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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

March 25, 2019

To: Courtney Avery
Mike Constantino
Members, Illinois Health Facilities and Services Review Board

From: Ralph Weber, CON Consultant

Re: Project 18-042
Quincy Medical Group Surgery Center
Analysis and Comments subsequent to March 5 Intent-To-Deny
Utilization analysis incorporating Blessing Hospital and ASTC revised March 5 data.
Other comments.

The following additional information is submitted as relevant to the Ambulatory Surgery Treatment Center project proposed by Quincy Medical Group ("QMG"). This memo is one of several being submitted to the State as additional information subsequent to the March 5 Intent-to-Deny. The information in this memo covers five topics, primarily related to surgery operating room and procedure room volumes at Blessing Hospital and Blessing's ASTC. The data are updated to incorporate Blessing's revised utilization data submitted on January 23 to HFSRB, and accepted by HFSRB at its March 5, 2019 Board meeting ("March 5 data").

The five topics, labeled A through E below are:

- A. Utilization of Blessing's total 16 ORs and procedure rooms and comparison to the State standard of 1500 hours/year/room.
- B. Analysis and projection of Blessing's outpatient volumes to demonstrate that QMG's proposed project has no adverse impact on Blessing.
- C. Comment on projected volumes at QMG's proposed ASTC, as calculated in the State Board Staff Report for the March 5, 2019 Board Meeting ("Initial Staff Report"), page 24.
- D. Rebuttal to statement made at the Public Participation session on March 5 comparing the proposed ASTC volume in a future year to Blessing's historic 2017 level.
- E. Comment regarding Blessing's erroneous surgery volume reports in the official State profiles.

The enclosed Table (**Exhibit 1**) shows the recent filings of utilization data reported by Blessing Hospital for its hospital ORs and procedure rooms and for its ASTC. The section shaded in grey at the bottom of the table reflects Blessing's March 5 data, which is the data used in this letter. Other sections of the table show Blessing's data submitted in March, 2018 and published by the State in November, 2018, and Blessing's revision of that data accepted by HFSRB on December 4, 2018. The March 5 data is Blessing's second correction of its utilization data originally published in November, 2018.

For simplicity, the table and the majority of the following analysis use hours (not cases) to measure utilization. Hours is the selected measure because the State's standard for utilization is an hours standard (1500 hours per year per room).

A. Blessing's 16 operating and procedure rooms will meet State utilization standards in year 2021, the year QMG's proposed ASTC will open. Refer to the enclosed Chart titled: Blessing Hospital and ASTC Surgery Utilization (Exhibit 2).

Analysis:

1. Blessing's combined hospital ORs, procedure rooms and ASTC ORs and procedure rooms accommodated 18,957 hours in year 2017 (outpatient and inpatient total volume).

(5,886 Hospital ORs hrs outpt + 310 Hospital proc rm hrs + 4810 ASTC ORs hrs + 2,567 ASTC proc rm hrs + 5,384 Hospital ORs inp hrs = 18,957 total hours)

2. The increase to 18,957 hours from 15,069 hours in year 2013 is an annual average increase of 6.5%.
3. At an annual rate of 6.5%, year 2021 total hours are projected to be 24,479 hours (inp + outpt).
4. At the State standard of 1500 hours per room per year, 24,479 hours require 16.3 rooms.
5. Blessing currently operates 16 rooms at its hospital and ASTC.

Conclusion:

The two IDPH-licensed surgery facilities in the 21-mile radius Geographic Service Area ("GSA") are utilized at or above the State's utilization standard. This statement is relevant to Criterion 1110.235(c)(6)(B), Service Accessibility.

B. The proposed ASTC will have no adverse impact on Blessing's ORs and procedure rooms. Refer to the enclosed Chart titled: Blessing Hospital Outpatient Surgery Hours (Exhibit 3).

Analysis:

1. Blessing's combined ORs and procedure rooms accommodated 13,317 outpatient hours in year 2017. (This is a reduction of 319 hours from the 13,636 hours reported by Blessing in its utilization data accepted by HFSRB on December 4, 2018.)

(5,886 Hosp OR otpt hrs + 54 Hosp proc rm otpt hrs + 4,810 ASTC ORs hrs + 2,567 ASTC proc rm hrs)

2. The increase to 13,317 hours from 9,754 hours in year 2014 is an average annual increase of 12.2%.

(13,317 - 9,754 = 3,563; 3,563 / 9,754 = 36.5%; average for the three years is 12.2%)

3. The annual rate of growth is increasing, reflected in the 15.3% increase from year 2016 to 2017.

(13,317 - 11,551 = 1,766; 1,766 / 11,551 = 15.3%)

4. At an annual rate increase of 12.2%, Blessing's year 2023 total outpatient hours are projected to be 26,568 hours.

5. Deducting 10,650 projected hours at the proposed QMG ASTC in year 2023 results in 15,918 outpatient hours remaining at the Blessing facilities.

$$(26,568 \text{ hours} - 10,650 \text{ hours} = 15,918 \text{ hours})$$

6. 15,918 hours far exceeds Blessing's reported 13,317 hours in year 2017.

7. If a more conservative growth rate of 10.5% were to be applied, Blessing's year 2023 total outpatient surgical and procedure hours would be 24,243 hours. Deducting 10,650 hours would result in a volume of 13,593 outpatient hours remaining at Blessing. This volume exceeds the volume of 13,317 hours in 2017, the most current year reported. QMG and Blessing will continue use of Blessing's existing surgery center, which will have volumes exceeding year 2017 levels.

Conclusion:

Within 24 months after project completion, QMG's proposed project will not lower, to a further extent, the utilization of other GSA facilities that are currently (during the latest 12 month period) operating below the State's utilization standard. This statement is relevant to Criterion 1110.235(c)(7)(C)(ii), Unnecessary Duplication/Maldistribution/Impact to Area Providers.

C. Comment on State Board's Staff's Analysis on Pages 23-24 of the Initial Staff Report:

The State Board's Staff's analysis set forth on pages 23-24 of the Initial Staff Report estimates that 12,943 hours will be the volume at QMG's new ASTC in year 2023, based on the assumption that 48% of the total outpatient surgery hours will be reduced at Blessing. This figure overstates the impact on Blessing's surgical facilities.

Comment:

1. QMG states in the permit application in several places that its projected year 2023 volume is 10,650 hours.

2. The 48% figure noted in the Initial Staff Report was derived as a proportion of Blessing's total cases and hours in year 2017. While that may have been the case in 2017, QMG does not anticipate that its future proportion of Blessing's hours remains a constant. The proportion of cases that are QMG's is projected to decline. This reflects Blessing's announced plans to recruit a significant number of its own employed physicians. In its permit application for project #18-010, Blessing reported the recruitment of 28 physicians in 2017-18, and that many more in 2018-19. It is highly likely that many of these physicians will be surgeons. QMG reflected this recruitment in QMG's permit application by showing a reduced proportion of cases projected to be done by QMG physicians.

3. As evidence, page 103 of QMG's permit application presents historic and projected cases and hours at its proposed surgery center. (See enclosed **Exhibit 4**, Table on QMG Historical and Projected ASC Case Volume by Specialty, pg. 103 of QMG's Application.) The year 2023 projection of 10,650 hours appears

on this page, as well as elsewhere in the permit application. Footnote 4 on the table states that future year projections assume a 1.5% growth rate, significantly less than the historic 5% growth shown in the table. This conservative future year projection reflects the significant recruitment of physicians by Blessing, which will sustain (and build) volumes at Blessing's existing surgical facilities.

4. The volume of 12,943 hours requires 8.6 rooms and the State's standard of 1500 hours/year/room. This exceeds the number of rooms requested in QMG's project. If QMG had projected this higher volume, it would have required a 9th room.

Conclusion:

The State Board's Staff's statement that 12,943 hours will be reduced at Blessing (page 24 of the Initial Staff Report) as a result of QMG's surgery center overstates the volume that will be reduced. The volume is forecast and expected to be only 10,650 hours in year 2023.

D. Rebuttal to Blessing's statement that QMG's surgery center will take draw more than 100% of the volume from the existing Blessing ASTC.

At the March 5 public comment session, Ms. Kahn, President and CEO of Blessing Health System, stated:

"The application states that QMG needs 12,654 surgical cases to meet target utilization. The existing ASTC has a total of 10,804 cases in 2017, so this application requires a hundred percent of the volume from the current ASTC plus nearly 2,000 additional cases from the hospital."

(See enclosed Exhibit 5, pg. 77 of Draft Transcript Excerpt.)

This statement is flawed for two reasons:

1) It compares QMG's projected year 2023 volume to Blessing's historic 2017 utilization level, ignoring the fact that Blessing's outpatient surgical cases are growing at an historic annual average rate of over 12%. A valid comparison requires QMG's projected volume to be compared to a projected Blessing forecast that incorporates some factor for historic growth.

2) It compares QMG's forecast to a volume level in the Blessing ASTC only. QMG's outpatient surgical volume forecast is based on volume not just in Blessing's ASTC but outpatient volumes in the hospital ORs and procedure rooms as well, for those cases appropriate in ASTCs.

It is true that QMG forecasts a surgical volume of 12,654 cases at the proposed ASTC in year 2023. This is the volume forecast associated with the projected 10,650 hours in the permit application. Blessing's CEO, however, then compares this year 2023 projected case volume to Blessing's 2017 volume of 10,804 cases. This is not an appropriate comparison.

The appropriate comparison is to compare the QMG projected 10,650 hours of outpatient surgery in year 2023 to Blessing's 13,317 outpatient surgical hours in the hospital and ASTC in year 2017, and to a projected Blessing 24,243 hours in year 2023 (based on a conservative 10.5% annual growth), or 26,568 hours (at the average annual historic rate of 12.2%).

Conclusion:

The State Board's Staff should not accept or incorporate a misleading comparison of QMG's projected volume to Blessing's historic volume at the ASTC.

E. Comment regarding Blessing' erroneous surgery volume reports in the official State profiles.

Blessing's numerous changes of its reported cases and hours for surgical and procedure rooms, particularly while the QMG application is in the review process, is suspicious. As legal counsel for QMG articulated in its February 8, 2019 letter, a provider opposing a project should not 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. The State should be cautious and discount any negative implication these changing numbers may have on QMG's proposed project to establish an ASTC.

Blessing's original report of year 2017 data, filed in March 2018 and published by the State in November 2018, stated a volume of 9622 surgical hours in the Blessing ASTC ORs. This number was reduced by 4812 hours in a new Blessing report accepted by the State Board in December 4, 2018. The new Blessing report changed the ASTC OR hours to 4810 for year 2017. The original 9622 hours for 2017 was 100% more than the corrected number. That is a mistake that should have been obvious and caught in any quality control exercise by the hospital's Compliance Office.

Yet, Blessing failed to identify other mistakes in November/December, and submitted additional changes on January 23, 2019. These changes acknowledged that there had been double counting of cases and hours; changes reducing some of its volumes further. Blessing admitted the additional mistake of not showing any procedure room volumes for years 2016 and 2017 at the hospital. This kind of mistake should easily be caught in a quality control review of data before it is submitted.

On March 5, 2019, Blessing representatives appeared before the State Board to explain its mistakes that it sent to the State on January 23. The comments made were apologetic, but offered no explanation or justification for the changing numbers. (See enclosed Exhibit 6, pgs. 405-414 of Draft Transcript Excerpt, recording comments made by Blessing's representatives and the discussion with the State Board members.) Blessing's comments included statements like: "They were reported in error," "Very honestly, there was a major error," "I don't have an excuse for that," and "[Hours] were double counted." (Exhibit 6, p. 407.)

Numbers that hospitals and ASTCs submit to the State play an important role in the State's review of permit applications for new services and capital expenditures. Blessing's careless neglect in providing inaccurate numbers could have positioned it for a future expansion project, or have significant and negative affect on other projects proposed in the planning area.

Fortunately, the most recently reported and accepted numbers do not have a negative impact on QMG's project. As reported in sections A and B above, Blessing's ORs and procedure rooms will meet the State utilization standards in year 2021, the year QMG's proposed project will open, and Blessing's projected outpatient surgical and procedure volumes in year 2023 will not be less than their 2017 volumes. These

analyses incorporate the new numbers which Blessing presented to the Board on March 5, which are now "official."

Enclosures – Exhibits 1-6

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 HFSRB on December 4, 2018; d) Blessing's data revised in January 2019 (accepted by HFSRB March 5, 2019 - SHADED))

Source: HFSRB Profiles and Blessing reported data

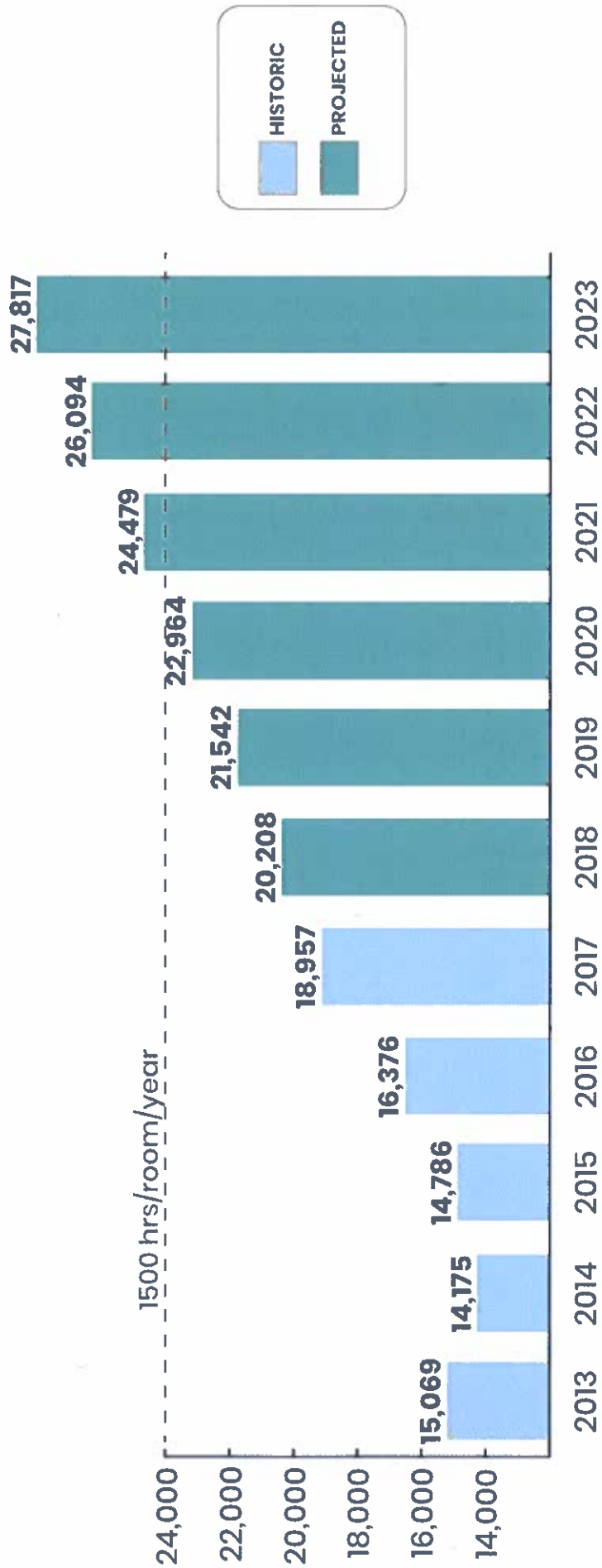
	Blessing Hospital (hrs)		Blessing ASTC (hrs)		Blessing (hours)		
	ORs (outpt)	Procedure Rms (outpt)	ORs	Procedure Rooms	Total Hrs Outpatient	Total Hrs Inpatient*	Total Hours (Inpt + Outpt)
a) Permit Application submitted Oct, 2018							
2013	3310	683	3568	2423	9984		
2014	3781	2343	3666	2491	12281		
2015	4027	2103	3752	2641	12523		
2016	4527	NA 2103e	4283	2875	NA 13788e		
2017 (est)	4527	2103	4283	2857	13788		
b) Original 2017 data published Nov 2018							
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
c) Revised 2017 data 4-Dec-18							
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
d) Revised data 5-Mar-2019							
2013	3310	683	3568	2423	9984	5085	15069
2014	3781	76	3666	2231	9754	4421	14175
2015	4027	45	3752	2350	10174	4612	14786
2016	4527	51	4472	2501	11551	4825	16376
2017	5886	54	4810	2567	13317	5640	18957

Note: * indicates Blessing Hospital ORs and Procedure Rooms total inpatient hours

Exhibit 1

BLESSING HOSPITAL AND ASTC SURGERY UTILIZATION

(TOTAL HOURS FOR COMBINED INPATIENT & OUTPATIENT CASES)



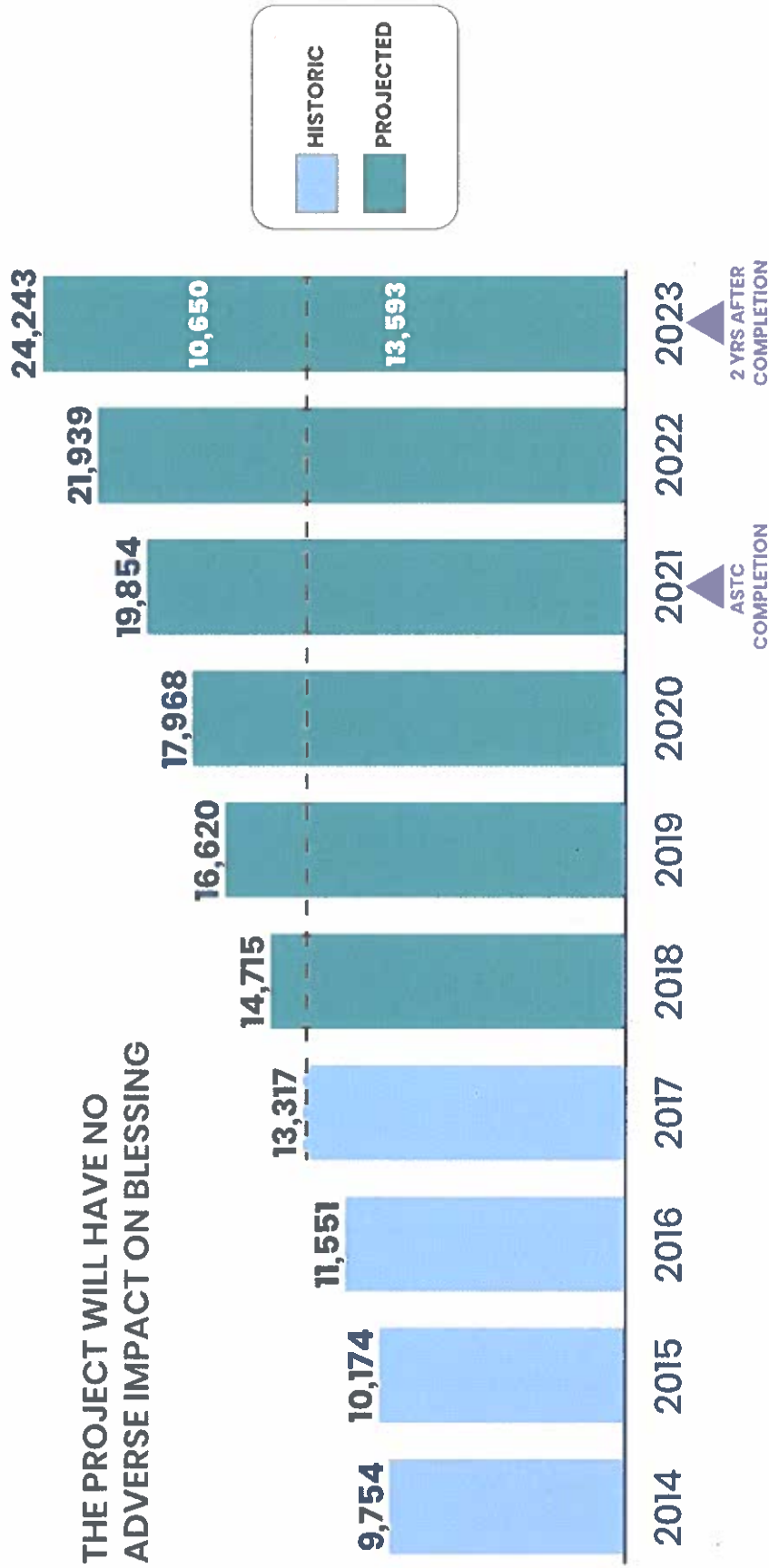
- Historic actual average annual increase of 6.5%
- Projecting continued 6.5% growth results in 24,479 total hours in 2021
- 24,479 requires 16.3 ORs (17) at 1500 hrs/rm/yr
- This is full utilization of Blessing's 16 ORs

Exhibit 2

BLESSING HOSPITAL OUTPATIENT SURGERY HOURS

(OUTPATIENT HOURS ASSOCIATED ALL ASTC CASES AND HOSPITAL OUTPATIENT CASES)

THE PROJECT WILL HAVE NO ADVERSE IMPACT ON BLESSING



- Historic actual annual increase of 12.2%
- Projecting 10.5% growth through 2023
- Blessing outpatient hours in 2023 will exceed 2017 actual

Exhibit 3

QUINCY MEDICAL GROUP
QUINCY-QMG CON VOLUME ANALYSIS

QMG HISTORICAL AND PROJECTED ASC CASE VOLUME BY SPECIALTY FOR ALL LOCATIONS CY2012 - CY2023¹

ASC Surgical Type ^{6,7,9}	Historic (cases) - All Locations OP Only ^{2,3}										Projected (cases) ⁴					proj'd hrs ⁵	Hrs/Case ⁵
	2012	2013	2014	2015	2016	2017	2018 ^{8,10}	2019	2020	2021	2022	2023	2023				
Cardiovascular	-	-	30	106	126	127	181	184	187	190	193	196	129	0.66			
Gastroenterology	3,516	3,660	3,770	4,237	4,245	4,187	4,114	4,176	4,239	4,303	4,368	4,434	2,684	0.61			
General Surgery	1,377	1,264	1,361	1,349	1,396	1,328	1,250	1,269	1,288	1,307	1,327	1,347	1,658	1.23			
Neurological Surgery	25	31	53	104	196	226	264	268	272	276	280	284	421	1.48			
Obstetrics/Gynecology	270	257	271	411	388	386	416	422	428	434	441	448	524	1.17			
Ophthalmology	1,982	2,408	2,400	2,524	2,412	2,598	2,666	2,706	2,747	2,788	2,830	2,872	1,478	0.51			
Oral/Maxillofacial Surgery	-	-	-	-	-	-	8	8	8	8	8	8	12	1.53			
Orthopedic Surgery	656	634	633	822	742	736	852	865	878	891	904	918	1,362	1.48			
Otolaryngology	459	456	372	339	383	390	196	199	202	205	208	211	224	1.06			
Plastic Surgery	482	614	618	187	381	465	432	438	445	452	459	466	630	1.35			
Podiatric Surgery	129	140	171	228	263	243	290	294	298	302	307	312	428	1.37			
Urology	480	422	556	675	704	940	980	995	1,010	1,025	1,040	1,056	980	0.93			
Other - Pulmonology	-	-	21	67	85	69	96	97	98	99	100	102	120	1.18			
Subtotal ASC Surgical Type	9,376	9,886	10,256	11,049	11,321	11,695	11,745	11,921	12,100	12,280	12,465	12,654	10,650	0.84			
Other - Cardiac Catheterization	694	741	912	911	890	794	584	593	602	611	620	629	413	0.66			
Total ASC + Cardiac Catheterization Volume	10,070	10,627	11,168	11,960	12,211	12,489	12,329	12,514	12,702	12,891	13,085	13,283	11,063	0.83			

¹ ASC-eligible case volume was derived based upon cases that are approved on the ASC Medicare approved list and case typically paid by commercial payors.
² Inpatient/Outpatient designation was not available for 2012-2014 historical case volume; Outpatient volume for these years was estimated using 2018 experience data.
³ Historical ASC-eligible OP cases were reduced by 15% to control for co-morbidities, insurance denials, patient preference, and other unknown factors that may prevent the case from being done in the ASC.
⁴ Projected case volume assumes an increase of 1.5% per year.
⁵ Projected hours were based on Statewide and HSA 3 information on ASC's provided by the State HFSRB website; Times include surgery time, prep and clean up.
⁶ Physicians specializing in Neurology or Trauma/Critical Care Surgery were excluded from ASC-eligible volumes.
⁷ Other - Pulmonology refers to cases being performed by Dr. Elie Chbeir.
⁸ Full year surgical case volume for 2018 was annualized using 6 months of experience data from 1/1/18 through 6/30/18.
⁹ Other - Cardiac Catheterization volume includes only non-surgical CPT codes beginning with 7- or 9-.
¹⁰ The decrease in Other - Cardiac Catheterization volume in 2018 reflects Dr. Efstratiadis's departure in June 2018. QMG expects half of his volume to be replaced by new physicians going forward.

Transcript of Open Session Excerpt
Conducted on March 5, 2019

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1 Health System.

2 I must oppose QMG's surgery center
3 application. The application proposes to take all
4 the volume out of the existing ASTC and transfer
5 it to a new one, the most extreme duplication
6 possible.

7 Your rules quantify unnecessary
8 duplication by measuring the impact on utilization
9 of existing facilities, and here it's a hundred
10 percent. Actually, it's more than a hundred
11 percent.

12 The application states that QMG needs
13 12,654 surgical cases to meet target utilization.
14 The existing ASTC has a total of 10,804 cases in
15 2017, so this application requires a hundred
16 percent of the volume from the current ASTC plus
17 nearly 2,000 additional cases from the hospital.

18 QMG previously owned the existing ASTC.
19 They had a cash crisis and sold it to us in 2006.
20 QMG has managed the facility for us ever since.
21 It's ironic and startling that QMG would raise
22 management concerns to help justify this new ASTC.

23 Pursuant to the existing management
24 agreement, I requested a meeting with QMG's chief

1 (Laughter.)

2 MEMBER DEMUZIO: Anything you want.

3 MR. KNIERY: I was sworn in already.

4 CHAIRMAN SEWELL: So can I entertain a
5 motion to adjourn now?

6 MS. MITCHELL: No.

7 CHAIRMAN SEWELL: What do we have now?

8 MS. MITCHELL: Blessing. Blessing.

9 CHAIRMAN SEWELL: Oh, Blessing. Okay.
10 who's going to talk about that?

11 MS. AVERY: Melanie, one second. Wait a
12 minute.

13 (An off-the-record discussion was held.)

14 CHAIRMAN SEWELL: So Blessing.

15 MR. CONSTANTINO: Yes. They're coming
16 right to the table right now. Yes.

17 CHAIRMAN SEWELL: All right. Here we are.
18 Good.

19 MS. MITCHELL: We'll get it together.
20 It's late.

21 CHAIRMAN SEWELL: Why am I standing up?

22 (An off-the-record discussion was held.)

23 THE COURT REPORTER: Would you raise your
24 right hands, please.

1 (Two witnesses sworn.)

2 THE COURT REPORTER: Thank you.

3 CHAIRMAN SEWELL: So what are we doing?

4 You-all have something to say; right?

5 MS. AVERY: Mike.

6 MS. MITCHELL: Mike has something to say.

7 CHAIRMAN SEWELL: Oh, Mike has something
8 to say.

9 MR. CONSTANTINO: I would like to get on
10 the record why their profile information changed,
11 what was the reason for it.

12 If you guys could do that for me, I'd
13 appreciate it.

14 MS. KASPARIE: I'll start.

15 MS. AVERY: Can I -- excuse me. Can I add
16 to it?

17 And a plan going forth of how we want to
18 have this to happen in the future.

19 MS. KASPARIE: First of all, my name is
20 Betty Kasparie.

21 MS. MITCHELL: You have to move the
22 microphone closer to you.

23 MS. KASPARIE: Gotcha.

24 My name is Betty Kasparie, and I do

1 apologize for the incorrect numbers, just
2 up-front, go ahead and say that.

3 The numbers were submitted to you
4 originally for '14, '15, '16, and '17. Each year
5 that we have submitted those numbers, there was
6 never any identification by the State or us that
7 there was any error.

8 It came to our attention by Mike, who
9 suggested there was a question about our numbers,
10 so we went back and looked at those numbers, and
11 when you look at the 2017 numbers, it was 9,622
12 for the ASTC that got doubled. They were reported
13 in error, so we reported that, fixed that number.

14 Then what happened was a question came
15 back about the numbers related to the outpatient
16 hours for '16 and '17, and there was just -- very
17 honestly, there was a major error. I don't have
18 an excuse for it. There was a major error in the
19 reporting, and we did some cleanup. So
20 I apologize for that.

21 Then the question came back in terms of
22 some additional cleanup, and what we have done is
23 that when you looked at the '14 and '15 hours,
24 those were double-counted. We do a report for the

1 ASTC, and we do a report for outpatient surgery.
2 Those numbers were double-counted.

3 So the ASTC numbers were counted -- was it
4 twice? -- were double-counted for the ASTC; is
5 that correct?

6 I'm not sure I've got that right.

7 They were double-counted for the ASTC.
8 There were a few that were missed, so we went back
9 and we made sure that we had the corrections.

10 All I can say is I apologize for the
11 errors. As Mike asked us, we went back and
12 relooked at the numbers. In hindsight, we should
13 have looked at all the numbers the first time he
14 asked, but we didn't know there was a project at
15 that time when we were looking at the numbers. So
16 I apologize.

17 MS. KAHN: Justin, could you explain how
18 these errors are not going to happen in the
19 future, the process that will be put in place.

20 CHAIRMAN SEWELL: Before we do that, is
21 anyone from Blessing Hospital able to assure this
22 Board that these numbers were not changed in
23 anticipation of this project that we just heard
24 for the last hour or so?

1 MS. KAHN: Two hours.

2 CHAIRMAN SEWELL: Two hours.

3 MS. KAHN: Absolutely. I -- I swore to
4 tell the truth.

5 We got a call -- Betty got notified that
6 there was a question about our numbers. We did
7 not know we had an error in our numbers until we
8 were called --

9 CHAIRMAN SEWELL: Right.

10 MS. KAHN: -- and notified. And so we
11 went back in. Because, as you know, we're
12 correcting numbers that are going back to 2014.

13 CHAIRMAN SEWELL: Okay.

14 MS. KAHN: We did not know we had an error
15 at the time.

16 CHAIRMAN SEWELL: Okay. Now go ahead with
17 what you were saying.

18 MR. CONSTANTINO: Mr. Sewell, I want to
19 point out, though, once these -- if you correct
20 these numbers, they will be used in another report
21 we submit to you.

22 MS. MITCHELL: For the -- after the intent
23 to deny?

24 MR. CONSTANTINO: Yes. Because we'll use

1 the approved numbers.

2 MS. MITCHELL: When the project comes up
3 again?

4 MR. CONSTANTINO: When the project comes
5 up again, yes.

6 So you will see different numbers in the
7 report that we submit to you when this project,
8 18-042, comes back.

9 I didn't want you to get the mistaken
10 impression those numbers wouldn't change.

11 CHAIRMAN SEWELL: Do you need time to
12 analyze the corrections?

13 MS. AVERY: Yes.

14 MR. CONSTANTINO: Yes. We're going to
15 take a look at it, yes. I haven't used them
16 because you haven't approved it yet.

17 CHAIRMAN SEWELL: Should we table it until
18 you've had a chance to do that?

19 MR. CONSTANTINO: Oh, no, no. You have to
20 approve it so I can take a look at it.

21 CHAIRMAN SEWELL: I see.

22 MS. AVERY: But what would -- are you
23 saying that it would drastically change --

24 MR. CONSTANTINO: I don't believe it's

1 going to drastically change those numbers, but it
2 will change them.

3 (An off-the-record discussion was held.)

4 CHAIRMAN SEWELL: Well, you know, the
5 numbers are what they are. And if Blessing is
6 affirming that they are corrected, we have to deal
7 with that regardless of what the consequences are.

8 MEMBER MC NEIL: Absolutely.

9 CHAIRMAN SEWELL: I mean, that's pretty
10 straightforward, yeah.

11 MS. MITCHELL: Okay.

12 MR. CONSTANTINO: I didn't want you to
13 think there was --

14 CHAIRMAN SEWELL: No. Not -- now, what
15 action do we need to take?

16 MR. CONSTANTINO: You just have to take a
17 vote, approval -- a vote of approval.

18 CHAIRMAN SEWELL: Are we ready to vote?
19 Do you have more to say about that?

20 MS. KAHN: I think Justin was going to let
21 you know that we have --

22 CHAIRMAN SEWELL: I'm sorry. I
23 interrupted.

24 MS. KAHN: -- put a process in place.

1 MR. HALE: My name is Justin Hale. And
2 I'm -- we have to be more diligent to make sure
3 the source systems data is accurate and there is
4 no double-counting.

5 we do -- will try to be more diligent
6 about the prior-year comparisons that would have
7 caught one of the anomalies that would have
8 been -- obviously -- would have been, you know, a
9 hundred percent increase or whatever.

10 So we just have to make sure that we're
11 double-checking and doing check totals and all the
12 kind of usual audits in that process.

13 I apologize that we didn't catch those in
14 the process, but we will going forward.

15 MS. MITCHELL: Okay.

16 MS. KAHN: And if I could just add one
17 thing, Mr. McNeil, Senator, your comments -- and
18 Chairman Sewell -- your comments today after a
19 long, long day -- I have certainly heard your
20 comments. I take them extremely serious. I've
21 heard all the Board members' comments.

22 I need to go back to my community. I will
23 work with the CEO. Regardless of what the outcome
24 is, the community needs to heal.

1 And I thank you for those comments. So
2 I just want you to know I heard that --

3 CHAIRMAN SEWELL: All right.

4 MS. KAHN: -- and regardless of the
5 outcome --

6 MS. AVERY: Wait. We're going to have to
7 stop you. I'm sorry.

8 MS. MITCHELL: Technically --

9 MS. AVERY: We have to get to the profile.

10 MS. KAHN: Right. I'm sorry. I just want
11 you to know --

12 MS. AVERY: We hear it. Sorry about that.

13 MS. KAHN: That's okay.

14 CHAIRMAN SEWELL: Is there any more on the
15 profile?

16 And what are we doing now? Voting?

17 MS. MITCHELL: Yes.

18 MEMBER MC NEIL: Call the question.

19 MS. AVERY: Do you have a motion?

20 MS. MITCHELL: Do you have a motion?

21 CHAIRMAN SEWELL: Is there a motion on the
22 floor?

23 MS. MITCHELL: No.

24 CHAIRMAN SEWELL: Not about Blessing.

1 MS. MITCHELL: Not about Blessing.

2 MEMBER MC GLASSON: So we're voting to
3 accept the --

4 MS. MITCHELL: -- the profile changes.

5 CHAIRMAN SEWELL: -- the corrected profile
6 changes.

7 MEMBER MC GLASSON: I'll make that motion.

8 CHAIRMAN SEWELL: Okay. Is there a
9 second?

10 MEMBER MC NEIL: I'll second.

11 MEMBER DEMUZIO: Second.

12 MS. MITCHELL: There were like three.

13 CHAIRMAN SEWELL: All in favor, aye.

14 (Ayes heard.)

15 CHAIRMAN SEWELL: Opposed?

16 (No response.)

17 CHAIRMAN SEWELL: Now can we entertain a
18 motion to adjourn?

19 MEMBER MC GLASSON: Made.

20 MEMBER MC NEIL: Seconded, third, fourth.

21 MS. MITCHELL: I get no vote, but
22 I fourth it.

23 (Ayes heard.)

24 (Off the record at 6:18 p.m.)

Table in Support of Quarry Medical Group Surgery Center, Project 88 042
 Table: Utilization data approved by Belling Hospital, hours of utilization in the Hospital and ASIC. The four sections indicate all data provided in March, 2017 for year 2016. All 2017 data submitted in March, 2018, published in November, 2018. All 2017 data revised in November, 2018 and accepted by HFSRB on December 4, 2018. All Belling's data revised in January 2019 accepted by HFSRB March 5, 2019. UNAUDITED
 Source: HFSRB Profiles and Belling Hospital data

	Belling Hospital (Beli)		Belling ASIC (Beli)		Regional (Belling)		
	ORs (hours)	Procedure Room (hours)	ORs (hours)	Procedure Room (hours)	Total Hrs (Belling)	Total Hrs (Region)	Total Hours (Belling + Region)
(i) Revised Dec 2018							
2011	3510	648	3568	2423	9949		
2012	3741	2343	2686	2493	12263		
2013	4577	2103	2721	2601	12002		
2014	4527	NA	3126	4241	1475	NA	13766
2017 (est)	4527	2303	4243	2152	13225		
(ii) Original 2017 data published Nov 2016							
2011	3310	643	3264	2423	9940	5043	15083
2012	3741	2343	2666	2493	12213	4123	16706
2013	4527	2103	2721	2641	12232	4612	17113
2014	4527	0	4243	2473	11643	4790	16475
2017	3688	0	3621	2905	10444	3184	13631
(iii) Revised 2017 data 4 Dec 18							
2011	3310	643	3264	2423	9940	5043	15083
2012	3741	2343	2666	2493	12213	4123	16706
2013	4527	2103	2721	2641	12232	4612	17113
2014	4527	0	4243	2473	11673	4790	16464
2017	3688	0	4610	2942	13640	3184	17020
(iv) Revised data 8 Mar 2019							
2011	3310	643	3264	2423	9940	5043	15083
2012	3741	26	2666	2493	9754	4423	14175
2013	4527	51	2721	2650	10174	4612	14786
2014	4527	51	4473	2401	13551	4413	16376
2017	3688	34	4610	2367	13317	3640	17053

Note: * indicates Belling Hospital ORs and Procedure Rooms total available hours

Exhibit 1