



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: February 26, 2026	PROJECT NO: 25-037	PROJECT COST:
FACILITY NAME: Midwest Surgical Centers, LLC	CITY: Plainfield	Original: \$3,909,035
TYPE OF PROJECT: Substantive		HSA: IX

PROJECT DESCRIPTION: The Applicant (Midwest Surgery Centers, LLC) propose to establish an Ambulatory Surgical Treatment Center (“ASTC”) located at 13610 Route 59 in Plainfield. The cost of the project is \$3,909,035. The expected completion date is December 31, 2027.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicant (Midwest Surgical Centers, LLC) proposes establishing a limited-specialty ASTC at 13610 State Route 59 in Plainfield. The cost of the project is \$3,909,035. The ASTC will provide Podiatry and Vascular Access surgical services (General surgery). The expected completion date is December 31, 2027.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board under a Certificate of Need Permit Application (“CON Application”) because the proposed project proposes to establish a healthcare facility as set out in the Illinois Health Facilities Planning Act (“Planning Act”) [20 ILCS 3960].

PURPOSE OF THE PROJECT

- The Applicant states: *“The purpose of this project is to address a significant unmet need for outpatient surgical services, particularly vascular access procedures and related wound care. Patients requiring creation or maintenance of dialysis access (arteriovenous fistulas, grafts, tunneled dialysis catheters, and port revisions) currently must often be referred to hospital operating rooms. These hospital-based pathways can create delays in care, higher costs, and increased exposure to infection, particularly for patients with compromised immune systems. Numerous studies have demonstrated that vascular access procedures can be performed safely and effectively in outpatient surgical centers with reduced infection rates, compared to hospital settings, while providing lower complication rates, and higher patient satisfaction. The controlled outpatient environment minimizes exposure to multi-drug-resistant organisms common in hospitals, and the streamlined care model allows patients to be treated more promptly. Importantly, dialysis access is a lifeline for patients with end-stage renal disease, and timely placement and maintenance directly impact survival and quality of life.”*

PUBLIC HEARING/COMMENT:

- There was no request for a public hearing. In addition, the State Board did not receive any letters supporting or opposing the project.

SUMMARY:

- There are six ASTCs and three hospitals within the 10-mile geographical service area (“GSA”) of the proposed project with sufficient surgical capacity to accommodate the demand identified by the Applicant. The Applicant addressed nine criteria and did not meet the following:

Criterion	Non-Compliant
77 Ill. Adm. Code 1110.235(c)(2)(b) – Service to GSA Residents	In the physician referral letters, the Applicant failed to establish that over 50% of their historical patient caseload originated from the 10-mile GSA.
77 Ill Adm. Code 1110.235(c)(3)(a) – Service Demand Establishment of an ASTC Facility	The Applicant failed to provide proof that over 50% of the historic referral volume originated from within the 10-mile GSA.
77 Ill. Adm. Code 1110.235(c)(6) Service Accessibility	The proposed project is not part of a cooperative venture between the Applicant and an existing hospital in the GSA.
77 Ill. Adm. Code 110.235(c)(7) - Unnecessary Duplication of Service	There are 3 hospitals in the 10-mile GSA and 7 ASTCs that either perform the proposed surgical services or have the capability to perform said services, which would contribute to existing maldistribution/unnecessary duplication in the service area.
77 Ill. Adm. Code 1120.130 – Financial Viability Ratios	The Applicant failed to provide financial viability ratio data for the Operator (Table Seven) and provided substandard viability data for the Landlord/Applicant (Table Eight).



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

Project #25-037

Midwest Surgical Centers, LLC

APPLICATION/CHRONOLOGY/SUMMARY	
Applicant(s)	Midwest Surgical Centers, LLC
Facility Name	Midwest Surgical Centers, LLC
Location	13610 Route 59, Plainfield
Permit Holder(s)	Midwest Surgical Centers, LLC
Licensee/Operating Entity	Midwest Surgical Centers, LLC
Owner of Site	N&D Properties, LLC
Application Received	October 14, 2025
Application Deemed Complete	October 23, 2025
Review Period Ends	March 10, 2025
Project Completion Date	December 31, 2027
Review Period Extended by the State Board Staff?	No
Can the Applicant request a deferral?	Yes

I. The Proposed Project

The Applicant (Midwest Surgical Centers, LLC) proposes establishing a limited-specialty ASTC at 13610 State Route 59 in Plainfield. The cost of the project is \$3,909,035. The expected completion date is December 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 substantial conformance with provisions of Part 1120.

III. General Information

The Applicant is Midwest Surgical Centers, LLC. Midwest Surgical Centers, LLC is jointly owned by Dr. Sreenivas Reddy (95%), and Dr. Terence Chiramel. (5%). The ASTC will be classified as limited specialty, providing Podiatry and General Surgery services. The General Surgery designation will entail all procedures related to Vascular Access and Fistula maintenance. The facility will comprise 4,337 gross square feet ("GSF") of space (3,098 GSF clinical/1,239 GSF non-clinical) and contain two operating/procedure rooms. The provision of Podiatry and Vascular Access Services will allow the physicians to more readily treat their patients, which often requires wound care, a co-morbidity associated with End Stage Renal Disease (ESRD). Podiatry will also round out the surgical services due to the prominence of wound care needed for Podiatry patients suffering from ESRD. This is a substantive project, subject to 1110 and 1120 review criteria.

IV. **Project Uses and Sources of Funds**

The Applicants are funding this project with \$2,992,035 in mortgages and the Fair Market Value of the Lease totaling \$917,000 (see Table One).

TABLE ONE				
Project Uses and Sources of Funds				
Project Uses of Funds	Reviewable	Non-Reviewable	Total	% of Costs
Preplanning Costs	\$9,197	\$3,678	\$12,875	.1%
New Construction Contracts	\$1,414,299	\$565,628	\$1,979,927	49.8%
Contingencies	\$140,000	\$60,000	\$200,000	5.2%
Architectural/Engineering Fees	\$124,458	\$49,775	\$174,234	4.7%
Consulting and Other Fees	\$100,000	\$50,000	\$150,000	2.9%
Movable or Other Equipment	\$410,733	\$164,267	\$575,000	13.8%
Fair Market Value of the Lease	\$655,030	261,970	\$917,000	23.5%
Totals	\$2,753,717	\$1,155,318	\$3,909,035	100.0%
Sources of Funds				
Mortgages	\$2,098,687	\$893,348	\$2,992,035	76.5%
Fair Market Value of the Lease	\$655,030	\$261,970	\$917,000	23.5%
Totals	\$2,753,917	\$1,155,318	\$3,909,035	100.0%

V. **Background of the Applicant, Purpose of Project, Safety Net Impact Statement, Alternatives to the Project**

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

A) Background of the Applicant

An applicant shall document the *qualifications, background, character, and financial resources to provide a proper service for the community adequately* and also demonstrate that the project promotes the *orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of facilities or services*. [20 ILCS 3960/2]

The Applicant is Midwest Surgical Centers, LLC. Midwest Surgical Centers, LLC is jointly owned by Dr. Sreenivas Reddy (95%), and Dr. Terence Chiramel (5%). Dr. Reddy is one of Chicago's leading specialists in vein and vascular care and has been affiliated with Northwestern Medicine Delnor Hospital for more than 10 years. Dr. Chiramel is a Physician-Administrator for both the Vein and Vascular Centers, S.C. and Reddy Dermatology, S.C., where he combines clinical oversight with operational and financial management. Midwest Surgical Centers, LLC was established as a Limited Liability Company in May 2025 and has supplied a Certificate of Good Standing (application, p. 29). The Applicant attests there is no ownership interest in any other healthcare facility in

the State and have supplied sufficient authorization allowing the HFSRB and IDPH to access any records to verify information contained in this application.

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 or market area, or other, per the applicant's definition.

The Applicant states: *"The purpose of this project is to address a significant unmet need for outpatient surgical services, particularly vascular access procedures and related wound care. Patients requiring creation or maintenance of dialysis access (arteriovenous fistulas, grafts, tunneled dialysis catheters, and port revisions) currently must often be referred to hospital operating rooms. These hospital-based pathways can create delays in care, higher costs, and increased exposure to infection, particularly for patients with compromised immune systems. Additionally, vascular surgeons and interventional specialists practicing in the service area regularly care for patients with diabetes, peripheral artery disease, and renal failure, many of whom develop chronic wounds or ulcers that require both Podiatric and surgical management. Ensuring timely access to wound care and vascular procedures is critical to preventing amputations, hospitalizations. Numerous studies have demonstrated that vascular access procedures can be performed safely and effectively in outpatient surgical centers, with reduced infection rates compared to hospital settings, lower complication rates, and higher patient satisfaction. The controlled outpatient environment minimizes exposure to multi-drug-resistant organisms common in hospitals, and the streamlined care model allows patients to be treated more promptly. Importantly, dialysis access is a lifeline for patients with end-stage renal disease, and timely placement and maintenance directly impact survival and quality of life."*

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 the services provided 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]

According to the Applicant, Midwest Surgical Centers, LLC is a newly formed LLC, with no historical data to provide for this section. The Applicant notes the establishment of the ASTC will have a positive impact on essential safety net services in the community. Drs. Reddy and Chiramel are committed to serving the diverse communities in the Chicagoland area, with a proposed business plan that aims to serve economic diversities as well. The Applicant notes the proposed project will not have any impacts on the ability of other providers to cross-subsidize safety net services. The Applicant anticipates their payor mix to be: 30% Commercial Insurance, 60% Medicare, 9% Medicaid/MCO, and 1% Private Pay/Other Insurance.

D) Alternatives to the Proposed Project

The Applicants considered two alternatives to the proposed project.

1. Maintain Status Quo/Do Nothing (no additional costs)

2. Utilize Existing ASTCs and Hospital Surgical Suites. (significant cost to Patient and Payor)

The **first alternative** was rejected because it would not address the unmet needs of patients who require Podiatric and General Surgical services/Vascular Access services. The continuation of the limited access to these treatments would perpetuate the existence of an unmet need for Vascular Access and related wound care services. There was no project costs associated with this alternative.

The **second alternative** was rejected because the 10-mile general service area has no ASTCs that provide vascular access services, and/or vascular-related wound care, and there is no assurance that these facilities would accept patient referrals from the Applicant-physicians for these services. Reliance on hospitals would only result in increased costs for services, unnecessary delays in scheduling critical surgical services, and potential exposure to nosocomial infections.

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

- A) 77 Ill. Adm. Code 1110.120(a) - Size of Project & Section 1110.Appendix B
- B) 77 Ill. Adm. Code 1110.120(b) - Project Services Utilization
- C) 77 Ill. Adm. Code 1110.120(e) - Assurances

A Size of the Project

- 1) 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).
- 2) If the project square footage is outside the standards in Appendix B, the applicant shall submit architectural floor plans (see HFSRB NOTE) of the project, identifying all clinical service areas and those clinical service areas or components of those areas that do not conform to the standards.

The proposed project includes 3,098 departmental gross square feet (“DGSF”) of clinical space with two Ors. This equates to 1,549 DGSF per OR. The State Standard for an OR is 2,750 DGSF per room. Thus, the Applicant is compliant with the State standard. The project also includes 1,239 DGSF of non-clinical space. The total size of the ASTC will be 4,337 GSF of newly constructed/built-out space. The Applicants have met the requirements of 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 number of years projected shall not exceed the number of historical years documented. 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 utilization standard by providing published data or studies, as applicable and available from a recognized source.

The Applicants propose establishing a limited-specialty ASTC consisting of two ORs providing General and Podiatric surgical services. The Applicant notes the combined provision of specialized modalities under these services (vascular access care and wound care), are unique to the service area, and the provision of these two services in one facility/location will greatly enhance the quality and scope of services available to a

growing ESRD population. Upon licensure, the Applicants projects 250 operational days with 7.5 hours of operation per business day. Using this projected utilization data, the Applicant has sufficient projected referral volume to justify two ORs.

The Applicant supplied historical and projected utilization data for the ASTC in the form of referral letters from six area physicians and additional information saved in the project file. (See Table Two). While the supplied data confirms a sufficient number of proposed referrals to justify two ORs, the referral letters did not indicate that at least 50% of their historical patient volume originated from within the 18 zip codes that comprise the GSA. The Applicants have not met the requirements of this criterion (see Table Two).

TABLE TWO				
Historical Utilization Data Midwest Surgical Centers, LLC				
Physician Name	# of Procedures in Last 12 Months	# of Proposed Referrals to the ASTC	Proposed Surgical Procedures/Hours: Year One	Proposed Surgical Procedures/Hours: Year Two
Zain Rizvi DPM*	6	6	6/11.28	20/37.6
Steven Overpeck DPM	3	3	3/3.75	20/37.6
Sreenivas Reddy MD	349	210	210/262.5	420/525
Dan Hare DPM	30	30	57/30.4	58/110
Syed Bokhari MD	1,030	915	915/1,144	915/1,144
Beck Tiernan MD*	18	18	18/22.5	45/56.25
TOTALS	1,436	1,182	1,209/1,474.5hrs.	1,478/1,910.5hrs.
Average Procedure Time General Surgery: 1.25 hrs. Podiatry: 1.88 hrs. 1,500 hours of operation = 80% operational capacity *At least 50% of this physician's historic referral volume originated from within the 10-mile GSA				

VII. Establishment of Ambulatory Surgical Treatment Center 77 Ill. Adm. Code 1110.235(c)

- A) Formula Calculation
- B) (c)(2)(B)(i) & (ii) – Service to GSA Residents
- C) (c)(3)(A) & (B) or (C) – Service Demand – Establishment
- D) (c)(5)(A) & (B) - Treatment Room Need Assessment
- E) (c)(6) - Service Accessibility
- F) (c)(7)(A) through (C) - Unnecessary Duplication Maldistribution
- G) (c)(8)(A) & (B) – Staffing
- H) (c)(9) - Charge Commitment
- I) (c)(10)(A) & (B) – Assurance

A) Geographic Service Area Need

The applicant shall document that the ASTC services and the number of surgical/treatment rooms to be established, added, or expanded are necessary to serve the planning area's population, based on the following:

A) 77 Ill. Adm. Code 1100 (Formula Calculation)

As stated in 77 Ill. Adm.. Code 1100, no formula is needed for the determination of the number of ASTCs, and the number of surgical/treatment rooms in a geographic service area has been established. Need shall be established pursuant to the applicable review criteria of this Part.

The State Board does not have a need methodology for establishing an ASTC.

B) Service to Geographic Service Area Residents

The applicant shall document that the primary purpose of the project will be to provide necessary health care to the residents of the geographic service area (GSA) in which the proposed project will be physically located.

i) The applicant shall provide a list of zip code areas (in total or in part) that comprise the GSA. The GSA is the area consisting of all zip code areas that are located within the established radii outlined in 77 Ill. Adm. Code 1100.510(d) of the project's site.

ii) The applicant shall provide patient origin information by zip code for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the GSA. Patient origin information shall be based upon the patient's legal residence (other than a health care facility) for the last six months immediately before admission.

The GSA for a project in Will County is a 10-mile radius from the site of the proposed project. The Applicant identified 18 zip codes and 594,005 residents residing within the identified GSA. The Applicants provided six referral letters from board-certified physicians and podiatrists documenting both historical and projected referrals to the ASTC for Podiatric and General Surgical Services (see Table Two). In the referral letters, only two of the six referring physicians provided adequate historic referral data proving that at least 50% of their historical referral volume originated from within the 18 zip codes that comprise the GSA. The Applicant is not compliant with the requirements of this criterion.

C) Service Demand – Establishment of an ASTC Facility

The applicant shall document that the proposed project is necessary to accommodate the service demand experienced annually by the applicant, over the latest 2-year period, as evidenced by historical and projected referrals. The applicant shall document the information required by subsection (c)(3) and either subsection (c)(3)(B) or (C):

A) Historical Referrals

The applicant shall provide physician referral letters that attest to the physician's total number of treatments for each ASTC service that has been referred to existing IDPH-licensed ASTCs or hospitals located in the GSA during the 12 months before submission of the application. The documentation of physician referrals shall include the following information:

- i) patient origin by zip code of residence.
- ii) name and specialty of referring physician.
- iii) name and location of the recipient hospital or ASTC; and
- iv) number of referrals to other facilities for each proposed ASTC service for each of the last 2 years.

B) Projected Service Demand

The applicant shall provide the following documentation:

- 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 IDPH-licensed ASTCs, or hospitals located in the GSA during the 12 months before submission of the application.
- ii) Documentation demonstrating that the projected patient volume, as evidenced by the physician referral letters, is from within the GSA defined under subsection (c)(2)(B).
- iii) An estimated number of treatments the physician will refer annually to the applicant facility within 24 months after project completion. The anticipated number of referrals cannot exceed the physician's experienced caseload. The percentage of projected referrals used to justify the proposed establishment cannot exceed the historical percentage of applicant market share within 24 months after project completion.
- iv) Referrals to health care providers other than IDPH-licensed ASTCs or hospitals will not be included in determining projected patient volume.
- v) Each physician referral letter shall contain the notarized signature, the typed or printed name, the office address, and the specialty of the physician; and

- vi) 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 Applicant proposes referring 1,209 patients for services in the first year after project completion. This totals 1,474 hours of surgical service. The applicant also projects 1,478 patients and 1,910 hours of surgical services by the second year of operation, which meets the State standard for two surgical suites. Referral letters were provided as required, and the data are documented in Table Two.

D) Treatment Room Need Assessment

A) The applicant shall document that the proposed number of surgical/treatment rooms for each ASTC service is necessary to service the projected patient volume. The number of rooms shall be justified based upon an annual minimum utilization of 1,500 hours of use per room, as established in 77 Ill. Adm. Code 1100.

B) For each ASTC service, the applicant shall provide the number of patient treatments/sessions, the average time (including setup and cleanup time) per patient treatment/session, and the methodology used to establish the average time per patient treatment/session (e.g., experienced historical caseload data, industry norms, or special studies).

The Applicant proposes two ORs for the ASTC and estimates the provision of 1,910 hours of Podiatric and General Surgery services, which will justify the two ORs proposed. The Applicants also propose the provision of vascular access services and wound care, which are unique to the GSA. This service is expected to increase overall utilization at the ASTC after project completion.

E) Service Accessibility

The proposed ASTC services being established or added are necessary to improve access for residents of the GSA. The applicant shall document that at least one of the following conditions exists in the GSA:

A) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project.

B) The other IDPH-licensed ASTC and hospital surgical/treatment rooms used for those ASTC services proposed by the project within the identified GSA are utilized at or above the utilization level specified in 77 Ill. Adm. Code 1100.

C) The ASTC services or specific types of procedures or operations that are components of an ASTC service are not currently available in the GSA, or those existing underutilized services in the GSA have restrictive admission policies.

D) The proposed project is a cooperative venture sponsored by two or more persons, at least one of whom operates an existing hospital. Documentation shall provide evidence that:

i) The existing hospital is currently providing outpatient services to the population of the subject GSA.

ii) The existing hospital has sufficient historical workload to justify the number of surgical/treatment rooms at the existing hospital and at the proposed ASTC, based upon the treatment room utilization standard specified in 77 Ill. Adm. Code 1100.

iii) The existing hospital agrees not to increase its surgical/treatment room capacity until the proposed project's surgical/treatment rooms are operating at or above the utilization rate specified in 77 Ill. Adm. Code 1100 for a period of at least 12 consecutive months; and

iv) The proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

The Applicant proposes two ORs for the ASTC and estimates the provision of 1,910 hours of Podiatric and General Surgery services by the second year of operation. (see Table Two). These surgical modalities will also include the provision of vascular access care for ESRD patients, and general wound care, which is a common issue affecting ESRD patients. There are seven ASTCs and three hospitals within the 10-mile GSA (see Tables Four and Five).

Of the ASTCs identified, four are at the State Board's target occupancy of 1,500 hours of operation per OR. Of the three hospitals that provide surgical services, all operate below the State Board standard. The procedures proposed by the Applicant consist of Podiatry and General Surgery, which are provided in the GSA. However, the Applicant proposes to provide vascular access care for ESRD patients, and wound care, which is a common ailment among the ESRD patient population. The proposed project is not a cooperative venture with a hospital. Thus, the Applicant has not met the requirements of this criterion.

TABLE FOUR ASTCs in the 10-mile GSA						
Facility	City	Surgical Specialties	Medicaid/ Charity	Operating/ procedure	Hours	State Standard Met
Edward Plainfield Surgery Center	Plainfield	Gen. Surgery, Gastroenterology, Orthopedic, Plastic Surgery, Podiatry	\$0 / \$0	3/1	4698.5	Yes
DMG Pain Mgmt. Surgery Center	Naperville	Pain Management	\$2,965 / \$0	2	2,636.5	Yes
Castle Surgicenter	Aurora	Gastroenterology, General Surgery, Orthopedic, Plastic Surgery, Podiatry	\$9,458 / \$10,662	2	1,484	No
Naperville Surgical Centre	Naperville	General Surgery, OB/Gyn, Orthopedic, Otolaryngology, Pain Mgmt., Podiatry, Urology	\$37,990 / \$0	4	5,318	Yes
Kendall Pointe Surgery Center	Oswego	Orthopedic	\$0 / \$0	3/1	942.5	No
Amsurg Surgery Center	Joliet	General Surgery, Gastroenterology, Neurology, Ophthalmology, Laser Eye Surgery, Orthopedics, Otolaryngology, Pain Mgmt., Plastic Surgery, Podiatry	\$15,229 / \$0	4/3	7,374.25	No
Midwest Endoscopy Center	Naperville	Gastroenterology	\$0 / \$0	4	5,950.5	Yes
TOTALS				10/13	28,404.25	
1. Information from 2024 ASTC Survey. 2. Utilization based upon 1,875 total hours per operating/procedure room per year. State Board Standard is 80% of 1,875 hours = 1,500 hours per operating/procedure room.						

TABLE FIVE Hospitals in the 10-mile GSA				
Hospital	City	Operating Procedure Rooms	Hours	Standard Met?
Adventist Hinsdale Hospital	Hinsdale	13	9,740	No
Copley Memorial Hospital	Aurora	14/5	22,964	No
Adventist Bolingbrook Hospital	Bolingbrook	6/4	9,046	No
TOTALS		33/9	41,750	
1. Information from 2024 Hospital Survey				

F) Unnecessary Duplication/Maldistribution

A) The applicant shall document that the project will not result in unnecessary duplication. The applicant shall provide the following information for the proposed GSA zip code areas identified in subsection (c)(2)(B)(i):

- i) the total population of the GSA (based upon the most recent population numbers available for the State of Illinois); and
- ii) the names and locations of all existing or approved health care facilities located within the GSA that provide the ASTC services that are proposed by the project.

B) The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the GSA has an excess supply of facilities and ASTC services characterized by such factors as, but not limited to:

- i) a ratio of surgical/treatment rooms to population that exceeds one and one-half times the State average.
- ii) historical utilization (for the latest 12-month period before submission of the application) for existing surgical/treatment rooms for the ASTC services proposed by the project that are below the utilization standard specified in 77 Ill. Adm. Code 1100; or
- iii) insufficient population to provide the volume or caseload necessary to utilize the surgical/treatment rooms proposed by the project at or above the utilization standards specified in 77 Ill. Adm. Code 1100.

- C) The applicant shall document that, within 24 months after project completion, the proposed project:
- i) will not lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm. Code 1100; and
 - ii) will not lower, to a further extent, the utilization of other GSA facilities that are currently (during the latest 12-month period) operating below the utilization standards.

There are 65 operating/procedure rooms in the GSA with approximately 594,005 residents. The State of Illinois has 2,850 operating/procedure rooms with a population of roughly 12.6 million residents. The ratio of operating/procedure rooms in the relevant 10-mile GSA is 1 room per 9,138 residents. The ratio of operating/procedure rooms in the State of Illinois is 1 room per 4,403 residents. Based on these ratios, there is no surplus of operating procedure rooms in the relevant 10-mile GSA.

	Population	Operating/Procedure Rooms	Ratio	
GSA	594,005	65	1:9,138.5	Yes
State of Illinois	12,710,158	2,756	1:4,403	

As noted above, there are existing ASTCs and hospitals providing the proposed surgical specialties (General Surgery, Podiatry), contained in this CON Application. However, the Vascular Access and Wound Care services proposed are either unavailable or are significantly under-represented in the GSA, according to the Applicant. Despite the uniqueness of the care to be provided, the establishment of the ASTC, as proposed in the CON Application, will result in an unnecessary duplication of services. The Applicant has not appropriately addressed this criterion.

G) Staffing

A) Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that the staffing requirements of licensure and The Joint Commission or other nationally recognized accrediting bodies can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

B) Medical Director

It is recommended that the procedures to be performed for each ASTC service be under the direction of a physician who is board-certified or board-eligible by the appropriate professional standards organization or entity that credentials or certifies the health care worker for competency in that category of service.

The Applicant states the ASTC will operate with the following positions and anticipate no difficulties in recruiting skilled staff to fill the positions listed in Table Six .

TABLE SIX	
Staffing Matrix for Midwest Surgical Centers, LLC	
Interventional Radiologist (1)	Patient Care Coordinator (1)
Certified Registered Nurse Anesthetist (2)	Medical Assistants (2)
Radiology Tech (1)	Billing/Insurance Specialists (1)
Registered Nurse (2)	Sterile Processing Technicians (1-2)
Surgical Tech (2)	Recovery Room Nurses (1)
Vascular Surgeon (1)	Administrator/Manager (1)
Podiatrist (1)	Surgical Center Director (1)
Front Desk Staff (1-2)	Cleaning Staff (1-2)

The Medical Director of the proposed ASTC will be Dr. Sreenivas Reddy, M.D. The curriculum vitae of the Medical Director is located on page 47 of the CON Application. The Applicants have addressed the requirements of this criterion.

H) Charge Commitment

To meet the objectives of the Act, which are *to improve the financial ability of the public to obtain necessary health services; and to establish an orderly and comprehensive health care delivery system that will guarantee the availability of quality health care to the general public; and cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process* [20 ILCS 3960/2], the applicant shall submit the following:

- A) a statement of all charges, except for any professional fee (physician charge); and
- B) a commitment that these charges will not increase, at a minimum, for the first 2 years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).

The Applicant provided a list of proposed charges at the ASTC on pages 116-122 of the application. The Applicants state the charges will not be modified for the first two years after the opening of the ASTC. (CON Application, page 115) The Applicants have suitably addressed this criterion.

I) Assurances

- A) The applicant shall attest that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

B) The applicant shall document that, in the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100. Documentation shall include, but not be limited to, historical utilization trends, population growth, expansion of professional staff or programs (demonstrated by signed contracts with additional physicians), and the provision of new procedures that would increase utilization.

The Applicant documented that, by the second year of operation after project completion (application, p. 123), the ASTC will meet or exceed the utilization standard of the State Board. The Applicant has addressed the requirements of this criterion.

VIII. Financial

77 Ill. Adm. Code 1120.120 – Availability of Funds

77 Ill. Adm. Code 1120.130 – Financial Viability

77 Ill. Adm. Code 1120.140 (a) – Reasonableness of Financing Arrangements

77 Ill. Adm. Code 1120.140 (b) – Terms of Debt Financing

77 Ill. Adm. Code 1120.140 (c) – Reasonableness of Project Costs

77 Ill. Adm. Code 1120.140 (d) – Projected Operating Costs

77 Ill. Adm. Code 1120.140 (e) – Effect of the Project on Capital Costs

A) Section 1120.120 - Availability of Funds – Review Criteria

Applicants shall document that financial resources will be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources.

The Applicant is funding this project with \$2,992,035 in mortgages and the Fair Market Value of the Lease of \$917,000. The Applicant provided pro forma, balance sheets, and Financial Viability Ratios stating that the Applicant has sufficient cash resources to fund the cash/securities portion of the project. (See Application file).

The Applicant supplied a copy of a Letter of Intent to enter a lease for the building located at 13610 Route 59, Plainfield (see project file), with details of the lease term, including taxes and operating expenses. The building owner/landlord is N&D Properties, LLC, which is also under the ownership of Dr. Reddy.

B) Financial Viability – Review Criteria

a) Financial Viability Waiver

The applicant is NOT required to submit financial viability ratios if:

1) all project capital expenditures, including capital expended through a lease, are entirely funded through internal resources (cash, securities, or received pledges); or

HFSRB NOTE: Documentation of internal resources availability shall be available as of the date the application is deemed complete.

2) the applicant's current debt financing or projected debt financing is insured or anticipated to be insured by Municipal Bond Insurance Association Inc. (MBIA) or its equivalent; or

HFSRB NOTE: MBIA Inc. is a holding company whose subsidiaries provide financial guarantee insurance for municipal bonds and structured financial projects. MBIA coverage is used to promote credit enhancement, as MBIA would pay the debt (both principal and interest) in case of the bond issuer's default.

3) The applicant provides a third-party surety bond or performance bond letter of credit from an A-rated guarantor (insurance company, bank, or investing firm) guaranteeing project completion within the approved financial and project criteria.

b) Viability Ratios

Applicants that are responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility-specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

The Applicant is funding the proposed project with mortgages and the fair market value of a lease. Financial Viability Ratios and Projected Statements of Financial Position were provided for the Applicant/Landlord, who are the same person (Dr. Sreenivas Reddy). Based on these data in Tables Eight, Nine, and Ten, the Applicant appears to have sufficient financial resources to fund this project. However, the Applicant failed to produce viability ratio data for Table Seven, and Table Eight contains substandard viability data for the Applicant/Landlord, and a negative finding results.

TABLE SEVEN Financial Viability Ratios Midwest Surgical Centers, LLC (Operator)				
	Standard	2026	2027	2028
Current Ratio	≥1.5	2.1	2.9	3.8
Net Margin %	≥3.5	4.5%	9.5%	11.5%
Percent Debt to Total Capitalization	≤80%			
Projected Debt Service Coverage Ratio	≥1.75			
Days Cash on Hand	≥45 days	55	80	110
Cushion Ratio	≥3.0			
Blank Cells: Applicant did not supply data				

TABLE EIGHT Financial Viability Ratios Midwest Surgical Centers, LLC (Landlord)				
	Standard	2026	2027	2028
Current Ratio	≥1.5	2.7	3.4	4.2
Net Margin %	≥3.5	4%	6.5%	8.5%
Percent Debt to Total Capitalization	≤80%	65%	61%	57%
Projected Debt Service Coverage Ratio	≥1.75	1.4	1.6	1.85
Days Cash on Hand	≥45 days	60	140	260
Cushion Ratio	≥3.0	0.4	0.65	0.95
Shaded areas denote non-compliant data				

TABLE NINE Pro-Forma Balance Sheets Midwest Surgical Centers, LLC (Operator)			
Projected Statement of Financial Position	2026	2027	2028
Cash In Bank/On Hand	\$1,350,000	\$2,050,000	\$3,050,000
Accounts Receivable, Net	\$2,000,000	\$3,600,000	\$3,900,000
Inventory	\$19,000	\$20,000	\$21,000
Prepaid Expenses	\$32,000	\$34,000	\$36,000
Current Assets	\$3,200,000	\$5,300,000	\$6,997,000
Accounts Payable	\$225,000	\$350,000	\$380,000
Due to Landlord	\$772,160	\$772,160	\$772,160
Accrued Salaries/Benefits	\$240,000	\$395,000	\$420,000
Accrued Taxes	\$275,000	\$305,000	\$335,000
Other Liabilities	\$100,000	\$103,000	\$105,000
TOTAL LIABILITIES	\$1,617,160	\$1,925,160	\$2,017,160
Equity	\$1,783,840	\$3,374,840	\$4,989,840

TABLE TEN Pro-Forma Balance Sheets Midwest Surgical Centers, LLC (Landlord)			
Projected Statement of Financial Position	2026	2027	2028
Cash In Bank/On Hand	\$200,000	\$550,000	\$950,000
Escrowed Expenses	\$105,300	\$105,300	\$105,300
Due From Tenant	\$772,160	\$772,160	\$772,160
Current Assets	\$1,077,460	\$1,427,460	\$1,827,460
Land	\$750,000	\$750,000	\$750,000
Building	\$5,000,000	\$5,000,000	\$5,000,000
Major Moveable Items	\$2,086,053	\$2,086,053	\$2,086,053
Net Fixed Assets	\$7,836,053	\$7,836,053	\$7,836,053
TOTAL ASSETS	\$8,913,513	\$9,263,513	\$9,663,513
Current Liabilities	\$400,000	\$420,000	\$440,000
Long Term Debt	\$5,093,434	\$4,893,434	\$4,693,434
TOTAL LIABILITIES	\$5,493,434	\$5,313,434	\$5,133,434

IX. Economic Feasibility

A) Reasonableness of Financing Arrangements

B) Conditions of Debt Financing

The Applicant is funding this project with mortgages (\$2,992,035) and the Fair Market Value of the Lease (\$917,000). The State Board considers leasing as debt financing. The Applicant provided a non-binding letter of intent to lease the property. N & D Properties LLC (owner of the site) is the lessor/landlord, and

Midwest Surgical Centers, LLC is the lessee. The initial term of the lease will be 10 years. The annual lease for the space in the first year is \$121,436 with 1.030% annual escalations.

C) Reasonableness of Project and Related Costs

The applicant shall document that the estimated project costs are reasonable and shall document compliance with the State Board Standards.

Pre-Planning Costs are \$9,197, which is .46% of Construction, Modernization, and Equipment costs of \$1,965,032. These costs are compliant with the State standard of 1.8% for these costs.

New Construction Costs are \$1,414,299, or \$456.52 per GSF. These costs meet the reasonableness criteria based on the State Board Standard of \$510.27 per GSF. (2027 project mid-point).

Contingency Costs are \$140,000, or 9.9% of new construction costs. These costs meet the reasonableness criteria based on the State Board Standard of 10%.

Architectural/Engineering Costs are \$124,458, or 8% of the construction/contingencies costs totaling \$1,554,299. This complies with the Board standard of 7.36% - 11.06%.

Movable Other Equipment Costs are \$410,733. These costs meet the reasonableness criterion based on the State Board Standard of \$1,240,787. (2027 mid-point with two ORs).

NOTE: The State Board does not have standards for the following criteria:

Fair Market Value of the Lease: \$655,030.

Consulting & Other Fees: \$100,000

D) Projected Operating Costs

The projected direct annual operating costs for the first full year at target utilization is \$180.00 per patient procedure. There is no State standard for these criteria.

E) Total Effect of the Project on Capital Costs

The Applicant supplied projected annual capital costs that total \$272 per patient procedure. The State Board does not have standards for these criteria.

January 21, 2026

VIA E-MAIL

John Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Re: Request for Additional Information
Project #25-037: Midwest Surgical Centers, LLC (“Applicant”)

Dear Mr. Kniery:

On behalf of Midwest Surgical Centers, LLC (the “Applicant”), we submit this letter and the accompanying materials in response to the Board’s November 5, 2025, correspondence requesting additional information in connection with the above-referenced project. This supplemental submission is intended to address each of the items identified by the Board and to ensure that the administrative record is complete for the Board’s review. Specifically, this submission includes the following:

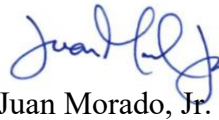
1. Pro Forma financial information for the first two years following completion of the proposed project, including pro forma income statements and balance sheets. These materials reflect a conservative capital structure, positive equity at inception, improving debt service coverage, and adequate liquidity consistent with Illinois CON financial feasibility standards;
2. The terms of the mortgage described on page 125 would include a term loan of 25 years with a proposed annual interest rate of 6%. However, the interest rate is subject to change depending on the timing of the closing of the loan.
3. Enclose with this letter is additional information that expressly addresses the applicable review criteria under Section 1120.140(a), (b), (d), and (e), including additional narrative support addressing project need, financial feasibility, efficiency, and consistency with the orderly development of health care services.

4. Referral letters for physicians identified on page 97 of the application, with each letter including patient origin information by ZIP code for the preceding twelve (12) months, historical case volumes, and projected referrals to the proposed ambulatory surgical treatment center; and
5. A letter of intent evidencing the Applicant's intent to lease the proposed facility site is included with this submission, confirming site control and the feasibility of the proposed project location.

We respectfully request that this supplemental information be accepted into the record for consideration by the Board. Should you have any questions or require additional information, please do not hesitate to contact me at 312-212-4967 or via email at JMorado@beneschlaw.com. Thank you for your attention to this matter.

Sincerely,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in blue ink, appearing to read "Juan Morado, Jr.", with a stylized flourish at the end.

Juan Morado, Jr.

Midwest Surgical Centers- Project #25-037

Pro Forma, Balance Sheets, Viability Ratios

Midwest Surgical Centers (Landlord)			
Projected Statement of Financial Position			
	2026	2027	2028
Cash in bank and on hand	\$ 200,000.00	\$ 550,000.00	\$ 950,000.00
Escrowed expenses	\$ 105,300.00	\$ 105,300.00	\$ 105,300.00
Due from Tenant	\$ 772,160.00	\$ 772,160.00	\$ 772,160.00
Current assets	\$ 1,077,460.00	\$ 1,427,460.00	\$ 1,827,460.00
Land	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
Building	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Major moveables	\$ 2,086,053.00	\$ 2,086,053.00	\$ 2,086,053.00
Net fixed assets	\$ 7,836,053.00	\$ 7,836,053.00	\$ 7,836,053.00
Total assets	\$ 8,913,513.00	\$ 9,263,513.00	\$ 9,663,513.00
Current liabilities	\$ 400,000.00	\$ 420,000.00	\$ 440,000.00
Long term debt	\$ 5,093,434.00	\$ 4,893,434.00	\$ 4,693,434.00
Total liabilities	\$ 5,493,434.00	\$ 5,313,434.00	\$ 5,133,434.00

Midwest Surgical Centers (Landlord)						
Viability Ratios with Dollar Support						
Metric	2026 Ratio	2026 \$	2027 Ratio	2027 \$	2028 Ratio	2028 \$
Current Ratio	2.7	\$ 1,077,460.00	3.4	\$ 1,427,460.00	4.2	\$ 1,827,460.00
Net Margin %	4	\$ 320,000.00	6.5	\$ 520,000.00	8.5	\$ 720,000.00
Debt to Capitalization %	65	\$ 5,093,434.00	61	\$ 4,893,434.00	57	\$ 4,693,434.00
Debt Service Coverage	1.4	\$ 980,000.00	1.6	\$ 1,020,000.00	1.85	\$ 1,080,000.00
Days Cash on Hand	60	\$ 200,000.00	140	\$ 550,000.00	260	\$ 950,000.00
Cushion Ratio	0.4	\$ 2,742,619.00	0.65	\$ 2,862,619.00	0.95	\$ 2,982,619.00

Midwest Surgical Centers (Operator)			
Projected Statement of Financial Position			
	2026	2027	2028
Cash in bank and on hand	\$ 1,350,000.00	\$ 2,050,000.00	\$ 3,050,000.00
Accounts receivable, net	\$ 2,000,000.00	\$ 3,600,000.00	\$ 3,900,000.00
Inventory	\$ 19,000.00	\$ 20,000.00	\$ 21,000.00
Prepaid expenses	\$ 32,000.00	\$ 34,000.00	\$ 36,000.00
Current assets	\$ 3,200,000.00	\$ 5,300,000.00	\$ 6,997,000.00
Accounts payable	\$ 225,000.00	\$ 350,000.00	\$ 380,000.00
Due to Landlord	\$ 772,160.00	\$ 772,160.00	\$ 772,160.00
Accrued salaries & benefits	\$ 240,000.00	\$ 395,000.00	\$ 420,000.00
Accrued taxes	\$ 275,000.00	\$ 305,000.00	\$ 335,000.00
Other liabilities	\$ 100,000.00	\$ 103,000.00	\$ 105,000.00
Total liabilities	\$ 1,617,160.00	\$ 1,925,160.00	\$ 2,017,160.00
Equity	\$ 1,783,840.00	\$ 3,374,840.00	\$ 4,989,840.00

Midwest Surgical Centers (Operator)						
Viability Ratios with Dollar Support						
Metric	2026 Ratio	2026 \$	2027 Ratio	2027 \$	2028 Ratio	2028 \$
Current Ratio	2.1	\$ 3,200,000.00	2.9	\$ 5,300,000.00	3.8	\$ 6,997,000.00
Net Margin %	4.5	\$ 410,000.00	9.5	\$ 920,000.00	11.5	\$ 1,250,000.00
Days Cash on Hand	55	\$ 1,350,000.00	80	\$ 2,050,000.00	110	\$ 3,050,000.00

Criterion 1120.140 (a)(b)(d)(e)

The Applicant has addressed Criterion 1120.140(a) and (b) through the letter included on page 126 of the submitted application. The applicant further confirms that borrowing is less costly than the liquidation of existing investments, and that any existing investments, if applicable, could be converted to cash or used to retire debt within a 60-day period. The applicant also notes that this project will be undertaken by a newly formed entity that will hold the facility license; accordingly, there are no existing investments associated with the applicant entity.

Project Operating Costs

The projected direct annual operating costs for the first full fiscal year at target utilization total \$259,000, consisting of salaries and benefits of \$240,000 and medical and surgical supplies of \$19,000. Based on 1,439 annual procedure patients, the projected operating cost equals \$180 per procedure patient.

Total Effect of the Project on Capital Costs

The total projected annual capital costs for the first full fiscal year at target utilization are \$390,903, consisting of estimated annual interest expense of \$234,542 and straight-line depreciation of \$156,361, assuming a 25-year useful life consistent with the project financing term. Based on 1,439 annual procedure patients, the capital cost equals \$272 per procedure patient.

ATTACHMENT 37
Economic Feasibility
Project Operating Costs and Total Effect
of the Project on Capital Costs

Midwest Surgical Centers, LLC

September 3, 2025

John P. Knierly
Board Administrator
Illinois Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Midwest Surgical Centers, LLC

Ill. Admin. Code Section 1120.120(a) Available Funds Certification

Ill. Admin. Code Section 1120.140(a) Reasonableness of Financing Arrangements

Dear Mr. Knierly:

As representative of Midwest Surgical Centers, LLC ("Midwest Surgical"), I, Sreenivas Reddy, M.D., hereby attest that the project costs will be \$3,909,035. Midwest Surgical will fund the entirety of the construction of the project and the necessary working capital and operating deficits through the first full fiscal year. Midwest Surgical will fund these costs with a loan from American Bank & Trust. Midwest Surgical has sufficient and readily accessible internal resources to fund the obligation required by the project.

I further certify that our analysis of the funding options for this project reflected that the funding strategy outlined herein is the lowest net cost option available.

Sincerely,



Sreenivas Reddy, M.D.
Manager
Midwest Surgical Centers, LLC

Midwest Surgical Centers, LLC

January 8, 2025

John P. Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson St., Floor 2
Springfield, IL 62761

Re: Referral Letter – Midwest Surgical Center

Dear Mr. Kniery,

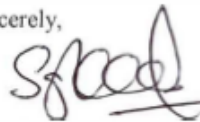
My name is Sreenivas Reddy, MD and I am an interventional radiologist with Vein and Vascular Centers. This letter contains the referral documentation required per 77Ill. Admin. Code Section 1110.235(c)(4)(B). During the 12-month period prior to submission of this letter, our practice referred a total of 349 surgical cases to the following facilities:

Hospital or ASTC Name	Number of procedures completed in the last 12 Months	Number of procedures to be sent to the proposed facility
VVC Plainfield	165	165
VVC Hinsdale	115	30
VVC Downers Grove	69	15
Total	349	210

Based on my historical referrals, our existing waiting list, and plans to hire additional personnel, our practice anticipates referring 420 surgical cases by the second year of operation following completion of our project. Enclosed with this letter is a list of patient origins by zip code of residence. I certify that the patients we propose to refer reside within the proposed geographic service area.

I further certify that the aforementioned referrals have not been used to support another pending or approved certificate of need permit application. The information provided in this letter is true and accurate to the best of my knowledge.

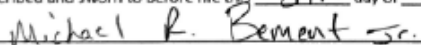
Sincerely,



Sreenivas Reddy, M.D.
Manager
Midwest Surgical Centers, LLC


Signature of Notary:

Subscribed and sworn to before me this 8th day of Jan 2026


Seal



Sreenivas Reddy, M.D. Zip Code Data

ZIP Code Patients

60012	2
60025	1
60101	7
60107	3
60124	1
60125	2
60126	2
60131	4
60137	2
60154	4
60174	5
60181	2
60185	2
60194	1
60403	2
60404	3
60410	7
60417	1
60431	7
60432	3
60433	17
60435	21
60436	12
60439	4
60440	5
60441	2
60444	1
60447	8
60450	4
60451	6
60453	3
60459	2
60480	4
60481	3

ZIP Code Patients

60487	6
60490	1
60491	5
60502	2
60510	1
60513	8
60514	7
60515	5
60516	23
60517	9
60521	12
60523	7
60525	19
60526	2
60527	9
60534	1
60540	5
60543	5
60544	5
60546	1
60552	2
60558	10
60559	6
60561	6
60563	1
60564	4
60565	3
60585	4
60586	14
60610	1
60611	1
60612	4
60707	1
60959	2

Midwest Surgical Centers, LLC

June 25, 2025

John P. Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 w. Jefferson St., Floor 2
Springfield, IL 62761

Re: Referral Letter – Midwest Surgical Center

Dear Mr. Kniery,

My name is Syed Bokhari, MD and I am a general surgeon with Cardinal Surgical Associates. This letter contains the referral documentation required per 77Ill. Admin. Code Section 1110.235(c)(4)(B). During the 12-month period prior to submission of this letter, our practice referred a total of 1030 surgical cases to the following facilities:

Hospital or ASTC Name	Number of procedures completed in the last 12 Months	Number of procedures to be sent to the proposed facility
Silver Cross Hospital	530	415
VVC Plainfield	500	500
Total	1030	915

Based on my historical referrals, our existing waiting list, and plans to hire additional personnel, our practice anticipates referring 915 surgical cases by the second year of operation following completion of our project. Enclosed with this letter is a list of patient origins by zip code of residence. I certify that the patients we propose to refer reside within the proposed geographic service area.

I further certify that the aforementioned referrals have not been used to support another pending or approved certificate of need permit application. The information provided in this letter is true and accurate to the best of my knowledge.

Midwest Surgical Centers, LLC

Sincerely,

Syed Bokhari, MD

Physician's Signature

Syed Bokhari

Date

9/15/23

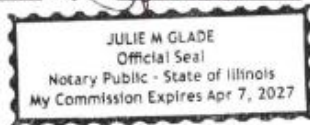
(Please Print/Type Name)

Julie M. Glade

Signature of Notary:

Subscribed and sworn to before me

this *15* day of *September* *2023*



Seal

Dr. Bokhari Patient Zip Codes

ZIP Code Patients

60104	1
60302	3
60403	34
60404	22
60406	3
60407	4
60408	3
60409	2
60410	29
60411	1
60416	10
60419	1
60421	10
60423	26
60426	1
60430	3
60431	48
60432	78
60433	46
60435	113
60436	35
60438	5
60439	20
60440	7
60441	66
60442	20
60443	5
60445	1
60446	23
60447	9
60448	40
60450	3
60451	83
60452	2

ZIP Code Patients

60455	1
60457	1
60458	3
60461	4
60462	11
60463	6
60464	1
60465	1
60466	4
60467	24
60468	1
60472	3
60473	4
60476	1
60477	25
60478	6
60479	1
60481	10
60483	1
60487	21
60490	3
60491	21
60516	2
60527	1
60535	1
60541	1
60543	1
60544	14
60545	1
60546	1
60561	1
60565	1
60585	3
60586	45
60603	4
60611	1

ZIP Code Patients

60619	1
60620	1
60621	2
60623	6
60628	1
60629	2
60643	1
60653	1
60803	2
60935	1
60981	1
61341	6
61350	11
61364	5
82582	1
93722	1

June 25, 2025

John P. Knierly
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson St., Floor 2
Springfield, IL 62761

Re: Referral Letter – Midwest Surgical Center

Dear Mr. Knierly,

My name is Steven Overpeck, DPM and I am a surgical podiatrist with Foot and Ankle Health Center. This letter contains the referral documentation required per 77Ill. Admin. Code Section 1110.235(c)(4)(B). During the 12-month period prior to submission of this letter, our practice referred a total of 6 surgical cases to the following facilities:

Hospital or ASTC Name	Number of procedures completed in the last 12 Months	Number of procedures to be sent to the proposed facility
Amsurg	3	3
St. Joseph Medical Center	3	3

Based on my historical referrals, our existing waiting list, and plans to hire additional personnel, our practice anticipates referring 20 surgical cases by the second year of operation following completion of our project. Enclosed with this letter is a list of patient origins by zip code of residence. I certify that the patients we propose to refer reside within the proposed geographic service area.

I further certify that the aforementioned referrals have not been used to support another pending or approved certificate of need permit application. The information provided in this letter is true and accurate to the best of my knowledge.

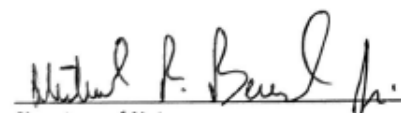
Thank you,

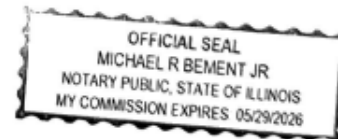
Physician's Signature


Dr. Steven Overpeck, DPM

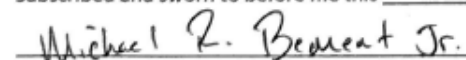
Date:

1/8/2026


Signature of Notary:



Subscribed and sworn to before me this 8 day of Jan 2026


Michael R. Bement Jr.

Seal

Dr. Overpeck Patient Zip Codes

ZIP Code Patients

60436	1
60446	1
60441	1
60403	1
60408	1
60586	1

June 25, 2025

John P. Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson St., Floor 2
Springfield, IL 62761

Re: Referral Letter – Midwest Surgical Center

Dear Mr. Kniery,

My name is Beck Tiernan, MD and I am a surgical podiatrist with Advanced Foot and Ankle Centers of Illinois. This letter contains the referral documentation required per 77Ill. Admin. Code Section 1110.235(c)(4)(B). During the 12-month period prior to submission of this letter, our practice referred a total of 18 surgical cases to the following facilities:

Hospital or ASTC Name	Number of procedures completed in the last 12 Months	Number of procedures to be sent to the proposed facility
CMIS – Mokena	18	18

Based on my historical referrals, our existing waiting list, and plans to hire additional personnel, our practice anticipates referring 45 surgical cases by the second year of operation following completion of our project. Enclosed with this letter is a list of patient origins by zip code of residence. I certify that the patients we propose to refer reside within the proposed geographic service area.

I further certify that the aforementioned referrals have not been used to support another pending or approved certificate of need permit application. The information provided in this letter is true and accurate to the best of my knowledge.

Thank you,

Physician's Signature



Dr. Beck Tiernan, MD

Date: 1/8/26

Signature of Notary:



Subscribed and sworn to before me this 8th day of Jan 2026

Michael R. Bement Jr.

Seal



Dr. Tiernan Patients Zip Codes

ZIP Code Patients

60544	12
60302	3
60403	2
60404	1

June 25, 2025

John P. Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 w. Jefferson St., Floor 2
Springfield, IL 62761

Re: Referral Letter – Midwest Surgical Center

Dear Mr. Kniery,

My name is Zain Rizvi, DPM and I am a surgical podiatrist with Advanced foot and ankle centers of Illinois. This letter contains the referral documentation required per 77Ill. Admin. Code Section 1110.235(c)(4)(B). During the 12-month period prior to submission of this letter, our practice referred a total of 6 surgical cases to the following facilities:

Hospital or ASTC Name	Number of procedures completed in the last 12 Months	Number of procedures to be sent to the proposed facility
Oakbrook Surgical Center	6	6

Based on my historical referrals, our existing waiting list, and plans to hire additional personnel, our practice anticipates referring 20 surgical cases by the second year of operation following completion of our project. Enclosed with this letter is a list of patient origins by zip code of residence. I certify that the patients we propose to refer reside within the proposed geographic service area.

I further certify that the aforementioned referrals have not been used to support another pending or approved certificate of need permit application. The information provided in this letter is true and accurate to the best of my knowledge.

Thank you,

Physician's Signature

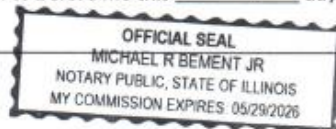
Dr. Zain Rizvi, DPM

Date: 11/9/26

Signature of Notary:

Subscribed and sworn to before me this 9 day of Jan 2026

Seal



Dr. Rizvi Patients Zip Codes

ZIP Code Patients

60544 6

November 10, 2025

Midwest Surgical Care, LLC
13610 Route 59
Plainfield, Illinois 60544

Re: Letter of Intent to Lease
13610 Route 59, Plainfield, Illinois 60544

Dear Midwest Surgical Care, LLC,

This letter of intent ("LOI") with an effective date of November 10, 2025 is between N & D Properties, LLC. ("Landlord") and Midwest Surgical Care, LLC ("Tenant"). This LOI does not constitute a contract between the parties and is not intended to be binding on either party.

Premises:	Approximately 4,337 GSF of space within an existing medical office building located at 13610 Route 59, Plainfield, Illinois 60544 (the "Premises"), to be improved and operated as a state-licensed Ambulatory Surgical Treatment Center ("ASTC") with 2 operating rooms (total 4,337GSF; approx. 3,098 GSF clinical and 1,239 GSF non-clinical)
Total Area Required:	4,337 GSF
Use:	Exclusive use as a multi-specialty ASTC serving the regional market, providing the categories of surgical services listed in the Certificate of Need ("CON") application (e.g., general surgery and podiatry) and related ancillary and administrative activities customary for an ASTC
Sub-Lease Term:	Ten (10) years, to commence on the later of (a) mutual execution of a definitive lease and (b) substantial completion/occupancy readiness of the Premises for ASTC operations following CON approval
Lease Commencement:	1st day of the Month following CON approval date
Base Rent:	Annual base rent payable in equal monthly installments, as follows

(reflecting a 1.030% annual escalator
from Year 1):

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
121,436	125,079	128,831	132,696	136,677	140,778	145,001	149,351	153,831	158,446
121,436	125,079	128,831	132,696	136,677	140,778	145,001	149,351	153,831	158,446
\$ 28.00	\$ 28.84	\$ 29.71	\$ 30.60	\$ 31.51	\$ 32.46	\$ 33.43	\$ 34.44	\$ 35.47	\$ 36.53

Target Dates: The parties intend to finalize a definitive lease agreement in alignment with the project schedule described in the CON application (project completion targeted for December 31, 2027).

Operating Expenses/Utilities: Tenant is responsible for its utilities and ordinary operating costs proportionate to the Premises (details to be finalized in the lease; customary exclusions for Landlord capital expenditures except as amortized for code-compliance building systems benefiting Tenant).

Improvements/Build-Out: Tenant improvements must be performed consistent with ASTC licensure requirements. The parties will cooperate on design, permitting, and construction consistent with the scope and space program submitted in the CON application (2 ORs and clinical and administrative allocations).

Licensure/Regulatory: Tenant is responsible for obtaining and maintaining all ASTC licenses and certifications. Landlord to provide reasonable cooperation and access documentation to support Tenant's licensure and CON compliance.

Insurance/Indemnity: Customary ASTC landlord-tenant insurance (CGL, property, professional as applicable) and mutual indemnities will be set forth in the definitive lease.

Assignment/Subletting: Permitted with Landlord's reasonable consent; assignment to Prime affiliates or to a buyer/assignee in connection with a permitted corporate transaction not to be unreasonably withheld, conditioned, or delayed.

Evidence of Authority: Tenant is the operating/licensee entity identified in the CON application; related corporate good-standing certificates and organizational relationships are as filed with the Illinois Health Facilities and Services Review Board.

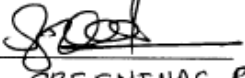
This LOI does not constitute a contract between the parties and is not intended to be binding on either party. This LOI is intended solely as an expression of terms upon which the parties will endeavor to negotiate a formal and binding lease agreement which meets with the approval of both parties respective counsel. In no event shall either party incur any liability whatsoever of its failure to execute a formal and binding lease agreement or for any other reason.

IN WITNESS WHEREOF, this Agreement has been executed by **N & D Properties, LLC.** and **Midwest Surgical Care, LLC** on the date first above written.

N & D Properties, LLC

By: 
Printed Name: SREENIVAS REDDY
Title: President

Midwest Surgical Care, LLC

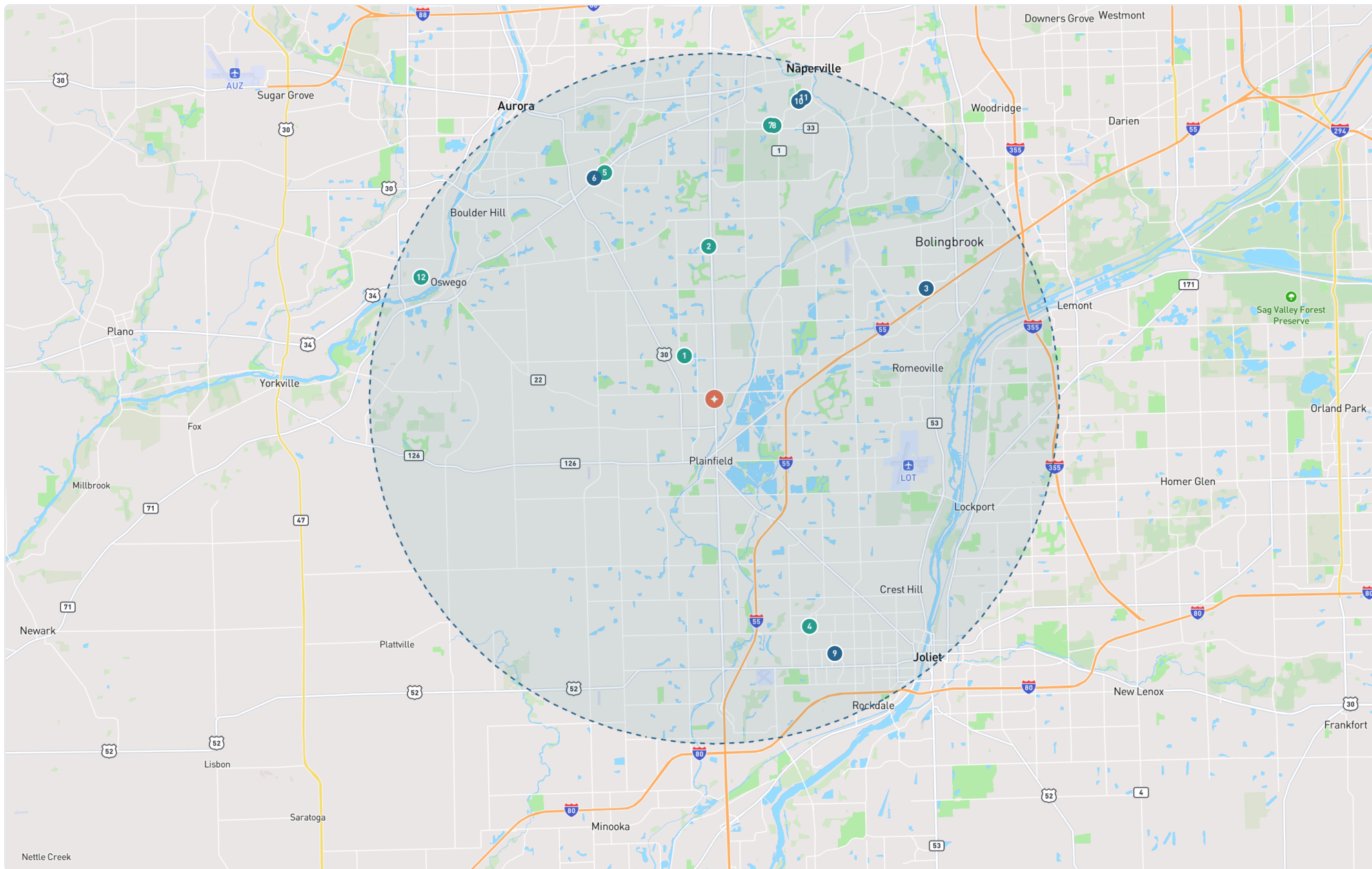
By: 
Printed Name: SREENIVAS REDDY
Title: President



Radius Analysis Report

Geographic inventory of licensed hospital facilities within statutory radius

CENTER POINT	COUNTY	CLASSIFICATION	STATUTORY RADIUS	HSA	HPA
41.6346°N, 88.2035°W	Will	Chicago Metropolitan (10-mile radius)	10 miles	9 - Will/Kankakee/Kendall/Grundy	A-13





Facilities Within 10-Mile Radius of Will County (5 Hospitals, 7 ASTCs)												
#	Type	Facility Name	City	Dist	M-S	ICU	OB	PED	NICU	AMI	REH	Total
1	ASTC	Plainfield Surgery Center, LLC	Plainfield	1.5	—	—	—	—	—	—	—	—
2	ASTC	DMG Pain Management Surgery Center, LLC	Naperville	4.4	—	—	—	—	—	—	—	—
3	Hosp	Adventist Bolingbrook Hospital - DBA UChicago Medicine AdventHealth Bolingbrook	Bolingbrook	6.9	82	12	20	—	—	24	—	138
4	ASTC	AmSurg Surgery Center	Joliet	7.1	—	—	—	—	—	—	—	—
5	ASTC	Rush-Copley Surgicenter LLC - DBA Castle Surgicenter	Aurora	7.3	—	—	—	—	—	—	—	—
6	Hosp	Copley Memorial Hospital, Inc - DBA Rush Copley Medical Center	Aurora	7.3	123	22	34	—	13	—	18	210
7	ASTC	Midwest Endoscopy Center, LLC	Naperville	8.1	—	—	—	—	—	—	—	—
8	ASTC	Naperville Surgical Centre, LLC	Naperville	8.1	—	—	—	—	—	—	—	—
9	Hosp	Saint Joseph Medical Center-Joliet,LLC - DBA Saint Joseph Medical Center	Joliet	8.2	319	61	33	13	10	31	41	508
10	Hosp	Naperville Psychiatric Ventures - DBA Linden Oaks Hospital	Naperville	8.9	—	—	—	—	—	108	—	108
11	Hosp	Edward Hospital	Naperville	9.1	243	49	38	7	22	—	—	359
12	ASTC	Kendall Pointe Surgery Center, LLC	Oswego	9.2	—	—	—	—	—	—	—	—
TOTAL (5 Hosp, 7 ASTC)					767	144	125	20	45	163	59	1,323



Health Planning Area (HPA) A-13

Grundy and Will Counties

Bed Category	Authorized	Need	Gap	% of Need
Med-Surg/Pediatric	707	710	(3)	99.6%
Obstetrics	91	63	+28	144.4%
Intensive Care Unit	127	116	+11	109.5%
Acute Mental Illness	167	132	+35	126.5%
TOTAL	1,092	1,021	+71	107.0%

Health Service Area (HSA) 9

Will/Kankakee/Kendall/Grundy

Bed Category	Authorized	Need	Gap	% of Need
Rehabilitation	99	97	+2	102.1%
TOTAL	99	97	+2	102.1%

Methodology Notes

Statutory Radius: Per 77 Ill. Adm. Code 1100, radius is determined by county classification: 10 miles (Metro - Cook, DuPage, Kane, Lake, Will), 17 miles (Mid-size counties), 21 miles (Rural counties).

Gap Analysis: Positive values (+) indicate surplus; parentheses indicate shortage. Need calculated per State Health Plan formulas.

Data Source: 2024 Annual Hospital Survey responses submitted to HFSRB.