



September 2, 2020

HSHS St. Joseph's Hospital
Breese

HSHS St. Mary's Hospital
Decatur

HSHS St. Anthony's Memorial Hospital
Effingham

HSHS Holy Family Hospital
Greenville

HSHS St. Joseph's Hospital
Highland

HSHS St. Francis Hospital
Litchfield

HSHS St. Elizabeth's Hospital
O'Fallon

HSHS Good Shepherd Hospital
Shelbyville

HSHS St. John's Hospital
Springfield

St. John's College of Nursing
Springfield

Via Electronic Delivery

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

**Re: Project #20-017, Metroeast Endoscopic Surgery Center,
Fairview Heights**

HSHS Response to Applicant's Additional Information

Dear Ms. Avery:

On July 28, 2020, the Review Board's staff requested additional information from the applicant on Project #20-017, Metroeast Endoscopic Surgery Center, Fairview Heights. The response to that request submitted on behalf of the applicant raises more questions than it answers and even contradicts material information that was verified in the permit application. I am submitting this written comment to address those matters on behalf of HSHS and its two adversely affected hospitals St. Joseph Hospital Highland ("Highland") and St. Joseph Hospital Breese ("Breese").

1. Dr. Bradley, the sole referring physician, does not appear to support this project

Contrary to the applicant's statements that Dr. Matthew Bradley is affiliated with Dr. Felix Ungacta (whom, the applicant claims, has authority over Dr. Bradley's patient referrals), it is our understanding that Dr. Bradley is not affiliated with Dr. Ungacta, has not committed any referrals to this project, does not support the project, and was not even aware of the project until earlier this week.

We had previously noted in our written comment dated June 10, 2020 that the physician referral letter on page 100 of the CON application committing to redirect 200 procedures from St. Joseph Hospital – Highland was signed by a physician, Dr. Felix Ungacta, who performed **no** surgeries at Highland in FY 2020 through April 2020. We further commented that we

surmised that the true source of the referrals was Dr. Matthew Bradley, even though Dr. Bradley is nowhere mentioned in the CON application.

The applicant's additional information now admits that our comment was entirely accurate but claims that Dr. Bradley "assigned" his case volumes Dr. Ungacta. The applicant provides no evidence of this supposed assignment, or of any other agreement by Dr. Bradley to allow a third-party to determine where his patients may or may not have their surgeries performed. As noted above, we understand Dr. Bradley had no knowledge of this project and committed no referrals to it.

2. The applicant falsely claims that the 220 procedures to be redirected from HSHS hospitals is not a "meaningful portion" of the hospital's the orthopedic volume.

The applicant's representative claims in the response to the additional information request that he was "pleased to see HSHS acknowledge that Dr. Ungacta's practice does not represent a meaningful portion of the orthopedic volumes at any of their facilities." As noted in our prior written comment, the 200 procedures to be redirected from St. Joseph Hospital – Highland represent over 15% of the hospital's total outpatient volume in CY 2018, and *all* of its orthopedic volume. This is in addition to the 20 procedures proposed to be redirected from St. Joseph's Hospital in Breese. The loss of 200 orthopedic outpatient procedures at Highland would translate into a reduction of \$1.7 million in Net Revenue, and a loss of \$616,000 in Margin. The applicant does not dispute this volume and it is indeed a "meaningful portion" of St. Joseph's Hospital – Highland's orthopedic volume.

3. The applicant's additional information contradicts the charge commitment submitted with the CON application

The charge data presented in the CON application and in the subsequent response to the additional information request are wildly inconsistent. For example, page 79 of the CON application identifies a charge commitment for CPT codes 29807 and 29827 of \$39,897, while the additional information lists a fee of \$2,557 for these same codes. Similarly, the CON application has a charge commitment for CPT code 29881 of \$18,363 compared to the additional information listing a fee of \$1,173. No explanation for this highly inconsistent and contradictory information is provided by the applicant.

4. The CON application fails to include charge commitments for some of the applicant's highest volume orthopedic procedures.

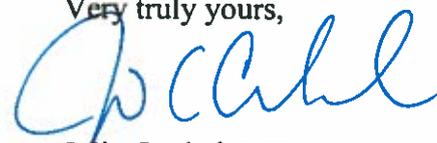
By rule, an applicant's charge commitment is required to contain "a statement of all charges" and "a commitment that these charges will not increase, at a minimum, for the first 2 years of operation unless a permit is first obtained[.]" 77 Ill. Adm. Code 1110.235(c)(9). The applicant's additional information reveals that the CON application not only failed to provide all charges, but did not even include two of the top five highest volume orthopedic procedures proposed by the project. The additional information includes within the top five orthopedic procedures CPT code 64712 (Carpal Tunnel) and CPT code 29879 (Chondroplasty), yet these two procedures do not appear in the applicant's charge commitment on page 79 of the CON application. This begs the question of what other orthopedic procedures the applicant proposes to perform in the facility as to which no charge commitment has been provided.

5. The applicant avoided a direct response the Staff's inquiry on Medicaid patients

The request for additional information sought information on the level of Dr. Ungacta's Medicaid patients. The applicant did not provide that information, nor did it provide information for Dr. Bradley, who appears to be the true source of patient volume. Instead, the applicant states that its facility's "current payor mix" is about 15% Medicaid. This is non-responsive as neither Dr. Ungacta nor Dr. Bradley currently practice at the applicant's ASTC. We have reason to believe that the Medicaid volumes of Dr. Ungacta and Dr. Bradley are nowhere near 15%. The applicant provides no reason at all as to why it cannot obtain accurate patient volume data from these physicians.

For the above reasons, we respectfully request that the applicant be required to provide accurate and responsive information to the additional information request in accordance with the Review Board's regulations.

Very truly yours,



Julie Goebel, MHA
Vice President, Strategy
HSHS Illinois