

September 1, 2020

Courtney Avery
Administrator
Illinois Health Facilities & Services Review Board
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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Opposition to CON Application #20-017 – Metroeast Surgery Center

Dear Ms. Avery:

As a financial professional for over 17 years in the Highland community I've seen great work that has been done by the staff of St Joseph's Hospital in Highland and urge you to consider the negative impact that this community would endure by allowing the CON application to be approved.

In this CON application, Metroeast Endoscopic Surgery Center (MESc), located in Fairview Heights, proposes to add orthopedic surgery services to its existing surgery center by redirecting 200 surgeries annually from SJH, and another 20 surgeries each year from St. Joseph's Hospital Breese. At both hospitals, these redirected surgical cases will adversely impact surgical utilization (which are already below state standards) and reduce marginal revenue at a time when they have been negatively impacted by the COVID-19 pandemic and associated state orders to suspend and limit elective procedures. In so doing, this CON project would unnecessarily duplicate existing services and adversely impact a Critical Access Hospital.

SJH is a 25-bed Critical Access Hospital, a CMS designation for rural hospitals that have 25 or fewer beds and are either located more than 35 miles from another hospital or designated by IDPH as a "Necessary Provider." By adversely impacting a Critical Access Hospital, this CON project will diminish safety net services in the area – contrary to the core goals of the Planning Act. The 200 redirected procedures represent all orthopedic surgeries and more than 15 percent of total outpatient volume at SJH. That translates into a reduction of \$1.7 million in net hospital revenue, and a loss of \$616,000 in margin – which will negate our hospital's ability to provide charity care and to cross-subsidize other services, such as the Emergency Department. For context, SJH's charity care from outpatient services totals \$640,937, while MESc reports zero dollars in charity care on over \$2.3 million in net patient revenue (CON application, p.98). For these and other reasons, I respectfully urge the Review Board to deny this CON application.

Sincerely,

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