



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: January 13, 2026	PROJECT NO: 25-033	PROJECT COST: Original: \$2,840,000
FACILITY NAME: Northwestern Medicine Lake Forest Hospital	CITY: Lake Forest	
TYPE OF PROJECT: Substantive		HSA: VIII

DESCRIPTION: The Applicants (Northwestern Lake Forest Hospital and Northwestern Memorial Healthcare) propose to establish the open-heart surgery category of service at Northwestern Medicine Lake Forest Hospital, 1000 North Westmoreland Road, Lake Forest, Illinois. The project's cost is \$2,840,000, with an expected completion date of March 31, 2027.

Information on this Application for Permit can be found at this link:

<https://hfsrb.illinois.gov/project.25-033-northwestern-medicine-lake-forest-hospital.html>

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Northwestern Lake Forest Hospital and Northwestern Memorial Healthcare) propose to establish the open-heart surgery category of service at Northwestern Medicine¹ Lake Forest Hospital, 1000 North Westmoreland Road, Lake Forest, Illinois. The project's estimated cost is \$2,840,000, with an expected completion date of March 31, 2027.

PURPOSE OF THE PROJECT

- The purpose of the project is to establish the open-heart surgery category of service.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project proposes to establish a category of service. Northwestern Memorial Healthcare is proposing to develop open-heart surgery at Northwestern Medicine Lake Forest Hospital primarily to provide highly specialized heart and vascular care closer to where patients in Chicago's northern suburbs and southern Wisconsin live and work. The primary goal is to offer complex cardiovascular treatments, previously available only at the downtown Chicago campus, in a local setting, reducing the need for patients to travel far from home for critical care. The Applicants state the expansion addresses an ongoing need for more patient care services in the Lake County area, which has seen an increase in patients requiring comprehensive heart care. The new service will help reduce patient wait times in the emergency department and manage high inpatient volumes, which have previously led to capacity issues. If approved, this project allows Northwestern Medicine to extend its commitment to providing cutting-edge cardiovascular care while enhancing convenience and accessibility for a broader patient population.

PUBLIC COMMENT:

- The State Board has received letters of support. No opposition letters were received, and no public hearing was requested.

SUMMARY:

- The need for an open-heart surgery category of service shall be institution-specific and determined by the volume of at least 200 patients referred to other institutions for surgery following a cardiac catheterization procedure at the applicant facility, or a minimum of 750 cardiac catheterizations were performed annually at the applicant facility (see 77 Ill. Adm.1100.610) The Planning Area for the establishment of Open Heart Surgery in Lake Forest is HSA VIII. Hospitals with Open Heart Surgery in HSA VIII and their open-heart surgeries in CY 2024 (Executive Summary Table One).

Executive Summary		
TABLE ONE		
Hospitals Performing Open Heart Surgery in HSA VIII		
Hospitals	City	2024 Surgeries
Advocate Condell Medical Center	Libertyville	105
Advocate Sherman Hospital	Elgin	176

¹ Northwestern Memorial Healthcare partners with Northwestern University's Feinberg School of Medicine branded as Northwestern Medicine. (Source: Northwestern Memorial Healthcare audited financial statements page 8.

Executive Summary TABLE ONE Hospitals Performing Open Heart Surgery in HSA VIII		
Hospitals	City	2024 Surgeries
Advocate Good Shepherd Hospital	Barrington	270
Endeavor Highland Park Hospital	Highland Park	36
Northwestern Medicine McHenry Hospital	McHenry	271
Prime Mercy Medical Center	Aurora	0
Rush Copley Medical Center	Aurora	84
Vista Medical Center East	Waukegan	0

- Over the last decade, from CY14 to CY24, cardiac catheterization volume at Northwestern Medicine Lake Forest Hospital has consistently exceeded the required 750 cardiac catheterizations to establish the open-heart surgery category of service.
- In CY23, 311 patients were referred to either Northwestern Memorial Hospital (Chicago) or Northwestern Medicine McHenry Hospital (McHenry) for cardiac surgery. In CY24, the number of patients referred to another Northwestern Medicine hospital increased to 320. In the first five months of CY25, 135 patients were referred to either Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital (annualized to 355 patients). Executive Summary Table Two below shows the number of open-heart surgeries performed by Northwestern Medicine McHenry Hospital and Northwestern Memorial Hospital.

Executive Summary TABLE TWO				
			Open Heart Surgery	
Hospitals	City	Miles	CY 2023	CY 2024
Northwestern Medicine McHenry	McHenry	26.7	219	271
Northwestern Memorial Hospital	Chicago	32.4	1,473	1,600

- The Applicants have successfully addressed all the requirements of the State Board.



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Northwestern Medicine Lake Forest Hospital State Board Staff Report Project #25-033

APPLICATION / CHRONOLOGY / SUMMARY	
Applicants	Northwestern Lake Forest Hospital and Northwestern Memorial Healthcare
Facility Name	Northwestern Medicine Lake Forest Hospital
Location	1000 North Westmoreland Road, Lake Forest, Illinois
Permit Holder	Northwestern Lake Forest Hospital and Northwestern Memorial Healthcare
Operating Entity	Northwestern Lake Forest Hospital
Owner of Site	Northwestern Lake Forest Hospital
Application Received	August 18, 2025
Application Deemed Substantially Complete	August 20, 2025
Review Period Ends	October 19, 2025
Project Completion Date	March 31, 2027
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

I. The Proposed Project

The Applicants (Northwestern Lake Forest Hospital and Northwestern Memorial Healthcare) propose to establish the open-heart surgery service category at Northwestern Medicine Lake Forest Hospital (located at 1000 North Westmoreland Road, Lake Forest, Illinois). The project's cost is \$2,840,000, with an expected completion date of March 31, 2027.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project is in conformance with the provisions of Part 1120.

III. General Information

The Applicants are Northwestern Lake Forest 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 as Northwestern Medicine. The licensee and owner of the site is Northwestern Lake Forest Hospital. This

is a substantive project subject to review under Part 1110 and Part 1120. Table One documents the average length of stay (ALOS), average daily census (ADC), and utilization (Occ) for Northwestern Medicine Lake Forest Hospital in 2024.

TABLE ONE Northwestern Medicine Lake Forest Hospital 2024 Utilization						
Service	Beds	Adm	Days	ALOS	ADC	Occ
Medical Surgical	168	8,480	41,418	4.88	113.47	67.54%
Obstetric	18	1,779	4,362	2.45	11.95	66.36%
Intensive Care	24	1,151	4,671	4.06	12.80	53.32%
Total	210					

IV. Population

Lake County has experienced minimal overall population growth since 2010, with slight increases in some years and declines in others, particularly in recent years. The current trend indicates slow growth or a slight decrease, primarily influenced by negative domestic migration. The County has experienced the following population trends:

- The population grew from 703,462 in 2010 to 714,342 in 2020, an increase of about 1.5% over the decade.
- Since the 2020 Census, the county's population has slightly declined in some estimates, though other 2024/2025 estimates show a marginal increase to around 718,604 residents.
- Lake County's growth rate (0.7% between 2010 and 2022) was significantly lower than the US population growth of 7.7% during the same period. It did, however, fare better than Illinois overall, which saw a 2% population decline in that timeframe.

The Chicago Metropolitan Agency for Planning (CMAP) expects slow growth for the county in the future, contrasting sharply with the rapid growth seen in the early 2000s. (Source: CMAP)

V. Project Details

The Applicants propose to establish an open-heart surgery program. The Bluhm Cardiovascular Institute at Northwestern Medicine Lake Forest Hospital currently offers a comprehensive range of cardiac services, including TCAR.² and pacemaker procedures, general cardiology, cardiac electrophysiology, interventional cardiology, and vascular surgery. Specialized cardiac services also include:

- General cardiology: Offers a broad scope of preventative, diagnostic, and treatment services.
- Interventional cardiology: Provides minimally invasive procedures, such as angioplasty and stenting, to treat narrowed arteries.
- Cardiac electrophysiology: Specializes in treating heart rhythm disorders, including atrial fibrillation (AFib).

² The Transcatheter Aortic Valve Replacement (TAVR) procedure is a minimally invasive technique for treating aortic valve disease by placing a stent to keep the valve open while temporarily reversing blood flow away from the brain, thereby preventing a stroke.

- Vascular surgery: Focuses on the diagnosis and treatment of vascular diseases.
- Heart failure program: Manages complex heart conditions.

The Applicants believe the proposed project will improve access to comprehensive cardiovascular care within the Northwestern Medicine Lake Forest Hospital service area. Access to comprehensive, high-quality healthcare services is crucial for achieving optimal health and enhancing quality of life. The establishment of the open Heart Surgery program at Northwestern Medicine Lake Forest Hospital will enable Northwestern Medicine patients to receive cardiovascular care closer to home, rather than having to travel to another Northwestern Medicine facility.

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

The Applicants are funding this project with \$2,840,000 in cash. (See Table Two)

TABLE TWO			
Project Uses and Sources of Funds			
	Clinical	Non-Clinical	Total
Movable Equipment	\$2,840,000		\$2,840,000
Total	\$2,840,000		\$2,840,000
Sources of Funds			
Cash			\$2,840,000
Total			\$2,840,000

VII. **Background of the Applicants, Purpose of the Project, Safety Net Impact, Alternatives to the Project**

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

A) **Background of Applicant – Review Criteria**

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. Suppose any person or entity owns any option to acquire stock. In that case, 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 Medicine Lake Forest Hospital has an overall five-star rating from 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 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 – Information Requirements

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 they see fit.

The purpose of the project is to improve access to comprehensive cardiovascular care within the Northwestern Medicine Lake Forest Hospital planning area. A complete discussion is available on pages 41-43 of the Application for Permit.

C) Safety Net Impact Statement – Information Requirements

All healthcare 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 those offered by healthcare providers or organizations that deliver healthcare services to individuals with barriers to mainstream healthcare, including a lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or 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 – Information Requirements

Alternative #1: Maintain the Status Quo - Continue referring patients to either Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital for cardiac surgery or procedures requiring cardiac backup following a cardiac catheterization at Northwestern Medicine Lake Forest Hospital.

Northwestern Medicine Lake Forest Hospital currently provides cardiovascular care and has exceeded the required 750 cardiac catheterizations to establish an open-heart surgery program. The Applicants state that without an open-heart surgery program at Northwestern Medicine Lake Forest Hospital, patients will have to continue traveling outside their communities for care, most of them having to travel downtown to Northwestern Memorial Hospital (27 miles away) or to Northwestern Medicine McHenry Hospital (21 miles away). This can lead to challenges with transportation and consistent follow-up care. Longer distances can lead to increased logistical and transportation costs for patients and their families, making comprehensive cardiac care less accessible to them. Proximity to a healthcare facility plays a critical role in determining patient outcomes during cardiovascular emergencies.

This alternative was rejected because maintaining the status quo would compromise the quality of care. There is no capital cost with this alternative.

VIII. Project Scope and Size, Utilization

- a) 77 Ill. Adm. Code 1110.120 (a) - Size of the Project
- b) 77 Ill. Adm. Code 1110.110 (b) – Projected Utilization

A) Size of Project – Review Criteria

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.

There is no construction or modernization associated with this proposed project.

B) Project Services Utilization – Review Criterion

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 open-heart surgery program at Northwestern Medicine Lake Forest Hospital aims to meet the minimum utilization standard of 200 cases per year within two years of establishing the service.

Over the last decade, from CY 2014 to CY 2024, the cardiac catheterization volume at Northwestern Medicine Lake Forest Hospital increased by 349%. Northwestern Medicine Lake Forest Hospital has consistently exceeded the required 750 cardiac catheterizations.³ to establish the open-heart surgery service category. (See Table Three)

TABLE THREE	
Cardiac Catheterization ⁽¹⁾	
Year	Cardiac Catheterization
CY14	598
CY 15	706
CY 16	908
CY 17	977
CY 18	1,136
CY 19	1,206

³ 77 Ill. Adm. Code 1100.610

- a) Planning Areas: Health Service Areas
- b) Utilization Standards:

1) Adult: There should be a minimum of 200 open heart procedures performed annually by each facility within three years after initiation, in any institution in which open heart surgery is performed for adults. Higher caseloads, over 200 per annum, are encouraged.

2) Pediatric: There should be a minimum of 75 pediatric open-heart operations performed annually by each facility within three years after initiation of the service.

3) Adult/Pediatric: The defined minimum utilization standards for both adult and pediatric shall apply for programs doing both adult and pediatric open-heart surgery.

c) Open Heart Surgery Programs:

The need for an open-heart surgery category of service shall be institution-specific and determined by the volume of at least 200 patients referred to other institutions for surgery following a cardiac catheterization procedure at the applicant facility, or a minimum of 750 cardiac catheterizations were performed annually at the applicant facility.

TABLE THREE	
Cardiac Catheterization ⁽¹⁾	
Year	Cardiac Catheterization
CY 20	1,287
CY 21	1,770
CY 22	2,056
CY 23	2,461
CY 24	2,684

Source: Hospital Profiles

In CY23, 311 patients were referred to either Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital for cardiac surgery or a procedure requiring cardiac backup following a cardiac catheterization procedure at Northwestern Medicine Lake Forest Hospital.

In CY24, the number of patients referred to another Northwestern Medicine hospital increased to 320. In the first five months of CY25, 135 patients were referred to either Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital (annualized to 355 patients). If even 65% of the patients referred to Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital who received their cardiac catheterization procedure at Northwestern Medicine Lake Forest Hospital had instead received their cardiac surgery procedures at Northwestern Medicine Lake Forest Hospital, there would have been over 200 cardiac surgery cases (202 cases in CY23, 208 cases in CY24, and 231 in CY25).

Based on the Applicant's historical data, it appears the proposed open-heart surgery program will achieve 200 procedures within 2 years of its establishment. The Applicants have successfully addressed this criterion.

IX. Open Heart Surgery

- A) 77 Ill. Adm. Code 1110.220 (a) - Introduction
- B) 77 Ill. Adm. Code 1110.220 (b) – Review Criteria
 - a. 77 Ill. Adm. Code 1110.220 (b) (1) – Peer Review
 - b. 77 Ill. Adm. Code 1110.220 (b) (2) – Establishment of Open Heart
 - c. 77 Ill. Adm. Code 1110.220 (b) (3) – Unnecessary Duplication of Service
 - d. 77 Ill. Adm. Code 1110.220 (b) (4) – Support Services
 - e. 77 Ill. Adm. Code 1110.220 (b) (5) – Staffing

a) Introduction

This Section contains Review Criteria that pertain to the Open-Heart Surgery category of service. Open-heart surgical procedures performed on an emergency basis due to a complication occurring during a cardiac catheterization procedure shall not constitute the establishment of the open-heart surgery category of service.

b) Review Criteria

1) Peer Review

The applicant shall document the mechanism for peer review of an open-heart surgery program.

The Applicants state that Northwestern Medicine Lake Forest Hospital has a multidisciplinary peer review process managed by the Medical Staff Office. If this project is approved, Northwestern Medicine Lake Forest Hospital will also establish a multidisciplinary cardiac surgery quality committee to review the cardiac surgery program's performance and ensure ongoing reviews and improvements related to patient care, workflows, best practices, patient safety, and outcomes. The Cardiac Surgery program at Northwestern Medicine Lake Forest Hospital will participate in the Society of Thoracic Surgeons (STS) National Adult Cardiac Surgery Database to benchmark performance at both the local and national levels. The benchmarking data provided by STS will be reviewed at the monthly Cardiac Surgery Quality meetings, where the team will use this information to drive clinical quality improvement and/or sustainability related to patient safety and outcomes. The data for the STS database will be collected in accordance with STS requirements and incorporated into the national database. The Applicants have successfully addressed this criterion (See the Application for Permit, pages 49-50).

2) Establishment of Open-Heart Surgery

The applicant shall document that a minimum of 200 open heart surgical procedures will be performed during the second year of operation or that 750 cardiac catheterizations were performed in the latest 12-month period for which data is available. Anticipated open heart surgical volume shall be documented by historical referral volume of at least 200 patients directly referred following catheterization at the applicant facility to other institutions for open heart surgery for each of the last 2 years.

Northwestern Medicine Lake Forest Hospital meets both criteria for determining the need for an open-heart surgery category of service per Section 1100.610⁴.

1. Cardiac Surgery Referrals

The Applicants state that the lack of an open-heart surgery program has forced patients at Northwestern Medicine Lake Forest Hospital to travel or be transferred to other hospitals, thereby putting them at risk. In CY23, 311 patients were referred to either Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital for cardiac surgery or a procedure requiring cardiac backup following a cardiac catheterization procedure at Northwestern Medicine Lake Forest Hospital.

⁴ **77 Ill. Adm. Code 1100.610**

a) Planning Areas: Health Service Areas

b) Utilization Standards:

1) Adult: There should be a minimum of 200 open heart procedures performed annually by each facility within three years after initiation, in any institution in which open heart surgery is performed for adults. Higher caseloads, over 200 per annum, are encouraged.

2) Pediatric: There should be a minimum of 75 pediatric open-heart operations performed annually by each facility within three years after initiation of the service.

3) Adult/Pediatric: The defined minimum utilization standards for both adult and pediatric shall apply for programs doing both adult and pediatric open-heart surgery.

c) **Open Heart Surgery Programs:**

The need for an open-heart surgery category of service shall be institution-specific and determined by the volume of at least 200 patients referred to other institutions for surgery following a cardiac catheterization procedure at the applicant facility, or a minimum of 750 cardiac catheterizations were performed annually at the applicant facility.

In CY24, the number of patients referred to another Northwestern Medicine hospital increased to 320. In the first 5 months of CY25, 135 patients were referred to either Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital (annualized to 355). If even 65% of the patients referred to Northwestern Memorial Hospital or Northwestern Medicine McHenry Hospital who received their cardiac catheterization procedure at NMLFH had instead received their cardiac surgery procedures at Northwestern Medicine Lake Forest Hospital, there would have been over 200 cardiac surgery cases (202 cases in CY23, 208 cases in CY24, and 231 in CY25).

2. Cardiac Catheterization Volume

Over the last decade, from calendar year 2014 to calendar year 2024, the cardiac catheterization volume at Northwestern Medicine Lake Forest Hospital increased by 349%. The hospital has consistently exceeded the required 750 cardiac catheterizations each year since calendar year 2016. (See Application for Permit page 50-53)

TABLE FOUR	
Cardiac Catheterization	
Year	Cardiac Catheterization
CY14	598
CY 15	706
CY 16	908
CY 17	977
CY 18	1,136
CY 19	1,206
CY 20	1,287
CY 21	1,770
CY 22	2,056
CY 23	2,461
CY 24	2,684
Source: Hospital Profiles	

The Applicants state that large cardiac catheterization programs, like the one at Northwestern Medicine Lake Forest Hospital, should ideally have cardiovascular surgery programs for several reasons:

- **Comprehensive Care:** Having both programs allows for a more comprehensive approach to patient care. Patients can receive a full spectrum of treatment options, ranging from minimally invasive procedures to more complex surgical interventions.
- **Enhanced Patient Outcomes:** Studies have shown that having surgical backup available can improve patient outcomes in catheterization programs. If complications arise during a catheterization procedure. Immediate access to surgical intervention can be lifesaving.

- **Collaboration and Communication:** Co-located programs facilitate better collaboration among cardiologists and cardiovascular surgeons, leading to more effective treatment planning and decision-making for patients.
- **Continuity of Care:** Patients benefit from continuity of care when both types of services are housed within the same institution. It ensures smoother transitions between diagnostic, interventional, and surgical phases of care.
- **Streamlined Patient Flow:** A combined program can lead to more efficient use of resources, including shared diagnostic tests and imaging, minimizing delays in care and improving the overall patient experience.
- **Training and Education:** A robust cardiovascular program can provide enhanced training opportunities for medical staff, facilitating a better understanding of the full range of cardiac care.
- **Research and Development:** Large integrated programs can foster research opportunities that enhance the understanding of cardiac conditions and lead to innovative treatments, benefiting patients at large.

Given the high volume of cardiac catheterizations and the referral volume to other Northwestern Medicine Hospitals after a catheterization, the requirements for establishing an open-heart service have been met.

3) Unnecessary Duplication of Services.

The applicant shall document that the volume of any existing service within the relevant travel radius from the applicant will not be reduced to fewer than 350 procedures per year for adults and 75 procedures per year for pediatrics. Documentation shall consist of proof of contact with all facilities within the travel radius currently providing open-heart surgery to determine the projected impact the project will have on existing open-heart surgery volume. For purposes of subsection (b)(3), the following travel radii apply:

- Category 1: For applicant facilities located in the counties of Cook, DuPage, Lake, Will, and Kane, the radius shall be 20 miles.
- Category 2: For applicant facilities in McHenry, Kankakee, Rock Island, St. Clair, Winnebago, Peoria, Sangamon, and Champaign, the radius shall be 34 miles.
- Category 3: For applicant facilities in all other counties, the radius shall be 42 miles.

Table Five below documents the Hospitals within 20 miles that offer open-heart services. All eight Hospitals have been contacted to determine the projected impact the proposed project will have on their program as required. All providers within a 20-mile radius of Northwestern Medicine Lake Forest Hospital operate with fewer than 350 adult cases. No responses were received.

As noted above, the project's purpose is to increase access to Northwestern Medicine cardiac surgical services closer to where Northwestern Medicine patients reside. The Applicants state no change in referral patterns for cardiac surgery is anticipated relative to non-Northwestern Medicine hospitals. Northwestern Medicine Bluhm Cardiovascular Institute surgeons do not perform cases at any non-Northwestern Medicine facilities. It appears the proposed project would not constitute unnecessary duplication of services, as it would improve access, increase capacity, serve an aging population, and address a community need.

TABLE FIVE Hospitals within 20 minutes of providing open-heart surgery				
Hospital	City	Labs	Cardiac Cath	Open Heart
1. Advocate Condell Medical Center	Libertyville	3	2,744	105
2. Advocate Lutheran General Hospital	Park Ridge	4	7,590	257
3. Advocate Good Shepherd Hospital	Barrington	4	2,980	270
4. Endeavor Health Glenbrook Hospital	Glenview	9	4,731	208
5. Endeavor Health Northwest Community Hospital	Arlington Heights	4	2,954	159
6. Ascension Alexian Brothers Medical Center	Elk Grove Village	4	3,022	247
7. Ascension Resurrection Medical Center	Chicago	4	1,920	106
8. Vista Medical Center East	Waukegan	3	310	15

4) Support Services

The applicant shall document that the following support services and facilities are immediately available 24 hours a day and outline how these services will be mobilized in the event of an emergency.

- A) Surgical and cardiological team appropriate for the age group served.
- B) Cardiac surgical intensive care unit.
- C) Emergency room with full-time director, staffed 24 hours for cardiac emergencies with an acute coronary suspect surveillance area and voice communication linkage to the ambulance service and the coronary care unit.
- D) Catheterization-angiographic laboratory services.
- E) Nuclear medicine laboratory.
- F) Cardio graphics laboratory, electrocardiography, including exercise stress testing, continuous electrocardiograph (ECG) monitoring, and phonocardiography.
- G) Echocardiography service. This may or may not be a part of the cardiographics laboratory.
- H) Hematology laboratory.
- I) Microbiology laboratory.
- J) Blood gas and electrolyte laboratory with micro techniques for pediatric patients.
- K) Electrocardiographic laboratory.
- L) Blood bank and coagulation laboratory.
- M) Pulmonary function unit.
- N) Pacemaker installation.
- O) Organized cardiopulmonary resuscitation team or capability.
- P) Preventive maintenance program for all biomedical devices, electrical installations, and environmental controls.
- Q) Renal dialysis.

The Applicants attest that all services outlined above are already available 24 hours a day and/or will be immediately available. The Applicants have successfully addressed this criterion.

5) Staffing

- A) The applicant shall document that a cardiac surgical team will be established. The team shall be composed of at least the following:
 - i) Two cardiac surgeons (at a minimum, one of which shall be certified and the other qualified by the American Board of Thoracic Surgery) with special competence in cardiology, including cardiopulmonary anatomy, physiology, pathology, and pharmacology; extracorporeal perfusion technique; and interpretation of catheterization angiographic data.

- ii) Operating room nurse personnel (registered nurse (RN), licensed practical nurse (LPN), surgical technician). The nurse-to-patient ratio for the ICU module of open-heart surgery patient care shall be no less than one nurse per patient during the immediate recovery phase and one nurse per 2 patients thereafter.
 - iii) Anesthesiologists (board-certified by the American Board of Anesthesiology).
 - iv) Adult cardiologists (board-certified by the American Board of Internal Medicine with subspecialty certification in cardiology).
 - v) Physician who is board certified in anatomic and clinical pathology, with special expertise in microbiology, blood banking, lab aspects of blood coagulation, blood gases, and electrolytes.
 - vi) Pump technician, or operator of the extracorporeal pump oxygenator, who shall have in-depth experience on the active cardiac surgical service that includes perfusion physiology, mechanics of pump operation, sterile technique, and use of monitoring equipment, whether he or she be a physician, nurse, or technician.
 - vii) Radiologic technologist experienced in angiographic principles and catheterization procedure techniques who is experienced in the use, operation, and care of all catheterization equipment.
- B) Documentation shall include a narrative explanation of how positions will be filled.

The Applicants state that open-heart surgery at Northwestern Medicine Lake Forest Hospital, which is part of the Bluhm Cardiovascular Institute, requires a specialized, interdisciplinary team to ensure patient safety and positive outcomes. The core staffing includes surgeons, cardiac anesthesiologists, perfusionists, surgical assistants, and specialized nurses. The Applicants, as required, provided a narrative on pages 64-96 of the Application for Permit addressing staffing for Northwestern Medicine Lake Forest Hospital's proposed open-heart program. The Applicants have successfully addressed this criterion.

X. Financial Viability and Economic Feasibility

- A) Criterion 1120.120 - Availability of Funds
- B) Criterion 1120.130 - Financial Viability
- C) Criterion 1120.140 (a) - Reasonableness of Financing Arrangements
- D) Criterion 1120.140 (b) - Terms of Debt Financing

The Applicants propose to fund this project in its entirety with \$2,840,000 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 and terms of debt financing do not apply to this project. Table Six below provides audited information for 2023 and 2024 from Northwestern Memorial Healthcare.

TABLE SIX 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 SEVEN 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
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					

TABLE EIGHT
Northwestern Medicine Lake Forest Hospital
Five Years of Data from Medicare Cost Reports

	2020	2021	2022	2023	2024
Total Patient Revenue	\$1,918,001,803	\$2,320,722,169	\$2,668,988,523	\$2,972,864,618	\$3,304,884,590
Less Contractual Allowance	\$1,560,546,022	\$1,902,352,768	\$2,236,259,315	\$2,478,593,635	\$2,740,300,940
Net Patient Revenue	\$357,455,781	\$418,369,401	\$452,729,210	\$494,267,983	\$564,583,650
Operating Expenses	\$440,106,335	\$481,780,233	\$519,848,154	\$562,576,455	\$583,257,141
Net Income from Patient Services	-\$82,650,554	-\$63,410,832	-\$67,118,944	-\$68,308,472	-\$18,673,491
Other Income	\$60,127,049	\$42,387,262	\$50,568,775	\$48,200,479	\$18,351,066
Net Income	-\$22,523,505	-\$21,023,570	-\$16,550,169	-\$20,107,993	-\$1,801,266
Operating Margin ⁽¹⁾	-18.78%	-13.16%	-12.91%	-12.14%	-3.20%

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

E) Reasonableness of Project Cost

Movable Equipment costs are \$2,840,000. The State Board does not have a standard for these costs.

Equipment Approx. Cost	
Heart Lung Machines & Monitors	\$1,222,000
Ultrasound Scanners	\$511,000
Instrumentation	\$330,000
Balloon Pumps	\$181,000
Cardiac Output & Cerebral Oximeter Monitors	\$171,000
Heater Cooler Units	\$146,000
Slush Machines	\$116,000
Defibrillators	\$72,000
Cell Washers	\$44,000
Lab Analyzers, POCT	\$27,000
Hyper-Hypertension Units	\$20,000
TOTAL	<u>\$2,840,000</u>

F) Projected Operating Costs

G) Total Effect of the Project on Capital Costs

The direct operating costs per equivalent patient day are \$161.32, and the capital costs per equivalent patient day are \$7.50.

The State Board does not have a standard for these criteria.

Safety Net Impact Statement

1. Impact of the project on essential safety net services in the community, including the impact on racial and health care disparities in the community

Northwestern Medicine Lake Forest Hospital (NMLFH) is a state-of-the-art, 210-bed hospital serving the majority of Lake County, Illinois. Since joining Northwestern Memorial HealthCare in 2010, NMLFH has created a seamless pathway for specialized care across the Northwestern Medicine (NM) health system. Recent and ongoing renovations and expansions are building on NM's long-standing commitment to delivering world-class medicine to the region. A replacement hospital building opened in 2018, and construction is currently underway to expand the emergency department and double the number of medical/surgical beds. The continued transformation of NMLFH promises to expand essential services, including critical care, access to high-acuity services, and advanced therapeutics, for residents in Lake County and Chicago's north suburbs.

As a pillar of the community, LFH is well-positioned to lead efforts to improve community health. This mission is accomplished by providing culturally informed care to meet the needs of those living in the community, maintaining strong relationships with community partners who share our vision of building stronger, healthier communities, and serving as a significant economic driver in the communities we serve.

Establishing an open-heart surgery program at NMLFH will not compromise essential safety net services. Conversely, it will significantly improve access to critical services by providing advanced cardiac care at NMLFH and by reducing travel and transfer times for patients undergoing cardiac catheterization at NMLFH. The project will have a positive impact on safety net services in several ways:

- With a robust cardiac catheterization program, the addition of open-heart surgery allows for a more comprehensive approach to cardiovascular patient care. Patients can receive a full spectrum of treatment options, from minimally invasive procedures to more complex surgical interventions, without the burden of traveling to another NM hospital. This comprehensive care model can improve overall access for NMLFH patients needing specialized treatments, ensuring that individuals with heart conditions receive timely and appropriate care with fewer transportation issues.
- Vista Medical Center East, located less than 9 miles from NMLFH, has suspended its open-heart surgery program. This reduction has impacted the accessibility of critical cardiac care for residents in Lake County. Lake County residents requiring advanced cardiac care have reduced access to hospitals that offer the full continuum of cardiovascular services. Expanding NMLFH's cardiovascular services to include open-heart surgery will enable NM to maintain our commitment to serving vulnerable populations while ensuring that patients receive the comprehensive, high-quality, and specialized care they deserve.
- Reduced access to healthcare services in Lake County significantly increased demand for financial assistance at NMLFH in FY24. In FY24, NMLFH delivered the highest percentage of charity care relative to net revenue among hospitals in Lake County. NMLFH is committed to serving the residents of Lake County who are most at risk of poor health outcomes due to challenges with access to care and other SDOH-related needs. Since 2020, NMLFH has operated a Transitional Care Clinic (TCC) to provide medical and

Safety Net Impact Statement

psychosocial support to patients who lack a primary care physician and face complex challenges in navigating the healthcare system following an inpatient or emergency health episode.

- NMLFH operates the Northwestern McGaw Family Medicine Residency at Lake Forest. Offering collaboration with community clinical providers to ensure critically needed access to care in the communities we serve. Medical residents play a crucial role in improving access to care and providing medical services for patients in some of the most medically underserved communities. The program at NMLFH is dedicated to educating outstanding family physicians and community leaders. Residents participate in a Spanish immersion program and complete clinical rotations in three locations, treating patients with different types of care: inpatients at NMLFH, outpatients at NM Grayslake Outpatient Center, patients in the NM Transitional Care Clinic at NMLFH, and patients at Erie Waukegan. Erie Waukegan, an FQHC that offers a wide range of social services to economically disadvantaged patients, is partially funded by NMLFH. NMLFH underwrites the cost of the residency program at Erie Waukegan, which had 24 residents in FY24.

NMLFH cultivates many long-standing relationships with health, community, and social services providers in Lake County. In conjunction with our community partners. NMLFH is working to address SDOH and other needs in the communities we serve. Together, we offer community-based programs and provide in-kind service, leadership, and direct financial investment. This project will allow NM and NMLFH to continue implementing strategies like the following to address the priority health needs of the community:

- Strengthening healthcare access through collaborative partnerships, in a relationship spanning more than 30 years. NMHC and Erie Family Health Centers (Erie) have made expanding access to primary and preventive health care a priority. Erie serves nearly 90,000 patients annually, providing medical, dental, *and* behavioral health care regardless of ability to pay at locations across the Chicago area and the north suburbs. In addition to existing commitments in FY24, Northwestern Medicine, including NMH and NMLFH, provided grants to Erie totaling nearly \$2 million. The funding supports providing health transportation, facility improvements, supplies, equipment, and staffing at Erie for medically underserved patients at high risk for poor health. In addition to direct funding, NM and Erie work together to coordinate specialty care for Erie patients at NM hospitals when services are not available at Erie.
- Increased access to nutrition and physical fitness education, healthy food, and disease prevention education. NMLFH has enhanced access to nutrition education and fresh produce through collaborations with community organizations, resulting in 515 food assistance requests via the SDOH screening tool and 1,590 NowPow referrals to local resources in Lake County. NMLFH also supports community physical fitness initiatives, exemplified by quarterly fitness classes for a local Spanish-speaking mothers' group, where participants learned about home-based exercise options and received health education, including breast health resources and nutrition for cancer prevention. Additionally, to improve chronic disease prevention education, the Family Medicine Residency has partnered with community organizations, completing over five needs assessments in FY24 to develop tailored health education sessions on topics such as sleep health, influenza, vaccines, and exercise, addressing specific community needs.

Safety Net Impact Statement

- Increased flu vaccination rates
Annually, Northwestern Medicine provides no-cost flu vaccines to communities with higher rates of emergency department visits for influenza, aiming to improve health and wellness. In FY25, NMLFH conducted several community flu clinics, vaccinating community members against influenza to help them avoid illness and hospitalization.
- Increased behavioral health services and capacity in community settings. The Josselyn Center (Josselyn) is a long-standing behavioral health provider that has provided quality, accessible mental health services to more than 7,800 clients from 300 communities in Northeastern Illinois. Substantial expansion efforts are currently underway and are slated to be operationalized in 2026. In FY24, NM, in partnership with Grainger Foundation Inc., provided more than \$775,000 to Josselyn to support their current and 2026 strategic efforts. Beyond funding, the president of NMLFH is proud to serve *on* Josselyn's board of directors. Additional collaborative efforts between NM and Josselyn are also underway to serve the residents of Lake County.
- Provided drug education and prevention programming
NMLFH hosted 9 Naloxone educational training sessions, providing Narcan to 28 people. Additionally, NMLFH and the NM Grayslake Outpatient Center have installed a no-cost Naloxone vending machine in the lobby of their emergency departments, which has provided medication to over 330 people. Narcan is available to anyone at no cost, no questions asked. 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.
- Provided health education at Beacon Place
Each summer, NMLFH partners with Beacon Place in Waukegan to offer health education sessions for students and their mothers, covering topics such as the importance of physical activity, stress management, and mindfulness. nutrition, and healthy recipes. All programming is culturally appropriate and shared with approximately 300 members of Beacon Place. Additionally, in collaboration with the NMLFH Fitness Center, quarterly fitness classes are offered to the Beacon Place moms' group.
- Provided free blood pressure and A1C diabetes screenings. NMLFH partnered with Roberti House and NIRCO in Waukegan to conduct blood pressure and A1C diabetes screenings for over 200 people. 49% 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.
- Youth pipeline programs and workforce development
The NM Discovery Program is a local initiative to introduce students to careers in healthcare. On one Saturday per month, students attend sessions at NMLFH and at other off-site locations, including tours, guest speakers, group discussions, and hands-on projects. More than 75% of the students in this program come from under-resourced communities. In FY24, the NM Discovery Program hosted a cohort of 16 students for eight

Safety Net Impact Statement

sessions. In addition to the year-long cohort, 16 interns were placed in various operating units across the NMLFH, NM Grayslake, and Glenview campuses. The students had the opportunity to shadow more than 30 hospital staff members and to participate in Lunch and Learns with teams at each site.

NMLFH has continued to grow its partnership with North Chicago High School, providing placements for six students through the school's work-study program for 6 months of the year. The students were on campus at NMLFH with Supply Chain, BCVI, and Patient Transport two days a week, three hours a day. During this time, students worked alongside an employee, developing working skills. Of the six students who interned, three students remained at NMLFH over the summer to continue gaining work experience; two of those three students were offered permanent positions. NM hired a new recruiter to work specifically with Lake County workforce partners to recruit staff from low-income communities around NMLFH, such as Waukegan, for the hospital expansion. Zion, Round Lake, and North Chicago. NM staff are proactively providing weekly job-opening reports and meeting with each referral to connect them with the appropriate hiring manager.

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

The project will not have any adverse impact on safety-net services in the community or on the ability of any other healthcare provider to deliver services, as all projected volume will come from an NM facility. The project will enhance access to specialized cardiovascular care in Lake County.

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

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

TABLE NINE				
Northwestern Medicine Lake Forest Hospital				
	FY22	FY23	FY24	
Net Patient Revenue	\$452,795,923	\$513,662,410	\$560,672,323	
Charity # of patients				
Inpatient	441	325	455	
Outpatient	5,295	5,142	7,615	
Total	5,736	5,467	8,070	
Charity Care \$				
Inpatient	\$4,892,514	\$2,619,803	\$4,784,384	
Outpatient	\$5,289,746	\$5,721,144	\$9,915,678	
Total	\$10,182,260	\$8,340,947	\$14,700,062	
% of Net Patient Revenue	2.91%	1.62%	2.62%	
Medicaid # of patients				
Inpatient	1,583	1,742	1,560	
Outpatient	41,470	38,168	39,742	
Total	43,053	39,910	41,302	
Medicaid \$				
Inpatient	\$16,686,763	\$21,021,025	\$23,575,778	

Safety Net Impact Statement

TABLE NINE
Northwestern Medicine Lake Forest Hospital

	FY22	FY23	FY24
Outpatient	\$33,051,220	\$41,485,613	\$43,453,453
Total	\$49,737,983	\$62,506,638	\$67,029,231
% of Net Patient Revenue	10.98%	12.17%	11.96%



Regional Analysis • Lake County • HSA 8 (NW Suburbs) • HPA A-09

CON #25-033

HPA A-09 • Regional Bed Inventory

Category	CON Beds	CON Occ.	Staffed Occ.	Bed Need	Gap
Medical-Surgical	841	70.8%	92.9%	734	+107
Intensive Care Unit	135	54.8%	72.6%	118	+17
Obstetrics & Gynecology	112	26.5%	27.7%	63	+49
Acute Mental Illness	198	69.2%	77.4%	113	+85
TOTAL	1,346	—	—	1,028	258

HSA 8 (NW Suburbs) • Regional Bed Inventory

Category	CON Beds	CON Occ.	Staffed Occ.	Bed Need	Gap
Acute Mental Illness	440	45.8%	61.2%	237	+203
Rehabilitation	169	0.0%	0.0%	88	+81
TOTAL	3,066	—	—	325	284

Hospitals Within 10-Mile Statutory Radius

Facility	City	County	Dist.	Beds
Northwestern - Lake Forest	Lake Forest	Lake	0.0 mi	114
Advocate Condell	Libertyville	Lake	4.9 mi	275
Highland Park Hospital	Highland Park	Lake	5.4 mi	135
Lake Behavioral Hospital	Waukegan	Lake	7.6 mi	161
Encompass Health Rehabilitation Institute of Libertyville	Libertyville	Lake	7.6 mi	45
Vista Medical Center East	Waukegan	Lake	8.5 mi	86

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

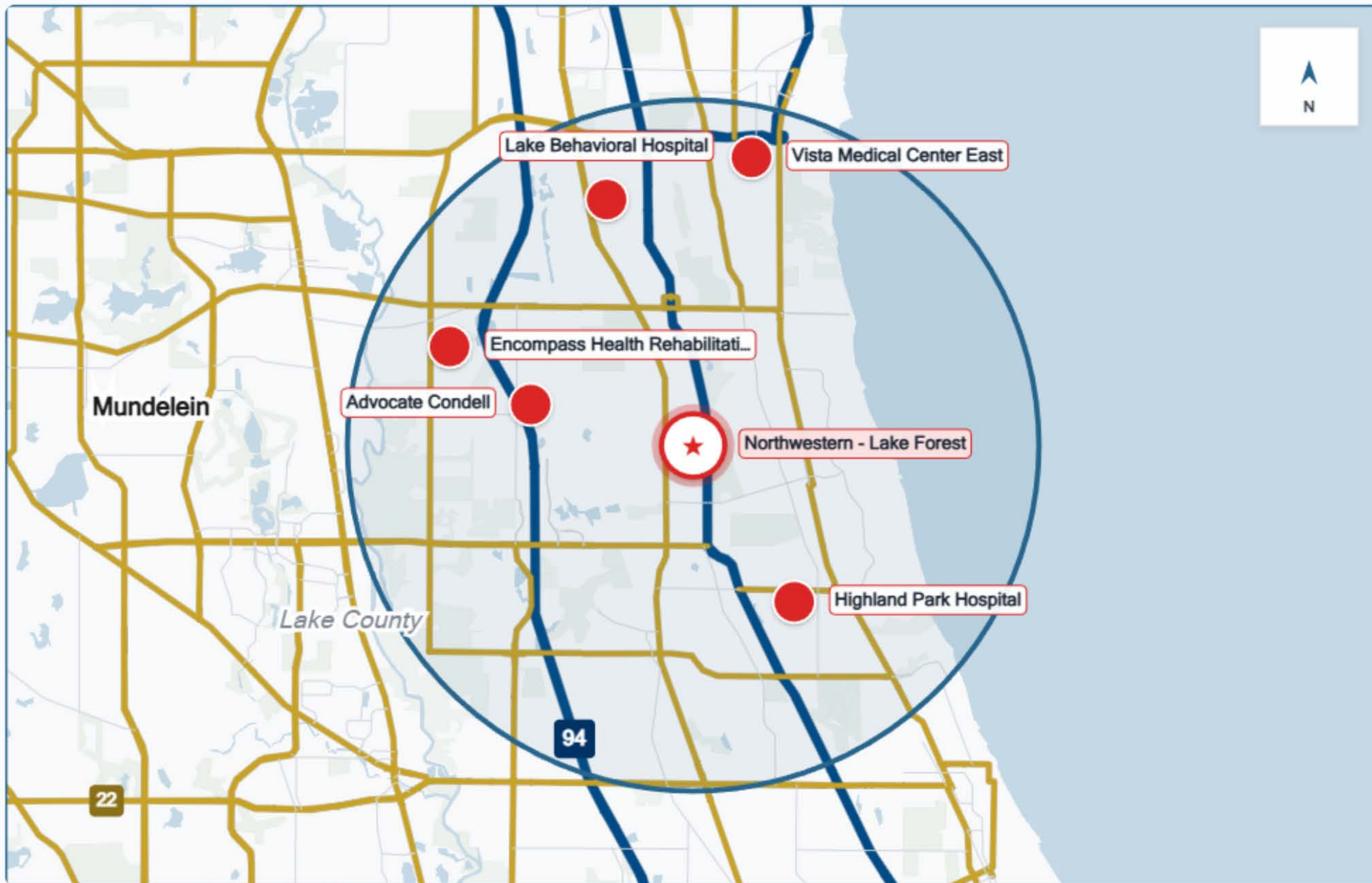
10-Mile Radius

Northwestern - Lake Forest • Lake County

CON #25-033

Dec 26, 2025

6 facilities



FACILITY INDEX



Hospital



10-mi radius



Northwestern - Lake Forest



Highland Park Hospital



Advocate Condell



Lake Behavioral Hospital



Vista Medical Center East



Encompass Health Rehabilitation Institute of Libertyville

Source: HFSRB Official Records