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February 8, 2019

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HFSRB Members  
Ms. Courtney Avery  
Mr. Michael Constantino  
525 West Jefferson Street, 2<sup>nd</sup> floor  
Springfield, IL 62761

**RECEIVED**

FEB 13 2019

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**Re: Quincy Medical Group Surgery Center, Project 18-042  
Response to Public Hearing Statements**

Dear Members of the HFSRB, Ms. Avery, and Mr. Constantino:

This letter is written on behalf of our client (Quincy Medical Group) and submitted in response to statements made at the January 24 Public Hearing on project 18-042, Quincy Medical Group Surgery Center, that suggest that QMG’s project does not meet applicable review criteria. This letter addresses the following topics:

- I. QMG’s project substantially conforms with all applicable HFSRB review criteria; and
- II. Blessing’s numerous and revised data submissions are highly suspect, demonstrate either a failure to properly maintain and file accurate surgical utilization reports on Blessing’s behalf or raise concerns regarding Blessing’s motive, especially as the reported data has the potential to greatly impact the validity of the HFSRB review process.

**I. QMG’S PROJECT SUBSTANTIALLY CONFORMS WITH APPLICABLE REVIEW CRITERIA.**

QMG carefully planned the proposed project to be in conformance with all applicable HFSRB review criteria and to comply with the purposes of the Illinois Health Facilities Planning Act (the “Act”). The purpose of the Act is to establish a procedure that promotes the orderly and economic development of health care facilities, avoiding unnecessary duplication of such facilities and promoting planning for and development of facilities needed for comprehensive health care, especially in areas with unmet needs. 20 ILCS 3960/2. The HFSRB is required to approve and authorize the issuance of a permit if it finds, among other conditions, that the project substantially conforms to all applicable HFSRB standards and review criteria. QMG’s project substantially conforms in all respects.

As the HFSRB is well aware, a project need not satisfy each and every applicable review criterion to justify approval. 77 Ill. Adm. Code 1130.660(a) (“failure of a project to meet one or more of the applicable review criteria shall not prohibit the issuance of a permit”); *Provena Health v. Illinois Health*

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*Facilities Planning Bd.*, 382 Ill. App. 3d 34 (2008). In fact, there is no definitive number of criteria that must be satisfied to demonstrate substantial conformance with the HFSRB's regulations or to justify a project's approval. *Provena*, 382 Ill. App. 3d at 45 (noting that substantial conformity does not mean complete compliance). Rather, it is the responsibility of the HFSRB to evaluate each project as a whole, taking into consideration criteria with which a project does and does not conform, and to balance those findings with the overall need for the project - while exercising its discretion and judgment - in deciding whether to approve a project.

In an effort to assist the HFSRB with its review and answer questions raised at the Public Hearing, we provide the following analysis as to how the project conforms with several review criteria.

**A. Service Accessibility – 77 Ill. Adm. Code 1110.235(c)(6).**

To satisfy the Service Accessibility criterion, which assesses whether the proposed services are necessary to improve access for residents of the GSA, a project must meet at least one of the four enumerated sub-criteria:

- 1) There are no other IDPH-licensed ASTCs in the GSA of the proposed project;
- 2) Existing ASTC and hospital services are utilized at or above the State's utilization standard;
- 3) ASTC services or specific types of procedures that are components of an ASTC are not currently available in the GSA, or existing underutilized services in the GSA have restrictive admission policies; or
- 4) The project is a cooperative venture with an existing hospital that currently provides outpatient services to the population of the subject GSA.

The proposed project satisfies three of the four Service Accessibility sub-criteria.

**1. Lack of ASTC Services in GSA by 2021/2022.**

Currently, there is only one other ASTC in the GSA of the proposed project location: Blessing Hospital's ASTC. In September 2018, we understand from a contemporaneous communication received from our client, Blessing's leadership informed QMG that the useful life of the existing ASTC in its current location without more space is only three more years. We understand that Blessing's leadership further informed QMG at that time that it would be performing a full facilities plan in the near future to determine whether it would seek early termination of its lease for the existing ASTC space. The proposed surgery center will open by 2021/2022 – right around the time Blessing expects that the useful life of the surgery center will have expired. Assuming this information correctly assesses Blessing's plan,

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the existing surgery center is likely to cease to exist by 2021, rendering the GSA devoid of an IDPH-licensed ASTC. QMG's proposed surgery center will fill that void. The first sub-criterion is satisfied.

**2. Existing ASTC and Hospital Services Utilized At or Above State Utilization Standard.**

The second Service Accessibility sub-criterion requires that existing ASTC and hospital services be at or above the State's utilization standard. Blessing's data supports QMG's analysis that Blessing surgery rooms will meet the State's utilization standard in 2021 when the proposed surgery center opens.

QMG's permit application was filed in October 2018 and incorporated Blessing's reported utilization data for 2016 and prior years. 2017 reported data was not available at the time the application was filed. In early November 2018, the State published 2017 utilization data for hospitals and ASTCs. The published data had been submitted by hospitals and ASTCs to the State in March 2018. Blessing's 2017 data (submitted to the State prior to QMG's filing of the application but not published prior to the application submission) showed a dramatic increase in outpatient surgery when compared to prior years' data starting in 2013. This growth in total surgical hours from 2013 to 2017, for Blessing Hospital's OR and ASTC, when used to project future volumes, results in full utilization of Blessing's rooms in 2021, the year QMG's proposed ASTC will open.

In early December 2018, while QMG was in the process of preparing revised application pages to reflect Blessing's reported increased outpatient surgery hours - and, therefore, increased utilization - Blessing suddenly submitted new data changing its numbers for 2016 and 2017. The submission included a significant reduction of 4,812 hours in Blessing's ASTC ORs from the data Blessing previously reported in March 2018 (before QMG's application had been filed).

In January 2019, Blessing again submitted new surgical numbers for 2014 – 2017, noting that it was "correcting" its previous submissions and attesting it had previously misreported the data. (Blessing January 23, 2019 Correspondence, attached as Exhibit 1.) The new data has not yet been approved by the HFSRB.

The table below demonstrates Blessing's numerous data submissions, specifically in relation to Blessing's reported outpatient and inpatient surgery hours for its hospital and ASTC. The

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<sup>1</sup>This letter presents and analyzes available public data on surgical services in the Blessing Hospital ORs and procedure rooms, and the Blessing ASTC ORs and procedure rooms, for 2013 through 2017. The data used is Blessing's own reported data, provided by Blessing Hospital to the State in its Annual Hospital Questionnaires and Ambulatory Surgical Treatment Center Questionnaires and recorded in the HFSRB profiles. With respect to any data referenced in this communication, we rely on QMG's CON consultant who analyzed the numbers.

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differences in reported hours are significant, with tremendous increases in hours reported by Blessing in March 2018 (before QMG filed its application) and published in November 2018, and drastic reductions in hours reported by Blessing after QMG filed its application.

**Blessing Hospital and Blessing ASTC Reported Total Outpatient and Inpatient Surgery Hours**

	2013	2014	2015	2016	2017
<b>Data at Application Filing<sup>2</sup></b>	15,069	16,706	17,135	18,378	19,172
<b>Data Submitted March 2018/Published Nov. 2018<sup>3</sup></b>	15,069	16,706	17,135	16,275	23,832
<b>Data Submitted Dec. 2018<sup>4</sup></b>	15,069	16,706	17,135	16,464	19,020
<b>Data Submitted Jan. 2019<sup>5</sup></b>	15,069	14,175	14,786	16,376	18,957

**Blessing Hospital and Blessing ASTC Projected Total Outpatient and Inpatient Surgery Hours<sup>6</sup>**

	2018	2019	2020	2021
<b>Data at Application Filing</b>	20,476	21,868	23,355	24,943
<b>Data Submitted March 2018/Published Nov. 2018</b>	27,288	31,244	35,775	40,962
<b>Data Submitted Dec. 2018</b>	20,275	21,613	23,040	24,560
<b>Data Submitted Jan. 2019</b>	20,189	21,502	22,899	24,388

An opponent to a project under review by the HFSRB, especially an opponent who controls data used by the HFSRB to assess whether a project conforms with applicable review criteria, should not be allowed to submit subsequent “corrections” to relevant data or to recreate its data during the HFSRB’s review process. Allowing such conduct to occur, especially where the opponent and submitter of data provides little to no justification for the subsequent submission, has the potential to significantly impact the HFSRB’s review process and ultimate approval of a project.

<sup>2</sup>QMG used Blessing’s reported public data on surgical services in the Blessing Hospital’s ORs and procedure rooms and Blessing’s ASTC ORs and procedure rooms for 2013 – 2016 at the time it prepared and filed its application. Blessing’s 2017 reported data was not available at the time the application was filed in October 2018. As a result, 2017-2021 hours were estimated through a conservative analysis outlined in QMG’s application.

<sup>3</sup> In March 2018, Blessing submitted 2017 data, along with corrected 2016 data, to the HFSRB. That data was published by the HFSRB in November 2018.

<sup>4</sup> Blessing submitted and received HFSRB approval of new data in December 2018.

<sup>5</sup> In January 2019, Blessing submitted new data to the HFSRB. That data has not yet been approved by the HFSRB.

<sup>6</sup> Blessing’s projected hours for 2018-2021 were calculated using historic utilization data submitted by Blessing and the following historic annual average rates of growth: 6.8% analyzing data available at the time the application was filed, 14.5% analyzing data submitted in March 2018, 6.6% analyzing data submitted in December 2018, and 6.5% analyzing data submitted in January 2019.

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Even if Blessing's most recently reported and HFSRB accepted data is used, however, the analysis reveals that by 2021, when the proposed project opens, Blessing's surgical utilization will meet the State utilization standard. The enclosed table presents surgical utilization for the Blessing Hospital ORs and procedure rooms, and the Blessing ASTC ORs and procedure rooms. Using the data highlighted in the section of the table colored tan (the most recent Blessing data accepted by the HFSRB on December 4), total hours of surgeries and procedures (for inpatient and outpatient cases) increased from 15,069 hours in 2013 to 19,020 in 2017. This is an average annual increase of 6.6%. Applying this historic rate of growth to forecast future volumes, utilization of the rooms will be at 24,560 hours in year 2021. Using the State standard of 1500 hours per room per year, 16.4 rooms are needed, or 17. As a result, the existing rooms are already approaching full utilization. Planning for additional capacity required in year 2021 needs to be underway now. The proposed project will open in year 2021, and will provide additional needed capacity. The use of projections based on historic data is justified, and was used by Blessing in its recent CON permit application (# 18-013) for bed modernization, which was approved by the HFSRB in July, 2018.

During the public hearing, Blessing's senior leadership reported that current utilization of Blessing's ORs at the existing ASTC is 82% using HFSRB criteria. This is an increase from 2017 reported data and supports the historic realized growth rate utilized to compute Blessing 2021 utilization levels. Blessing's own data, using HFSRB criteria, supports the finding that Blessing's operating rooms will meet or exceed the State utilization standard by 2021.

The number and types of procedures performed in an ambulatory setting are increasing. This continuing trend supports the case that Blessing's outpatient growth will continue. Not included in our conservative analysis, but an additional supporting factor, is the expected increase in outpatient hours due to physician growth and correction of current outmigration cases. Blessing's recent permit application (# 18-010) promoted its recent and projected physician growth, with Blessing stating "Last year Blessing recruited 28 new physicians and a plan to recruit that many more in 2018-19." (Blessing Permit Application, Project No. 18-010, p.65, attached as [Exhibit 2](#).) Like Blessing, QMG is growing. In 2017, QMG recruited 7 physicians and 5 advanced practice providers. In 2018, QMG recruited 10 physicians and 3 advanced practice providers. QMG expects to recruit a similar number of physicians and advanced practice providers in 2019, with six new providers signed to date. Additionally, the proposed surgery center will help to correct outmigration issues, as patients who might otherwise leave the Quincy area to receive lower cost procedures or procedures not currently performed in the existing surgery center will now have an incentive to receive care locally. As Blessing stated in a recent public hearing, "the biggest area that we have identified outmigration is in orthopedics, and we are watching 750 and above cases leaving the marketplace due to access, due to *service accessibility*" and "[w]e see about 20 to 30 million – not on cases but we look at a dollar amount – that migrate out of the region." (Public Hearing Transcript for Project 18-010, p. 117 - 118, attached as [Exhibit 3](#).) The proposed surgery center will greatly help to remedy these outmigration issues.

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The project satisfies the second Service Accessibility sub-criterion.

**3. Specific ASTC Services and Types of Procedures Are Not Currently Available in the GSA and Existing ASTC has Restrictive Policies.**

The third criterion requires that either ASTC services or specific types of procedures that are components of an ASTC are not currently available in the GSA, or that existing underutilized services in the GSA have restrictive admission policies. Both situations are present and will be addressed by the proposed surgery center.

First, as noted in QMG's application, specific types of procedures and/or operations that are components of an ASTC are not currently available in the existing ASTC but will be performed in the new surgery center – including, but not limited to, urology procedures, certain ENT-related procedures, certain neurosurgery procedures, certain orthopedic procedures, and cardiac catheterization services.

Second, it is our understanding that the local hospital is charging facility fees based on HOPD rates for procedures performed in its existing ASTC, and we understand this results in a facility fee that is 30 – 50% higher than the fee that will be charged in the proposed non-hospital based ASTC. The higher costs are such an issue that we understand that Quincy area employers have gone so far as to encourage their employees to “shop around” for cost effective quality health care services. Also due to cost reasons, we further understand that area residents have chosen to have procedures performed in Columbia, St Louis, and Springfield in order to obtain lower out-of-pocket costs and savings to their employers. Given the information we have received, the unnecessary HOPD rates are a de-facto restrictive condition or policy. As Blessing's ASTC is the only ASTC in HSA 3 outside of Springfield, a distance of over 100 miles, it is our client's position that Blessing Hospital has been able to keep its restrictive conditions or policies in place without competitive pressure. A new provider to the area is greatly needed to increase patient choice and lower costs.

**4. A Cooperative Venture with Local Hospital is Not Feasible or in Best Interest of Patients or the Community.**

A cooperative venture with the local hospital is not what patients or the community needs nor would it be a workable venture. The only existing hospital providing outpatient services to the population of the GSA is Blessing Hospital. A cooperative venture with Blessing Hospital – which we understand currently chooses to charge high facility fees based on hospital outpatient department (“HOPD”) rates for the same services that can be performed at lower ASTC rates - is not what the community needs. The community needs an additional, independent provider bringing lower cost incentives and competitive pricing to the Quincy area.

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It is our understanding that our client, QMG, and the local hospital have a history of friction on various issues. Our client has informed us that failed alignment efforts to date have created a condition where a cooperative venture is simply not workable. Dating back to June 2018, we were informed by our client that months before our application was filed, QMG proposed numerous alignment and partnership opportunities to Blessing. The opportunities for collaboration proposed by QMG included, without limitation, shared governance, joint venture opportunities, and clinical alignment through shared service lines. Prior to filing the application, QMG carefully considered a joint venture with Blessing for the proposed surgery center. No formal proposal was made to Blessing, and the alternative was not pursued further by QMG, as the joint venture would require that QMG be a majority owner and that services not be billed at hospital outpatient billing rates. Based on our client's prior discussions with Blessing, QMG understood that Blessing was not interested in a joint venture under those terms. Further, because Blessing had previously rejected proposals by QMG for various alignment opportunities, it appeared that Blessing was not interested in pursuing any ASTC joint venture with QMG. Even after filing the application, we understand that QMG has continued to meet with Blessing regarding potential collaboration opportunities, including discussions regarding the proposed surgery center. In this regard, we understand Blessing has confirmed it has no interest in pursuing a joint venture for the surgery center at the proposed location.

As required in the HFSRB's review criteria, QMG sought and obtained transfer agreements with area hospitals that have open heart surgery capabilities. St. John's Hospital of Springfield and UnityPoint-Peoria agreed to enter into a transfer agreement with QMG without hesitation, recognizing the importance of having a coordinated plan in place in the event a transfer may be needed. To date, despite QMG's request, it is our understanding Blessing has not entered into a transfer agreement with QMG. Our client believes that Blessing's refusal is further evidence of Blessing's rejection of any aspect of collaboration, even when the collaboration is undeniably in the interest of patient safety.

As Blessing stated during the Public Hearing, Blessing's response to QMG's filing of the permit application was to issue a letter threatening to terminate the management agreement for the existing ASTC. In other clinical service areas, our client has informed us that Blessing has already issued two termination notices pertaining to QMG's medical administrative contractual relationships at Blessing Hospital and QMG physicians are concerned that Blessing may limit their ability in the future to exercise privileges in certain services at Blessing Hospital, specifically noted was the ICU. In short, it is our client's position that Blessing is engaged in a strategy to thwart competition in the marketplace by not collaborating with local providers it perceives as competition to its financial bottom-line.

QMG physicians believe that they have been good partners to Blessing over the years. QMG has never opposed, nor put forth any obstacles, to Blessing's growth in the Quincy community. QMG physicians have sought to maintain a collaborative relationship with Blessing, evidenced by the many Blessing department leadership positions held by QMG physicians, the majority of admissions to Blessing by QMG physicians, and the reputational strength that QMG physicians have helped Blessing

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Hospital build over the decades. Blessing is QMG's hospital. Despite Blessing's continued opposition to this project, QMG will continue to be a good partner to Blessing when partnerships are feasible and in the best interest of patients and the community.

A cooperative venture with Blessing Hospital is simply not feasible for the proposed surgery center, nor is it in the best interest of patients or the community.

Three of the four sub-criterion are satisfied by the proposed project. Given that at least one of the four sub-criteria are satisfied, the proposed project satisfies the Service Accessibility criterion.

**B. Projected Utilization – 77 Ill. Adm. Code 1110.120(b).**

The proposed project complies with the Projected Utilization criterion. To demonstrate compliance with this criterion, QMG must demonstrate that by the end of the second year of operation of the surgery center, the annual utilization of the clinical service areas or equipment will meet or exceed State utilization standards. The utilization standard for an ASTC is 1,500 hours per operating/procedure room.

QMG's plan for 8 rooms (5 ORs and 3 procedure rooms) is supported by historic and projected surgical cases and procedures and cardiac catheterizations. As set forth in great detail in our application (see Attachment 15 of Permit Application), the conservative projections made by QMG's CON consultant reveal that by the end of the second year of operation of the surgery center, or by 2023, the proposed surgery center will have a case volume of 12,654 cases or 10,650 hours (using a .84 conversion rate). The State utilization standard is 1500 hours per OR or procedure room. Therefore, the projected hours support or justify 7.1 rooms for surgical cases and procedures. The 8<sup>th</sup> OR will be dedicated to cardiac catheterization services, and, as noted in our application (see Attachment 15 of Permit Application), QMG projects 629 cases by the end of the second year of operation. 629 cases exceed the State standard of 200 cases.

Not included in our conservative analysis, but an additional supporting factor, is the expected increase in outpatient hours due to QMG physician growth and correction of current outmigration cases as discussed in greater detail under Section I.A.2 and Section I.C below.

As a result, the proposed project satisfies the Projected Utilization criterion.

**C. Service Demand – 77 Ill. Adm. Code 1110.235(c)(3)(A)-(C).**

The proposed project complies with the Service Demand criterion. To demonstrate compliance with this criterion, QMG must demonstrate that the proposed project is necessary to accommodate the service demand, as evidenced by historical and projected referrals.



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As noted in our application, the projected patient volume for the proposed surgery center demonstrates that the project is necessary to accommodate service demand in the GSA. QMG has attested to a commitment of 10,712 surgical cases for the proposed surgery center. This commitment is based on historical outpatient surgical cases that have been conducted by QMG physicians and which would be appropriate for treatment at the proposed ASTC. The commitment supports the projection of 12,654 cases for year 2023 (two years after project completion). The projected patient volume meets the requirement that the project serves residents of the GSA.

The numbers above are conservative and do not take into account QMG physician growth. QMG, like Blessing, is actively recruiting physicians. In 2017, QMG recruited 7 physicians and 5 advanced practice providers. In 2018, QMG recruited 10 physicians and 3 advanced practice providers. QMG expects to recruit a similar number of physicians and advanced practice providers in 2019 (six new providers signed to date) and 2020. The prospect of the proposed surgery center has only increased recruitment interest and efforts. The increased number of physicians will allow for additional procedures to be performed and surgical case volumes will increase.

**D. Unnecessary Duplication, Maldistribution, and Impact to Area Providers – 77 III.  
Adm. Code 1110.235(c)(7)(A)-(C).**

To demonstrate compliance with the Unnecessary Duplication/Maldistribution/Impact to Area Providers criterion, an applicant must document that the project will not result in an unnecessary duplication, mal-distribution of services, or adversely impact area providers.

As the HFSRB is aware, the establishment of an ASTC almost always results in a finding of duplication of service. Here, however, the proposed ASTC is necessary and, due to QMG's careful planning, will not adversely impact Blessing.

There is only 1 other ASTC located in the GSA, and our client informs us that the ASTC does not:

- Offer lower, competitive ASTC rates;
- Allow surgical cases to be performed after 3 or 3:30 p.m. or on weekends;
- Offer outpatient urological procedures or a broad range of ENT-related, neurosurgery, and orthopedic-related procedures;
- Have the capacity to accommodate future projected volumes;
- Have the capability and equipment to perform various types of surgical procedures; and
- Offer cardiac catheterization services.

Further, if it is true that Blessing Hospital believes that the useful life of the existing ASTC is only three years, then by 2021/2022, the GSA will be devoid of access to an ASTC. QMG's proposed

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surgery center will fill that void. At that point, there will not be any duplication, let alone an unnecessary one.

As noted above, before QMG filed its application, QMG's consultant informs us that Blessing submitted utilization data for its hospital and ASTC to the State, correcting 2016 reported data and providing 2017 data. QMG first became aware of this data when the State published it in early November 2018, shortly after QMG filed its application. The data showed a dramatic increase in outpatient surgery for 2016 and 2017 and demonstrated that the proposed surgery center would not have an adverse impact on Blessing. However, within weeks of the publication, Blessing submitted new data to the State for 2016 and 2017 significantly reducing Blessing's outpatient surgery hours.

Even with the reduced hours, however, an analysis of the data reveals that the proposed surgery center will not have an adverse impact on Blessing. The data on the enclosed page (submitted by Blessing to the State on December 4) shows an increase in outpatient surgery hours at Blessing Hospital and its surgery center from 2013 to 2017 (increasing from 9984 hours in 2013 to 13,636 hours in 2017). This 37% increase is an average annual increase of 9.25%. The increase from 2016 to 2017 was 14.8%, more than double the average annual increase for the previous three years, and justifying a weighting of 10% for projections. Projecting a 10% annual increase through year 2023 (two years after project completion) results in a projected 24,157 hours of outpatient surgery/treatments at Blessing Hospital and the Blessing ASTC in year 2023. Allowing for QMG's projected 10,650 hours at the proposed ASTC results in a volume of 13,507 hours remaining at Blessing Hospital and its ASTC in year 2023. ( $24,157 - 10,650 = 13,507$ ) 13,507 hours is substantially the same as the 13,636 hours reported by Blessing at its hospital and ASTC in year 2017.

This calculation specifically refutes Blessing's claims that the project is an unnecessary duplication of service or that Blessing will be adversely impacted by the project. As the data demonstrates, the project will not adversely impact Blessing.

In Blessing's testimony at the public hearing and its press conference on February 4, Blessing alleged that the project will have a devastating impact on its market share and profitability. Blessing specifically claimed that it will lose \$25 - \$41 million per year in revenue and need to lay off 400 employees and stop providing safety net services. QMG's consultant's projections show that Blessing's volumes will be approximately the same in 2023 as they are now. Further, and importantly, it is not the responsibility of the HFSRB to maintain Blessing's market share or profitability or to shield Blessing from competition. *Provena*, 382 Ill. App. 3d at 48. Further, the purpose of the Act is not to project jobs. *Id.* It is the HFSRB's responsibility to determine whether access for the residents of a planning area will be enhanced by the addition of a proposed facility. The proposed facility will undeniably increase and enhance accessibility to residents of the Quincy area.

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Blessing's claims are further refuted by its own proclaimed physician growth (recruitment of 28 physicians last year and a plan to recruit 28 more in 2018-19), its institutional growth and related expenditures (including, but not limited to, Blessing's recently approved application to construct a \$40 million medical office building in Quincy), and QMG's own physician growth (recruitment of 17 physicians and 8 advanced practice providers in 2017-2018 and a plan to recruit a similar number of physicians and advanced practice providers in 2019-2020). Moreover, while Blessing stated it will need to lay off 400 employees - of which it would appear Blessing has already selected will be nurses based on the opposition testimony and letters Blessing has encouraged its employees to submit to the HFSRB - Blessing is also simultaneously proclaiming a nursing shortage in the area. One might question why, even if Blessing's claims of loss of revenue were true, Blessing would choose to lay off its nursing staff when a nursing shortage exists.

The evidence reveals that the proposed project satisfies the Unnecessary Duplication/Maldistribution/Impact to Area Providers criterion. The proposed surgery center will deliver high quality, cost-effective services to the community, meet the increased need for outpatient surgery, increase community access to various procedures not currently available or performed in the existing ambulatory surgery center, and further QMG's strategic mission - all while not adversely impacting area providers.

## **II. BLESSING'S DATA IS POTENTIALLY UNRELIABLE AND MAY IMPACT THE HFSRB REVIEW PROCESS.**

In order to appropriately review a project for compliance with the HFSRB's applicable review criteria, the HFSRB must have reliable, accurate data. The HFSRB relies upon providers to timely submit accurate data. If a provider submits unreliable and inaccurate data, that data can significantly impact whether a project receives a positive or negative finding in relation a particular review criterion. While a project need not satisfy all review criteria, or even a specific number of criteria, to justify approval, this fact does not minimize the importance of the HFSRB having accurate data when it performs its review of a project and prepares its Staff Report.

As discussed above in great detail (see Section I.A.2), and as QMG's consultant has informed us, Blessing has submitted differing volume reports for its inpatient and outpatient hours. The evolving data demonstrates significant changes without valid justification. Relevant submissions are noted below:

- In March 2018 (prior to QMG's application being filed), Blessing submitted 2017 data in its Annual Hospital Questionnaire. The data was published in November 2018 (after QMG's application was filed);
- On December 4, 2018 (after QMG's application was filed), Blessing submitted and the HFSRB approved revised data for 2016 and 2017; and

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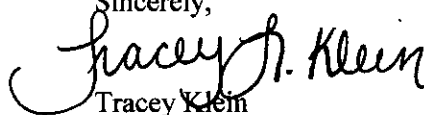
- On January 23, 2019 (one day before the Public Hearing requested by Blessing), Blessing submitted recreated data for 2014 – 2017. The data awaits HFSRB approval.

In one correction, it appears Blessing reduced its recorded ASTC OR hours from 9,622 to 4,810, a reduction of 50%. In another correction, Blessing corrected its failure to report any hospital procedure room cases in 2016 and 2017. It is our client's position that these mistakes have the potential to significantly impact a project and should have been apparent and corrected in a quality review of the data by Blessing before it was submitted to the State.

A provider opposing a project cannot be allowed to recreate, revise, and submit data for a particular service while a project addressing the same service is in the review process. Such conduct raises concerns that the data is no longer reliable and that there has been an inappropriate manipulation of the data in an attempt to affect the review outcome. Here, Blessing, as a local provider challenging the proposed project, has submitted numerous data changes to the State – data that addresses outpatient surgeries and procedures. This data is incredibly relevant to the proposed project and the HFSRB's review.

The timing of the data submissions is also concerning because prior to receiving QMG's application, Blessing had submitted data to the State self-reporting a dramatic increase in outpatient surgeries and procedures. Suddenly, after receiving QMG's application, Blessing submitted new data significantly reducing its outpatient surgeries and procedures. Then, after formally opposing the project and requesting a public hearing, Blessing again submitted new data. How can the HFSRB and QMG be certain that this new data is correct, especially when Blessing is now stating that its prior submissions were inaccurate? The accuracy and reliability of Blessing's data should be questioned, particularly in light of the timing associated with the same. Reliance on changing and evolving data threatens the validity of the HFSRB review process and is likely to lead to inaccuracies and, ultimately, legal errors.

Your consideration of this letter is appreciated. Please do not hesitate to contact us with any questions or concerns you may have in relation to the proposed project.

Sincerely,  
  
Tracey Klein

Enclosures – Exhibits and Table  
cc: Ralph Weber

**Table in Support of Quincy Medical Group Surgery Center, Project 18-042**

Table: Utilization data provided by Blessing Hospital, hours of utilization in the hospital and ASTC. The four sections indicate: a) data provided in March, 2017 for year 2016; b) 2017 data submitted in March, 2018, published in November, 2018; c) Blessing's 2017 data revised in November, 2018 and accepted by the Board on December 4, 2018; d) Blessing's 2017 data revised in January 2019 (not official)

Source: HFSRB Profiles and Blessing reported data

Cells highlighted in beige include data reported at December 4, 2018 HFSRB meeting

	Blessing Hospital (hrs)		Blessing ASTC (hrs)		Blessing (hours)		
	ORs (outpt)	Procedure Rms (outpt)	ORs	Procedure Rooms	Total Hrs Outpatient	Total Hrs Inpatient	Total Hours (Inpt + Outpt)
<b>a) Permit Application submitted Oct, 2018</b>							
2013	3310	683	3568	2423	9984		
2014	3781	2343	3666	2491	12281		
2015	4027	2103	3752	2641	12523		
2016	4527	NA 2103e	4283	2875	NA 13788e		
2017 (est)	4527	2103	4283	2857	13788		
<b>b) Original 2017 data published Nov 2018</b>							
2013	3310	683	3568	2423	9984	5085	15069
2014	3781	2343	3666	2491	12281	4425	16706
2015	4027	2103	3752	2641	12523	4612	17135
2016	4527	0	4283	2875	11685	4590	16275
2017	5886	0	9622	2940	18448	5384	23832
<b>c) Revised 2017 data 4-Dec-18</b>							
2013	3310	683	3568	2423	9984	5085	15069
2014	3781	2343	3666	2491	12281	4425	16706
2015	4027	2103	3752	2641	12523	4612	17135
2016	4527	0	4472	2875	11874	4590	16464
2017	5886	0	4810	2940	13636	5384	19020
<b>d) Revised 2017 data submitted Jan, 2019</b>							
2013	3310	683	3568	2423	9984	5085	15069
2014	3781	309	3666	2231	9987	4188	14175
2015	4027	234	3752	2350	10363	4423	14786
2016	4527	286	4472	2501	11786	4590	16376
2017	5886	310	4810	2567	13573	5384	18957



18-042

P.O. Box 7005 Quincy, IL  
217-223-8400  
www.blessinghealthsystem.org

January 23, 2019

Mr. Mike Constantino  
Illinois Health Facilities and  
Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> floor  
Springfield, IL 62761

**RECEIVED**

JAN 24 2019

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Dear Mike:

I am attaching the final numbers in response to your inquiry on missing procedure room items on 2016/2017 at Blessing. Blessing did not report any procedure room data for 2016/2017 at 11<sup>th</sup> Street. It was also found the OP portion has been reported under the ASTC stats for those years. Consequently, ASTC stats went down and 11<sup>th</sup> street OP stats went up. We also failed to report inpatient stats for either year so those have been corrected as well. Staff also over reported the prep/clean up time as the same rate as the surgery suite.

It also became clear in 2014/2015 outpatient stats were double reported for both the ASTC and the 11<sup>th</sup> Street location. Accordingly, the attached printouts reflect a significant reduction in 11<sup>th</sup> Street OP values. Similar to 2016/2017 the prep/clean up time was also corrected.

Mike, I am attaching the data for each year with an explanation at the bottom of the sheet as to the impact of the correction.

I truly apologize for the misreporting and appreciated your help in getting the file corrected.

Sincerely

A handwritten signature in cursive script that reads 'Betty Kasparie'.

Betty Kasparie  
Vice President  
Audit, Risk & Compliance

BJK/elc

Exhibit 1

## 2017 Blessing Hospital

### ASTC Operating Room Utilization For Reporting Year

	Rooms	IP Cases	Op Cases	IP Surgery Time	OP Surgery Time	Prep and Clean Up	Total Hours	IP Avg Case Time	OP Avg Case Time
ASTC Cardiovascular			2		1		1		0.50
ASTC Dermatology									
ASTC Gastroenterology			347		220	116	336		0.97
ASTC General			623		534	208	742		1.19
ASTC Laser Eye Surgery									
ASTC Neurology									
ASTC OB/Gynecology			236		165	78	243		1.03
ASTC Ophthalmology			2,557		847	852	1,699		0.66
ASTC Oral/Maxillofacial			149		163	50	213		1.43
ASTC Orthopedic			806		569	268	837		1.04
ASTC Otolaryngology			401		252	134	386		0.96
ASTC Pain Management									
ASTC Plastic Surgery			63		61	22	83		1.32
ASTC Podiatry			265		177	88	265		1.00
ASTC Thoracic									
ASTC Urology			3		3	2	5		1.67
<b>Total</b>			<b>5,452</b>		<b>2,992</b>	<b>1,818</b>	<b>4,810</b>		<b>0.88</b>

### Blessing at 11th Operating Room Utilization

	Rooms	IP Cases	Op Cases	IP Surgery Time	OP Surgery Time	Prep and Clean Up	Total Hours	IP Avg Case Time	OP Avg Case Time
11th Cardiovascular		367	262	679	334		1,013	1.85	1.27
11th Dermatology									
11th General	10	754	1,363	1,465	1,860		3,325	1.94	1.36
11th Gastroenterology		33	50	24	27		51	0.73	0.54
11th Neurology		169	164	653	438		1,091	3.86	2.67
11th OB/Gynecology		47	429	75	705		780	1.60	1.64
11th Oral/Maxillofacial		6	55	4	69		73	0.67	1.25
11th Ophthalmology			3		5		5		1.67
11th Orthopedic		801	610	1,851	835		2,686	2.31	1.37
11th Otolaryngology		31	133	48	130		178	1.55	0.98
11th Plastic Surgery		5	67	12	189		201	2.40	2.82
11th Podiatry		41	23	33	25		58	0.80	1.09
11th Thoracic		59	12	143	16		159	2.42	1.33
11th Urology		257	1,338	397	1,253		1,650	1.54	0.94
<b>Total</b>	<b>10</b>	<b>2,570</b>	<b>4,509</b>	<b>5,384</b>	<b>5,886</b>		<b>11,270</b>	<b>2.09</b>	<b>1.31</b>

### ASTC Procedure Room Utilization For Reporting Year

Original Blessing Hospital ASTC Procedure Room	4	5,352	2,316	624	2,940
Revised Blessing Hospital ASTC Procedure Room	3	5,231	2,262	305	2,567
Change	(1)	(121)	(54)	(319)	(373)

Stats should have been reported on Blessing at 11th  
Prep/Cleanup on Proc Rooms Recorded at higher Surg Room rate

### Blessing at 11th Procedure Room Utilization

Original Blessing Hospital at 11th Procedure Rooms  
Revised Blessing Hospital at 11th Procedure Rooms  
Change

	From ASTC Missed on Original Report	From ASTC Missed on Original Report	From ASTC Missed on Original Report	New Total
1	440	121	256	310
1	440	121	256	310

Exhibit 1

Reason for Change

## 2016 Blessing Hospital

### ASTC Operating Room Utilization For Reporting Year

Rooms	IP Cases	Op Cases	IP Surgery Time	OP Surgery Time	Prep and Clean Up	Total Hours	IP Avg Case Time	OP Avg Case Time
ASTC Cardiovascular								
ASTC Dermatology								
ASTC Gastroenterology		294		135	54	189		0.64
ASTC General		669		565	224	789		1.18
ASTC Laser Eye Surgery								
ASTC Neurology								
ASTC OB/Gynecology		319		229	106	335		1.05
ASTC Ophthalmology		2,366		729	788	1,517		0.64
ASTC Oral/Maxillofacial		101		120	34	154		1.52
ASTC Orthopedic		635		485	212	697		1.10
ASTC Otolaryngology		417		219	140	359		0.86
ASTC Pain Management								
ASTC Plastic Surgery		60		65	20	85		1.42
ASTC Podiatry		260		255	86	341		1.31
ASTC Thoracic								
ASTC Urology		3		4	2	6		2.00
<b>Total</b>		<b>5,124</b>		<b>2,806</b>	<b>1,666</b>	<b>4,472</b>		<b>0.87</b>

### Blessing at 11th Operating Room Utilization

Rooms	IP Cases	Op Cases	IP Surgery Time	OP Surgery Time	Prep and Clean Up	Total Hours	IP Avg Case Time	OP Avg Case Time
11th Cardiovascular	222	116	400	160		560	1.80	1.38
11th Dermatology								
11th General	9	742	1,148	1,236	1,302	2,538	1.67	1.13
11th Gastroenterology		63	90	43	54	97	0.68	0.60
11th Neurology		221	190	847	469	1,316	3.83	2.47
11th OB/Gynecology		66	385	110	624	734	1.67	1.62
11th Oral/Maxillofacial		7	36	6	50	56	0.86	1.39
11th Ophthalmology		2		7		7		#DIV/0!
11th Orthopedic		639	571	1,516	841	2,357	2.37	1.47
11th Otolaryngology		21	181	22	137	159	1.05	0.76
11th Plastic Surgery			17		48	48		2.82
11th Podiatry		25	25	24	26	50	0.96	1.04
11th Thoracic		29	14	78	21	99	2.69	1.50
11th Urology		209	863	301	795	1,096	1.44	0.92
<b>Total</b>	<b>9</b>	<b>2,246</b>	<b>3,636</b>	<b>4,590</b>	<b>4,527</b>	<b>9,117</b>	<b>2.04</b>	<b>1.25</b>

### ASTC Procedure Room Utilization For Reporting Year

Original Blessing Hospital ASTC Procedure Room	4	5,415	2,243	632	2,875
Revised Blessing Hospital ASTC Procedure Room	3	5,299	2,192	309	2,501
Change	(1)	(116)	(51)	(323)	(374)

Stats should have been reported on Blessing at 11th

Prep/Cleanup on Proc Rooms Recorded at higher Surg Room rate

### Blessing at 11th Procedure Room Utilization

Original Blessing Hospital at 11th Procedure Rooms	1	433	116	235	51	286
Revised Blessing Hospital at 11th Procedure Rooms	1	433	116	235	51	286
Change						
From ASTC		Missed on Report	From ASTC	Missed on Report	From ASTC	New Total

Exhibit 1

Reason for Change



## 2015 Blessing Hospital

### ASTC Operating Room Utilization For Reporting Year

Rooms	IP Cases	Op Cases	IP Surgery Time	OP Surgery Time	Prep and Clean Up	Total Hours	IP Avg Case Time	OP Avg Case Time
ASTC Cardiovascular		3		3		3		
ASTC Dermatology								
ASTC Gastroenterology		236		113	60	173		
ASTC General		555		473	138	611		1.10
ASTC Laser Eye Surgery		708		196	178	374		
ASTC Neurology		2		3		3		
ASTC OB/Gynecology		314		212	78	290		0.92
ASTC Ophthalmology		1,783		547	446	993		0.56
ASTC Oral/Maxillofacial		127		145	32	177		1.39
ASTC Orthopedic		490		389	122	511		1.04
ASTC Otolaryngology		331		181	82	263		0.79
ASTC Pain Management								
ASTC Plastic Surgery		43		44	10	54		1.26
ASTC Podiatry		229		240	58	298		1.30
ASTC Thoracic								
ASTC Urology		3		2		2		0.67
<b>Total</b>		<b>4,824</b>		<b>2,548</b>	<b>1,204</b>	<b>3,752</b>		<b>0.78</b>

### Blessing at 11th Operating Room Utilization

11th Cardiovascular	213	74	400	100	500	1.88	1.35
11th Dermatology							
11th General	8	641	1,076	1,035	1,204	2,239	1.61
11th Gastroenterology		65	91	46	57	103	0.71
11th Neurology		337	97	1,108	230	1,338	3.29
11th OB/Gynecology		72	391	126	552	678	1.75
11th Oral/Maxillofacial		7	43	7	65	72	1.00
11th Ophthalmology		1	6	1	5	6	-
11th Orthopedic		575	671	1,326	893	2,219	2.31
11th Otolaryngology		31	193	24	143	167	0.77
11th Plastic Surgery		3	11	4	16	20	-
11th Podiatry		19	23	15	23	38	0.79
11th Thoracic		35	8	105	14	119	3.00
11th Urology		170	799	226	725	951	1.33
<b>Total</b>	<b>8</b>	<b>2,169</b>	<b>3,483</b>	<b>4,423</b>	<b>4,027</b>	<b>8,450</b>	<b>2.04</b>

### ASTC Procedure Room Utilization For Reporting Year

Original Blessing Hospital ASTC Procedure Room	3	-	4,999	-	2,057	584	2,641
Revised Blessing Hospital ASTC Procedure Room	3	-	4,999	-	2,057	293	2,350
Change						(291)	(291)
Reason for Change							

Prep/Cleanup on Proc Rooms Recorded at higher Surg Room rate

### Blessing at 11th Procedure Room Utilization

Original Blessing Hospital at 11th Procedure Rooms	4	391	5,100	189	2,103	-	2,292
Revised Blessing Hospital at 11th Procedure Rooms	1	391	101	189	45	-	234
Change	(3)	-	(4,999)	-	(2,058)	-	(2,058)
Reason for Change	Double Reported		Double Reported		Double Reported		New Total

Exhibit 1

## 2014 Blessing Hospital

### ASTC Operating Room Utilization For Reporting Year

	Rooms	IP Cases	Op Cases	IP Surgery Time	OP Surgery Time	Prep and Clean Up	Total Hours	IP Avg Case Time	OP Avg Case Time
ASTC Cardiovascular			3		3		3		
ASTC Dermatology			-		-		-		
ASTC Gastroenterology			233		129	58	187		
ASTC General			543		475	136	611		1.13
ASTC Laser Eye Surgery			364		103	92	195		
ASTC Neurology			-		-		-		
ASTC OB/Gynecology			262		168	66	234		0.89
ASTC Ophthalmology			2,015		631	504	1,135		0.56
ASTC Oral/Maxillofacial			108		129	28	157		1.45
ASTC Orthopedic			446		417	112	529		1.19
ASTC Otolaryngology			371		178	92	270		0.73
ASTC Pain Management			-		-		-		
ASTC Plastic Surgery			58		82	14	96		1.66
ASTC Podiatry			198		198	50	248		1.25
ASTC Thoracic			-		-		-		
ASTC Urology			1		1	-	1		1.00
<b>Total</b>			<b>4,602</b>		<b>2,514</b>	<b>1,152</b>	<b>3,666</b>		<b>0.80</b>

### Blessing at 11th Operating Room Utilization

	Rooms	IP Cases	Op Cases	IP Surgery Time	OP Surgery Time	Prep and Clean Up	Total Hours	IP Avg Case Time	OP Avg Case Time
11th Cardiovascular	1	224	105	437	148		585	1.95	1.41
11th Dermatology									
11th General	8	713	1,107	1,112	1,180		2,292	1.56	1.07
11th Gastroenterology		50	64	38	44		82	0.76	0.69
11th Neurology		273	69	898	162		1,060	3.29	2.35
11th OB/Gynecology		67	283	102	415		517	1.52	1.47
11th Oral/Maxillofacial		6	50	7	80		87	1.17	1.60
11th Ophthalmology			2		4		4		2.00
11th Orthopedic		542	653	1,238	855		2,093	2.28	1.31
11th Otolaryngology		37	191	46	171		217	1.24	0.90
11th Plastic Surgery		8	35	10	56		66		1.60
11th Podiatry		17	19	15	18		33	0.88	0.95
11th Thoracic		33	1	93	3		96	2.82	3.00
11th Urology		163	672	192	645		837	1.18	0.96
<b>Total</b>	<b>9</b>	<b>2,133</b>	<b>3,251</b>	<b>4,188</b>	<b>3,781</b>		<b>7,969</b>	<b>1.96</b>	<b>1.16</b>

### ASTC Procedure Room Utilization For Reporting Year

Original Blessing Hospital ASTC Procedure Room	3	4,452	-	1,971	520	2,491
Revised Blessing Hospital ASTC Procedure Room	3	4,452	-	1,971	260	2,231
Change					(260)	(260)
Reason for Change						

Prep/Cleanup on Proc Rooms Recorded at higher Surg Room rate

### Blessing at 11th Procedure Room Utilization

Original Blessing Hospital at 11th Procedure Rooms	4	428	4,615	233	2,047	-	2,280
Revised Blessing Hospital at 11th Procedure Rooms	1	428	163	233	76	-	309
Change	(3)	-	(4,452)	-	(1,971)	-	(1,971)
Reason for Change	Double Reported		Double Reported		Double Reported		New Total

Exhibit 1

Exhibit 2

Permit Application 18-010, Blessing Hospital Medical Office Building, Pages 1 and 65

18-010

[ ORIGINAL ]

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- 02/2017 Edition

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

RECEIVED

FEB 27 2018

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Blessing Hospital
Street Address: 1005 Broadway
City and Zip Code: Quincy, Illinois 62305
County: " Health Service Area: E Health Planning Area: 5

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Blessing Hospital
Street Address: 1005 Broadway
City and Zip Code: Quincy, Illinois 62305
Name of Registered Agent: Betty Kaspane
Registered Agent Street Address: 1005 Broadway
Registered Agent City and Zip Code: Quincy, Illinois 62305
Name of Chief Executive Officer: Maureen Kahn
CEO Street Address: 1005 Broadway
CEO City and Zip Code: Quincy, Illinois 62305
CEO Telephone Number: 217-223-8400 ext. 6807

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	

o Corporations and limited liability companies must provide an Illinois certificate of good standing.

o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Betty J. Kaspane
Title: Vice President Corporate Compliance
Company Name: Blessing Hospital
Address: 1005 Broadway
Telephone Number: 217-223-8400 ext. 6808
E-mail Address: betty.kaspane@blessinghealthsystem.org
Fax Number: 217-223-6891

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Jayne Huseman
Title: Administrative Director, Facilities, Engineering and Development
Company Name: Blessing Hospital
Address: 1005 Broadway
Telephone Number: 217-223-8400 ext. 6738
E-mail Address: jayne.huseman@blessinghealthsystem.org
Fax Number: 217-223-6891

Purpose 1110.230

1. Blessing Hospital engaged a third party firm to do a medical staff development plan. The plan calls for the continued need to address shortages in the area. The plan calls for additional recruitment of physicians inclusive of primary care and specialist. The current medical office buildings are out of space. The need for a new building to house physicians is the reason for this project.
2. For over a 140 years, Blessing Hospital has served the health care needs of the people of West Central Illinois, Northeast Missouri and Southeast Iowa. Approximately 174,724 people live within 50 miles of Blessing Hospital. Blessing is the largest hospital for 100 miles.

The hospital's primary market area covers six counties – four in West Central Illinois (Adams, Brown, Pike, and Hancock) and two in Northeast Missouri (Marion and Lewis.)

3. The existing need is for additional medical office building space. Last year Blessing recruited 28 new physicians and a plan to recruit that many more in 2018-19. ECG completed a physician master plan for the community which identified the need for primary as well as specialty care. Blessing continues to successfully recruit new physicians and needs the space as the current medical office building is at capacity.
4. The sources are:
  - A. U.S. Census Bureau Statistics
  - B. ECG Management Consultants- Master Plan Physician need.
5. The project will enhance patient care by making access to more primary care and specialist available in the community
6. A goal is to provide for additional access for patients as well as space to allow for physician recruitment. The timeframe for achieving the goal is 12/31/2020 as the completion of the project

Exhibit 3

Transcript of Open Session Meeting June 5, 2018  
State of Illinois Health Facilities and Services Review Board  
Review of Project 18-010 -- Pages 1, 117, 118



**Planet Depos**  
We make it happen

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# Transcript of Open Session Meeting

**Date:** June 5, 2018

**Case:** State of Illinois Health Facilities and Services Review Board

**Planet Depos**

**Phone:** 888.433.3767

**Email:** [transcripts@planetdepos.com](mailto:transcripts@planetdepos.com)

[www.planetdepos.com](http://www.planetdepos.com)

**WORLDWIDE COURT REPORTING | INTERPRETATION | TRIAL SERVICES**

Exhibit 3

1 that is a big variability in our building.

2 So, Pat, I don't know if anything that I  
3 left from a finance -- or if anybody has any  
4 questions.

5 CHAIRWOMAN OLSON: Questions?

6 MEMBER SEWELL: She said doctor first.  
7 You may ask my question.

8 MEMBER MC NEIL: We never know.

9 How many patients do you have headed over  
10 to Iowa, Peoria, leaving the area because of  
11 current -- you don't know if it's current  
12 facilities, but the expectation of the nice  
13 lobbies, all of the things you've talked about?

14 MS. KAHN: I would tell you that the  
15 biggest area that we have identified outmigration  
16 is in orthopedics, and we are watching 750 and  
17 above cases leaving the marketplace due to access,  
18 due to service availability, as well as making  
19 sure that the services are all wrapped together.  
20 So you don't have to go here for this piece, then  
21 drive another a couple blocks to go here for this  
22 piece.

23 That's what we're looking to do to package  
24 our services that move, but ortho is our number



1 one outmigration area.

2 Pat, would you say anything else.

3 MR. GERVELER: WE do look at the market  
4 for our outpatient services. We see about 20 to  
5 30 million -- not on cases but we look at a dollar  
6 amount -- that migrate out of the region. And to  
7 Maureen's point, probably a large majority of that  
8 is in the orthopedic area.

9 MEMBER MC NEIL: Where do they go?

10 MR. GERVELER: We see in orthopedics  
11 they'll go, a lot of them over to University of  
12 Missouri, Columbia, Missouri, town St. Louis,  
13 also, to that market. As Maureen said, we're a  
14 little over 100 miles from Columbia, Missouri,  
15 Springfield, or St. Louis, and Iowa would be  
16 Iowa City.

17 MEMBER MC NEIL: While we talk about  
18 dollars, let's understand from a patient's  
19 standpoint they're driving 100, 200 miles, four  
20 hours, six hours round trip. So that's the other  
21 side of the issue just in human capital spent.

22 MS. KAHN: Correct, convenience.

23 CHAIRWOMAN OLSON: Other questions or  
24 comments, Mr. Sewell?