

Ophthalmology Surgery Center of Illinois (Proj. No. 18-047)
Wes Becton Presentation
February 13, 2019 Public Hearing

- Good morning, my name is Wes Becton, and I will be the administrator of Ophthalmology Surgery Center of Illinois.
- We are proposing to establish a very limited ambulatory surgical treatment facility with two operating rooms, for ophthalmology and laser eye surgeries.
- By age 65, one in three Americans will have some form of vision-impairing eye condition. There are four major age-related eye diseases that affect seniors: glaucoma, cataracts, macular degeneration and diabetic retinopathy.
 - Glaucoma occurs when the pressure within the eye is elevated, which can damage the optic nerve and result in vision loss and blindness. For patients whose glaucoma cannot be successfully controlled with medication, surgery is required to reduce eye pressure.
 - Trabeculoplasty uses a laser to improve the flow of fluids out of the eye thereby reducing pressure.
 - Trabeculectomy is a conventional surgery where the doctor creates a new drainage path in the eye, under the eyelid.
 - A cataract is a clouding of the eye's usually transparent lens. The lens is composed of water and protein, but if the protein clumps together, it can start to obscure transmission of light through the lens. If the cataract worsens and begins to severely affect vision, surgery may be necessary to remove the cloudy lens and replace it with a new one.
 - Macular Degeneration dramatically diminishes sight by affecting one's central vision. This condition affects the macula, an area at the center of the retina that is responsible for focused, central vision. Although people with macular degeneration rarely go completely blind because of it, many find it difficult to read, drive and perform

other daily functions. While macular degeneration is incurable, laser surgery and anti-angiogenic drug injections can slow the progression.

- Diabetic retinopathy is a potentially blinding disorder. Diabetes causes abnormal changes in the retina's blood vessels, causing them to become leaky and grow where they should not. These new vessels tend to break and bleed. As they try to heal, the damaged blood vessels will contract and detach the retina. There is no cure for diabetic retinopathy. However, laser treatment (photocoagulation) is usually very effective at preventing vision loss if it is done before the retina has been severely damaged. Surgical removal of the vitreous gel (vitrectomy) may also help improve vision if the condition is caught early enough.
- This project provides an alternative to higher cost hospital based care for eye surgery. By way of example, the 2017 median cost of a cataract procedure performed in a hospital in Illinois was \$9,217 compared to \$992 the Medicare reimbursement our proposed surgery center will receive. This is roughly 10% of the fee charged by hospitals in Illinois.
- Furthermore, hospitals cap the number of Medicaid cases that can be performed in a given month, limiting access to critical surgical services to an economically disadvantaged population. Currently, our physicians have ___ patients on hospital waiting lists for these vital procedures.
- While there are surgery centers within the 10 mile geographic service area, most are multispecialty surgery centers and do not focus exclusively on eyes. Further, our surgeons compete for surgical time with other specialists.
- For these reasons, we respectfully request the Health Facilities and Services Review Board approve our application for eye surgery center.

Ophthalmology Surgery Center of Illinois (Proj. No. 18-047)

Kara Friedman Presentation

February 13, 2019 Public Hearing

- Good morning, my name is Kara Friedman, and I am counsel to Ophthalmology Surgery Center of Illinois. I have a few brief comments regarding this project.
- First, I want to highlight the fact the party calling for this public hearing was involved in preliminary discussions regarding the establishment of this surgery center, and they declined to participate.
- This surgery center will provide a high quality/low cost option for patients suffering from various eye conditions.
 - MedPac recognizes the cost benefit of improved access to ambulatory surgery centers.
 - It estimates that in 2016, Medicare beneficiaries' cost sharing obligations were about \$580 million lower for procedures performed in ASCs rather than HOPDs.¹
 - Further, MedPac recognizes that "Medicare program spending and overall beneficiary cost could be reduced if more surgical services were provided in ASCs than HOPDs."
 - Similarly, UnitedHealthcare understands that procedures performed in ambulatory surgery centers minimize out-of-pocket costs for its members and improve cost efficiencies for the overall health care system. Accordingly, UnitedHealthcare mandates certain procedures, including cataracts and other ophthalmologic procedures, to be performed in an ASC unless a prior authorization is received to have the procedure performed in an outpatient hospital setting.²

¹ Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 136-37 (Mar. 2018) available at http://www.medpac.gov/docs/default-source/reports/mar18_medpac_c_entirereport_sec_rev_0518.pdf?sfvrsn=0

² UnitedHealthCare Community Plan, Utilization Review Guidelines, Site of Service Guidelines for Certain Outpatient Surgical Procedures, Guideline CS143.E (May 1, 2018)

- In 2017, nearly 1.7 million surgical procedures were performed in Illinois HOPDs and ASCs. Less than one third (503,306) of these procedures were performed in ASCs.
 - Further, approximately 190,000 outpatient eye surgical procedures were performed in HOPDs and ASCs, and less than 50% of these procedures were performed in ASCs.
 - Transitioning medically appropriate cases from an outpatient hospital setting to an ASC is a more cost effective use of health care resources.
- There is a need for this limited surgery center and the CON process should not be used to block this project.
 - As noted in the Reforming America's Healthcare System Through Choice and Competition report released late last year, evidence suggests that CON programs are frequently costly barriers to entry rather than successful tools for controlling costs or improving quality.³
 - High regulatory costs associated with filing CON applications are barriers to entry, discouraging would-be providers from entering certain healthcare markets and discouraging existing providers from expanding and innovating care.⁴
 - These regulatory costs can restrict investment that would benefit consumers and lower costs in the long term and are likely to increase, rather than constrain health care costs.⁵

³ U.S. Department of Health and Human Services et al, Reforming America's Healthcare System Through Choice and Competition 50 (Nov. 30, 2018) *available at* <https://www.hhs.gov/sites/default/files/Reforming-Americas-Healthcare-System-Through-Choice-and-Competition.pdf>

⁴ *Id.* at 54.

⁵ *Id.* at 53.



MIDWEST CENTER FOR DAY SURGERY

Re: Ophthalmology Project #18-047

To whom it may concern:

I have been the Administrator of Midwest Center for Day Surgery since 1987. Midwest Center for Day Surgery located on the campus of Advocate Good Samaritan Hospital in Downers Grove. Our ASTC strongly opposes the approval of Ophthalmology Project #18-047, Ophthalmology Surgery Center of Illinois in Itasca.

Contrary to the assertion in the Application for Permit, the proposed surgery center will have a devastating economic impact on the Midwest Center for Day Surgery. Dr. Kevin Kovach from The Kovach Eye Center has been on our surgery center's medical staff since 2009, and all current or past partners simultaneously joined the center's medical staff when they joined his group.

For the last 10 years Midwest Center for Day Surgery has enthusiastically supported and invested in all of Dr. Kovach's new ventures and surgical procedures. When he expanded his scope of practice in February 2016 by bringing on a retinal specialist, the surgery center invested \$125,000 in the specialized equipment required for these procedures. When Dr. Kovach wished to perform cataract surgery using the new femto laser technology, the surgery center agreed to house the two lasers along with other ancillary equipment. The center has purchased three microscopes at his request with 2 in the past year totaling over \$120K. All of these and other capital equipment expenditures directly contributed to Dr. Kovach's growing and broadening the scope of his ophthalmology practice well beyond what it was five years ago.

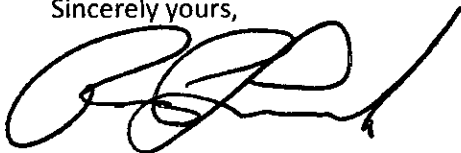
In December of 2016, Dr. Kovach was so committed to Midwest Center that he elected to further his investment and now owns 30% of the facilities ownership and when doing so committed to a 4 year restrictive covenant to remain at Midwest Center for Day Surgery. Dr. Kovach is breaking his commitment and contractual obligation to the facility and his fellow investors.

Our patient satisfaction results validate that Dr. Kovach's patients are extremely satisfied with their experience at Midwest Center for Day Surgery, especially with our talented and specialized ophthalmology nursing staff, and nearly all return to our surgery center when another eye procedure is needed.

As a result of our unflagging support of his practice, the Kovach Eye Institute surgical case volume at Midwest Center for Day Surgery during the last five years has grown to represent 34% of our total case volume. Withdrawing this volume will create a huge void in the utilization of the surgery center which will be difficult to replace as our service area is already saturated with ASTCs. An additional consequence of the loss of this volume would be the need to reduce staff hours and layoff the equivalent of 7 FTE, both clinical and business office staff.

Thank you for your attention.

Sincerely yours,



Ronald P Ladniak

Administrator

3811 Highland Avenue • Downers Grove, Illinois 60515
Phone: 630-852-9300 • Fax: 630-852-7773 • midwestsc.mwsmg.com

Good morning. My name is Deborah Gardiner and I'm one of the Directors of operations for Surgical Care Affiliates in the Chicagoland region. Thank you in advance to the Review Board members for providing us the opportunity to share our concerns regarding this project. To be clear, I'm as strong proponent of eye care, as a "Be My Eyes" app volunteer and a Board Member of Friedman Place - a non profit organization for Blind Adults in the north side of Chicago.

I'm here this morning to oppose Project 18-047, the Ophthalmology Surgery Center of Illinois, Itasca. As I reviewed the application it stated Dr. Kevin Kovach, of the Kovach Eye Institute, will pull all his surgical volume from the various facilities he currently utilizes. Almost 90% of his surgical case volume is performed at 3 sites. 50% of his volume is performed at an ambulatory surgical center that operates under my span of control. That facility, Midwest Center for Day Surgery in Downers Grove is a site that SCA is partnered with and currently operates. Dr. Kovach is also a partner and Board Member at Midwest Center for Day Surgery in Downers Grove and has one of the highest case volumes of our active physicians.

The approval of this project would have severe consequences for Midwest Center for Day Surgery as I would need to make staff reductions due to the decreased surgical volume and would lose the ability to reinvest in the center due to decreased capital. In addition, there would be reduced accessibility for patients, who currently have high satisfaction rates.

The two current facilities that Surgical Care Affiliates operate have additional capacity to perform cases and could accommodate any increase in volume from Dr. Kovach. We see no need for this project, which would be a duplication of services and have a negative impact on multiple facilities in the market. We encourage the Review Board to deny this Project.

Thank you for your time, your talent and though review of this project application.

*There are 5 ORs available to Dr. Kovach & we could provide him with additional time slots & days



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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Public Hearing Testimony Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION

Name (Please Print) Wes BECTON

City Elmhurst State IL Zip 60126

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)

Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care)

None
Ophthalmology Surgery Center
of Illinois

III. POSITION (please circle appropriate position)

Support

Oppose

Neutral

IV. Testimony (please circle)

Oral

Written



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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Public Hearing Testimony Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION

Name (Please Print) Kata Friedman

City Chicago State IL Zip ~~60636~~ 60606

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)

Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care)

Iti Ophthalmology Surgery Center

III. POSITION (please circle appropriate position)

Support

Oppose

Neutral

IV. Testimony (please circle)

Oral

Written



STATE OF ILLINOIS
 HEALTH FACILITIES AND SERVICES REVIEW BOARD

3

Public Hearing Testimony Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION

Name (Please Print) RON LADWIAK

City CLARENDON HILLS State IL Zip 60514

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)

Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care)

MIDWEST CENTER FOR EYE SURGERY

III. POSITION (please circle appropriate position)

Support

Oppose

Neutral

IV. Testimony (please circle)

Oral

Written



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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Public Hearing Testimony Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION

Name (Please Print) LUANN BREPHAN

City DEERFIELD State OH Zip _____

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)

Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care)

SURGICAL CARE AFFILIATES

III. POSITION (please circle appropriate position)

Support

Oppose

Neutral

IV. Testimony (please circle)

Oral

Written



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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Public Hearing Testimony Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION

Name (Please Print) Drew Bell

City Deerfield State IL Zip 60015

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)

Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care)

Surgical Care Affiliates

III. POSITION (please circle appropriate position)

Support

Oppose

Neutral

IV. Testimony (please circle)

Oral

Written



STATE OF ILLINOIS
 HEALTH FACILITIES AND SERVICES REVIEW BOARD

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Public Hearing Testimony Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION
 Name (Please Print) Abraham Gardino
 City Riverside State IL Zip 60546

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)
 Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care)
Surgical Care Affiliates

III. POSITION (please circle appropriate position)
 Support Oppose Neutral

IV. Testimony (please circle)
Oral Written



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

Public Hearing Appearance Only Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION

Name (Please Print) Johnny Estrada
City Naperville State IL Zip 60540

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)

Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care)

Surgery Center

III. POSITION (Circle appropriate position)

Support

Oppose

Neutral



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

Public Hearing Appearance Only Registration Form

Facility Name: Ophthalmology Surgery Center of Illinois, Itasca

Project Number: 18-047

I. IDENTIFICATION

Name (Please Print) Christine Lindsay
City Aurora State IL Zip 60503

II. REPRESENTATION (This section is to be filled if the witness is appearing on behalf of any group, organization or other entity.)

Entity, Organization, etc. represented in this appearance (i.e., ABC Concerned Citizens for Health Care) Kovach Eye Institute Operations
Manager

III. POSITION (Circle appropriate position)

Support Oppose Neutral