



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

	BOARD MEETING: September 25, 2025	PROJECT NO: #E-010-25 #E-011-25 #E-012-25	PROJECT FMV: FMV: \$4,459,000 FMV: \$26,566,000 FMV: \$22,889,000
FACILITY NAME: The Glen Endoscopy Center Oak Lawn Endoscopy Center Northshore Endoscopy Center	CITY: Glenview Oak Lawn Lake Bluff		
TYPE OF PROJECT:	Exemption – Change of Ownership	HSA: VII, VIII	

PROJECT DESCRIPTION: Ascension Health Alliance, d/b/a Ascension, through its wholly owned subsidiary Project Bluegrass Holdco, LLC, entered into an Equity Purchase Agreement for Ascension to acquire the ownership interests in Ambulatory TopCo, LLC¹. The Transaction will involve approximately 250 ambulatory surgery centers across 34 states that will be integrated into Ascension. The three Illinois surgery centers involved in the nationwide transaction include:

The Glen Endoscopy Center
Oak Lawn Endoscopy Center
North Shore Endoscopy Center

The Transaction will not result in any change to the governance, controlling body, location, officers, staffing, or assets or liabilities of any of Illinois' facilities. Each of the Illinois ASTCs is currently indirectly owned, in part, by Ambulatory TopCo, LLC, and the remainder by practicing physicians. Under the Purchase Agreement, Ascension will purchase all the issued and outstanding membership interests of Ambulatory TopCo, LLC. Thereafter, Ascension will be an indirect partial owner of each of the Illinois ASTCs.

Interested Parties can find information regarding these Applications for Change of Ownership at this link: <https://hfsrb.illinois.gov/project/project-search.html>

¹ Ambulatory TopCo, LLC is a holding company that was formed following the 2023 bankruptcy reorganization of Envision Healthcare. It was established as the parent company for AmSurg, a business that manages ambulatory surgery centers (ASCs) across the U.S.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- Ascension Health Alliance, d/b/a Ascension, through its wholly owned subsidiary Project Bluegrass Holdco, LLC, entered into an Equity Purchase Agreement for Ascension to acquire the ownership interests in Ambulatory TopCo, LLC. The Transaction will involve approximately 250 ambulatory surgery centers across 34 states that will be integrated into Ascension. The three Illinois surgery centers involved in the nationwide transaction include: The Glen Endoscopy Center, Oak Lawn Endoscopy Center, and North Shore Endoscopy Center.

PURPOSE OF THE CHANGE OF OWNERSHIP:

- Ascension's portfolio has been reliant on hospitals, which are facing increasing pressure due to the shift towards outpatient care. Ascension had experienced ongoing operating losses, including a significant loss in the nine months preceding the announcement of AMSURG's acquisition. The acquisition of AMSURG is viewed as part of Ascension's strategic efforts to achieve a financial turnaround. In 2024, Ascension faced financial fallout from cybersecurity incidents, which further impacted its economic performance. These financial challenges incentivized Ascension to diversify its service offerings and expand into the growing outpatient market through the acquisition of AMSURG. By investing in AMSURG's ambulatory surgery center network, Ascension aims to adapt to the accelerating shift from inpatient to outpatient care.
- Ascension is acquiring AMSURG, a leading company specializing in ambulatory surgery centers (ASCs). This acquisition expands Ascension's outpatient care network, aligning with the trend in healthcare of shifting procedures to lower-cost, outpatient settings. The acquisition adds over 250 ASCs across 34 states to Ascension's network, strengthening its ability to deliver care in community-based settings. AMSURG's ASCs specialize in various fields, including gastroenterology, ophthalmology, and orthopedics. Ascension plans to continue AMSURG's model of physician-led joint ventures and governance, ensuring clinical leadership remains central to the success of each center. Ascension emphasizes a commitment to a seamless experience for patients and providers during the integration process, focusing on upholding the high standards of quality and safety both organizations are known for. The valuation of the nationwide purchase is approximately \$3.9 billion. (Sources: Fierce Healthcare and Becker)

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because it proposes a change of ownership of a health care facility.

PUBLIC HEARING/COMMENT:

- No public hearing was requested, and no letters of support and opposition have been received.

SUMMARY:

- The Applicants provided all of the information required by the State Board.



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State Board Staff Report

Exemption #E-010-25

Exemption #E-011-25

Exemption #E-012-25

I. The Proposed Project

Ascension is purchasing the following ASTCs in Illinois: the Glen Endoscopy Center, Oak Lawn Endoscopy Center, and North Shore Endoscopy Center. As mentioned above, this change of ownership is part of a nationwide transaction. The change of ownership will not result in any change to the governance, controlling body, location, officers, staffing, or assets or liabilities of any of Illinois' facilities. Each of the Illinois ASTCs is currently indirectly owned in part by Ambulatory TopCo and the remainder by practicing physicians. Ascension will purchase all the issued and outstanding membership interests of Ambulatory TopCo. Thereafter, Ascension will be an indirect, partial owner of each of the Illinois ASTCs.

There will be no changes to operations at the ASTCs as a result of this transaction. Ascension anticipates continuity of Surgery Center operations and staff following the transaction. Ascension will continue to utilize the Surgery Center's existing Quality Improvement Program. There will be no immediate changes to the governing structure of the Surgery Center or the operating agreement of the LLC. The governing body will continue to be designated in part by participating physicians and the remaining board members, who Ambulatory TopCo, LLC will appoint. There are no significant long-term proposed changes to the scope of services currently provided at the ASTCs that are anticipated to occur within twenty-four (24) months as a result of the transaction.

II. Project Details

Table One outlines the details of the three changes of ownership.

TABLE ONE
Project Details

	#E-010-25	#E-011-25	#E-012-25
	Glen Endoscopy Center	Oak Lawn Endoscopy Center	North Shore Endoscopy Center
Fair Market Value	\$4,459,000	\$26,566,000	\$22,889,000
Applicants	Glen Endoscopy Center, LLC., Ambulatory TopCo, LLC., Ascension Health Alliance,	Oak Lawn, IL Endoscopy ASC, LLC. d/b/a Oak Lawn Endoscopy Center Ambulatory TopCo, LLC., Ascension Health Alliance,	The Lake Bluff, IL Endoscopy ASC, LLC d/b/a North Shore Endoscopy Center, Ambulatory TopCo, LLC., Ascension Health Alliance,
Facility Name	Glen Endoscopy Center, LLC	Oak Lawn Endoscopy Center	North Shore Endoscopy Center
Location	2551 Compass Road, Suite 115, Glenview, Ill.	9921 Southwest Highway, Oak Lawn, Ill.	101 S. Waukegan Road, Suite 980, Lake Bluff, Il
Permit Holders	Glen Endoscopy Center, LLC., Ambulatory TopCo, LLC., Ascension Health Alliance,	Oak Lawn, IL Endoscopy ASC, LLC. d/b/a Oak Lawn Endoscopy Center Ambulatory TopCo, LLC., Ascension Health Alliance,	The Lake Bluff IL Endoscopy ASC, LLC d/b/a North Shore Endoscopy Center, Ambulatory TopCo, LLC., Ascension Health Alliance,
Licensee/Operating Entity	Glen Endoscopy Center, LLC	Oak Lawn, IL Endoscopy ASC, LLC.	The Lake Bluff IL Endoscopy ASC, LLC
Owner of Site	KAGR2 Glenview Compass III, LLC	9905-21 VENTURE, L.L.C. D/B/A The 9905-2 Venture, Ltd.	JEA LAKE BLUFF, LLC
Application Received	7/28/2025	7/28/2025	7/28/2025
Project Completion Date	11/30/2025	11/30/2025	11/30/2025

III. ASTC Utilization

Table Two outlines the utilization of the three ASTCs for the years 2019 through 2024.

TABLE TWO						
Utilization Data						
	2019	2020	2021	2022	2023	2024
The Glen Endoscopy						
Medicaid	0	0	3	3	2	2
Medicare	1,366	1,137	1,821	2,152	2,442	2,053
Other Public	2	0	4	2	2	614
Insurance	2,912	2,295	3,659	4,096	4,300	3,941
Private Pay	13	20	29	19	20	15
Charity Care	0	0	0	2	0	0
Total	4,293	3,452	5,516	6,274	6,766	6,627
Cases	4,293	3,452	5,516	6,274	6,766	6,627
Hours	3,610	2,900	4,633	5,270	5,683	5,567
Medicare	\$601,124	\$687,987	\$696,588	\$1,049,625	\$1,137,672	\$4,580,789
Medicaid	\$0	\$0	\$2,197	\$2,613	\$3,734	\$1,594
Other Public	\$856	\$674	\$2,815	\$1,034	\$2,279	\$1,470,749
Insurance	\$7,484,464	\$2,492,636	\$3,788,965	\$4,353,160	\$4,487,307	\$1,020,679
Private Pay	\$741,546	\$563,802	\$788,930	\$862,929	\$840,698	\$3,839
Charity Care	\$0	\$0	\$0	\$3,785	\$0	\$0
Total	\$8,827,990	\$3,745,099	\$5,279,495	\$6,273,146	\$6,471,690	\$7,077,650
Oak Lawn Endoscopy Center						
Medicaid	1	5	3	6	0	0
Medicare	1,685	1,389	1,821	2,039	1,377	1,418
Other Public	2	1	4	6	1	0
Insurance	3,409	3,014	3,659	4,063	5,248	4,952
Private Pay	63	61	29	75	52	79
Charity Care	0	0	0	0	0	0
Total	5,160	4,470	5,516	6,189	6,678	6,449
Cases	5,160	4,470	5,516	6,189	6,678	6,753
Hours	5,160	4,470	4,633	4,126	4,453	4,503
Medicare	\$355,808	\$589,021	\$696,588	\$957,387	\$825,117	\$1,472,769
Medicaid	\$0	\$764	\$2,197	\$1,187	\$0	\$649
Other Public	\$78	\$1,200	\$2,815	\$4,397	\$81	\$3,468

TABLE TWO Utilization Data						
	2019	2020	2021	2022	2023	2024
Insurance	\$3,333,495	\$3,171,730	\$3,788,965	\$3,484,258	\$4,576,007	\$3,502,369
Private Pay	\$369,319	\$482,781	\$788,930	\$547,188	\$21,838	\$577,841
Charity Care	\$2,146	\$0	\$0	\$2,321	\$0	\$1,161
Total	\$4,060,846	\$4,245,496	\$5,279,495	\$4,996,738	\$5,423,043	\$5,558,257
NorthShore Endoscopy Center						
Medicaid		0	0	0	0	0
Medicare		826	1,073	1,244	1,473	1,016
Other Public		27	67	63	0	600
Insurance		1,882	2,783	3,092	3,485	3,343
Private Pay		52	45	45	62	93
Charity Care		0	0	0	0	0
Total		2,787	3,968	4,444	5,020	5,052
Cases		2,787	3,968	4,444	5,020	5,052
Hours	No Data	1,896	2,698	3,022	3,414	3,436
Medicare		\$539,833	\$399,520	\$543,748	\$696,588	\$749,625
Medicaid		\$0	\$0	\$0	\$0	\$0
Other Public		\$15,120	\$40,167	\$37,405	\$2,815	\$1,034
Insurance		\$2,035,673	\$2,369,702	\$2,744,218	\$3,788,965	\$3,953,160
Private Pay		\$56	\$538,766	\$594,288	\$788,930	\$862,929
Charity Care		\$0	\$1,671	\$3,342	\$0	\$0
Total		\$2,590,682	\$3,347,955	\$3,923,001	\$5,277,298	\$5,566,748

IV. Ascension Financial Information

Table Three outlines the financial information for Ascension.

TABLE THREE Ascension Financial Information Audited (in thousands)		
	2024	2023
Cash	\$666,481	\$1,013,225
Current Assets	\$8,959,188	\$6,470,394
Total Assets	\$40,706,325	\$40,458,189
Current Liabilities	\$7,156,603	\$5,534,224
Total Liabilities	\$16,883,288	\$15,638,149
Net Patient Service Revenue	\$25,872,203	\$25,647,921
Total Revenue	\$28,551,649	\$28,347,768

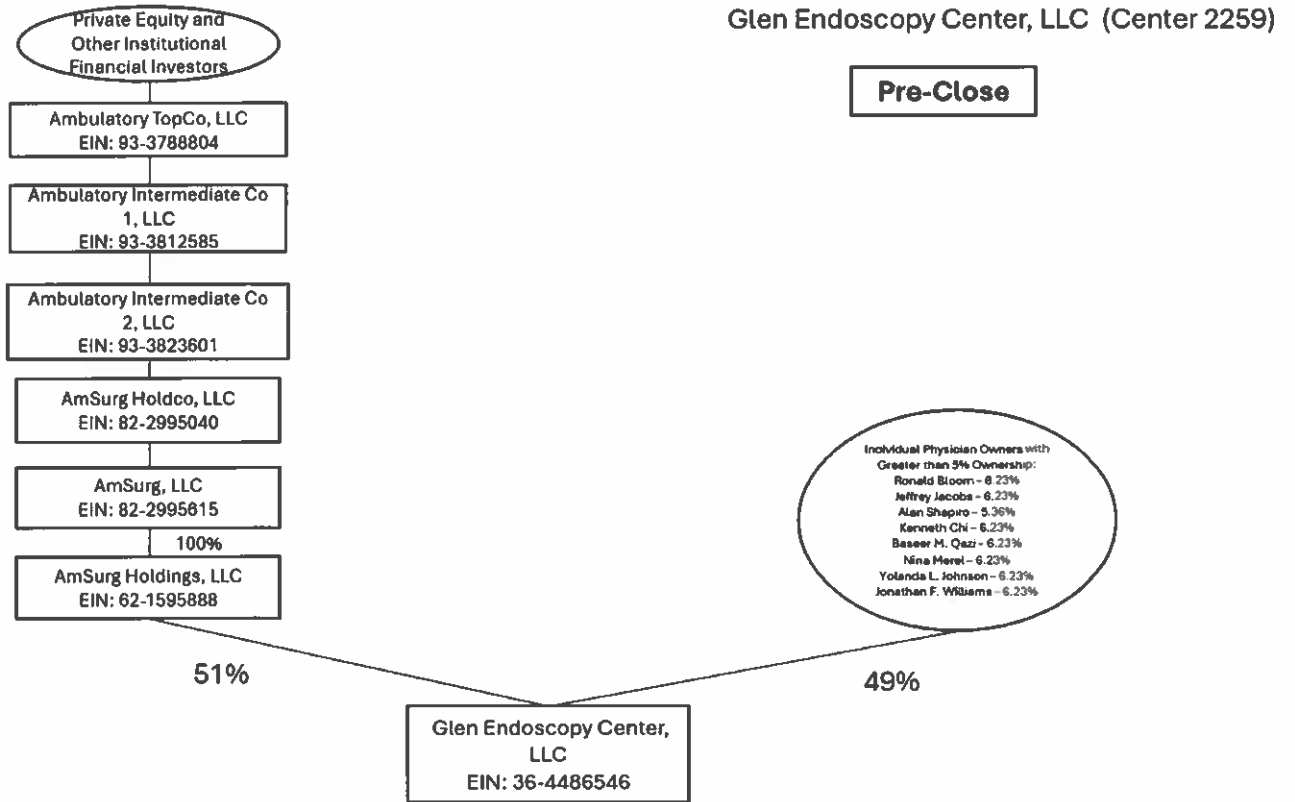
TABLE THREE Ascension Financial Information Audited (in thousands)		
Operating Expenses	\$30,069,239	\$29,946,404
Income Loss Operations	-\$1,809,118	-\$3,044,033

Several factors have contributed to Ascension's financial losses.

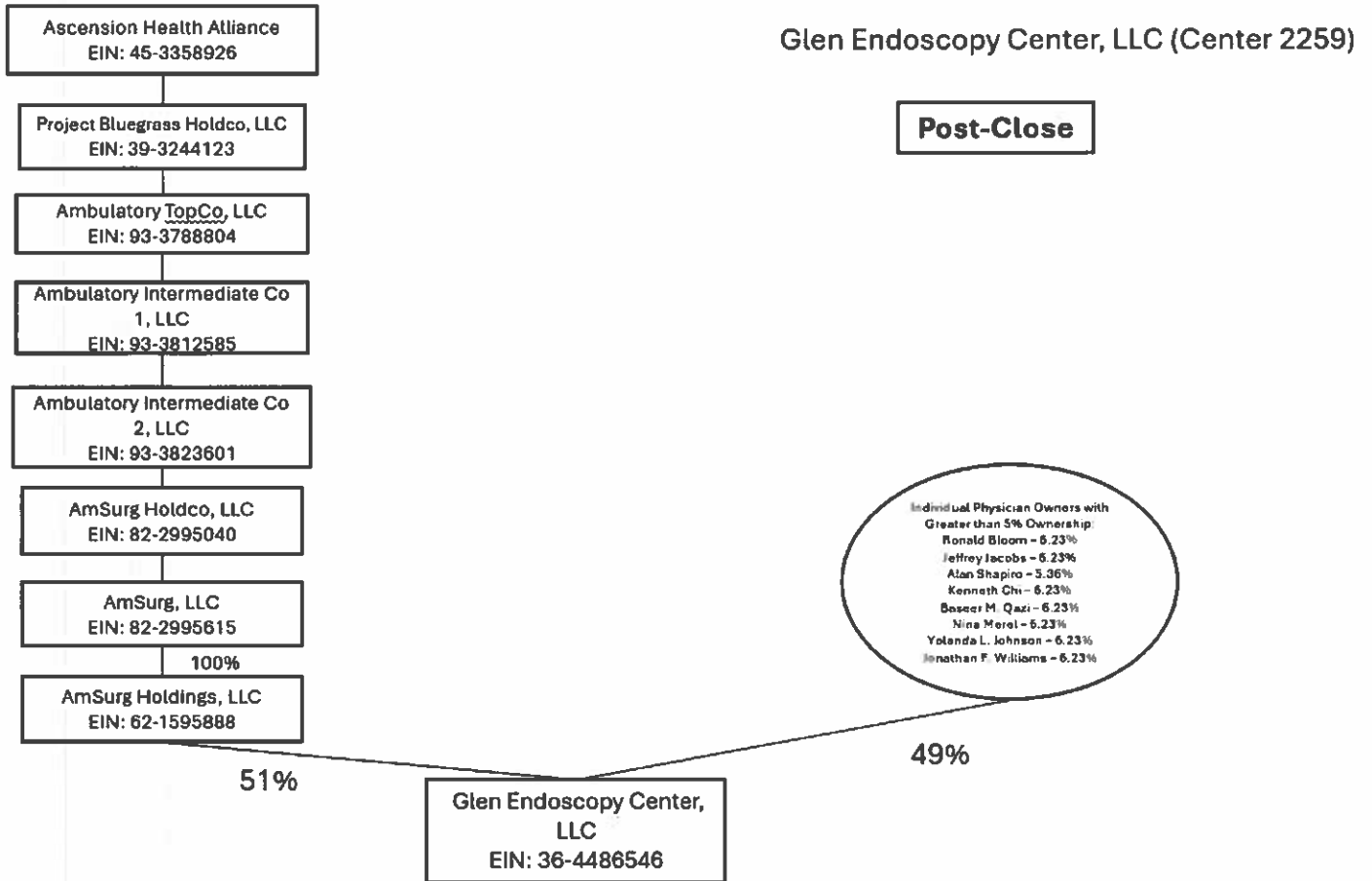
- **Cyberattack:** A significant ransomware attack in May 2024 severely impacted operations, leading to delays in revenue cycle processes, increased remediation costs, and reduced patient volumes. This attack significantly impacted Ascension's financial improvements made earlier in the year.
- **High Operating Costs:** Like many healthcare providers, Ascension has faced rising expenses, exacerbated by inflationary pressures and a mismatch between reimbursement rates and operating cost inflation. In fiscal year 2023, for example, Ascension's total operating expenses increased by 4.1%, surpassing revenue growth.
- **Revenue Challenges:**
 - Cyberattack-related Disruptions: The cyberattack caused delays in claims submissions and payment processing, impacting cash flow and revenue recognition.
 - Divestitures: Ascension's divestitures of hospitals and other assets in recent years have reduced operating revenue.
 - Reimbursement Rates: Reimbursement rates from government and commercial payers have not kept pace with rising operating costs.
- **Impairment Losses:** Ascension recognized non-cash impairment losses in fiscal year 2023 due to the carrying value of certain assets within its markets not being fully recoverable.
- **Impact of the COVID-19 Pandemic:** The pandemic and its aftermath contributed to higher operating costs and revenue challenges for the health system.

Glen Endoscopy Center, LLC Ownership Chart

Current Structure



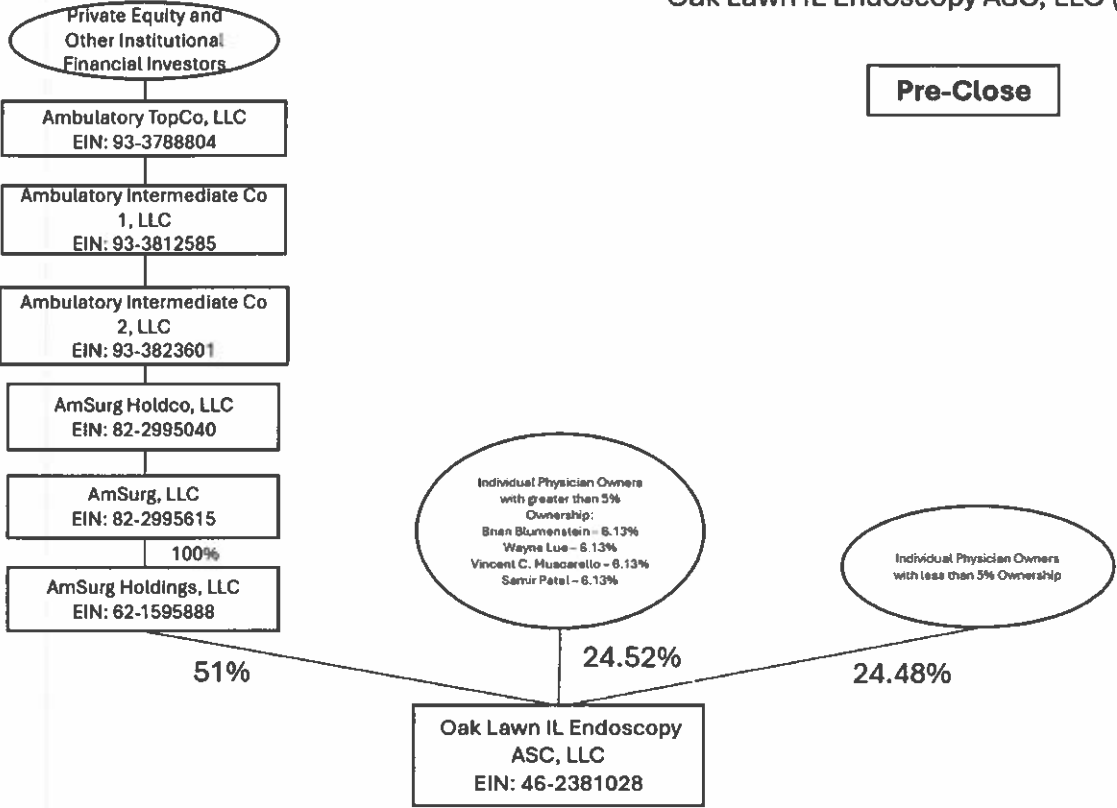
Glen Endoscopy Center, LLC **Post Transaction Ownership**



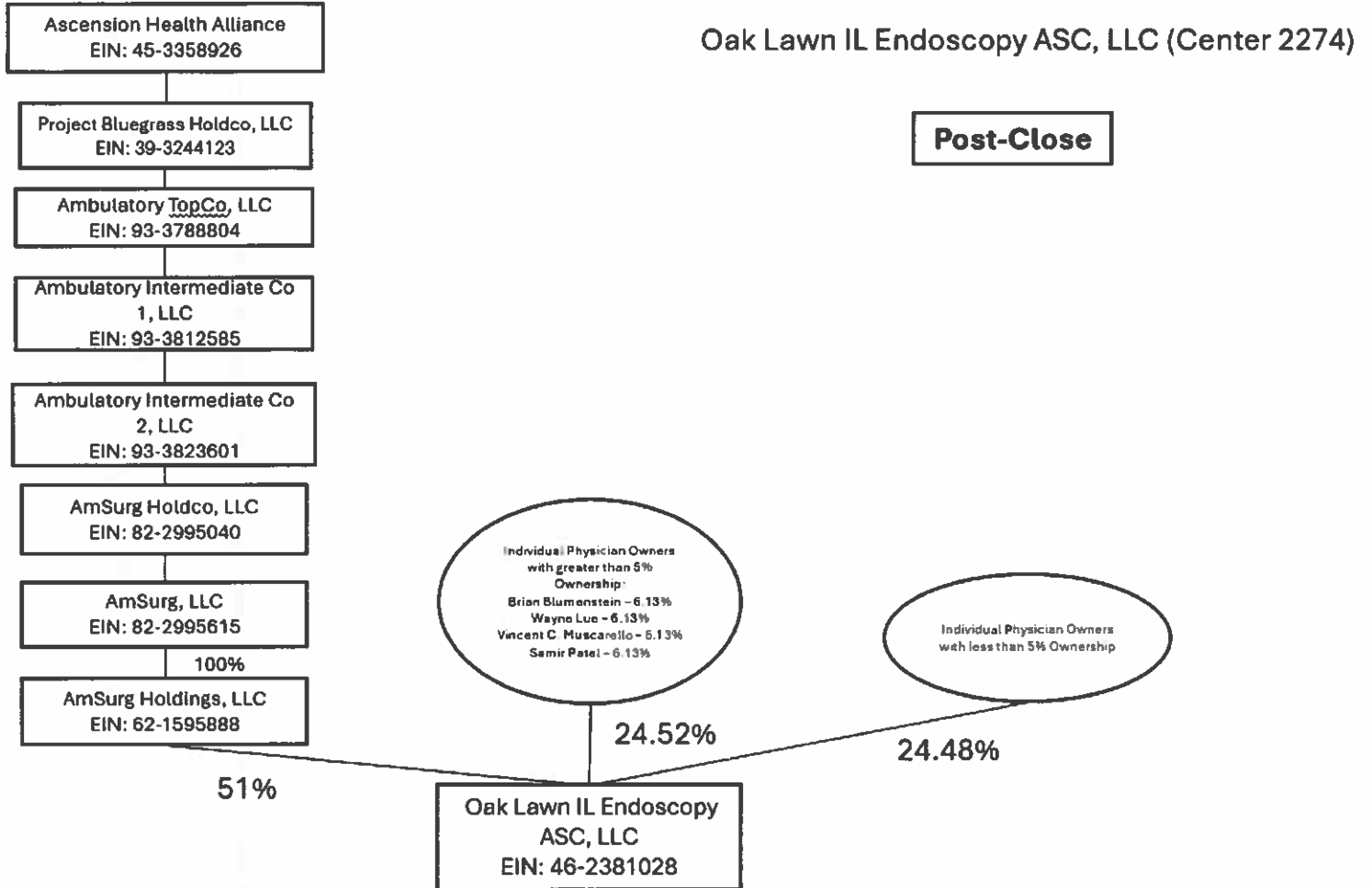
**Oak Lawn IL Endoscopy ASC, LLC
Ownership Chart**

Current Structure

Oak Lawn IL Endoscopy ASC, LLC (Center 2274)

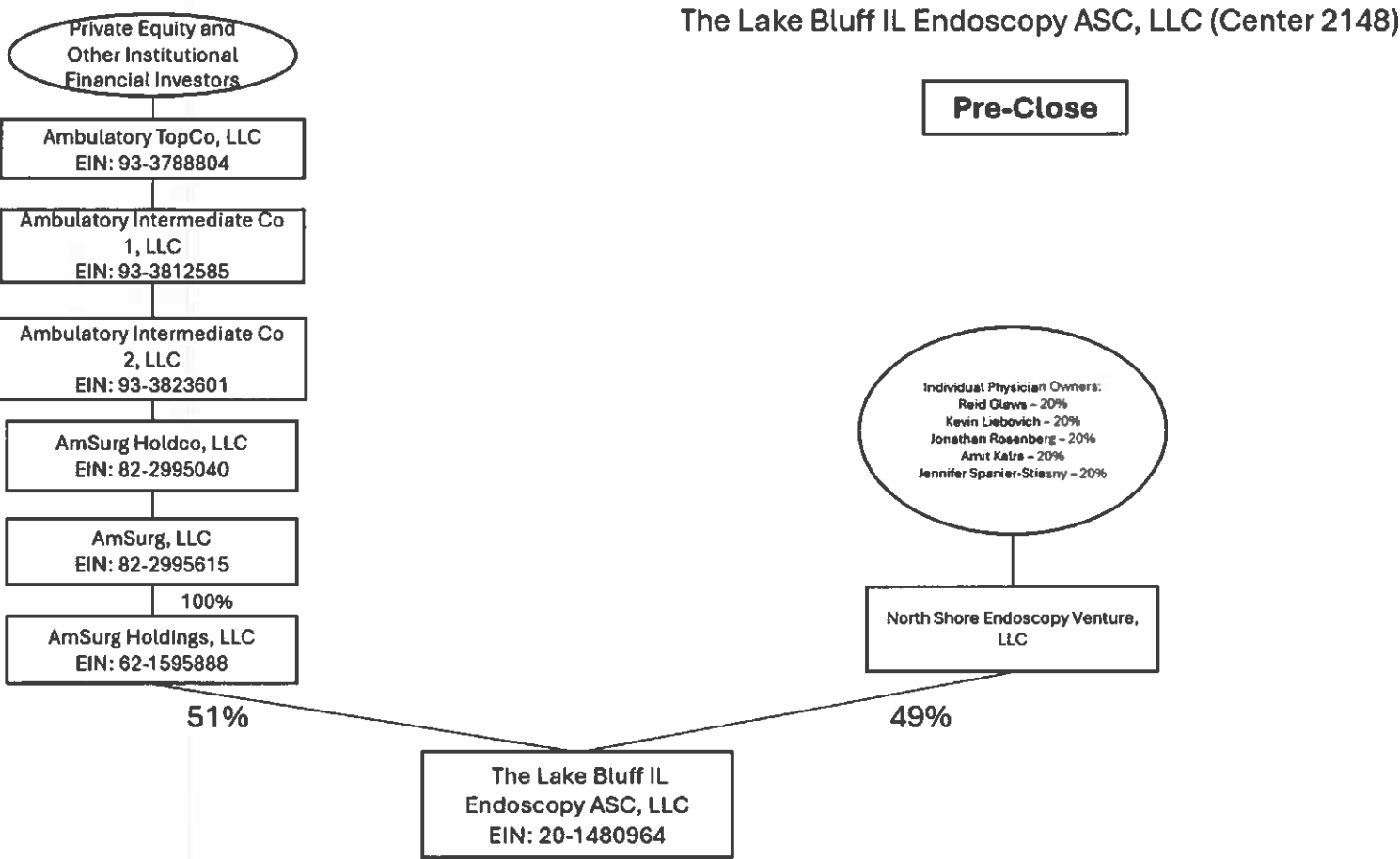


**Oak Lawn IL Endoscopy ASC, LLC
Post Transaction Ownership**



**The Lake Bluff IL Endoscopy ASC, LLC
Ownership Chart**

Current Structure



**The Lake Bluff IL Endoscopy ASC, LLC
Post Transaction Ownership**

The Lake Bluff IL Endoscopy ASC, LLC (Center 2148)

