Planning Act now requires an applicant for permit to submit a Safety Net Impact Statement detailing the impact the project will have on safety net services. The statute further invites affected health care providers to “provide additional information concerning a project’s impact on safety net services in the community.” 20 ILCS 3960/5.4(f).

The Planning Act defines “safety net services” as services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. 20 ILCS 3960/5.4(b). Safety net service providers include hospitals. *Id.* Blessing Hospital is a safety net service provider within the meaning of the Planning Act. The proposed project will have a severe negative impact on the hospital and the safety net services it provides.

About Blessing Hospital

Blessing Hospital is a not-for-profit, 327-bed, full-service, acute care hospital in Quincy, Illinois. Blessing Hospital has served the community for more than 140 years. Blessing Health System, of which Blessing Hospital is an affiliate, is the largest employer in the county with more than 3,400 employees. Blessing Hospital is the only hospital in Adams County, and is the only full-service acute care hospital with 100-miles in every direction. Blessing Hospital is a true community hospital with a community board; its facilities and income are devoted to the Quincy region and dedicated to its stated mission to improve the health care of the communities we serve.

Improving the Health of our Communities – Together

Blessing Hospital is proud of the level of support it receives from the residents of the communities it serves. During Fiscal Year 2018, the Hospital experienced more than 313,000 patient encounters. Through that support, Blessing Hospital not only provides safety net services, but invests to enhance current services and bring new types of care to the communities it serves. Blessing is committed to improving access to care so residents do not have to leave their home communities and support systems to receive the care they need.

In 2015, Blessing invested \$66 million to build an additional patient tower on the 11th street campus. The opening of the Moorman Pavilion met two needs: Addressing the public’s demand for more single bed rooms – 52 were added through the project – and consolidating the hospital’s inpatient care by moving behavioral care from a facility located two blocks from the 11th Street campus. Two of the original four floors of Moorman Pavilion house three units built specially to meet the unique needs of those requiring inpatient behavioral care. The three inpatient behavioral units have a total of 41 beds available to adults and children. This investment was made at a time when other hospitals in the region were closing their inpatient behavioral units. Today, Blessing remains the only provider of inpatient behavioral care in a 100-mile radius.

Blessing Hospital is a team-player, working side-by-side with employers, community organizations, area high schools and colleges, and other healthcare providers to improve the

health of our communities. Blessing has a history of working with QMG to provide them with an environment to be successful in providing care for our community. When access to robotic surgery technology was important to them for recruitment, Blessing invested in the technology and the training of the existing medical staff by a physician we recruited. As the surgical world moved to minimally invasive surgery, it was important to build a hybrid operating room. Blessing undertook the project so physicians would have the space and equipment needed to provide this leading-edge care to the residents of the communities we serve and to recruit physicians to practice in our community. The hybrid OR and the robotic technology represent a \$9.5 million investment in the surgery department. In addition, Blessing invested \$374,162 in 2018 and has a budget of \$730,000 for 2019 in equipment for the Blessing ASTC that is managed by QMG and at which QMG physicians treat their patients.

These investments paint two pictures. Firstly, the support Blessing receives from the residents of the communities it serves has allowed for investment in leading-edge care and services, as well as providing Safety Net services for the region. Secondly, Blessing is prepared to discuss and partner with our physicians on future needs and transformation of our existing ASTC.

Another example of partnership between Blessing Hospital and QMG involved addressing the needs of those battling for their lives against cancer. The two organizations led a community fundraising campaign to build a cancer center on the Blessing Hospital campus. The goal was to build a center where patients in our community could receive cancer care, regardless of provider. The cancer center consolidated radiation oncology, medical oncology, patient education resource center, cancer registry and support functions in a more than 49,000 square foot building, allowing patients to find the care they need in one place.

QMG has leased space in the cancer center since it opened. Attached is a copy of the letter QMG sent to the Review Board in 2001 from its chief administrator at the time, William Sullivan, indicating the group's 85 physicians supported the construction of this comprehensive cancer center. (See **Attachment 1**.) The community donated \$8.3 million of the \$12,166,300 needed to make the cancer center a reality.²

Safety Net Services Provided and Subsidized by Blessing Hospital

Blessing Hospital's total contribution to the region's safety net, in terms of dollars only, amounts to approximately \$17 million annually, and this amount does not include government-pay shortfalls and bad debt (at cost) which totaled \$46 million in 2018 alone. (See **Attachment 2**.) Blessing's safety net services directly affected over 33,000 patients last year

² While not included as part of QMG's permit application, Blessing understands QMG plans to relocate its current cancer services and add radiation therapy to the space it intends to use at the Quincy Mall for the ASTC project. This would be an affront to the many generous donors in the communities we serve, who dug deep into their pockets because they believed the message its two major healthcare providers brought to them about challenges faced by cancer patients in accessing care conveniently as a very difficult time in their lives. Such a move would also be an insult to patients who today find all the services they need, conveniently, under one roof. While Blessing does not clearly understand QMG's motivation, if the reason is additional space, the Blessing-Rieman College of Nursing and Health Sciences is moving from Blessing's 11th Street campus during 2019, creating plenty of expansion capability that is adjacent to the center. This alternative would continue to fulfill QMG's commitment to the community and to so many who donated to make this center happen.

through Blessing's trauma and emergency departments and financial assistance program. Consider all the families of these patients, and the number of impacted lives rises significantly.

In many cases, people do not plan to be a recipient of safety net services. Due to life events, they suddenly face a need they cannot handle alone. No one knows when their life will take them there, either as a patient or a family member/loved one. That is the value Blessing brings to the communities it serves - always there, always open, always ready to provide the care to those in need regardless of ability to pay.

Driving that commitment are the volunteers who make up Blessing's Board of Trustees. They work diligently to address community need by hearing the voice of the community and with a razor sharp focus on the Blessing mission, improving the health of our communities. Blessing is certified to care for pediatric emergencies. Currently a number of emergency room and pediatric nurses are training to become certified Sexual Assault Nurse Examiners, to support the Illinois Attorney General's program to provide high-level of care for victims of sexual abuse.

Blessing provides the certification to care for traumas occurring in the Blessing regions in Illinois, Iowa and Missouri. When families need these emergency trauma services, like 448 families did in 2017 and 348 in 2018, Blessing is there. Ninety-eight percent of our traumas have survived their emergency room stay. This is a high quality program that has required a strong collaboration with Quincy Medical Group physicians. The Medical Director of the program is a Quincy Medical Group physician. Blessing not only provides the space, technology and emergency room to physicians and staff to provide trauma care around-the-clock every day of the year, the hospital also guarantees the salaries of four QMG trauma surgeons and provides call pay stipends to three neurosurgeons who are vital to this safety net service.

Blessing is a certified stroke and chest pain center. The hospital helped form a regional network with other hospital providers and pre-hospital providers to improve care to heart attack victims and cardiac health in general. When a patient suffers a STEMI (ST-elevation myocardial infarction) — the most deadly form of heart attack — prompt, seamless delivery of appropriate treatment can make a life-or-death difference.

The Blessing Emergency Center is the front door for 70% of our mental health patient volumes. Suicide is a topic that is difficult to talk about yet 34,000 Americans die by suicide each year and one million Americans attempt suicide every year. A person dies by suicide in the U.S. every 16 minutes which makes it the 11th leading cause of death for all ages and the 2nd to 3rd leading cause of young people aged 15-24. Between 2015 and 2017, 29 residents in Adams County alone lost their lives to suicide with 2 of the 29 being deaths of teens between 13 and 19. The Center for Disease Control estimates 17% of 9-12 graders in the U.S. seriously considered attempting suicide in the past 12 months and 14% of 9-12 graders made a plan as to how they would take their life in the past 12 months. Based on the CDC statistics, we can estimate just in the four Illinois Counties in Blessing's service area, more than 1200 students in the past 12 months in the 9-12 grade have seriously thought about suicide and 970 youth have made a plan about how they would attempt suicide. The mental health services provided by Blessing both inpatient and outpatient make a difference in the lives of all residents in the region. The 2018 Adams County United Way Community Needs Assessment identifies mental illness as the third

biggest problem in the community behind drug abuse and poverty which all create the need for safety net services.

At a time when other providers in the region ended their inpatient behavioral care service, Blessing recommitted to the people who need this care to regain their health and quality of life. Blessing offers 41 licensed behavioral beds in two adult units (with 10 and 16 beds each), and one child and adolescent unit (with 15 beds). The hospital has the only child and adolescent unit within a 100-mile radius and the only adult program within 80 miles in Illinois, Missouri and Iowa. There are no inpatient behavioral health adult or adolescent units in northeast Missouri, and only one 10-bed adult unit in southeast Iowa. Behavioral health services are rare and precious resources that should be protected, not sacrificed in order to create a second and duplicative ASC in Quincy.

Over 50% of Blessing behavioral health admissions are referred by hospitals, mental health centers, and social service agencies outside of Adams County. While other hospitals in Hannibal, Missouri and Keokuk, Iowa closed their adult units, Blessing Hospital made a commitment to continue its inpatient and outpatient behavioral health programs. Behavioral health admissions have increased from 1622 in 2010, to 2080 in 2018. Average daily census increased from 25.95 in 2010, to 34.12 in 2018. In other words, the need for this rare and precious resource is increasing. In 2018, Blessing had 84% occupancy with no bed availability on many occasions.

Blessing also provides mental health services in its Emergency Center. Because the inpatient behavioral units often are at capacity, patients sometimes require an extended stay in the Emergency Center. To ensure safety for these patients, Blessing has established a three bed unit in the Emergency Center as a safe holding area for mental health patients awaiting inpatient admission. It is a locked area and staffed by mental health staff supporting the patient until placement can be made either in our facility or for transfer to another provider. This space is no longer large enough to handle the volume. Currently we are seeing as many as six patients a day rather than the 2.5 patients per day when we first opened the area. The need for mental health services continues to grow.

A detailed list including additional safety net services and community benefits provided by Blessing Hospital that will be adversely impacted by the QMG project is enclosed as **Attachment 3**.

The Proposed Project will Devastate Safety Net Services in Adams County

QMG provides a mere two sentence response to the Planning Act's directive that an applicant address the project's impact on the ability of another provider to cross-subsidize safety net services. Page 37 of the permit application states:

“As noted in Attachment 24, the applicant does not believe the project will reduce the outpatient surgical volume at the local hospital or its ASTC below the current (2016) level. The applicant does not believe the project will impair the local hospital's ability to subsidize safety net services.”

By QMG's own admission, it plans to redirect 13,283 cases from Blessing's hospital and ASTC to the proposed project. (Appl. at 71-72.) To then turn around and claim that QMG does not believe it will reduce surgical volume at these facilities is ludicrous.

Based on QMG's *admitted* redirection of surgical volume, the corresponding financial and economic impact on Blessing is an annual \$41 million revenue loss and the permanent elimination of at least 400 full-time employees, many of whom work to provide safety net services. See **Attachment 4**. This project will tear gaping holes in the system's safety net that could never be repaired. It is distressing, to say the least, that the driving force behind this project is a wealthy real estate developer from Peoria who is trying to minimize losses at his failing Quincy shopping mall "due to the recent departure of Bergner's department store." See **Attachment 5**.

For the above reasons, Blessing Hospital respectfully requests that the Health Facilities and Services Review Board deny Project #18-042, Quincy Medical Group Surgery Center.



QUINCY MEDICAL GROUP

April 24, 2001

Illinois Health Facilities Planning Board
525 West Jefferson Street
Springfield, IL 62761

RE: Blessing Hospital CON Application for Cancer Center

Dear IHFPB Members:

Quincy Medical Group and its 85 physicians representing 23 medical specialties including oncology/hematology have given full support to Blessing Hospital for the development of a new 40,000 S.F. comprehensive cancer center to be located on the hospital campus. We look forward to working with Blessing Hospital to help implement and plan this quality healthcare service that is significantly needed in our region.

Sincerely,
QUINCY MEDICAL GROUP

William P. Sullivan, CMPE
Chief Executive Officer

WPS/je

Where every patient is important

1025 Maine • Quincy, Illinois 62301 • (217) 222-6550 • (800) 222-6550 • FAX (217) 228-6891

ATTACHMENT 1



Community Benefit Totals (Form 990)
Following AHA Guidelines
Fye 9/30/2018

Charity Care					
1	Charity Care at Cost	\$	6,439,604	1.5%	safety net
Government Sponsored Healthcare					
2	Medicare Shortfalls	\$	42,056,060	9.9%	
3	Medicaid Shortfalls	\$	-	0.0%	
Community Health Improvement Services					
4	Adams County Health Department Dental Program	\$	100,000	0.0%	safety net
5	SIU Patient Centered Medical Home	\$	62,434	0.0%	safety net
6	Health Screenings and Education	\$	41,822	0.0%	safety net
7	Support Groups	\$	22,710	0.0%	safety net
8	Mental Health Educational Programs	\$	7,335	0.0%	safety net
9	Medical supplies/services for patients	\$	36,886	0.0%	safety net
10	Charity Pharmacy Prescriptions	\$	54,152	0.0%	safety net
11	Patient Transportation and Lodging	\$	79,936	0.0%	safety net
12	Medical Interpreting Services	\$	7,290	0.0%	safety net
13	Psych Services to SIU, Chaddock, and Transitions	\$	422,766	0.1%	safety net
Health Professionals Education					
14	SIU Residency Program	\$	4,188,601	1.0%	safety net
15	Blessing-Rieman College of Nursing	\$	1,150,333	0.3%	safety net
16	Preceptors	\$	893,304	0.2%	safety net
17	Radiology School	\$	300,042	0.1%	safety net
18	Lab School	\$	64,265	0.0%	safety net
Subsidized Health Services					
19	Care Coordination	\$	1,789,293	0.4%	safety net
20	Skilled Nursing Unit	\$	-	0.0%	safety net
21	Home Healthcare	\$	935,171	0.2%	safety net
22	Hospice	\$	-	0.0%	safety net
23	Blessing FastCare	\$	288,239	0.1%	safety net
24	I/P Rehab	\$	43,126	0.0%	safety net
In-Kind Contributions/Donations					
25	Meeting Space	\$	12,023	0.0%	
26	Donations/Sponsorships	\$	12,000	0.3%	
27	Donations/Sponsorships	\$	-	0.0%	
28	Donations/Sponsorships	\$	85,532	2.3%	
29	Adams County Ambulance Service	\$	-	0.0%	
Community Benefit Operations					
30	Community Health Needs Assessment	\$	49,184	0.0%	
Bad Debt (at cost)					
31	Bad Debt (at cost)	\$	3,798,300	0.9%	
Total Community Benefits		\$	62,940,408	14.8%	
Total Net Patient Revenue		\$	425,000,363		

**List of Safety Net Services and
Community Benefits Provided by Blessing Hospital**

- Blessing Hospital provided over \$6 million in Charity Care at cost during Fiscal Year Ended 9/30/2017.
- Blessing Hospital provided support in the amount of \$6.9 million for the education of health professionals including the Southern Illinois University residency program, Blessing-Rieman College of Nursing, Radiology School, and a medical laboratory training program.
 - Approximately 60% of all nurse graduates remain in the local area and several SIU Family Medicine graduates have remained in the community.
- Blessing funds over \$500,000 in EMS training annually.
- In total, Blessing Hospital provided nearly \$67 million in Community Benefit during Fiscal 2017 which represented 17.8% of total revenues.
- Blessing Hospital funds over \$700,000 in losses for Medicaid patients in its ASTC on an annual basis.
- The Blessing Hospital Emergency Room provides Trauma Services for the region up to 75 miles out in some directions with smaller hospitals transferring their trauma cases to Blessing. Blessing not only provides the 24/7/365 Emergency Room physical plant and Emergency department Physicians, but also hires the trauma surgeons which is a critical safety net service as well.
 - In 2018, Blessing treated 32,263 patients of whom 13,755 were admitted to the hospital.
- The Blessing ED has achieved Stroke Certification, functions as a stemi-receiving center to ensure residents are receiving quality care as close to home as possible.
- Blessing provides inpatient mental health adult and adolescent units. In 2018, Blessing had 84% occupancy with no bed availability on many occasions.
- Blessing's Emergency Department sees many mental health patients. Blessing has created a safe holding area for mental health patients staffed by mental health professionals for when patients are waiting for beds to open either in our facility or somewhere else in the state.
- Blessing meets EMTALA requirements so that no ER patient goes without care.
- The Blessing Emergency Department holds a qualifying sexual assault survivor's emergency treatment plan status with IDPH which serves both adult and pediatric patients who arrive at the ED after being sexually assaulted. Blessing has seven

trained SANE nurses.

- Blessing's has employed six full time and two part time psychiatrists' staff to support the mental health needs of the region. The regional mental health centers are served by these psychiatrists through contract arrangements as none of the centers could sustain a full time psychiatrist on their own.
- Chuck Johnson, Blessing staff member is Chairman of Mental Health Authority Education Committee which works with community agencies to coordinate 5 major mental health workshops, Blessing donates the use of Blessing Conference Center to host these workshops, Blessing Health Education department coordinates the workshops and is able to provide CMEs for participants, Blessing Public Relations puts together workshop registration brochures. The workshops are provided at no cost to 8 mental health centers. The Mental Health Authority has agreed to a pilot with area school counselors and social workers who can apply for an educational grant to attend the MHA workshops.
- Blessing works with the Adams County Suicide Prevention Coalition who works with community agencies, schools and community individuals to promote suicide prevention in Adams County. The Coalition has created a web site acsuicideprevention.org, raised \$40,000 through local fashion show, obtained grant through DOT Food and funding from Hy-Vee Celebrity Pour; works with local media consultant have 2 general PSA and specific PSA focusing on the holidays, senior citizens, youth and farmers; letters to the editor, letter to clergy/churches, community speaker training to ER staff, clergy and physicians.
- Adams County Mental Health Children's Partnership were one of four sites approved in Illinois for funding mental health services to children, set up mental health screening in public school, Blessing Hospital, Blessing Physician Services, QMG, and SIU Family Practice with therapists in pediatrician offices. CME training was provided for physician and mental health counselors, coordination and training with churches, etc. Recognized as a model program and is in the process of being taken out to other Illinois communities.
- Provides Teen Depression and Suicide programs to health classes at area high school, 14 per year at QHS, 4-6 at QND and 4-6 at Palmyra High School
- Provide outreach visits to mental health centers, hospital and schools in the tri state area provide training materials, best evidence practices and on-site training session. Have flash drives that are provided at no charge with training resource materials.
- Staff member serves on the Preferred Family Health Care Community Advisory Board.
- Staff members serves on the United Way Community Health Solutions Team.

- Staff member is Chairman of Woodland Home which provides shelter and funding to QUANADA, Quincy Area Network against Domestic Abuse.
- Blessing Hospital, Transitions of Western Illinois, Area Agency on Aging and Preferred Family participated with the Illinois State Police in a week long CIT (Crisis Intervention Training Program) for officers from Adams County Sheriff, Quincy Police and Illinois State Police.
- Blessing views training future health care providers as part of its mission. The organization is in the rural part of Illinois and there is a limited supply of new caregivers. Blessing's commitment to education has been critical to meet the health care needs of the region. Blessing offers the following programs:
 1. SIU School of Medicine Family Practice Residency
 2. Blessing-Rieman College of Nursing and Health Sciences (both BSN/MSN)
 3. John Wood Community College (ADN)
 4. Culver-Stockton College (BSN)
 5. Quincy University (BSN)
 6. School of Radiology
 7. Emergency Medical Services-train area paramedic staff
 8. Pharmacy Tech program
 9. Respiratory Therapy program
 10. Surgical Tech program
 11. Preceptors
 12. Lab technician program
 13. Health Information Management degree

Blessing Health System has been carefully calculating the financial impact of QMG's CON application. One big component of this is the revenue which Blessing Hospital will lose. This revenue loss comes from 4 areas GI, Outpatient ASTC, Outpatient at 11th and Cath Lab. Blessing is able to identify the actual patients that had services at these locations, which were performed by Quincy Medical Group surgeons. Our assumption is Quincy Medical Group will take all of the services performed by its surgeons to its new ambulatory surgery center.

Based on the criteria above, Blessing can accurately tally up the total payments received for these services. Via our cost accounting system, the direct cost to provide these services can also accurately be calculated. So, the sum of total payments less direct cost equals \$41,231,361.

Service Area	Total Payments	Total Direct Costs	Revenue Loss
GI	\$ 30,812,328	\$ 14,506,637	\$ 16,305,691
Outpatient ASTC	\$ 20,629,161	\$ 9,273,542	\$ 11,355,620
Outpatient at 11th	\$ 10,600,587	\$ 2,395,777	\$ 8,204,810
Cath Lab	\$ 8,616,774	\$ 3,251,533.4	\$ 5,365,241
Total	\$ 70,658,850	\$ 29,427,489	\$ 41,231,361

Blessing originally stated a range of revenue loss between \$25 and \$41M. The high-end of \$41M was calculated if QMG planned to siphon off surgery business from Blessing's 11th Street outpatient surgery location. Blessing has confirmed that QMG plans to go after these services. Therefore, the confirmed total impact to Blessing Hospital is \$41M.

This loss of revenue would have multiple impacts to Blessing. One material impact would be a loss of jobs, which is conservatively estimated to be at least 400 jobs. In order to reduce 400 FTEs, services provided to the community will have to be reduced.

Behavioral Services alone provides more than 100 jobs to the community. With an annual subsidy of approximately \$6,000,000 per year, Blessing Hospital will need determine whether this is a sustainable service that can provided to the community. Blessing has provided Behavioral Health to the community for decades. With the shift to outpatient surgeries (which QMG plans to poach from Blessing), declining reimbursements, and growth in the need for behavioral health services, Blessing Hospital will be forced to evaluate its ability to provide these service if QMG is approved for it CON for an ambulatory surgery center.



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FEB 8 2019

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

January 17, 2019

Ms. Courtney Avcry
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, IL 62761

RE: Quincy Medical Group Surgery Center

Dear Ms. Avery:

I write to express Cullinan Properties' support of CON Project No. 18-042. I urge the Board's approval of the project at its March 2019 meeting.

Quincy Medical Group is a preeminent multi-specialty physician group that provides high quality care to its patients in Illinois, Iowa, and Missouri. QMG is dedicated to and has served the Quincy community for many years. The proposed project is yet another example of QMG investing in Quincy and working to improve the health of its patients, along with the economic viability and longevity of the Quincy community.

As noted in the permit application, QMG is seeking to obtain Board approval of a proposed surgery center and cardiac catheterization lab that will be located at 3347 Broadway Street in Quincy, Illinois, in the Quincy Mall. Quincy Mall is the primary shopping destination for residents of Quincy and surrounding communities. QMG's prudent location selection will fill a major vacancy in Quincy Mall that resulted from the recent departure of the Bergner's Department Store. The proposed project will re-purpose and utilize vital space in the mall and contribute to its continued economic success.

Cullinan Properties owns and manages Quincy Mall, along with numerous other mixed-use properties in Illinois, including Grand Prairie Developments in Peoria, the Levee District in East Peoria and East Court Village in Pekin. Cullinan Properties also partners with the medical community to develop state-of-the-art facilities and offices and has significant experience renovating properties for medical use, including, among others, Illinois Cancer Care in Peoria, OSF Pekin Center for Health, OSF Normal and the Long Term Acute Care Hospital in Peoria. QMG has committed to lease the property from Cullinan Properties pending Board approval of its permit application, and Cullinan Properties will lead the renovations of the property.

Cullinan Properties is excited for the opportunity to partner with QMG and strongly recommends that the Board approve the proposed project.

Best regards,

Diane Oberhelman
Founding Partner and Chairman

DO/agb

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