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: 25-036	PROJECT COST: Original: $28,755,020
FACILITY NAME: Edward Hospital	CITY: Naperville	
TYPE OF PROJECT: Non-substantive		HSA: VII

PROJECT DESCRIPTION: The Applicants (Edward Hospital and Endeavor Health) propose relocating/modernizing/expanding its Surgery Department and expanding its Intensive Care (ICU) bed complement through the establishment of a 10-bed ICU unit, located on the fourth floor of Edward Hospital, Naperville. The cost of the modernization project is $28,755,020, and the expected completion date is December 31, 2027.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Edward Hospital and Endeavor Health) propose modernizing the fourth floor of the northeast bed tower at the hospital in Naperville. The cost of the modernization/expansion is $28,755,020, and the expected completion date is December 31, 2027.
- The project proposes to add two operating rooms on the fourth floor, and relocate two existing operating rooms, for a total of four ORs. Additionally, the Applicants propose to establish a new 10-bed Intensive Care Unit (ICU) on the fourth floor.
- The proposed project will increase the hospitals surgery suite count from 20 to 22 and increase the number of ICU beds from 49 to 59. The overall bed count for Edward Hospital, Naperville will increase from 358 beds to 368 beds.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This modernization is before the State Board because the cost of the project exceeds the capital expenditure minimum of **$17,252,704**.

PURPOSE OF THE PROJECT:

- The purpose of the project is to modernize two existing ORs, co-locate on the fourth floor with two new surgery suites, and establish a 10-bed Intensive Care Unit (ICU). The purpose of this modernization/expansion project is to enhance and ensure timely access to essential healthcare services at Edward Hospital, Naperville.

PUBLIC HEARING/COMMENT:

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

SUMMARY:

- Edward Hospital is a 358-bed acute care hospital, located in Naperville. Edward Hospital currently serves a population that is experiencing significant growth in the 65+ age demographic. Edward Hospital is experiencing significant constraints due to high volume and demand across its existing complement of 20 surgery suites. As inpatient ORs, these suites are experiencing more complex surgical procedures with longer time requirements. The two additional surgical suites are expected to address the projected demand for cardiac, vascular, and thoracic surgeries.
- The State Board Staff found the Applicants not in compliance with one Criterion 1120.140 – Reasonableness of Project Costs, and Architectural/Engineering Costs.

Criterion	Reasons for Non-Compliance
Criterion 1120.140 (c) – Reasonableness of Project Costs	**Modernization Costs** are $8,960,273, or $660.74 per GSF. This appears HIGH compared to the State Board Standard of $495.59 per GSF. **Architectural/Engineering Costs** total $993,750, or 9.7% of modernization/contingencies cost of $10,291,265. The State standard for these costs is 5.87% - 8.81%.

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STATE BOARD STAFF REPORT

#25-036

Edward Hospital

APPLICATION SUMMARY/CHRONOLOGY	
Applicants	Edward Hospital Endeavor Health
Facility Name	Edward Hospital
Location	801 South Washington Street, Naperville
Application Received	October 10, 2025
Application Deemed Complete	October 14, 2025
Review Period Ends	December 13, 2025
Permit Holder	Endeavor Health
Operating Entity	Edward Hospital
Owner of the Site	Edward Hospital
Project Completion Date	December 31, 2027
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

I. The Proposed Project

The Applicants (Endeavor Health and Edward Hospital) propose a modernization project for the 4th floor of its northeast bed tower at Edward Hospital. The project involves the relocation of two existing operating rooms ("OR") to the fourth floor, and the addition of two new surgical suites, for a four-suite surgical unit. The project also proposes to establish a 10-bed Intensive Care (ICU) Unit. The modernization/expansion will cost $28,755,020, and the expected completion date is December 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 does **not** conform to the provisions of Part 1120.

III. General Information

The Applicants are Endeavor Health and Edward Hospital. Endeavor Health was incorporated in Illinois as a general not for profit corporation in September 2021. Edward Hospital is a subsidiary entity serving under its parent entity, Endeavor Health, and is also classified as a not-for-profit corporation in Illinois.

This project is subject to a Part 1110 and Part 1120 review. Financial commitment will occur after project approval. Table One outlines Edward Hospital's utilization for calendar year (CY) 2024.

TABLE ONE Edward Hospital CY 2024							
	Auth Beds	Staffed Beds	Admissions	Days	ALOS	ADC	Occ
Medical Surgical	243	243	16,761	65,475	3.9	179.4	73.8%
Obstetric	37	37	4,170	8,993	2.15	24.6	66.5%
Pediatric	7	7	806	2,260	2.8	6.2	88.6%
Intensive Care	49	49	3,303	13,151	3.9	36	73.5%
Neonatal	22	22	434	5,115	11.7	14	63.6%
Total	358	358	25,474	94,994	5.63	260.2	72.6%

IV. Health Service Area

Edward Hospital is in DuPage County, Health Service Area (HSA) VII, and Hospital Planning Area (HPA) A-05. The State Board projects a population of 3,313,897 in HSA VII by 2030, which is a decrease of approximately 3.7% from 2021. The Applicants state the geographic service area (GSA) for this project is a 10-mile radius from the hospital.

V. Project Uses and Sources of Funds

The project is being funded in its entirety with $28,755,020 in project-related Bond Issues. The Applicants supplied proof of an Aa3/Stable Bond Rating (May 2025) from Moody's Investor's Service, satisfying the requirements proving financial validity (see Table Two).

TABLE TWO Project Costs and Sources of Funds				
Uses of Funds	**Clinical**	**Non-Clinical**	**Total**	**% of Total**
Preplanning Costs	$60,000	$20,000	$80,000	.02%
Modernization Contracts	$8,960,273	$2,986,758	$11,947,031	41.7%
Contingency	$1,330,992	$477,976	$1,808,968	6.7%
A/E Fees	$993,750	$331,250	$1,325,000	4.8%
Consulting and Other Fees	$187,500	$62,500	$250,000	.08%
Movable and Other Equipment	$6,749,050	$389,950	$7,139,000	24.9%
Bond Issuance Expense	$425,020	$112,980	$538,000	1.9%
Net Interest Expense During Construction	$1,062,550	$282,450	$1,345,000	4.9%
Other Funds to Be Capitalized	$3,208,908	$1,113,113	$4,322,021	15%
Total Uses of Funds	$22,978,043	$5,776,977	$28,755,020	100%
Bond Issues (project-related)	$22,978,043	$5,776,977	$28,755,020	100%
Total Sources of Funds	$22,978,043	$5,766,977	$28,755,020	100%

VI. Background of the Applicants, Purpose of the Project, Alternatives

Criterion 1110.110 (a) – Background of the Applicants
Criterion 1110.110 (b) – Purpose of the Project
Criterion 1110.110 (c) – Safety Net Impact Statement
Criterion 1110.110 (d) – Alternatives to the Project

A) Background of the Applicants

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]

The Applicants provided a list of all health care facilities under their ownership, as well as a list of facilities in which they hold at least 5% ownership interest (see application, p. 45). The Applicants supplied attestation that in the last three years before the filing of this Application for Permit, there has been no "adverse action" against any Illinois health care facility owned and operated by the Applicants and subject to State Board jurisdiction. The Applicants authorize the State Board and Illinois Department of Public Health (IDPH) to access any documents necessary to verify the information submitted with this application relating to the Applicants, including, but not limited to official records of IDPH or other State agencies, the licensing or certification records of different states, and the records of nationally recognized accreditation organizations. The Medicare Compare website granted Edward Hospital a 4-star quality rating, and The Joint Commission has accredited Edward Hospital. It appears the Applicants are fit, willing, and able, and have the qualifications, background and character to adequately provide a proper standard of health care service for the community.

B) Purpose of the Project

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

The proposed project will address procedural area and intensive care space constraints at Edward Hospital, and its purpose will be to meet current and future demands for health care in the planning area. The modernized/expanded/relocated surgical suites and the new 10-bed ICU unit are expected to provide timely patient access to surgical care, improved access to critical care, improved patient services without the need for patient transfers to other facilities and increased overall patient satisfaction. The expanded OR/ICU spaces are also expected to support future physician recruitment and retention efforts at Edward Hospital.

C) Safety Net Impact Statement

All health care facilities, except for 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 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.

This is a non-substantive project; thus, a safety net impact statement is unnecessary. The Applicants provided charity care information for both Edward Hospital and Endeavor Health (see Table Three).

TABLE THREE Charity Care

Edward Hospital/Endeavor Health			
Endeavor Health	**CY 2022**	**CY 2023**	**CY 2024**
Net Patient Revenue	$4,603,026,000	$4,969,586,000	$5,390,117,000
Amount of Charity Care (charges)	$206,661,000	$220,170,000	$280,633,179
Cost of Charity Care	$44,708,000	$46,170,000	$57,761,978
Percentage of Charity Care at Cost to NPR	1.0%	0.9%	1.1%
Edward Hospital	**CY 2022**	**CY2023**	**CY 2024**
Net Patient Revenue	$760,341,855	$820,154,450	$900,343,629
Amount of Charity Care (charges)	$26,435,806	$25,034,734	$32,937,799
Cost of Charity Care	$4,176,540	$4,209,315	$4,743,801
Percentage of Charity Care at Cost to NPR	0.55%	0.51%	0.52%

D) Alternatives to the Proposed Project

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

The Applicants considered three alternatives to the proposed project: Maintain Status Quo/Do Nothing, Larger OR Scope, and Larger ICU/Less OR Scope.

1) **Maintain Status Quo/Do Nothing**

The Applicants rejected this alternative due to its inability to address the existing operational constraints in the Surgery and ICU departments, which have resulted in longer delays for critical care beds and surgery time. These delays in access to care compel patients to seek necessary healthcare outside of the planning area, and/risk adverse outcomes due to delayed engagement with clinicians for necessary healthcare services. The inability to meet the demand for care also makes it more difficult to recruit/retain skilled physicians, only perpetuating issues that are the impetus for the proposed project. There were no costs identified with this alternative.

2) **Larger Operating Room Scope**

The Applicants considered an alternative that would provide more ORs, an option that was justified based on historical and projected utilization. This option would not only accommodate current demand, but future growth as well. Thes additional suites would be located in proximity to the existing surgical suites to share support resources (sterile processing, recovery space, perioperative support). However, this option had significant barriers. The space surrounding the existing surgical suites is already occupied by catheterization labs, imaging suites, and inpatient care units, and the relocation of these units would involve major construction, higher project costs, and significant disruption in campus operations. There were no costs identified, and the Applicants rejected this alternative.

3) **Larger ICU Expansion, Lesser Operating Room Scope**

The Applicants considered adding more intensive care rooms, based on historical and projected utilization of this service. However, the proposed space for the ICU beds is landlocked, and the design proposed builds out the maximum number of ICU beds allowed within the project footprint. The area surrounding the project site is occupied by medical/surgical patient units, and the repurposing of this space would create significant

loss of inpatient capacity, major campus disruption, and additional costs. Despite the opportunities of having a larger ICU footprint, the physical constraints on-site, and the decision to not expand surgical services make this option infeasible.

VII. Project Size of the Project and Projected Utilization

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

A) Size of the Project

The applicant shall document that the physical space proposed for the project is necessary and appropriate. The proposed square footage cannot deviate from the range indicated in Appendix B or exceed the square footage standard in Appendix B if the standard is a single number.

The Applicants propose to establish 10 ICU beds in 6,839 GSF of space, and four Class C operating rooms in 6,722 GSF of space (see Table Four). These plans comply with the State Board standard for these services, and a positive finding is made.

TABLE FOUR
Size of Project

Dept./Service	Proposed GSF	Rooms/Beds	State Standard	Standard Met?
Intensive Care	6,839 GSF	10 (684 GSF/unit)	685 DGSF/bed	Yes
OR (Class C)	6,722 GSF	4 (1,681 GSF/unit)	2,750 DGSF/unit	Yes

B) Projected 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 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.

In addressing this criterion, the Applicants provided the following historical and projected utilization data (see Table Five), and a positive finding results for this criterion.

TABLE FIVE
Project Services Utilization

Service	2024 Utilization	Current Beds	Current Occupancy %	Planned Beds/ORs	Projected Occupancy	State Standard	Standard Met?
ICU	13,151 Days	49	73.5%	59	61.1%	60%	Yes
OR	38,780 Hours	20	1,939 hrs.	22	1,763 hrs./room	1,500 hrs./room	Yes

VIII. Criteria 1110.200 Medical/Surgical, Obstetric, Pediatric, Intensive Care

Criterion 1110.200 (b)(2) – Planning Area Need
Criterion 1110.200 (b)(4) – Expansion of Existing Category of Service
Criterion 1110.200 (e) – Staffing Availability
Criterion 1110.200(f) - Performance Requirements
Criterion 1110.200(g) - Assurances

The proposed addition of 10 ICU beds at Edward Hospital is warranted based on the hospital's high historical and projected occupancy rates, and the December 2025 Bed Need Determination identified a need for an additional 32 ICU beds in HPA A-05. The Applicants identified 22 zip codes in the GSA of Edward Hospital, with the number of patients served by the hospital during CY 2024 (application, p. 56), and supplied admission data that proves at least 70% of the ICU admissions originated from within the GSA. The Applicants supplied historical utilization data for ICU services for the past two years that shows operational capacities in excess of the State standard (60%), and the continued high utilization due to rapid population growth for the 65+ age cohort in the GSA, the State of Illinois (see Table Six).

TABLE SIX
Population Growth Rate Comparison for the 65+ Age Cohort

	2025 Estimate – 2030 Projection	2020 Census – 2030 Projection
Edward Hospital Service Area	+19%	+40%
Illinois	+11%	+22%
United States	+14%	+28%

The Applicants considered the staffing needs resulting from the addition of beds/surgical suites, and given its current recruitment capabilities, sees no obstacles to successfully recruiting a staffing complement with the skills required to staff the additional beds/OR suites. The hospital is a Magnet-designated hospital which consistently attracts highly-skilled clinical staff, and its recruitment specialists ensure there is a sizeable contingency of qualified staff to meet current and future staffing needs. The new ICU unit will consist of 10 beds, which satisfies the 4-bed minimum for the Performance Requirements criterion. The Applicants note that the signed certification pages also serve as attestation that the hospital will achieve and maintain sufficient operational capacities for all services experiencing the proposed expansions.

IX. Clinical Service Areas Other Than Categories of Service

A) Criterion 1110.270(c)(2) – Service Modernization

A) Service Modernization

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

The proposed project includes the modernization and expansion of its Surgery category of service, increasing the OR complement from 20 to 22 ORs/units. Edward Hospital currently operates 20 surgical suites and proposes the addition of two suites to address the high utilization experienced historically and projected (see Table Seven). Table Seven shows a consistent operational capacity that exceeds the State standard and justifies the addition OR units. Despite the addition of these two units the Applicants still anticipate operational capacity to exceed the State standard.

TABLE SEVEN
Historical/Projected Utilization of Surgical Services, Edward Hospital

	2022	**2023**	**2024**	**2029 (Projected)**
# of Rooms	20	20	20	22
Cases	16,060	16,607	16,406	16,679
Hours/Room	1,906	1,963	1,939	1,821
State Standard: 1,500hrs/room				

X. Financial and Economic Feasibility

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

The Applicants are funding this project in its entirety with Bond Issues totaling $28,755,020. As noted, Edward Hospital is a subsidiary of Endeavor Health. The co-applicant (Endeavor Health) provided proof of an Aa3/Stable Rating from Moody's Ratings Service, dated May 2025, which satisfies the requirements for the Availability of Funds and Financial Viability ratios (application, p. 67). The Applicants also supplied a notarized statement attesting that the method of debt financing utilized for this project is offered at the lowest net cost available (application p. 74). The Applicants provided a copy of its most recent audited financial statement, and the data is illustrated in Table Eight.

TABLE EIGHT
Endeavor Health
Audited as of December 31
(In thousands)

	2024	**2023**
Cash	$410,937	$360,524
Current Assets	$1,527,495	$1,344,862
Total Assets	$9,695,478	$9,537,843
Current Liabilities	$1,220,118	$972,466
Total Liabilities	$2,517,882	$2,524,288
Patient Service Revenue	$5,390,117	$4,969,586
Other	$137,852	$169,837
Total Revenue	$5,949,217	$5,600,675
Operating Expenses	$5,984,076	$5,583,061
Operating Income over Expenses	($494,332)	($51,284)
Revenue and Gains over Expenses and Losses	($296,255)	($470,218)

E) Criterion 1120.140 (c) – Reasonableness of Project Costs

Only clinical costs are reviewed under the reasonableness of project costs.

Preplanning Costs are $60,000, or .03% of modernization, contingencies, and movable equipment, ($17,040,315). This appears reasonable compared to the State Board Standard of 1.8%.

Modernization Costs are $8,960,273, or $660.74 per GSF. This appears high compared to the State Board Standard of $495.59 per GSF.

Contingency Costs are $1,330,992, or 14.9% of modernization costs. This appears reasonable compared to the State Board Standard of 10% -15%.

Architectural and Engineering Fees total $993,750, or 9.7% of modernization and contingency costs. This appears high compared to the State Board Standard of 5.87% - 8.81%.

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

Consulting & Other Fees total $187,500, and entail the following expenses:

CON Application	$63,261.04
Post Project Audit	$0.00
Commissioning	$55,000
Planning Consultant	$60,000
Equipment Consultant	$60,000
Physicist	$30,000
Permits	$45,000

Moveable & Other Equipment Fees total $6,749,050, and entail the following expenses:

CVOR	$5,129,278
ICU	$1,619,772

Bond Issuance Expense	$425,020
Net interest During Construction	$1,062,550

Other Costs to be Capitalized total 3,208,908 and entail the following expenses:

General Conditions/Temporary Utilities	$741,693
Insurance	$136,744
Construction Management	$578,024
Furnishings/Artwork/Window Treatment	$980,650
IS/Telecommunications	$605,000
Security System	$144,100
Signage	$30,800
Selective Demolition	$375,265
Infection Control Procedures	$103,534
Allowances	$283,250
Miscellaneous	$342,961

F) Criterion 1120.140 (d) - Direct Operating Costs

G) Criterion 1120.140 (e) – Effect of the Project on Capital Costs

The total projected operating cost per patient day is $3,671, and the capital costs are $476 per equivalent patient day. The State Board does not have a standard for these criteria.

Regional Bed Inventory Analysis

Health Facilities & Services Review Board • State of Illinois

12/10/2025
RPT-2025-MJ0DYSCZ

Regional Analysis • Du Page County • HSA 7 (DuPage + Suburban Cook) • HPA A-05

CON #25-036

HPA A-05 • Regional Bed Inventory

Category	CON Beds	CON Occ.	Staffed Occ.	Bed Need	Gap
Medical-Surgical	794	98.0%	88.7%	847	-53
Intensive Care Unit	142	55.6%	63.4%	265	-123
Obstetrics & Gynecology	124	57.9%	49.2%	103	+21
Acute Mental Illness	270	73.7%	73.7%	218	+52
TOTAL	**1,534**	—	—	**1,433**	**-103**

HSA 7 (DuPage + Suburban Cook) • Regional Bed Inventory

Category	CON Beds	CON Occ.	Staffed Occ.	Bed Need	Gap
Rehabilitation	483	0.4%	0.1%	395	+88
TOTAL	**9,676**	—	—	**395**	**88**

Hospitals Within 10-Mile Statutory Radius

Facility	City	County	Dist.	Beds
Edward Hospital	Naperville	Du Page	0.0 mi	358
Linden Oaks Hospital	Naperville	Du Page	0.2 mi	108
Northwestern - Marianjoy Rehabilitation Hospital	Wheaton	Du Page	6.5 mi	125
Rush Copley Medical Center	Aurora	Kane	6.5 mi	210
UChicago AdventHealth Bolingbrook	Bolingbrook	Will	6.6 mi	138
Northwestern - Central DuPage Hospital	Winfield	Du Page	7.8 mi	406
Advocate Good Samaritan	Downers Grove	Du Page	8.5 mi	313
Mercy Medical Center	Aurora	Kane	9.1 mi	292

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

Health Facilities & Services Review Board
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Facility Radius Map

Health Facilities & Services Review Board • State of Illinois

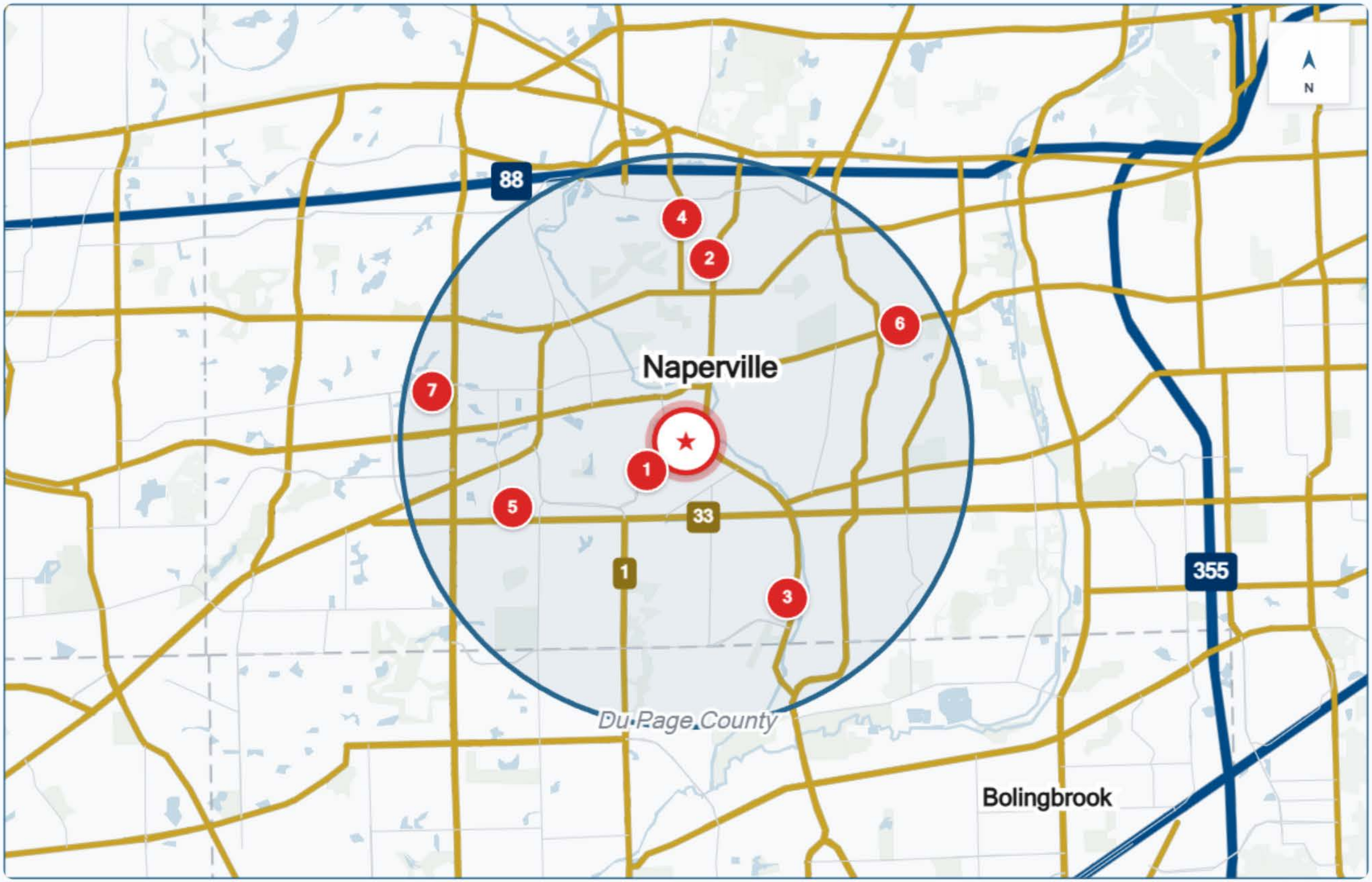
10-Mile Radius

Edward Hospital • Du Page County

CON #25-036

Dec 29, 2025

8 facilities



FACILITY INDEX Hospital 10-mi radius

Source: HFSRB Official Records

★ Edward Hospital

1 Linden Oaks Hospital

2 Northwestern - Marianjoy Rehabilitation Hospital

3 UChicago AdventHealth Bolingbrook

4 Northwestern - Central DuPage Hospital

5 Rush Copley Medical Center

6 Advocate Good Samaritan

7 Mercy Medical Center