



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-05	BOARD MEETING: June 24, 2025	PROJECT NO: 25-015	PROJECT COST:
FACILITY NAME: UChicago Medicine AdventHealth Bolingbrook		CITY: Bolingbrook	Original: \$21,625,782
TYPE OF PROJECT: Non-Substantive			HSA: IX

PROJECT DESCRIPTION: The Applicants (The University of Chicago Medical Center, Adventist Health System/Sunbelt Inc., Adventist HealthSystem Sunbelt Healthcare Corporation d/b/a AdventHealth, and Adventist Bolingbrook Hospital d/b/a UChicago Medicine AdventHealth Bolingbrook) propose to construct a new addition to house expanded cardiac catheterization services at UChicago Medicine AdventHealth Bolingbrook Hospital (UCMAH). The project cost is \$21,625,782, and the project completion date is May 31, 2027.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (The University of Chicago Medical Center, Adventist Health System/Sunbelt Inc., Adventist HealthSystem Sunbelt Healthcare Corporation d/b/a AdventHealth, and Adventist Bolingbrook Hospital d/b/a UChicago Medicine AdventHealth Bolingbrook) propose constructing an addition to an existing building on the UCMAH Bolingbrook campus to provide expanded clinical space for an additional cardiac catheterization lab, and clinical /non-clinical support space. The Applicant facility currently operates one cardiac catheterization lab, and the expansion will provide for an additional cardiac catheterization suite. The project cost is \$21,625,782 and the expected completion date is May 31, 2027.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because it is by or on behalf of a healthcare facility, and the cost exceeds the capital expenditure minimum of \$17,252,704.

PUBLIC HEARING/COMMENT:

- No public hearing was requested, and the State Board has not received letters of support or opposition.

SUMMARY:

The Applicants addressed a total of 13 criteria and have not met the following:

Criterion	Reasons for Non-Compliance
77 Ill. Adm. Code 1110.120(a) – Size of Project	Surgical Prep/Recovery Area exceeds State standard by 225 DGSF per unit.
77 Ill. Adm. Code 1120-140(c) - Reasonableness of Project Costs	New Construction/Contingency Costs exceed State standard (\$901.43 per dgsf), by \$214.58 per dgsf. Contingency costs are 19.5% of the New Construction costs, exceeding the State standard of 7%.



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Project #25-015
UChicago Medicine AdventHealth Bolingbrook
State Board Staff Report

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	The University of Chicago Medical Center, Adventist Health System/Sunbelt Inc., Adventist HealthSystem Sunbelt Healthcare Corporation d/b/a AdventHealth, and Adventist Bolingbrook Hospital d/b/a UChicago Medicine AdventHealth Bolingbrook
Facility Name	UChicago Medicine AdventHealth Bolingbrook
Location	500 Remington Boulevard, Bolingbrook
Permit Holder	Adventist Bolingbrook Hospital d/b/a UChicago Medicine AdventHealth Bolingbrook
Licensee/Operating Entity	Adventist Bolingbrook Hospital
Owner of Site	Adventist Bolingbrook Hospital
Application Received	March 31, 2025
Application Deemed Complete	April 4, 2025
Review Period Ends	June 3, 2025
Project Completion Date	May 31, 2027
Does the State Board staff extend the review period?	No
Can the Applicant request a deferral?	Yes

The Proposed Project

The Applicants (The University of Chicago Medical Center, Adventist Health System/Sunbelt Inc., Adventist HealthSystem Sunbelt Healthcare Corporation d/b/a AdventHealth, and Adventist Bolingbrook Hospital d/b/a UChicago Medicine AdventHealth Bolingbrook) propose constructing an addition to an existing building to provide space for an expanded cardiac catheterization unit (for a total of two catheterization suites). The total estimated cost is \$21,625,782 with an expected completion date of May 31, 2027.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is not in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project is not in conformance with the provisions of Part 1120.

III. General Information

The Applicants are The University of Chicago Medical Center, Adventist Health System/Sunbelt Inc., Adventist HealthSystem Sunbelt Healthcare Corporation d/b/a

AdventHealth, and Adventist Bolingbrook Hospital d/b/a UChicago Medicine AdventHealth Bolingbrook. UCMAH is a 138-bed general acute care hospital operating as part of a multi-facility health system operating as a joint venture between The University of Chicago Medical Center (UCMC), and Adventist Health System/Sunbelt, Inc. (Adventist Health). The joint venture (Adventist Midwest Health) operates three other Illinois hospitals in addition to UCMAH Bolingbrook. This non-substantive project is subject to a Part 1110 and Part 1120 review. Financial Commitment will occur after permit issuance.

IV. Health Service Area

The UCMAH Bolingbrook is in Health Service Area (HSA) IX and Hospital Planning Area (HPA) A-13. HSA IX is comprised of the Illinois Counties of Grundy, Kankakee, Kendall, and Will. HPA A-13 is comprised of the Illinois Counties of Grundy and Will. There are four hospitals in the A-13 HPA (see Table One).

TABLE ONE Hospitals in the A-13 Hospital Planning Area			
Hospital	City	Miles	Total Beds
Adventist Bolingbrook Hospital	Bolingbrook	0	138
Morris Hospital & Health Center	Morris	33	89
Ascension Saint Joseph Medical Center	Joliet	17.5	498
Silver Cross Hospital and Medical Centers	New Lenox	16.8	348

V. Adventist Bolingbrook Hospital

UCMAH Bolingbrook is a 138-bed general acute care hospital and Level II Trauma Center, located at 500 Remington Boulevard, Bolingbrook. The hospital is part of a four-hospital system operating as a joint venture between the University of Chicago Medical Center (UCMC), and Adventist Health System/Sunbelt Inc. (Adventist Health). UCMC is an academic medical center located in Chicago and Adventist Health is part of a faith-based not-for-profit hospital system (AdventHealth). AdventHealth operates approximately 55 hospitals nationwide, and their joint venture with Adventist Midwest Health operates three other UCMAH facilities in Illinois, including:

- Adventist Glen Oaks Hospital d/b/a UChicago Medicine AdventHealth GlenOaks
- Adventist LaGrange Hospital d/b/a UChicago Medicine AdventHealth La Grange
- Adventist Hinsdale Hospital d/b/a UChicago Medicine AdventHealth Hinsdale

The Applicants note that all four hospitals maintain cardiac catheterization programs that function integrally, with coordinated protocols.

VI. Project Details

The project entails 14,960 GSF of newly constructed space (6,748 clinical/8,212 non-clinical), and will accommodate two cardiac catheterization labs. One of the labs is currently operational and will be modernized and relocated to the newly constructed space, proximal to the other proposed cardiac catheterization services. The project's cost/space allocations are identified in Table Two.

TABLE TWO						
Cost Space Chart						
Department	Cost	Existing	Proposed	New Construction	Modernized	Vacated
Reviewable						
Cardiac Cath Labs	\$7,003,015	935	3,504	3,504		935
PACU/Prep	\$6,483,385	829	3,244	3,244		829
Total Clinical	\$13,486,400	1,764	6,748	6,748		1,764
Non-Reviewable						
Admin./Staff Areas	\$735,609	185	716	603	153	185
Circulation	\$2,739,074		2,815	2,815		
MEP/IT	\$386,292		397	397		
Storage	\$4,278,405		4,397	4,397		
Total Non-Clinical	\$8,139,381		8,365	8,212	153	
TOTAL	\$21,625,782	1,764	15,113	14,960	153	1,764

VII. Project Uses and Sources of Funds

The Applicants are funding this project in its entirety with cash/securities totaling \$21,625,782 (see Table Three). There were no reported land acquisition or start-up costs.

TABLE THREE				
Uses and Sources of Funds				
Use of Funds	Reviewable	Non-Reviewable	Total	% Of Total
Preplanning Costs	\$45,900	\$21,600	\$67,500	<.6%
Site Survey/Soil Investigation	\$6,256	\$2,944	\$9,200	<.1%
Site Preparation	\$301,155	\$141,720	\$442,875	2%
New Construction Costs	\$7,530,820	\$3,546,245	\$11,077,065	51.2%
Contingencies	\$1,470,553	\$692,025	\$2,162,578	9.9%
A&E Fees	\$760,689	\$357,971	\$1,118,660	5.1%
Consulting	\$1,351,526	\$626,600	\$1,978,126	9.1%

Movable and Other Equipment	\$3,231,914	\$431,814	\$3,663,728	16.9%
Other Costs to be Capitalized	\$752,114	\$353,936	\$1,106,050	5.1%
Totals	\$15,450,927	\$6,174,855	\$21,625,782	100.00%
Source of Funds	Reviewable	Non-Reviewable	Total	% Of Total
Cash/Securities	\$15,450,927	\$6,174,855	\$21,625,782	100%
Totals	\$15,450,927	\$6,174,855	\$21,625,782	100.00%

VIII. Background of the Applicant, Purpose of Project, Safety Net Impact Statement, and Alternatives

- A) Criterion 1110.110 (a) – Background of the Applicant
- B) Criterion 1110.110 (b) – Purpose of the Project
- C) Criterion 1110.110 (c) - Safety Net Impact Statement
- D) Criterion 1110.110 (c) – Alternatives to the Project

A) Background of Applicant

An applicant must demonstrate that he is fit, willing, and able and *has the qualifications, background, and character to adequately provide a proper standard of health care service for the community.* [20 ILCS 3960/6]

The Applicants provided licensure and accreditation information as required. They attested that they comply with and are in good standing with all federal and State regulations, including the Illinois State Agency Historic Resources Preservation Act and Executive Order #2006-5. In addition, the Applicants attested that they have not had any adverse actions as defined by the State Board in the past three years of filing this Application for Permit.

Additionally, the Hospital has been certified by the Joint Commission. As of the date of this report, the Medicare Care Compare website has assigned AdventHealth Bolingbrook Hospital an overall four-star rating.¹ The rating summarizes quality information on essential topics like readmissions and deaths after heart attacks or pneumonia. Cost Compare shows how well each hospital performed on an identified set of quality measures compared to other hospitals in the United States.

¹ The hospital's overall star rating summarizes quality information on essential topics, like readmissions and deaths after heart attacks or pneumonia. The overall rating, between 1 and 5 stars, summarizes various measures across seven areas of quality into a single-star rating for each hospital. The seven measure groups include:

- Mortality • Safety of care • Readmission • Patient experience • Effectiveness of care • Timeliness of care • Efficient use of medical imaging. The overall rating shows how well each hospital performed on an identified set of quality measures compared to other hospitals in the U.S. The more stars a hospital has, the better it performs on the available quality measures. (Source: CMS Compare Website)

The Applicants appear fit, willing, and able to provide the community with a proper standard of healthcare service.

B) Purpose of the Project

The applicant shall document that the project will provide health services that improve the health care or well-being of the market area population to be served. The applicant shall define the planning area, market area, or other area according to the applicant's definition.

According to the Applicants: *“The expansion of our catheterization lab is a significant step towards improving healthcare and well-being in our primary service area. The Bolingbrook primary service area (PSA) is experiencing significant growth in demand for cardiovascular services, with outpatient demand projected to increase by 20% and inpatient demand by 4.9% between 2025 and 2032. This growth is driven by rising prevalence of key cardiac conditions, including congestive heart failure, heart valve anomalies, which are expected to see increases in both inpatient and outpatient settings. Diagnostic and procedural volumes are also anticipated to follow this upward trend, underscoring the need for expanded capacity to meet the evolving needs of the population. Establishing a modern catheterization laboratory in this region will not only address the growing demand for cardiovascular care but will also enhance access to critical diagnostic and interventional services, improving patient outcomes. This strategic investment aligns with our mission to deliver high-quality, accessible care to the communities we serve.”*

C) Safety Net Impact Statement

All healthcare facilities, except for skilled and intermediate long-term care facilities licensed under the Nursing Home Care Act, shall provide a safety net impact statement filed with an application for a substantive project (see Section 1110.40). Safety net services are those offered by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. [20 ILCS 3960/5.4]

This is a non-substantive project, and a safety net impact statement is not required.

TABLE FOUR U Chicago Medicine Adventist Health Bolingbrook Hospital Charity Care Calendar Years 2021 - 2024				
	CY2021	CY2022	CY2023	CY 2024
Net Patient Service Revenue	\$196,865,975	\$199,601,332	\$216,543,366	\$228,831,240
Amount of Charity Care	\$20,197,346	\$20,197,345	\$22,360,094	\$26,368,641
Cost of Charity Care	\$5,105,430	\$5,502,968	\$6,222,115	\$7,473,102
Ratio of Charity Care to Net Patient Revenue	2.59%	2.76%	2.87%	3.27%

D) Alternatives to the Proposed Project

The applicant shall document that the proposed project is the most effective or least costly alternative for meeting the healthcare needs of the population it will serve.

The Applicants considered three alternatives, with the fourth being the alternative chosen. They are:

Alternative One – Project of Lesser Scope/Cost

The Applicants considered adding a second cardiac catheterization lab in the existing location, proximal to the existing lab, but realized this would displace two endoscopy suites and adversely affect the Sterile Processing department, located one level beneath the proposed site. While the advantage to this alternative is reduced expenditures, it would adversely affect the Endoscopy and Sterile Processing programs with negative operational impacts. The Applicants rejected this alternative due to the resulting effects it would have for the Endoscopy and Sterile Processing programs. Cost identified with this option: \$5,850,000.

Alternative Two – Retain Current State/Do Nothing

Using this alternative, the Applicants would continue to serve its patients with one catheterization lab, incur no additional expense, and experience no operational disruptions. However, this alternative results in limited capacity to accommodate a growing patient base, the persistent operational challenges associated with having a single catheterization lab, and the potential need to transfer patients to other facilities to seek services that could be provided closer to home. There are no costs identified with this option, and the Applicants rejected this alternative.

Alternative Three - Build a Full Outpatient Cardiac Catheterization Center

The Applicants considered the option of building a comprehensive outpatient cardiac catheterization center, commensurate with the trend to move cardiac catheterization to an outpatient setting. The facility would be located on or near the UCMAH Bolingbrook campus. However, pursuit of this option would not address the current inpatient capacity issues created by a busy Emergency Room and growing community. The Applicants also cite significant barriers such as project cost (\$45, 000,000), and the unavailability of land suitable for building an outpatient cardiac catheterization center. The Applicants rejected this alternative.

Alternative Four: Expand Existing Structure to Accommodate Additional Lab (Option Chosen)

The Applicants chose this option based on the imminent need for a second catheterization lab, and the ability to locate the additional lab on the UCMAH Bolingbrook campus, near the existing cardiac catheterization suite and laboratory. This option will also allow faster service times, suite/lab availability for emergency procedures, and interventional radiology procedures. Cost of this alternative: \$21,625,782.

VI. Project Scope and Size, Utilization and Unfinished/Shell Space – Review Criteria

- A) Criterion 1110.120 (a) – Size of the Project
- B) Criterion 1110.120 (b) – Projected Utilization

A) Size of Project

The applicant shall document that the physical space proposed for the project is necessary and appropriate. The proposed square footage cannot deviate from the square footage range indicated in Appendix B or exceed the square footage standard in Appendix B if the standard is a single number unless square footage can be justified by documenting, as described in subsection (a)(2).

The Applicants propose to establish an additional cardiac catheterization lab proximal to the existing lab in 3,504 GSF of clinical space, which complies with the State standard of 1,800 dgsf/per unit. The catheterization lab will contain eight dedicated prep/recovery stations in its PACU, which exceeds the State standard by 1,804 dgsf (see Table Five).

TABLE FIVE				
Spatial Allocations Midwest Medical Center, Galena				
Dept. Service	Units/Rooms	Proposed GSF	State Standard	Standard Met?
Clinical/Reviewable				
Cath Lab	2 Units	3,504	1,800 dgsf/unit	Yes
Pre-Op/PACU	8 Units	3,244	180 dgsf/unit	No
Total Clinical	10 Units/Rooms	6,748 dgsf		
Non-Clinical/Non-Reviewable				
Admin/Staff Areas	N/A	736 dgsf	N/A	N/A
Internal Circulation	N/A	2,815 dgsf	N/A	N/A
MEP/IT	N/A	397 dgsf	N/A	N/A
Storage	N/A	4,397 dgsf	N/A	N/A
Total Non-Clinical	N/A	8,365 dgsf		
TOTAL	10 rooms/units	15,113 dgsf		

The Applicants have exceeded the State standard for the Prep/PACU area and attribute this overage to the decision to utilize private rooms with sliding doors, instead of curtained cubicles/areas. This added space provides greater privacy, infection prevention, and higher overall patient satisfaction. A negative finding results for this criterion.

B) Project Services Utilization

The applicant shall document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B.

The Applicants provided historical utilization data that affirms AdventHealth Bolingbrook and its cohort facilities in the region are capable of operating in excess of the State Board standard of 200 catheterization procedures annually after project completion. Table Six contains the utilization data for years 2021 through 2024, which illustrates sufficient historical operational volume.

TABLE SIX Cardiac Catheterization Procedures Performed at UChicago Medicine Facilities Years 2021, 2022, 2023, 2024					
	UChicago Medicine AdventHealth Hinsdale	UChicago Medicine AdventHealth La Grange	UChicago Medicine AdventHealth Bolingbrook		Totals
Year	Cardiac Cath /EP/Vascular	Cardiac Cath /EP/Vascular	Cardiac Cath /Vascular	Interventional Radiology	
2021	723	301	359		1,823
2022	1,112	206	373	991	2,682
2023	2,132	667	375	839	4,013
2024	3,566	326	290	873	5,055
	3 Labs 2021 to 9/2023, 4 th lab opened 9/14/23	2 Labs	1 Lab		

IX. Section 1110.225 -Cardiac Catheterization

- A) Criterion 1110.225 (a) – Peer Review
- B) Criterion 1110.225 (b) – Establishment or Expansion of Cardiac Catheterization Service
- C) Criterion 1110.225 (c) – Unnecessary Duplication of Service
- D) Criterion 1110.225 (d) – Modernization of Existing Cardiac Catheterization Equipment
- E) Criterion 1110.225 (e) – Support Services
- F) Criterion 1110.225 (f) - Laboratory Location
- G) Criterion 1110.225 (g) – Staffing
- H) Criterion 1110.225 (h) – Continuity of Care
- I) Criterion 1110.225 (i) – Multi-Institutional Variance

A) Peer Review

Any applicant proposing the establishment or modernization of a cardiac catheterization unit shall detail in its Application for Permit the mechanism for adequate peer review of the program. Peer review teams will evaluate the quality of studies, related patient morbidity and mortality, and the technical aspects of providing the services, such as film processing, equipment maintenance, etc.

The Applicants provided (see Application for Permit pages 85-92) a copy of the peer review program established for the proposed facility. The Applicants state the peer review team will evaluate the quality of studies, related morbidity and mortality of patients, and the technical aspects of providing the services, such as filming processing and equipment maintenance. The Applicants appear to meet the requirements of this criterion.

B) Establishment or Expansion of Cardiac Catheterization Service

There shall be no additional adult or pediatric catheterization categories of service started in a health planning area unless:

- 1) the standards as outlined in 77 Ill. Adm. Code 1100.620² is met unless

² **Section 1100.620 Cardiac Catheterization Services**

a) Planning Areas: Health Service Areas defined by the Department of Health and Human Services under P.L. 93-641.

b) **Utilization Standards:**

A minimum of 200 cardiac catheterization procedures should be performed annually within two years after initiation.

c) **Need Determination** – Cardiac Catheterization Programs:

No additional cardiac catheterization service shall be started unless each facility in the planning area offering cardiac catheterization services operates at 400 procedures annually.

2) in the circumstances where area programs have failed to meet those targets, the applicant can document historical referral volume in each of the prior three years for cardiac catheterization over 400 annual procedures (e.g., certification of the number of patients transferred to other service providers in each of the last three years).

1. Section 77 Ill. Adm. 1100.620 states NO additional cardiac catheterization service will be established unless each facility within the planning area operates at 400 procedures annually. There are six hospitals in HSA IX that provide cardiac catheterization services. All of these Hospitals were above the State Board standard of 400 annual procedures for CYs 2022 and 2023 (see Table Seven).

TABLE SEVEN Hospitals in HSA IX and Their Cardiac Catheterization Volume Calendar Years 2022 and 2023				
		Labs	2022	2023
Morris Hospital and Health Center	Morris	1	2,171	2,055
Ascension St Joseph Medical Center	Joliet	3	2,522	2,378
Ascension St. Mary's Medical Center	Kankakee	1	1,644	1,493
Riverside Medical Center	Kankakee	1	2,251	2,373
Silver Cross Hospital & Medical Center	New Lenox	5	6,386	6,754
UChicago Medicine AdventHealth *	Bolingbrook	1	414	414
TOTALS		8	17,410	17,490
*Applicant Facility				

Table Three shows the six hospitals within the planning area have operated in excess of the State standard of 400 catheterizations per unit in calendar years 2022 and 2023. The Applicants have met the requirements of this criterion.

C) Unnecessary Duplication of Services

- 1) Any application proposing to establish cardiac catheterization services must indicate if it will reduce the volume of existing facilities below 200 catheterizations.
 - 2) Any applicant proposing the establishment of cardiac catheterization services must contact all facilities currently providing the service within the **planning area** in which the applicant facility is located to determine the impact the project will have on the patient volume at existing services
1. The Applicants propose to add one cardiac catheterization lab to an existing cardiac catheterization category of service. This criterion is inapplicable.

D) Support Services

- 1) Any applicant proposing the establishment of a dedicated cardiac catheterization laboratory must document the availability of the following support services.
 - A) Nuclear medicine laboratory.
 - B) Echocardiography service.
 - C) Electrocardiography laboratory and services, including stress testing and continuous cardiogram monitoring.
 - D) Pulmonary Function unit.
 - E) Blood bank.
 - F) Hematology laboratory-coagulation laboratory.
 - G) Microbiology laboratory.

- H) Blood Gas laboratory.
- I) Clinical pathology laboratory with facilities for blood chemistry.
- 2) **These support services need not be operational 24/7 but must be available when needed.**

The Applicants are not establishing a new category of service, but simply expanding an existing category of service that already provided the support services mentioned in this criterion. The Applicants have met the requirements of this criterion.

F) Laboratory Location

Due to safety considerations in technical breakdown, group laboratory facilities are preferred. Thus, in projects proposing additional catheterization laboratories, such units must be near existing laboratories unless such a location is architecturally infeasible.

This Applicants note the proposed expansion will add one catheterization lab, resulting in two catheterization labs at this facility. The laboratory will be located proximal to both catheterization labs, in accordance with Board regulations.

G) Staffing

It is the policy of the State Board that if cardiac catheterization services are to be offered, a cardiac catheterization laboratory team should be established. Any applicant proposing to develop such a laboratory must document that the following personnel will be available:

- 1) Lab director board-certified in internal medicine, pediatrics, or radiology with subspecialty training in cardiology or cardiovascular radiology.
- 2) A physician with cardiology and radiology training will be present during the examination, and extra physician backup personnel will be available.
- 3) A Nurse specially trained in the critical care of cardiac patients, with knowledge of cardiovascular medication and an understanding of catheterization equipment.
- 4) Radiologic technologist highly skilled in conventional radiographic techniques and angiographic principles, knowledgeable in every aspect of catheterization instrumentation, and with thorough knowledge of the anatomy and physiology of the cardiovascular system.
- 5) Cardiopulmonary technician for patient observation, handling blood samples, and performing blood gas evaluation calculations.
- 6) Monitoring and recording technicians to monitor physiologic data and alert physicians to changes.
- 7) An Electronic radiologic repair technician who can perform systematic tests and routine maintenance must be immediately available in the event of equipment failure during a procedure.
- 8) Darkroom technician well trained in photographic processing and the operation of automatic processors used for sheet and cine film.

The Applicants note the project involves an expansion by adding a second catheterization lab to an existing cardiac catheterization category of service and supplied a list of the current staffing matrix. The Applicants appear to have met the requirements of this criterion.

H) Continuity of Care

Any applicant proposing the establishment, expansion, or modernization of a cardiac catheterization service must document that written transfer agreements have been established with facilities with open-heart surgery capabilities to transfer seriously ill patients for continuity of care.

The Applicants have provided a copy of a written transfer agreement with UChicago Medicine AdventHealth Hinsdale and UChicago Medicine Hyde Park as required. (See pages 101-113 of the Application for Permit)

I) Multi-Institutional Variance

- 1) A variance to the establishment requirements of subsection (b), Establishment or Expansion of Cardiac Catheterization Service, shall be granted if the applicant can demonstrate that the proposed new program is necessary to alleviate excessively high demands on an existing operating program's capacity.
- 2) Each of the following must be documented:
 - A) That the proposed unit will be affiliated with the existing operating program. This must be documented by written referral agreements between the facilities and by documentation of shared medical staff.
 - B) That the existing operating program provides open heart surgery.
 - C) The initiation of a new program at the proposed site is more cost-effective, based upon a comparison of charges, than the expansion of the existing operating program.
 - D) The existing operating program currently operates at a level of more than 750 procedures annually per laboratory and
 - E) That the proposed unit will operate at the minimum utilization target occupancy and that such unit will not reduce utilization in existing programs below target occupancy (e.g., certification of the number of patients transferred to other service providers in each of the last 3 years and market studies developed by the applicant indicating the number of potential catheterization patients in the area served by the applicant).
- 3) The existing operating program cannot justify a second affiliation agreement based on its volume of patient procedures until it is again operating at 750 procedures annually per laboratory and the affiliate is operating at 400 procedures per laboratory.

This Applicants note the cardiac catheterization program at UCMAH Bolingbrook is part of an integrated program with UCMAH hospitals in Hinsdale and LaGrange. UCMAH has an existing cardiac catheterization service, and this variance is not applicable to this project.

IX. Financial Viability

- A) Criterion 1120.110 - Availability of Funds
- B) Criterion 1120.120 - Financial Viability
- C) Criterion 1120.140 (a) – Reasonableness of Financing Arrangement

The Applicants are funding this project internally with cash/securities totaling \$21,625,782. The Applicants have an “AA/Stable” Bond Rating from FitchRatings Service (dated January 24, 2025). The Applicants qualify for the financial viability waiver (1120.120) and the reasonableness of financing arrangements (1120.140(a)) with the “A” or better bond rating. The Applicants provided Audited Financial Statements from the University of Chicago Medical Center, as this is a joint venture between UChicago Medicine and AdventHealth, with UChicago Medicine having 51% ownership (see Table Eight).

TABLE EIGHT Audited Financial Statements UChicago Medicine (Dollars in Thousands) Audited		
	2022	2021
Cash	\$60,997	\$184,639
Current Assets	\$828,914	\$1,083,667
Total Assets	\$4,179,357	\$4,534,317
Current Liabilities	\$653,545	\$811,017
Total Liabilities	\$1,954,697	\$2,219,013
Patient Service Revenue	\$2,548,487	\$2,331,509
Total Revenue	\$2,985,448	\$2,789,154
Operating Expenses	\$2,903,167	\$2,669,963
Operating Income	\$436,961	\$457,645
Revenues over Expenses	\$82,281	\$119,191

X.. Economic Feasibility

- A) Criterion 1120.140 (b) – Terms of Debt Financing
- B) Criterion 1120.140 (c) – Reasonableness of Project Costs
- C) Criterion 1120.140 (d) – Projected Operating Costs
- D) Criterion 1120.140 (e) – Total Effect of the Project on Capital Costs

A) Terms of Debt Service

The Applicants are funding this project with cash/securities totaling \$21,625,782 (internally). There is no debt financing involved with this project.

B) Reasonableness of Project Costs

Only clinical costs are to be reviewed. This project is proposing no clinical services for which the State Board has standards.

Preplanning Costs total \$45,900, which is .03% of new construction, contingency, and equipment costs of \$12,233,287. This appears reasonable compared to the State Board Standard of 5%

Site Survey/Soil Investigation/Site Preparation costs are \$307,411, which is 3.4% of new construction and contingency costs of \$9,001,373. This appears reasonable compared to the State Board Standard of 5%

New Construction costs total \$7,530,820, or \$1,116.00 per GSF (\$7,530,820/6,748 GSF= \$1,116.00 per GSF). This appears high compared to the State Board Standard of \$901.43 per GSF.

Contingency Costs total \$1,470,553, or 19.5% of new construction costs (\$7,530,820). This appears high compared to the State Board Standard of 7%.

Architectural and Engineering Fees total \$760,689, or 8.4% of construction and contingency costs (\$9,001,373). This appears reasonable compared to the State Board Standard of 5.90-8.86%.

The State Board does not have a standard for the costs listed below.

Consulting and Other Fees	\$1,351,526
Movable or Other Equipment	\$3,231,914
Other Costs to be Capitalized	\$752,114

C) Projected Operating Costs

The Applicants report project operating costs totaling \$2,985.19 per unit of service. The State Board does not have a standard for this criterion.

D) Total Effect of the Project on Capital Costs

The Applicants report the total effect of project on capital costs totaling \$992.01 capital costs per procedure. The State Board does not have a standard for this criterion.

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