STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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BOARD MEETING: February 26, 2026	PROJECT NO: 25-030	PROJECT COST:
FACILITY NAME: Northwestern Memorial Hospital	CITY: Chicago	Original: $95,507,133
TYPE OF PROJECT: Substantive		HSA: VI

PROJECT DESCRIPTION: The Applicants (Northwestern Memorial Hospital and Northwestern Memorial Healthcare) propose adding 42 Intensive Care ("ICU") beds in the Northwestern Memorial Hospital's Galter Pavilion in Chicago. This project also includes the addition of eight inpatient dialysis bays and the relocation and expansion of bronchoscopy procedure rooms. The project's estimated cost is $95,507,133 with an expected completion date of June 30, 2028.

Information on this Application for Permit can be found at this link:
https://hfsrb.illinois.gov/project.25-030-northwestern-memorial-hospital.html

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Northwestern Memorial Hospital and Northwestern Memorial Healthcare) propose adding 42 ICU beds in its Galter Pavilion in Chicago. A 22-bed ICU unit is proposed on the 14th floor and a 20-bed ICU unit on the 15th floor of the Galter Pavilion, for a total increase of 42 ICU beds to the hospital's license. This project includes a two-story connector from the Galter Pavilion to the Feinberg Pavilion, located on the 14th and 15th floors. This project also encompasses additional clinical services, including eight inpatient dialysis bays and the relocation and expansion of bronchoscopy procedure rooms. The project's estimated cost is $95,507,133 with an expected completion date of June 30, 2028.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The Project is before the State Board because the cost exceeds the capital expenditure minimum of $17,787,538

PUBLIC HEARING/COMMENT:

- There was no request for a public hearing, and the State Board has not received any support or opposition letters.

SUMMARY

- The Applicants state this expansion is necessary to address significant capacity issues, including long emergency department ("ED") wait times, high numbers of patients leaving without being seen, and the need to turn away patients and ambulances due to a lack of available beds. The hospital has experienced significant and consistent growth in patient days for medical/surgical and ICU services over recent years, with projections for continued increases in utilization. An insufficient number of beds has created capacity constraints in the hospital, resulting in significant backups in the ED, excessive wait times, and approximately 10,000 patients leaving without being seen each year. It's also made it difficult to accept all patients who need to transfer from other hospitals to Northwestern for specialty services. The Applicants believe additional capacity helps reduce ED hold times and eliminates the need to bypass the ED or turn away patients needing transfers from other hospitals for specialty services. Additionally, the additional beds support the growth of high-acuity, specialized programs, particularly in cardiac care, enabling the hospital to provide higher-quality care to more complex patients. A significant portion of the patient population is 65 and older, a demographic that is growing and often has chronic conditions requiring more healthcare services. This expansion plan includes a connector bridge between the Galter and Feinberg pavilions to improve the safe and efficient transfer of patients in critical condition, as well as of staff, supplies, and equipment between the buildings. The Applicants view this expansion as a necessary step to meet current demands and prepare for future patient needs, ensuring the institution remains a top-tier academic medical center capable of providing critical care to the region's residents.
- The Applicants addressed a total of 19 criteria and have not met the following:

Non-Compliance	
Criteria	Explanation
Criterion 1110.120 (a) – Size of the Project	The proposed DGSF for the 42 ICU Beds is 42,667 or 1,015 DGSF per bed. The State Board Standard is 685 DGSF per bed or 28,770 DGSF. According to the Applicants, the difference is due to private bathrooms, nurse substations, and the existing floorplate's design.

Non-Compliance	
Criteria	Explanation
	If these differences are accepted, the Applicants exceed the State Board Standard by 624 DGSF per bed.
Criterion 1120.140 (c) Reasonableness of Project Costs	**New Construction and Contingency Costs** total $34,846,748, or $682.03 per GSF. This appears high when compared to the State Board Standard of $625.89 per bed. The modernization of the Galter Pavilion exceeds this standard primarily because the project involves converting space built initially for business occupancy (physicians' offices) to **institutional occupancy (inpatient hospital units)**, which requires extensive infrastructure work.

State Board Staff Report
Project #25-030
Northwestern Memorial Hospital

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Northwestern Memorial Hospital and Northwestern Memorial Healthcare
Facility Name	Northwestern Memorial Hospital
Location	251 East Huron Street, Chicago
Permit Holder	Northwestern Memorial Hospital and Northwestern Memorial Healthcare
Licensee/Operating Entity	Northwestern Memorial Hospital
Owner of Site	Northwestern Memorial Hospital
Application Received	August 6, 2025
Application Deemed Complete	August 11, 2025
Review Period Ends	December 9, 2025
Project Completion Date	June 30, 2028
Review Period Extended by the State Board Staff?	No
Can the Applicant request a deferral?	Yes
Expedited Review?	No

I. The Proposed Project

The Applicants (Northwestern Memorial Hospital and Northwestern Memorial Healthcare) propose adding 42 ICU beds, eight inpatient dialysis stations, and expanding bronchoscopy procedure rooms. The project's cost is $96,507,133, and the expected completion date is June 30, 2028.

II. Summary of Findings

A. The State Board Staff finds the proposed project does not appear to be in conformance with the provisions of Part 1110.

B. The State Board Staff finds the proposed project does not appear to be in conformance with the provisions of Part 1120.

III. General Information

The Applicants are Northwestern Memorial Hospital and Northwestern Memorial Healthcare. Northwestern Memorial Healthcare is the parent of an integrated nonprofit healthcare organization anchored by Northwestern Memorial Hospital and Northwestern Medical Group, which provides healthcare services to communities in northern Illinois. Northwestern Memorial Healthcare partners with Northwestern University Feinberg School of Medicine to form an academic medical center, branded Northwestern Medicine.

Northwestern Memorial Hospital is the operating entity/licensee, and it is the owner of the real property. This is a substantive project subject to a Part 1110 and 1120 review. Financial commitment will occur after the permit is issued.

IV. Health Service Area

Northwestern Memorial Hospital is located in Health Service Area VI, the City of Chicago, and Hospital Planning Area **A-01 (HPA-01). HPA** A-1 includes the City of Chicago Community Areas of Uptown, Lincoln Square, North Center, Lakeview, Lincoln Park, Near North Side, Edison Park, Norwood Park, Jefferson Park, Forest Glen, North Park, Albany Park, Portage Park, Irving Park, Dunning, Montclare, Belmont Cragin, Hermosa, Avondale, Logan Square, O'Hare, and Edgewater. There are nine hospitals in HPA A-01. There is a calculated excess of 1,014 medical-surgical beds, 30 intensive care beds, and 90 obstetric beds in HPA A-01.

Table One lists the hospitals in HPA A-01, their total and ICU bed counts, and ICU utilization for 2024. Table Two presents the estimated populations for the City of Chicago and the State of Illinois for 2020, 2025, and 2030, along with projected increases or decreases.

TABLE ONE
Hospitals in the A-01 Hospital Planning Area

Hospital	Total Beds	City	ICU Beds	%
Community First Medical Center	296	Chicago	20	144.23%
Illinois Masonic Medical Center Campus	451	Chicago	37	46.43%
Louis A. Weiss Memorial Hospital *	236	Chicago	16	36.42%
Northwestern Memorial Hospital	943	Chicago	139	75.11%
Prime Resurrection Medical Center	305	Chicago	41	37.40%
Ascension Saint Joseph Hospital - Chicago	332	Chicago	21	19.82%
Swedish Hospital	292	Chicago	18	50.00%
Thorek Memorial Hospital	132	Chicago	10	0.00%
Thorek Memorial Hospital-Andersonville	145	Chicago	9	0.00%

*Hospital temporarily suspended services.

TABLE TWO
Population Estimate
City of Chicago and the State of Illinois

	2020	2025	2030	% Increase/Decrease 2020 through 2030
Chicago	2,740,074	2,699,173	2,649,877	-3.29%
≥65	349,744	408,264	457,644	30.85%
Illinois	12,785,245	12,780,245	12,775,245	-0.08%
≥65	2,060,629	2,398,232	2,695,534	30.81%

V. Hospital

The Hospital currently has 943 inpatient beds. This project proposes to increase the total number of beds to 985. Table Three below illustrates hospital utilization in 2024, average length of stay, and average daily census.

TABLE THREE
Northwestern Memorial Hospital
1-1-2024 thru 12-31-2024

	Beds	Admissions	Days	ALOS	ADC	Occ
Medical Surgical	573	29,362	202,089	6.88	554	96.62%
Obstetric	116	12,122	34,310	2.83	94	81.03%
Intensive Care	139	7,217	38,105	5.28	104	75.11%
AMI	29	780	9,035	11.58	25	85.36%
Neonatal	86	278	2,434	8.82	7	7.75%
Total	943	49,757	285,973	5.75	783	83.08%

V. Project Details

The applicant seeks approval from the Illinois Health Facilities and Services Review Board (HFSRB) to increase ICU bed capacity at the Galter Pavilion at Northwestern Memorial Hospital in downtown Chicago. In this project, a 22-bed ICU unit is proposed on the 14th floor and a 20-bed ICU unit on the 15th floor of the Galter Pavilion, for a total increase of 42 ICU beds. This project includes a two-story connector from the Galter Pavilion to the Feinberg Pavilion, located on the 14th and 15th floors. This project also includes additional clinical services, such as eight inpatient dialysis bays and the relocation and expansion of bronchoscopy procedure rooms. According to the Applicants, because the floors in the Galter Pavilion were initially designed and constructed for business occupancy and have been used as physicians' offices, significant infrastructure work is required to convert the proposed floors to institutional occupancy. The floors in the Galter Pavilion were initially designed for standard business occupancy, not for inpatient hospital use. This means significant and costly infrastructure work is necessary to convert the space to meet the required institutional occupancy standards.[1] Currently, the Feinberg Pavilion has 91 ICU beds, and the Galter Pavilion has 48, for a total of 139 ICU beds on campus. This project proposes adding 42 ICU beds to the Galter Pavilion, bringing the hospital's total to 181. The project's total square footage will be 69,741 square feet of new construction (51,093 square feet of clinical and 18,648 square feet of non-clinical space).

VI. Project Uses and Sources of Funds

[1] "Institutional occupancy" refers to the use of a building or structure by people who are **unable to evacuate without physical assistance** due to health, age, security measures, or other limitations, and must depend on others for help during emergencies. This classification is primarily used in building and fire safety codes (such as those from the International Code Council and the National Fire Protection Association) to ensure appropriate safety measures are in place, such as specific fire suppression systems and clear evacuation plans.

The Applicants are funding this project with $96,501,562 in cash (see Table Four).

TABLE FOUR
Project Uses and Sources of Funds

USES OF FUNDS	Clinical	Non-Clinical	Total	% of total
Preplanning Costs	$305,279	$111,421	$416,700	0.43%
Site Survey and Soil Investigation	$404,076	$147,480	$551,556	0.57%
Site Preparation	$1,276,492	$602,394	$1,878,886	1.95%
New Construction Contracts	$31,678,862	$19,991,683	$51,670,545	53.54%
Contingencies	$3,167,886	$1,999,168	$5,167,054	5.35%
Architectural/Engineering Fees	$1,869,145	$1,097,752	$2,966,897	3.07%
Consulting and Other Fees	$4,499,012	$1,642,056	$6,141,068	6.36%
Movable or Other Equipment	$22,298,548	$2,673,672	$24,972,220	25.88%
Other Costs to Be Capitalized	$2,008,969	$733,237	$2,742,206	2.84%
TOTAL USES OF FUNDS	$67,508,269	$28,998,864	$96,507,133	100.00%
SOURCE OF FUNDS				
Cash and Securities	$67,508,269	$28,998,864	$96,501,562	100.00%
TOTAL SOURCES OF FUNDS	$67,508,269	$28,998,864	$96,501,562	100.00%

VII. Background of the Applicant, Purpose of Project, Safety Net Impact Statement, and Alternatives − Information Requirements

A. 77 Ill. Adm. Code 1110.110 (a) – Background of the Applicants
B. 77 Ill. Adm. Code 1110.110 (b) – Purpose of the Project
C. 77 Ill. Adm. Code 1110.110 (c) – Safety Net Impact
D. 77 Ill. Adm. Code 1110.110 (d) – Alternatives to the Project

A) Background of Applicant

An applicant must demonstrate that it 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] In evaluating the qualifications, background and character of the applicant, HFSRB shall consider whether adverse action has been taken against the applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed health care facility, or against any health care facility owned or operated by the applicant, directly or indirectly, within 3 years preceding the filing of the application. A health care facility is considered "owned or operated" by every person or entity that owns, directly or indirectly, an ownership interest. If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by that person or entity (see 77 Ill. Adm. Code 1100 and 1130 for definitions of terms such as "adverse action", "ownership interest", and "principal shareholder").

Northwestern Memorial Hospital has a five-star overall rating on the Medicare Compare website. The Applicants attest that no adverse action was taken against the Applicants' facility during the three years before the filing of this application. The Applicants authorize HFSRB and IDPH to access any documents necessary to verify the information submitted, including, but not limited to, official records of IDPH or other State agencies, the licensing or certification records of other states when applicable, and the records of nationally recognized accreditation organizations. The Applicants have demonstrated that they are fit, willing, and able and possess the necessary qualifications, background, and character to provide proper healthcare services to the community.

B) Purpose of the Project

The applicant shall document that the project will provide health services that improve the healthcare or well-being of the population to be served in the market area. The applicant shall define the planning area, market area, or other relevant area, as the applicant determines.

The Applicants state that the purpose of this project is to **meet significant patient demand, relieve ED overcrowding, and expand specialized services, such as cardiac care.** Northwestern Memorial has experienced high utilization rates in its ICU and medical/surgical ("M/S") units, driven partly by the growing number of older patients with chronic conditions. The additional 42 ICU beds will help meet this demand. According to the Applicants, a lack of available inpatient beds has historically meant that patients requiring critical care often had to wait in the ED until a bed became available. The added capacity should reduce wait times and enable more timely transfers. Additionally, the hospital sometimes had to turn away ambulances due to bed shortages. The Applicants state that the new beds are specifically designed to expand programs, such as cardiovascular care, within the Bluhm Cardiovascular Institute. This allows the hospital to group patients with similar needs and provide care from nurses and physicians with specialized training. The project involves converting existing space (previously used as doctors' offices) into inpatient units and constructing connectors between the Galter and Feinberg pavilions to enhance the safe and efficient transfer of patients, supplies,

equipment, and staff between buildings. This expansion is part of Northwestern Memorial's ongoing effort to increase capacity and keep pace with the evolving needs of patients in the Chicago area.

In the Applicants' Master Design Project for a new patient tower on the downtown campus (Permit #25-025), it is stated that Northwestern Memorial Hospital has a vision for the future of healthcare in Chicago: to be a globally recognized destination for expert care and world-class talent. Achieving this vision and realizing its benefits for the patients and communities Northwestern Memorial Hospital serves will require substantial investments in a new facility and enhanced programs. The Applicants state that while the new tower will enable Northwestern Memorial Hospital to meet the growing demand for high-acuity services, this project is crucial for bridging the gap between 2027 and 2031, when a new tower could be operational. Given the ongoing high ICU occupancy rates and projected ICU utilization, the proposed project will accommodate a portion of the additional ICU beds needed at the hospital. The Applicants believe this investment not only addresses current capacity constraints but also anticipates future high-acuity needs, reinforcing the hospital's commitment to excellence in healthcare delivery. (See Application for Permit pages 65-68)

C) Safety Net Impact Statement

All health care facilities, except skilled and intermediate long-term care facilities licensed under the Nursing Home Care Act, shall provide a safety net impact statement, which shall be filed with an application for a substantive project (see Section 1110.40). *Safety net services are offered by healthcare providers or organizations that deliver care to individuals with barriers to mainstream healthcare, including those without insurance, those unable to pay, individuals with special needs, individuals with ethnic or cultural characteristics, or those living in geographic isolation*. [20 ILCS 3960/5.4]

The Applicant's Safety Net Impact Statement is provided at the end of this report.

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 health care needs of the population to be served.

The Applicants considered three alternatives to the proposed project.

1. Maintain Status Quo — Capital Costs $0
2. Vertical Expansion of Feinberg Pavilion — Capital Costs $235M
3. Construct a new tower on the VA-Lakeside site — Capital Costs N/A

1. **Status Quo** considers maintaining the current inpatient bed capacity on the hospital's campus and leveraging operational improvements to address capacity challenges. There are several operational initiatives that the Applicants are using to improve throughput and inpatient capacity constraints, including:
   - Decreasing the length of stay for complex patients and surgery patients by creating enhanced interdisciplinary workflows, implementing social work consults pre-surgery, improving discharge planning checklists, and establishing communication protocols for patients' families and caregivers.
   - Implementing a super track to lower the ED's Left Without Being Seen rates and improve patient satisfaction by offering more efficient care.

• Expanding Oncology Triage Clinic hours for low-risk oncology patients instead of them being seen in the ED and admitted as inpatients.
• Evaluating a Hospital at Home program for Northwestern Memorial Hospital patients, allowing eligible patients to receive inpatient care in their homes instead of at the hospital.
• Launching an ICU transfer program between Northwestern Memorial Hospital and Northwestern Memorial Central DuPage Hospital in 2024. This process facilitates requests for transfers to the Northwestern Memorial Hospital Medical ICU. It evaluates them for potential routing to NM Central DuPage Hospital through a detailed review process and collaboration with teams at both facilities, optimizing the integrated academic health system to provide timely access to high-quality ICU care.

The Applicants state that, despite operational improvements and efficiencies, maintaining the status quo does not adequately address the capacity challenges and projected future demands for Northwestern Memorial Hospital's inpatient services. Northwestern Memorial Hospital has experienced an almost 30% increase in ICU patient days from CY14 to CY24 and has exceeded the State Board's occupancy standard (60%) in every year of the same period. The addition of ICU beds is crucial to effectively serving Northwestern Memorial Hospital's service area.

2. **Vertical Expansion of Feinberg Pavilion**
   The Applicants state that several years ago, when Northwestern Memorial Hospital began experiencing capacity constraints after the opening of the Feinberg/Galter Pavilion, adding a floor to the top (17th) of the Feinberg Pavilion was considered an option to expand bed capacity on campus. However, this option was not pursued because it was considerably more costly than the other options being considered and would have been highly disruptive to existing services.

3. **Constructing a new, larger pavilion** on the vacant land that was once the Chicago VA Lakeside Hospital site to accommodate ICU, medical/surgical, and other clinical components. Northwestern Memorial Hospital is actively planning a new patient tower on the VA's site and has submitted a Master Design Permit application (CON #25-025). Given the density of the NMH campus, this site provides valuable adjacent space for growth to meet NMH's long-term demand for high-acuity services; however, planning and construction of a new building would take approximately 6 years. (See Application for Permit pages 69-73)

VIII. Size of Project, Project Utilization

A) 77 Ill. Adm. Code 1110.120 (a) – Project Size
B) 77 Ill. Adm. Code 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 proposed DGSF for the 42 ICU Beds is 42,667 DGSF or 1,015 DGSF per bed. The State Board Standard is 685 DGSF per bed or 28,770 DGSF for 42 beds. According to the Applicants, the difference is due to private bathrooms, nurse substations, and the existing floorplate's design. If these differences are accepted, the Applicants exceed the State Board standard by 624 DGSF per bed.

1.	All private bathrooms	2,120 DGSF
2.	Nurse Substations	2,480 DGSF
3.	Design Impact of Existing Floorplate	9,921 DGSF
	Total	14,521 DGSF (Justification)

42,667 DGSF (Proposed) – 28,770 DGSF (State Standard) = 13,897 DGSF
14,521 DGSF (Justification) - 13,897 DGSF = 624 DGSF Difference

The difference in Department Gross Square Footage (DGSF) for new or renovated hospital space, such as the addition of 42 ICU beds at the Galter Pavilion, is due to the need for **expanded support areas, wider corridors for equipment/circulation, thicker walls for medical gases/infrastructure, and nurse substations for direct patient visualization.** Department Gross Square Feet (DGSF) includes the net square footage of individual rooms plus internal departmental circulation (corridors), internal partitions (walls), and structural elements within the department's boundaries. ICU units inherently require a higher DGSF per bed than other hospital units (e.g., medical/surgical or administrative offices) due to specific operational and regulatory requirements. ICU patients require more specialized equipment and support functions, necessitating larger storage areas, equipment rooms, and staff work areas. Corridors often need to be wider to accommodate critical care equipment and beds, increasing the non-assignable square footage within the department's footprint. Walls are thicker in ICU units because they must house medical gases, specialized electrical systems, and other critical infrastructure, which increases the gross area.

To ensure direct visual contact with all patients from primary and secondary nurse stations, these areas are often larger and strategically placed, increasing the overall DGSF/bed ratio. The Galter Pavilion project involved converting floors previously used as physicians' offices (business occupancy) into institutional/inpatient occupancy space. This conversion necessitated significant infrastructure upgrades and reconfigurations to meet the stringent requirements for an ICU. In essence, the difference in DGSF reflects the specialized, high-acuity nature of intensive care, requiring a more expansive and robust physical environment per patient than less acute care settings.

The Applicants propose 3,835 DSGF for the two-room bronchoscopy procedure suite and eight recovery stations. The State Board standard is 1,100 DGSF per procedure room and 400 DGSF per recovery station for a total of 5,400 DGSF. The Applicants have met the size requirements for the bronchoscopy suite. The State Board does not have size standards for inpatient dialysis stations. (See Table Five and the Application for Permit pages 74-84)

TABLE FIVE Departmental Gross Square Footage			
Service	Proposed DGSF	State Standard	Difference
ICU	42,667	28,770	13,897
Inpatient Dialysis	4,591	No Standard	N/A
Bronchoscopy Suite	3,835	5,400	-1,565

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 number of projected years shall not exceed the number of documented historical years. If the applicant does not meet the utilization standards in Appendix B, or if service areas do not have utilization standards in 77 Ill. Adm. Code 1100, the applicant shall justify its own utilization standard by providing published data or studies, as applicable.

The Applicants propose adding 42 ICU beds, bringing the total to 181 ICU beds (139 + 42 = 181). Table Six shows ten years of ICU utilization at the hospital. Current utilization at the hospital will justify 174 ICU beds (104.4 ÷ 60%). Based upon historical utilization, it appears the 42 ICU beds are warranted.

TABLE SIX
Northwestern Memorial Hospital
ICU Utilization
2014 through 2024

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Admits	7,064	7,605	7,766	7,888	7,373	7,248	6,733	6,859	6,754	7,222	7,217
Days	29,901	29,923	30,756	31,430	29,429	30,813	33,159	36,683	34,525	36,086	38,105
ADC	81.9	82.0	84.3	86.1	80.6	84.4	90.8	100.5	94.6	98.9	104.4
Beds	115	115	115	115	115	115	115	139	139	139	139
Occ	71.24%	71.29%	73.27%	74.88%	70.11%	73.41%	79.00%	72.30%	68.05%	71.13%	75.11%

IX. Intensive Care

77 Ill. Adm. 1110.200 Intensive Care Expansion of Existing Services	(b)(2)	Planning Area Need – Service to Planning Area Residents
	(b)(4)	Planning Area Need – Service Demand – Expansion of Existing Category of Service
	(e)	Staffing Availability
	(f)	Performance Requirements
	(g)	Assurances

A) Service to Planning Area Residents

A) Applicants proposing to establish or add beds shall document that the primary purpose of the project will be to provide necessary health care to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

B) Applicants proposing to add beds to an existing category of service shall provide patient origin information for all admissions for the last 12-month period, verifying that at least 50% of admissions were

residents of the area. For all other projects, applicants shall document that at least 50% of the projected patient volume will be from residents of the region.
C) Applicants proposing to expand an existing category of service shall submit patient origin information by zip code, based upon the patient's legal residence (other than a health care facility).

The geographical service area ("GSA") is a 10-mile radius from the hospital. The Applicants provided ICU patient origin data by zip code for CY 2024, as required, on pages 87-95 of the Application for Permit. It appears that at least 50% of ICU admissions in CY 2024 were from the required GSA.

B) Service Demand – Expansion of Existing Category of Service

The number of beds to be added for each service category is necessary to reduce the facility's high occupancy and meet projected service demand. The applicant shall document subsection (b)(4)(A) and either subsection (b)(4)(B) or (C):
A) Historical Service Demand
i) An average annual occupancy rate that has equaled or exceeded occupancy standards for the category of service, as specified in 77 Ill. Adm. Code 1100, for each of the latest 2 years;
ii) If patients have been referred to other facilities to receive the subject services, the applicant shall provide documentation of the referrals, including: patient origin by zip code; name and specialty of referring physician; and name and location of the recipient hospital, for each of the latest 2 years.
B) Projected Referrals
The applicant shall provide the following:
i) Physician referral letters that attest to the physician's total number of patients (by zip code of residence) who have received care at existing facilities located in the area during the 12 months before submission of the application;
ii) An estimated number of patients the physician will refer annually to the applicant's facility within 24 months after project completion. The anticipated number of referrals cannot exceed the physician's experienced caseload. The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share within 24 months after project completion;
iii) Each referral letter shall contain the physician's notarized signature, the typed or printed name of the physician, the physician's office address, and the physician's specialty; and
iv) Verification by the physician that the patient referrals have not been used to support another pending or approved CON application for the subject services.

The Applicants believe that without additional ICU inpatient beds, capacity constraints will persist. As in other years of high demand, lack of bed availability has caused significant backups in the ED, which has led to excessive ED wait times, approximately 10,000 patients per year leaving the ED without being seen, and
beds not being available to receive patients from other hospitals needing transfer to Northwestern Memorial Hospital for specialty services. Northwestern Memorial Hospital's projections for additional ICU beds are based on three supporting justifications:

1. Projected population growth for residents aged 65+
2. Increase in patient acuity levels
3. Historic average annual occupancy above the State Standard/projected continued growth in patient days

According to the Applicants' analysis, while the overall population of the Northwestern Memorial service area is projected to remain relatively stable from 2025 to 2030, the number of residents aged 65 and above is projected to increase by 11.7%. The Applicants state that Northwestern Memorial Hospital has already seen an increase in the percentage of patients aged 65 and above. In CY14, 36% of Northwestern Memorial Hospital's M/S

patients were aged 65 and above, and in CY24, the percentage had increased to 45%. Because almost half of Northwestern Memorial Hospital's M/S patients are aged 65 and above, based on these population projections for the Northwestern Memorial service area, inpatient volumes at Northwestern Memorial are likely to increase at a higher average annual growth rate than the historical growth rate. An increase in a hospital's Case Mix. Index: (CMI) reflects a higher-acuity level of patients being treated and greater medical case complexity. Since CY19, Northwestern Memorial Hospital's CMI has increased by 16%. Occupancy of Northwestern Memorial Hospital's ICU beds has exceeded 60% (the State Board's occupancy standard) every year for the past decade. Average annual occupancy has ranged 68% to 78%. (See Table Seven below)

TABLE SEVEN
Northwestern Memorial Hospital
ICU Utilization
2014 through 2024

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Admits	7,064	7,605	7,766	7,888	7,373	7,248	6,733	6,859	6,754	7,222	7,217
Days	29,901	29,923	30,756	31,430	29,429	30,813	33,159	36,683	34,525	36,086	38,105
ADC	81.9	82.0	84.3	86.1	80.6	84.4	90.8	100.5	94.6	98.9	104.4
Beds	115	115	115	115	115	115	115	139	139	139	139
Occ	71.24%	71.29%	73.27%	74.88%	70.11%	73.41%	79.00%	72.30%	68.05%	71.13%	75.11%

C) Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered, and that licensure and The Joint Commission staffing requirements can be met. Additionally, the applicant must document that the necessary staffing is available by providing a narrative explaining how the proposed staffing will be implemented.

According to the Applicants, Northwestern Memorial Hospital has successfully recruited and retained nurses, technicians, and other essential staff. In FY24, there were 2,866 total registered nurses at Northwestern Memorial Hospital, up from approximately 2,578 in FY14. Northwestern Memorial Hospital hired 768 RNs in FY23, including 733 in CY 24. According to the Applicants, 98% of Northwestern Memorial Hospital nurses hold a baccalaureate degree or higher, compared with the national average of 71.7% (source: US Bureau of Labor Statistics, 2022). The nurse vacancy rate at the Hospital decreased from 11.8% in FY23 to 8.5% in FY24 and is at 5.2% year-to-date through June 2025, which compares favorably to the national benchmark of 9.6% for hospitals (source: NSI Nursing Solutions 2025 National Health Care Retention and RN Staffing Report). Vacant positions are covered using an overtime/supplemental time program. Northwestern Memorial Hospital is confident it can continue to staff its inpatient and outpatient clinical services fully.

D) Performance Requirements − Bed Capacity Minimum

3) Intensive Care

The minimum unit size for an intensive care unit is four beds.

Northwestern Memorial Hospital has 139 authorized ICU beds. The Applicants have met this requirement.

E) Assurances

The applicant representative who signs the CON application shall submit a signed and dated statement attesting that the applicant understands that, by the second year of operation after project completion, the applicant will achieve and maintain the occupancy standards specified in Section 77 of the Illinois Administrative Code. Adm. Code 1100 for each category of service involved in the proposal.

The Applicants have provided the necessary assurance as required on page 103 of the Application for Permit.

X. Clinical Service Areas Other Than Categories of Service

77 Ill. Adm. 1110.270 - Service Modernization	(c)(2)	–	Necessary Expansion
			PLUS
	(c)(3)(A)	–	Utilization – Major Medical Equipment
			or
	(c)(3)(B)	–	Utilization – Service or Facility

A) Service Modernization

The applicant shall document that the proposed project meets one of the following:

1) Deteriorated Equipment or Facilities

The proposed project will result in replacing equipment or facilities that have deteriorated and require replacement. Documentation shall consist of, but is not limited to: historical utilization data, downtime or time spent out of service due to operational failures, upkeep and annual maintenance costs, and licensure or fire code deficiency citations involving the proposed project.

2) Necessary Expansion

The proposed project is necessary to expand diagnostic and treatment services, ancillary training, and other support services to meet patient demand. Documentation shall consist of, but is not limited to: historical utilization data, evidence of changes in industry standards, changes in the scope of services offered, and licensure or fire code deficiency citations involving the proposed project.

3) Utilization

A) Major Medical Equipment

Proposed projects for the acquisition of major medical equipment shall document that the equipment will achieve or exceed any applicable target utilization levels specified in Appendix B within 12 months after acquisition.

B) Service or Facility

Projects involving the modernization of a service or facility shall meet or exceed the service's utilization standards, as specified in Appendix B. The number of key rooms being modernized shall not exceed the number justified by historical utilization rates for each of the last two years, unless additional key rooms can be justified under subsection (c)(2) (Necessary Expansion).

C) If no utilization standards exist, the applicant shall document in detail its anticipated utilization in terms of incidence of disease or conditions, or population use rates.

There is one bronchoscopy procedure room at the hospital. The proposed project involves relocating the existing procedure room and adding a room on the 14th floor of Galter Pavilion. Bronchoscopy cases and hours have increased by approximately 50% since calendar year 2020, representing an average annual growth rate of 12.5%. In CY24,

Northwestern Memorial Hospital could justify a second bronchoscopy room based on the state target utilization of 1.500 hours per procedure room. (See Table Eight)

TABLE EIGHT
Bronchoscopy Historical and Projected Utilization

Bronchoscopy	**CY2020**	**CY2021**	**CY2022**	**CY2023**	**CY2024**
Cases	1,013	1,089	1,017	1,298	1,534
Hours	1,224	1,340	1,233	1,565	1,836
Rooms Justified	0.8	0.9	0.8	1	1.2
Bronchoscopy	**CY2025**	**CY2026**	**CY2027**	**CY2028**	**CY2029**
Cases	1,672	1,843	2,031	2,238	2,486
Hours	2,023	2,230	2,457	2,708	2,984
Rooms Justified	1.3	1.5	1.6	1.8	2

There are currently eight inpatient dialysis stations (bays) at the hospital. The Applicants proposed adding eight inpatient dialysis stations on the 15th floor of the Galter Pavilion, bringing the total to 16. Inpatient dialysis volume has increased by 42% from FY 2019 through FY 2024 (see Table Nine). The State Board does not have a utilization standard for inpatient dialysis stations.

TABLE NINE Inpatient Dialysis Historical and Projected Utilization						
IP Dialysis	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Units of Service	6,242	6,860	8,470	7,964	8,471	8,868
Utilization	83.36%	91.61%	113.11%	106.36%	113.13%	118.43%
# of Stations	8	8	8	8	8	8
Stations Justified	8.3	9.2	11.3	10.6	11.3	11.8
IP Dialysis	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	
Units of Service	9,509	10,198	10,938	11,731	12,681	
Utilization	126.99%	136.19%	146.07%	78.33%	84.68%	
# of Stations	8	8	8	16	16	
Stations Justified	12.7	13.6	14.6	15.7	16.8	

XI. Financial Viability and Economic Feasibility

A) Criterion 77 Ill. Adm. Code 1120.120 – Availability of Funds
B) Criterion 77 Ill. Adm. Code 1120.130 – Financial Viability
C) Criterion 77 Ill. Adm. Code 1120.140 (a) – Reasonableness of Financing Arrangements
D) Criterion 77 Ill. Adm. Code 1120.140 (b) – Terms of Debt Financing
E) Criterion 77 Ill. Adm. Code 1120.140 (c) – Reasonableness of Project Costs
F) Criterion 77 Ill. Adm. Code 1120.140 (d) – Direct Operating Costs
G) Criterion 77 Ill. Adm. Code 1120.140 (e) – Effect of the Project on Capital Costs

A) Availability of Funds
B) Financial Viability
C) Reasonableness of Financing Arrangement
D) Terms of Debt Service

The Applicants are funding this project with $96,507,133 in cash. The Applicants provided proof of an AA+ Bond Rating from Standard & Poor's Ratings Service (dated August 2024), evidence of an Aa2/Stable Bond Rating from Moody's Investors Service (dated August 2024), and Audited Financial Statements for 2023 and 2024. The Applicants have met the financial viability waiver, and the reasonableness of the financing arrangement. The debt financing terms do not apply to this project. Table Ten belowdisplays Northwestern Memorial Healthcare's audited information for 2023 and 2024.

TABLE TEN
Northwestern Memorial Healthcare
Audited as of August 31, 2023, and 2024
(in thousands)

	2024	2023
Cash	$332,319	$680,384
Current Assets	$2,901,835	$2,991,526
Total Assets	$19,805,927	$18,143,465
Current Liabilities	$2,358,943	$2,343,965
Total Liabilities	$5,762,706	$5,702,245
Patient Service Revenue	$8,883,682	$8,095,920
Total Revenue	$9,559,585	$8,668,186
Operating Expenses	$9,219,859	$8,302,112
Operating Income in Excess of Expenses	$339,726	$366,074
Other Income	$8,383	$15,487
Revenue and Gains in Excess of Expenses and Losses	$1,582,115	$1,136,086

TABLE ELEVEN
Five Years of Data from Medicare Cost Reports
for Northwestern Memorial Hospital, Chicago

	2020	2021	2022	2023	2024
Total Patient Revenue	$7,596,288,666	$9,175,579,287	$9,899,784,540	$10,976,219,351	$12,128,265,170
Less Contractual Allowance	$5,804,279,359	$6,951,355,935	$7,709,703,462	$8,596,022,970	$9,531,395,524
Net Patient Revenue	$1,792,009,307	$2,224,223,352	$2,190,081,078	$2,380,196,381	$2,596,869,546

TABLE ELEVEN Five Years of Data from Medicare Cost Reports for Northwestern Memorial Hospital, Chicago					
Operating Expenses	$2,237,104,704	$2,449,776,841	$2,561,152,752	$2,817,697,168	$3,008,806,438
Net Income from Patient Services	($440,095,397)	($225,553,489)	($371,071,674)	($437,500,787)	($411,936,792)
Other Income	$595,602,659	$423,871,222	$600,506,106	$627,371,762	$708,226,803
Net Income	$155,507,262	$198,317,740	$229,434,435	$189,870,976	$296,290,011
Operating Margin [1]	-24.56%	-10.14%	-16.94%	-18.38%	-15.86%

1. Operating Margin = Net Income from Patient Services ÷ Net Patient Revenue

Northwestern Memorial Healthcare has an "A" or better bond rating from Moody's Rating and S&P Global Ratings.

Moody's Rating states, in part: Northwestern Memorial HealthCare's (Aa2, stable) growing market position, single operating model, and financial discipline will enable it to execute strategies effectively while maintaining a strong financial position despite industry pressures. A deep analytical approach to management, combined with a well-defined culture, will enable NMHC to manage operating and strategic risks effectively. A leading brand and affiliation with Northwestern University's Feinberg School of Medicine (FSM) will underpin further growth, particularly in high-acuity services. The system's locations will provide growth opportunities and contribute to a comparatively favorable payer mix. Manageable near-term capital plans will help maintain a strong investment position: leverage will remain moderate, particularly given the system's fully funded pension plan and modest operating lease obligations. Operating performance will be solid but below historical levels due to investments in the workforce to accommodate growing volumes. Market-related risks include competition from several large healthcare systems and academic medical centers, as well as a dominant insurer.

S&P Global Ratings states in part: The ratings reflect our view of NMHC's strong market position as a key provider in the highly competitive Chicagoland market. We believe management will continue to focus on improving efficiency, expanding access to care, and aligning services across ambulatory facilities as a growth strategy. NMHC holds a prominent position in a competitive market, led by a management team focused on strategic growth and pioneering initiatives, including telehealth and artificial intelligence. The organization also benefits from numerous Northwestern University entities, including the Feinberg School of Medicine. In addition, NMHC has sustained solid operational performance, although it is lower than historically and has exceptional balance sheet metrics despite continued industry pressures, including elevated labor costs and inflation. Management has maintained financial discipline while also continuing to execute on the system's growth strategy. The team has a proven track record of integrating new entities into the system and enhancing operations within a short timeframe. As a system, this has enabled NMHC to benefit from operating more like **a** system than a federation of hospitals. Its most recent acquisition was Palos Community Hospital in January 2021, a 425-bed hospital in Palos Heights, which is a strategic growth area for NMHC.

E) Reasonableness of Project Costs

Preplanning Costs are $305,279, or less than 1% of the new construction, contingency, and movable equipment costs of $57,145,296. This appears reasonable when compared to the State Board Standard of 1.8%.

Site Survey, Investigation, and Site Preparation are $1,680,568, representing 4.82% of the new construction and contingency costs of $34,846,748. This appears reasonable when compared to the State Board Standard of 5%.

New Construction and Contingency Costs total $34,846,748, or $682.03 per GSF. This appears high when compared to the State Board Standard of $625.89.

Contingency costs are $3,167,886, which is 10% of new construction cost of $31,678,862. This appears reasonable when compared to the State Board Standard of 10%.

Architectural and Engineering Fees are $1,869,145, or 5.36% of the new construction and contingency cost of $31,678,862.

The State Board does not have standards for these costs.

Consulting and Other Fees	$4,499,012
Movable or Other Equipment (not in construction	$22,298,548
Other Costs to Be Capitalized	$2,008,969

F) Direct Operating Costs
G) Effect of the Project on Capital Costs

The Direct Operating Costs per Equivalent Patient Day are $2,119. The project's effect on capital costs is $12.85 per Equivalent Patient Day. The State Board does not have a standard for these two criteria.

SAFETY NET IMPACT STATEMENT

Northwestern Memorial Hospital (NMH) is a 943-bed, nationally ranked, adult acute-care academic medical center (AMC) in downtown Chicago, providing a comprehensive range of adult inpatient and outpatient services within an educational and research environment. For the 14th consecutive year, NMH has been named to the Best Hospitals Honor Roll by U.S. News & World Report, 2025 - 2026. For over 150 years, NMH and its predecessor institutions have served the entire Chicago community. The commitment to provide healthcare, regardless of patients' ability to pay, dates back to our predecessors' founding principles and remains integral to our mission to put patients first. NMH serves a large, complex, and diverse area, with patients coming from the City of Chicago and surrounding counties.

NMH is among the few hospitals in the United States designated as a significant teaching hospital by the Association of American Medical Colleges (AAMC). The AAMC has found that, while major teaching hospitals account for a small share of acute-care, general-service hospitals in the United States, they provide a disproportionate share of charity care and Medicaid inpatient services. As an AMC, NMH serves as a major referral center and has very specialized expertise. NMH serves patients who cannot receive necessary care elsewhere, resulting in a patient population that is often more complex, sicker, and more vulnerable than the general population.

To achieve health equity for those we serve, NMH continually works to overcome structural inequities and bias and improve coordination and connection to community resources. To best address our patients' diverse needs, NMH routinely works with trusted health and social service partners in the Chicagoland area to advance key community-based initiatives. For many years, NMH has worked with multiple federally qualified health centers (FQHCs) and free clinics to address access-to-care concerns and support other community health initiatives.

Access to Care
NMH has longstanding relationships with major FQHCs and a free health clinic within the City of Chicago: Erie Family Health Centers (Erie), Near North Health Services Corporation (Near North), IMAN Community Health Center, and CommunityHealth NMHC provides grant funding, care coordination, and specialty and diagnostic care to each of these organizations to support expanded access to health services for underserved patients in Chicago and the surrounding areas.

Through these relationships, NMHC delivers health education, screening, and care to community members and also supports excellence and quality at the FQHCs and free clinics. As a result, these FQHCs and free clinics provided primary care services for more than 300,000 patients at their sites in FY24. In addition to its existing commitments, NMHC also offered more than $5.5 million to support community clinical providers in FY24.

Notably, NMHC provided grants totaling nearly $2 million to Erie Family Health Centers (Erie) to support patient transportation, facility improvements, equipment, supplies, and staffing for medically underserved patients at high risk of poor health. This support enabled the opening of urgent care services at Erie's East Division Street Health Center, located in the heart of Chicago's West Town and Humboldt Park communities. The addition of these urgent care spaces will help meet patients' needs, reduce unnecessary emergency department visits, and shorten wait times for urgent care.

Funding is just one-way NMHC supports community organizations. NMHC and Mount Sinai Hospital (Sinai), an acute-care safety-net hospital serving patients on Chicago's southwest side, have long collaborated on community-based programs. In FY24, NMHC supported Sinai by donating a large variety of medical equipment and furniture. This donation included mammography equipment, which enabled Sinai to begin providing 3D mammography, the standard of care for breast imaging. NMHC also donated anesthesia machines, ultrasounds, electrocardiogram (EKG) machines, bladder scanners, patient beds, lifts, infant warmers, patient monitors, and various office equipment. These donations help provide direct access to life-saving tools and also drive sustainability by reducing waste.

Additionally, through support from NMHC. Erie, Near North, and CommunityHealth can enhance their efforts to provide quality care in a culturally competent community setting. This includes expanded access to clinical care, improved care coordination, and Education-Centered Medical Home (ECMH) student clinics.

The ECMH program integrates medical students into community-based primary care clinics, enabling them to manage complex patient cases, enhance clinic capacity, and provide hands-on education in team-based medicine. Launched in 2011 with 56 students across four sites, the program has expanded to include all Feinberg medical and Physician Assistant students. now operating across 40 locations in Chicago, particularly in areas with primary care shortages. These ECMH sites are strategically located throughout downtown and the city's diverse neighborhoods, including Austin. Pilsen and Oakland.

Furthermore, NMHC is partnering with the IMAN Network to implement a Behavioral Health Collaborative Care Model within their health center in 2025. NM has had a behavioral health collaborative care model integrated into its primary care offices for over 10 years, and the providers and staff involved in the initial pilot of this model are part of the team helping IMAN implement it. This strategic initiative enhances access to behavioral health care services in the communities we serve.

Community Partnerships and Outreach
NMH collaborates with numerous community-based organizations in Chicago to address the underlying social drivers of health (SDOH) and improve the health and wellness of NMH patients and the broader community. SDOH are the economic and social conditions that affect health outcomes and are the underlying factors contributing to health inequities. By building trusting relationships, identifying and addressing barriers, providing patient-centered comprehensive care, and connecting with community resources, NMH sustains partnerships with patients across the healthcare continuum. NMH, in collaboration with its community partners, is proactively addressing our patients' needs by leveraging diverse expertise and resources to develop comprehensive health programs tailored to specific community needs. These initiatives ensure that vital health information reaches underserved or hard-to-reach populations, leading to more effective interventions, increased access to care, and healthier communities.

Moreover, NMH is targeting the root causes of health issues, improving the quality of care, reducing costs, and ensuring that patients are receiving the care and support they need in the most appropriate setting.

Below are highlights of community partnerships and outreach that NMH facilitated in recent years:

1. In response to a pressing need for housing among patients experiencing homelessness. NM has developed meaningful relationships with community partners, including Thresholds and The Boulevards. Through these partnerships, patients and community members have access to safe, reliable housing while recovering from illness or injury. Additionally, a team of social workers at the NMH Emergency Department developed an innovative housing assessment program in partnership with All Chicago. This initiative integrated housing assessments directly into the **ED** workflow, allowing social workers to assist patients more efficiently and effectively. In its first year, the program provided comprehensive housing assessments to 195 patients, resulting in 16 individuals being matched with permanent housing.

The early success of this program suggests that supporting patients in the housing process can not only address immediate housing needs but also reduce return **ED** visits. With evidence that stable housing significantly improves health outcomes and continuity of care, this initiative demonstrates a sustainable approach to addressing homelessness. By focusing on the intersection of housing and health, the program demonstrates how targeted interventions can deliver meaningful improvements in both individual lives and community well-being.

2. NMH hosted 18 Naloxone educational training sessions, providing Narcan to 1,140 people. Additionally, NMH has installed a no-cost Naloxone vending machine in the hospital lobby, which has dispensed medication to more than 320 people. This Narcan is available to anyone, no questions asked, at no cost. The availability of Narcan has been linked to decreased opioid-related mortality rates. By providing Narcan to individuals, first responders, and healthcare providers, communities can save lives during overdoses. Training community members in its use empowers them, including friends and family of opioid users, to act effectively in emergencies.

3. Health education promotes knowledge of health-related topics to encourage healthy behaviors, prevent diseases, and improve community well-being. NMH conducted a concerted outreach effort in the Bronzeville neighborhood, delivering general health education programs to more than 700 people. These programs range from heart health to nutrition education. This included a partnership with Near North Komed Holman Health Center, called *Ladies Thriving After 50.* The specialized curriculum, developed by Northwestern Medicine physicians for African American women over 50, explores health topics, shares experiences, and fosters a supportive community. Over six-month sessions, this outreach effort provided education to more than 60 women.

4. NMH partnered with Mission Our Lady of the Angels, Oakwood Shores, Timothy Community Center, the South Side YMCA, New Hope Missionary Baptist Church, and the Chinatown Health Fair to conduct blood pressure and A1C diabetes screenings for 450 people in our under-resourced communities. 53% of these individuals screened as high risk and were connected to local resources. Early screenings can lead to timely treatment and significantly reduce the likelihood of severe health complications and death.

5. NMH provided 179 car seats to local families and an additional 83 car seats to new mothers at Prentice Women's Hospital who are unable to purchase on their own. Additionally, NMH has conducted 24 community car seat inspection events across Chicago, ensuring safe installation. The

use of car seats in transportation significantly reduces the risk of fatal injuries and serious harm to young passengers compared to seat belts alone.

6. Annually, Northwestern Medicine provides no-cost flu vaccines to communities with higher rates of emergency department visits due to influenza to improve health and wellness in our under-resourced communities. In FY25, NMH conducted nine community flu clinics, serving over 150 participants, including 30 seniors who received the recommended high-dose vaccination.

Employment and Youth Development
NMH is dedicated to reducing health disparities by assessing SDOH and responding to the unique needs of our diverse and complex patient population. Feedback from the 2022 Community Health Needs Assessment identified employment and youth development as a significant health need. By investing in these opportunities, we aim to contribute to economic stability within the communities we serve. At NM and NMH, the employment and youth development initiatives are multifaceted, encompassing workforce recruitment and development, community recruitment efforts, youth programs, and summer internships.

NM's commitment to cultivating relationships with community organizations extends to recruiting, hiring, and training a workforce from the communities we serve. Our trusted collaborators on these efforts expanded in FY24 and now include Bright Star Community Outreach, Cara Collective, Chicago Cook Workforce Partnership, Community Assistance Programs, and Focus Forward. HOPE Chicago, IMAN, Skills for Chicagoland's Future, St. Sabina Employee Resource Center. Teamwork, Englewood, and others. In collaboration with our community partners, NM staff help prepare community members for employment by offering career counseling workshops and helping them map their futures in health care. In FY24, NM hosted or participated in 57 recruitment and community hiring events in communities that have historically lacked economic opportunities. To better support these efforts, in FY24, NMHC hired an additional full-time staff member fully dedicated to community workforce recruitment. Through these dedicated efforts, more than 370 formal referrals were made in FY24.

The NM GCM Grosvenor Scholars Program offers high-achieving high school students the opportunity to explore and prepare for careers in life sciences, including as physicians and biomedical scientists. Through a variety of activities, selected students learn about career options from leading NM physicians and accomplished scientists at Feinberg. The program serves students from George Westinghouse College Prep High School in East Garfield Park. It has recently expanded to include students from both Daniel Hale Williams Prep and Bronzeville Scholastic Institute on the DuSable campus in Bronzeville. All three participating schools primarily serve Chicago students from low-income families. The expansion of the NM Scholars Program represents a long-term investment by NM to address educational inequity and a commitment to build a talent pipeline for future physicians, scientists, and healthcare workers.

The NM Discovery Program's mission is to create a pathway for the next generation of healthcare leaders by leveraging NM's exceptional team of healthcare professionals to provide career exploration opportunities for students who might not otherwise have access. Through the program, students are exposed to a broad range of healthcare careers through hands-on, interactive opportunities and to character and professional development. and community service

opportunities. In FY24, 198 students participated in the program. Select students from the program also participate in a summer internship program. NM actively coordinates with community partners to recruit students from communities experiencing disinvestment to apply for the program. Since the program began, many participants have pursued careers in nursing and other healthcare fields. Three former Discovery Program participants are currently employed by NM, serving in roles that include Critical Care, Patient Transport, and Inpatient Care. Access to job training, education, and mentorship can lead to decreased rates of substance abuse, violence, and mental health issues, reducing the need for safety net services. NMH's commitment to employment and youth development is crucial for fostering healthier communities and enhancing access to care. Empowering young people and ultimately improving public health outcomes.

Violence and Community Safety

NMH's Trauma Division and Community Services Department has implemented a hospital-based violence intervention program in its Emergency Department to enhance access to essential services for community members affected by violence. This initiative, supported by a coalition of community organizations, including Acclivus Inc., the Inner-City Muslim Action Network, and Bright Star Community Outreach, aims to provide comprehensive support for survivors and their families. In FY24, the program served 142 unique patients, offering violence prevention and victim services that aid their physical, emotional, and psychosocial healing. Notably, data from Acclivus indicate that 112 NMH patients received referrals to community resources, demonstrating the program's reach and effectiveness in connecting individuals to critical support networks, reducing preventable deaths and re-injuries. The role of the Community Health Coordinator is pivotal in this initiative, guiding individuals from hospital response to follow-up care. This coordinator actively builds partnerships with community organizations focused on preventing violence and delivering interventions, ensuring patients receive tailored support that fosters healing. By collecting and analyzing data on service usage, injury recidivism, and health outcomes, the coordinator continually refines referral practices, making it easier for patients to access necessary support.

In addition to traditional services, the program provides gun safety education and transportation vouchers for medical appointments, helping break down barriers to care. Additionally, NMH has recognized the importance of holistic approaches by including tattoo removal services for individuals at high risk of intentional interpersonal violence, offering ten free laser sessions for eligible clients. As the program evolves, it continues to develop new resources, including food vouchers and partnerships for housing and childcare. reinforcing NMH's commitment to addressing the diverse needs of the community while aiming to break cycles of violence. The integration of supportive programs. In addition to its focus on long-term health and wellness, NMH's initiative positions itself as a cornerstone of community healing and resilience.

Additionally, NMH participates in the HEAL Initiative. Launched in 2018 by Senator Durbin and 10 of the largest hospitals serving Chicago, the HEAL Initiative is a collaboration to address the root causes of gun violence through economic, health, and community projects in 18 of Chicago's neighborhoods with the highest rates of violence and poverty. And health disparities. The HEAL hospitals have made impressive efforts to collaborate on four main areas: local hiring, school/community programs, trauma/violence recovery programs, and data sharing. HEAL

hospitals report their statistics across four primary categories, and HEAL tracks growth in each. For example, in 2023, the HEAL hospitals:
• Hired 4,402 new employees from the 18 focus neighborhoods (50% increase compared to the launch of HEAL in 2018).
• Provided 4,403 local students with summer employment, pipeline, or apprenticeship programs (31% increase from last year).
• Partnered with 253 Chicago Public Schools (20% increase from last year), including operating 16 school-based health clinics/mobile health units that served 7,599 students.
• Provided 2,614 victims of violence with ongoing trauma-informed case management and recovery programs (43% increase since 2018).

The 10 hospitals initially involved in Chicago HEAL are among the largest serving Chicago: Advocate Health; Ascension Saints Mary and Elizabeth Medical Centers; Ann & Robert H. Lurie Children's Hospital of Chicago; Cook County Health and Hospital System; Loyola University Medical Center; Northwestern Memorial Hospital; Rush University Medical Center; Sinai Health System; University of Chicago Medical Center; and University of Illinois Hospital and Health Sciences Systems.

1. Impact of the Project on Essential Safety Net Services, Racial, and Health Disparities in the Community

NMH underwrites the costs of and provides expertise and leadership for many critically crucial safety-net healthcare services in the community. From being the only adult Level I trauma center in downtown Chicago with 24/7 service to providing an inpatient psychiatry unit, NMH offers safety-net services that local government, public institutions, or other healthcare organizations would otherwise provide. By forging lasting relationships with private and public health organizations, NMH ensures that a full spectrum of high-quality, well-coordinated healthcare services is available to the community.

The proposed project will improve access to the safety net services NMH provides by building capacity to keep pace with increasing inpatient demand. In the past several years, the lack of ICU bed availability has caused significant backups in the Emergency Department, which has led to excessive ED wait times, approximately 10,000 patients per year leaving the ED without being seen, and beds not being available to receive patients from other hospitals needing transfer to NMH for specialty services.

2. Impact of the Project on Safety Net Services at Other Hospitals

Other area hospitals in NMH's service area also provide emergency services and other essential safety-net services. The proposed addition of beds is in response to demand for services at NMH. It is expected to reduce wait times in the Emergency Department due to limited bed availability. High occupancy also limits NMH's ability to accept inpatient transfers from other hospitals. In FY24, NMH received 235 inpatient transfers from safety net providers. The proposed project will increase NMH's capacity to accommodate additional inpatient transfer requests from other providers.

3. Impact of discontinuation of a facility or service on the remaining safety net providers

Not Applicable - The project does not involve discontinuing a facility or service.

NMH is the 7th-largest charity care provider and the 3rd-largest provider of care to Medicaid beneficiaries in Illinois. NMH's commitment to Medicaid patients has continued to grow over the past six years. Medicaid inpatient days at NMH have increased by 55.9%, Medicaid admissions by 22.5%, and Medicaid outpatient visits by 153%. Along with some of the area's safety-net hospitals, NMH has been among the top Medicaid providers in Illinois for more than 15 years.

Northwestern Memorial Healthcare			
	FY22	**FY23**	**FY24**
Net Patient Revenue	$2,345,327,470	$2,539,910,545	$2,760,549,566
CHARITY CARE			
Inpatient	823	582	730
Outpatient	12,509	9,509	11,320
Total	13,332	10,091	12,050
Charity /cost in dollars)			
Inpatient	$9,479,539	$8,363,385	$11,590,364
Outpatient	$13,087,232	$10,290,277	$20,858,440
Total	$22,566,771	$18,653,662	$32,448,804
% of Charity Care to Net Patient Revenue	0.96%	0.73%	1.18%
MEDICAID			
Medicaid # of patients			
Inpatient	7,247	7,802	8,218
Outpatient	106,161	104,004	102,096
Total	113,408	111,806	110,314
Medicaid Revenue			
Inpatient	$195,290,733	$227,830,930	$238,830,449
Outpatient	$82,424,950	$96,705,918	$96,173,424
Total	$277,715,683	$324,536,848	$335,003,873
% of Medicaid to Net Patient Revenue	11.84%	12.78%	12.14%

NMHC Community Benefit

During FY24, NMHC contributed $1.58 billion in community benefits. NMHC is committed to this work as part of its mission to improve people by improving medicine. In fact, **NM** has added community partnerships as a pillar in its new NM2035 Strategic Plan. This is driven by the belief that strong collaboration with communities and community-based organizations can help drive stronger, healthier communities and individuals. The major components of the $1.58 billion in community benefits include:

► $1.19 billion government-sponsored indigent healthcare (unreimbursed cost of Medicaid and Medicare).

► $85.7 million charity care, at cost.

► $97.4 million in education costs. This includes the unreimbursed education costs of NMHC's medical residency, fellowship, and internship programs.
► $52.4 million bad debt, at cost. An essential part of NMHC's commitment to providing quality, accessible healthcare is covering costs for expected payments that were not received.
► $70.0 million research, at cost. NMHC provides support to advance medical and scientific research and academic pursuits.
► $51.9 million subsidized health services, at cost. This includes the uncompensated costs of delivering behavioral health services, health education, and information and programs that positively impact the community's wellness.
► $6.1 million of other community benefits. NMHC provides community benefits through donations to charitable and community organizations, volunteer efforts, language assistance, and translation services for patients and their families, and more.

Northwestern Memorial HealthCare saw an increase in financial assistance volume in FY24 driven by multiple factors:

► Internal enhancements, including improvements to NM's electronic medical record (EMR) system financial assistance module, increased availability of applications at check-in, and proactive outreach streamlined the financial assistance process.
► NMHC increased collaboration and outreach with community clinical providers.
►Illinois' paused enrollment for the HBIA[2] and HBIS[3] Programs and the Illinois Medicaid redetermination process led to increased patient applications for financial assistance.

[2] **HBIA** primarily stands for the **Health Benefits for Immigrant Adults** program. This was a state-funded initiative in Illinois that provided comprehensive medical coverage to low-income immigrant adults who were ineligible for federal Medicaid due to their immigration.
[3] **HBIS** refers to a state-funded healthcare program. The program provides health coverage to non-citizens aged 65 and over who do not meet federal immigration status requirements for Medicaid or Medicare. As of November 2023, new enrollment in the HBIS program has been paused due to budget constraints and an enrollment cap, but those already enrolled remain eligible for coverage.

Regional Bed Inventory Analysis

Health Facilities & Services Review Board • State of Illinois

12/10/2025
RPT-2025-MJ0BRUY3

Regional Analysis • Cook County • HSA 6 (City of Chicago) • HPA A-01

CON #25-030

HPA A-01 • Regional Bed Inventory

Category	CON Beds	CON Occ.	Staffed Occ.	Bed Need	Gap
Medical-Surgical	1,882	65.5%	75.7%	1,125	+757
Intensive Care Unit	450	61.2%	66.5%	449	+1
Obstetrics & Gynecology	216	54.9%	52.0%	111	+105
Acute Mental Illness	337	65.0%	97.3%	221	+116
TOTAL	**3,424**	—	—	**1,906**	**979**

HSA 6 (City of Chicago) • Regional Bed Inventory

Category	CON Beds	CON Occ.	Staffed Occ.	Bed Need	Gap
Rehabilitation	396	1.5%	0.1%	410	-14
TOTAL	**8,370**	—	—	**410**	**-14**

Hospitals Within 10-Mile Statutory Radius

Facility	City	County	Dist.	Beds
Northwestern Memorial Hospital	Chicago	Cook	0.0 mi	933
Lurie's Children's Hospital	Chicago	Cook	0.1 mi	364
Shirley Ryan Abilitylab	Chicago	Cook	0.2 mi	262
Rush Specialty Hospital	Chicago	Cook	2.5 mi	44
Rush University Medical Center	Chicago	Cook	2.8 mi	644
University of Illinois Hospital	Chicago	Cook	3.1 mi	445
John H. Stroger, Jr. Hospital of Cook County	Chicago	Cook	3.1 mi	362
Saint Mary of Nazareth Hospital	Chicago	Cook	3.2 mi	361
Saint Joseph Hospital - Chicago	Chicago	Cook	3.3 mi	320
Advocate Illinois Masonic	Chicago	Cook	3.3 mi	297
Insight Hospital	Chicago	Cook	3.3 mi	82
Ascension Saint Elizabeth	Chicago	Cook	3.4 mi	40
Humboldt Park Health	Chicago	Cook	4.0 mi	190
Thorek Memorial Hospital	Chicago	Cook	4.4 mi	172
Schwab Rehabilitation Hospital	Chicago	Cook	4.4 mi	—
Mt. Sinai Hospital	Chicago	Cook	4.4 mi	281
Saint Anthony Hospital	Chicago	Cook	4.8 mi	151
RML Chicago	Chicago	Cook	4.9 mi	—
Garfield Park Hospital	Chicago	Cook	5.1 mi	91
Weiss Memorial Hospital	Chicago	Cook	5.2 mi	210
Montrose Behavioral Hospital	Chicago	Cook	5.4 mi	60
Kindred Hospital - Chicago	Chicago	Cook	5.9 mi	124
Thorek Memorial Hospital - Andersonville	Chicago	Cook	6.0 mi	127
Provident Hospital of Cook County	Chicago	Cook	6.4 mi	26
Swedish Hospital	Chicago	Cook	6.8 mi	242
University of Chicago Medical Center	Chicago	Cook	7.4 mi	742
Loretto Hospital	Chicago	Cook	7.5 mi	177
UHS Hartgrove Hospital	Chicago	Cook	7.8 mi	139
West Suburban Medical Center	Oak Park	Cook	8.0 mi	238
St. Bernard Hospital	Chicago	Cook	8.1 mi	174
Community First Medical Center	Chicago	Cook	8.3 mi	109
La Rabida Children's Hospital	Chicago	Cook	8.5 mi	32
Shriners Hospital for Children	Chicago	Cook	9.0 mi	12
Holy Cross Hospital	Chicago	Cook	9.4 mi	78
Rush Oak Park Hospital	Oak Park	Cook	9.4 mi	87
Saint Francis Hospital - Evanston	Evanston	Cook	9.5 mi	105
Jackson Park Hospital	Chicago	Cook	9.7 mi	72
MacNeal Hospital	Berwyn	Cook	9.8 mi	300

CON Beds: Certificate of Need authorized capacity **Bed Need:** Projected requirement based on utilization +Excess = capacity exceeds need
−Shortage = capacity below need

Statutory radius determined by county classification per 77 Ill. Adm. Code 1100

Facility Radius Map

Health Facilities & Services Review Board • State of Illinois

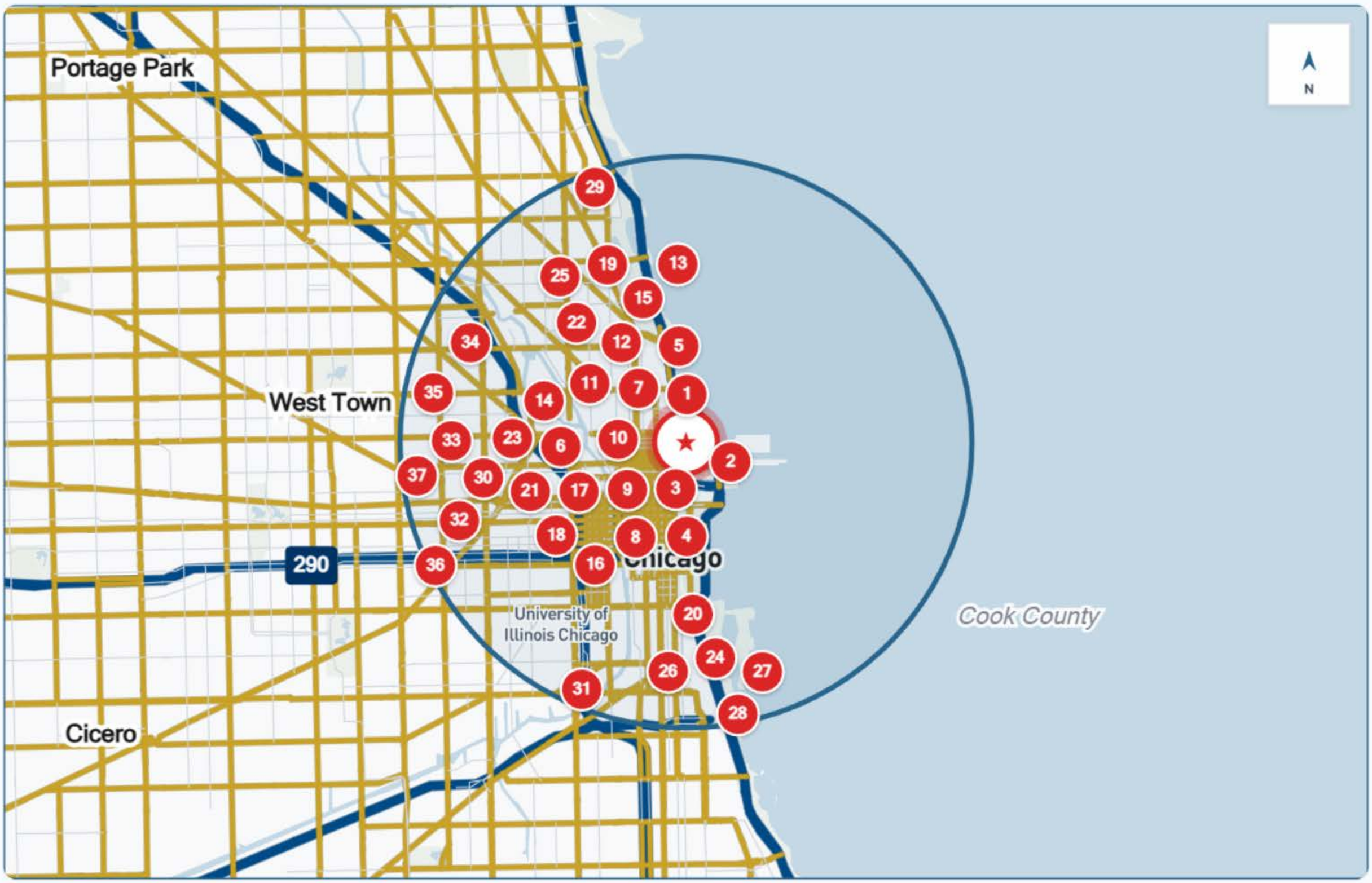
10-Mile Radius

Northwestern Memorial Hospital • Cook County

CON #25-030

Dec 10, 2025

38 facilities



FACILITY INDEX Hospital 10-mi radius

Source: HFSRB Official Records

★ Northwestern Memorial Hospital

1 Lurie's Children's Hospital

2 Shirley Ryan Abilitylab

3 Rush Specialty Hospital

4 Insight Hospital

5 Saint Joseph Hospital - Chicago

6 Rush University Medical Center

7 Advocate Illinois Masonic

8 University of Illinois Hospital

9 John H. Stroger, Jr. Hospital of Cook County

10 Saint Mary of Nazareth Hospital

11 Ascension Saint Elizabeth

12 Thorek Memorial Hospital

13 Weiss Memorial Hospital

14 Humboldt Park Health

15 Montrose Behavioral Hospital

16 Schwab Rehabilitation Hospital

17 Mt. Sinai Hospital

18 Saint Anthony Hospital

19 Thorek Memorial Hospital - Andersonville

20 Provident Hospital of Cook County

21 RML Chicago

22 Kindred Hospital - Chicago

23 Garfield Park Hospital

24 University of Chicago Medical Center

25 Swedish Hospital

26 St. Bernard Hospital

27 La Rabida Children's Hospital

28 Jackson Park Hospital

29 Saint Francis Hospital - Evanston

30 Loretto Hospital

31 Holy Cross Hospital

32 UHS Hartgrove Hospital

33 West Suburban Medical Center

34 Community First Medical Center

35 Shriners Hospital for Children

36 MacNeal Hospital

37 Rush Oak Park Hospital