

09-054

ORIGINAL

ILLINOIS HEALTH FACILITIES PLANNING BOARD  
APPLICATION FOR PERMIT

RECEIVED

OCT 09 2009

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	St. Alexius Medical Center				
Street Address:	1555 N. Barrington Road				
City and Zip Code:	Hoffman Estates, IL 60194				
County:	Cook	Health Service Area	VII	Health Planning Area:	A-07

Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Alexian Brothers Health System
Address:	3040 Salt Creek Lane Arlington Heights, IL 60005
Name of Registered Agent:	
Name of Chief Executive Officer:	Mark A. Frey, Executive Vice President
CEO Address:	same as above
Telephone Number:	847/385-7100

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Type of Ownership

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an Illinois certificate of good standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

Primary Contact

[Person to receive all correspondence or inquiries during the review period]

Name:	Jacob M. Axel
Title:	President
Company Name:	Axel & Associates, Inc.
Address:	675 North Court, Suite 210 Palatine, IL 60067
Telephone Number:	847/776-7101
E-mail Address:	jacobmaxel@msn.com
Fax Number:	847/776-7004

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

**ILLINOIS HEALTH FACILITIES PLANNING BOARD  
APPLICATION FOR PERMIT**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

**Facility/Project Identification**

Facility Name:	St. Alexius Medical Center		
Street Address:	1555 N. Barrington Road		
City and Zip Code:	Hoffman Estates, IL 60194		
County:	Cook	Health Service Area	VII Health Planning Area: A-07

**Applicant Identification**

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	St. Alexius Medical Center
Address:	1555 N. Barrington Road Hoffman Estates, IL 60194
Name of Registered Agent:	
Name of Chief Executive Officer:	Edward M. Goldberg
CEO Address:	same as above
Telephone Number:	847/843-2000

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**Type of Ownership**

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

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[Person to receive all correspondence or inquiries during the review period]

Name:	Jacob M. Axel
Title:	President
Company Name:	Axel & Associates, Inc.
Address:	675 North Court, Suite 210 Palatine, IL 60067
Telephone Number:	847/776-7101
E-mail Address:	jacobmaxel@msn.com
Fax Number:	847/776-7004

**Additional Contact**

[Person who is also authorized to discuss the application for permit]

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

### Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance]

Name:	Ms. Kelley Clancy
Title:	Vice President
Company Name:	Alexian Brothers Hospital Network
Address:	3040 Salt Creek Lane Arlington Heights, IL 60005
Telephone Number:	847/385-7112
E-mail Address:	clancyk@alexian.net
Fax Number:	847/483-7057

### Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	St. Alexius Medical Center
Address of Site Owner:	1555 N. Barrington Road Hoffman Estates, IL 60194
Street Address or Legal Description of Site:	same

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

### Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name:		
Address:		
<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois certificate of good standing.</li><li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li></ul>		

### Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person who is related (as defined in Part 1130.140). If the related person is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

### Flood Plain Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Flood Plain requirements of Executive Order #5, 2006.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

### Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**DESCRIPTION OF PROJECT**

**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

<p>Part 1110 Classification:</p> <p><input checked="" type="checkbox"/> Substantive</p> <p><input type="checkbox"/> Non-substantive</p>	<p>Part 1120 Applicability or Classification: [Check one only.]</p> <p><input type="checkbox"/> Part 1120 Not Applicable</p> <p><input type="checkbox"/> Category A Project</p> <p><input checked="" type="checkbox"/> Category B Project</p> <p><input type="checkbox"/> DHS or DVA Project</p>
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**2. Project Outline**

**PLEASE SEE FOLLOWING PAGE**

In the chart below, indicate the proposed action(s) for each clinical service area involved by writing the number of beds, stations or key rooms involved:

Clinical Service Areas	Establish	Expand	Modernize	Discontinue	No. of Beds, Stations or Key Rooms
Medical/Surgical, Obstetric, Pediatric and Intensive Care					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
Open Heart Surgery					
Cardiac Catheterization					
In-Center Hemodialysis					
Non-Hospital Based Ambulatory Surgery					
General Long Term Care					
Specialized Long Term Care					
Selected Organ Transplantation					
Kidney Transplantation					
Subacute Care Hospital Model					
Post Surgical Recovery Care Center					
Children's Community-Based Health Care Center					
Community-Based Residential Rehabilitation Center					
Long Term Acute Care Hospital Bed Projects					
Clinical Service Areas Other Than Categories of Service:					
• Surgery					
• Ambulatory Care Services (organized as a service)					
• Diagnostic & Interventional Radiology/Imaging					
• Therapeutic Radiology					
• Laboratory					
• Pharmacy					
• Occupational Therapy					
• Physical Therapy					
• Major Medical Equipment					
Freestanding Emergency Center Medical Services					
Master Design and Related Projects					
Mergers, Consolidations and Acquisitions					

## PROJECT OUTLINE

					# of Beds, Stations, or Key Rooms
	Establish	Expand	Modernize	Discontinue	
Medical/Surgical			212	27	212
Obstetrics		10	38		38
Pediatrics			17	18	17
ICU		6	35		35
Neonatal Intensive Care			8		8
Surgery		4	4		15
MRI		1	1		3
Laboratory			yes		n/a
Pharmacy			yes		n/a

APPEND DOCUMENTATION AS ATTACHMENT-6. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

### **3. Narrative Description**

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The co-applicants are proposing a major modernization program at St. Alexius Medical Center in Hoffman Estates. At the conclusion of the program the hospital will have nearly all of its inpatient beds in private rooms, the obstetrics and pediatrics-related areas will be replaced, the manner in which outpatient services are provided will be enhanced, and certain clinical and non-clinical ancillary and support areas will be modernized.

This project represents that first major modernization program addressing a wide scope of clinical services undertaken since the hospital was originally built.

The project is categorized as being "substantive" consistent with the rules in place at the time of filing because it is not limited to outpatient services.

## Project Costs and Sources of Funds

USE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Pre-Planning Costs	\$ 988,808	\$ 444,247	\$ 1,433,055
Site Survey and Soil Investigation	\$ 17,250	\$ 7,750	\$ 25,000
Site Preparation	\$ 2,166,509	\$ 973,359	\$ 3,139,868
Off Site Work	\$ -	\$ -	\$ -
New Construction Contracts	\$ 34,349,085	\$ 28,948,270	\$ 63,297,355
Modernization Contracts	\$ 9,515,555	\$ 305,520	\$ 9,821,075
Contingencies	\$ 4,453,670	\$ 2,668,080	\$ 7,121,750
Architectural/Engineering Fees	\$ 3,065,491	\$ 1,377,250	\$ 4,442,741
Consulting and Other Fees	\$ 1,380,000	\$ 620,000	\$ 2,000,000
Movable or Other Equipment	\$ 17,850,000	\$ 3,150,000	\$ 21,000,000
Bond Issuance Expense	\$ 269,100	\$ 120,900	\$ 390,000
Net Interest Expense During Construction	\$ 3,272,860	\$ 1,471,140	\$ 4,744,000
FMV of Leased Space or Equipment	\$ -	\$ -	\$ -
Other Costs to be Capitalized	\$ -	\$ -	\$ -
Acquisition of Building	\$ -	\$ -	\$ -
<b>TOTAL USES OF FUNDS</b>	<b>\$ 77,328,328</b>	<b>\$ 40,086,516</b>	<b>\$ 117,414,843</b>
			TRUE
SOURCES OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Cash and Securities	\$ 25,518,348	\$ 13,228,550	\$ 38,746,898
Bond Issues	\$ 51,809,980	\$ 26,857,965	\$ 78,667,945
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 77,328,328</b>	<b>\$ 40,086,516</b>	<b>\$ 117,414,843</b>

**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price:	\$ _____	
Fair Market Value:	\$ _____	
The project involves the establishment of a new facility or a new category of service		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ <u>none</u> .		

**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:	
<input type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input checked="" type="checkbox"/> Schematics	<input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>March, 2016</u>	
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):	
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.	
<input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON contingencies.	
<input checked="" type="checkbox"/> Project obligation will occur after permit issuance.	

**State Agency Submittals**

Are the following submittals up to date as applicable:	
<input checked="" type="checkbox"/>	Cancer Registry
<input checked="" type="checkbox"/>	APORS
<input checked="" type="checkbox"/>	All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
<input checked="" type="checkbox"/>	All reports regarding outstanding permits



## Cost Space Requirements

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>CLINICAL</b>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON CLINICAL</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

## Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

<b>FACILITY NAME:</b> St. Alexius Medical Center		<b>CITY:</b> Hoffman Estates, IL			
<b>REPORTING PERIOD DATES:</b> From: January 1, 2008 to: December 31, 2008					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	239	11,783	47,405	-27	212
Obstetrics	28	3,458	8,724	+10	38
Pediatrics	35	1,005	2,874	-18	17
Intensive Care	29	1,240	6,482	+6	35
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care	8	Permit issued April 8, 2008	0	--	8
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
<b>TOTALS:</b>	339	17,486	65,481	-29	310

**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Alexian Brothers Health System\*  
In accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Mark A. Frey  
SIGNATURE  
MARK A. FREY  
PRINTED NAME  
Executive Vice President  
PRINTED TITLE

Brother Thomas Keusen Kothan  
SIGNATURE  
Brother Thomas Keusen Kothan  
PRINTED NAME  
President / CEO Alexian Brothers Health System  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 5<sup>th</sup> day of October, 2009

Notarization:  
Subscribed and sworn to before me  
this 5<sup>th</sup> day of October, 2009

Colette L Hazeck  
Signature of Notary

Colette L Hazeck  
Signature of Notary

Seal

Seal



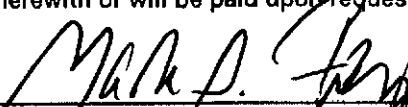
\*Insert EXACT legal name of the applicant

**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:


- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

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SIGNATURE

MARK D. FREY  
PRINTED NAME

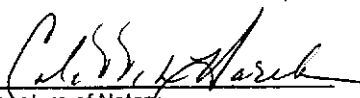
Executive Vice President  
PRINTED TITLE

  
SIGNATURE

Brother Thomas Keusen Kothan  
PRINTED NAME

President/CEO Alexian Brothers Health System  
PRINTED TITLE

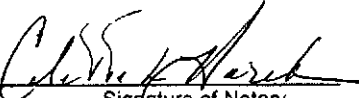
Notarization:  
Subscribed and sworn to before me  
this 5<sup>th</sup> day of October, 2009

  
Signature of Notary

Seal



Notarization:  
Subscribed and sworn to before me  
this 5<sup>th</sup> day of October, 2009

  
Signature of Notary

Seal



\*Insert EXACT legal name of the applicant

### SECTION III. - PROJECT PURPOSE, BACKGROUND AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

#### Criterion 1110.230 - Project Purpose, Background and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, certification and accreditation identification numbers, if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFPB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFPB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

##### PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. ~~DEFINE THE PLANNING AREA OR MARKET AREA, OR OTHER, PER THE APPLICANT'S DEFINITION.~~
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals.

For projects involving modernization, describe the conditions being upgraded. For facility projects, include statements of age and condition and regulatory citations. For equipment being replaced, include repair and maintenance records.

NOTE: The description of the "Purpose of the Project" should not exceed one page in length. Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

## ALTERNATIVES

Document ALL of the alternatives to the proposed project:

Examples of alternative options include:

- A) Proposing a project of greater or lesser scope and cost;
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of cost, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation.
  - 3) The applicant shall provide empirical evidence, including quantified outcome data, that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

## SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

### Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

#### SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive.
2. If the gross square footage exceeds the GSF standards in Appendix B, justify the discrepancy by documenting one of the following:
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
  - c. The project involves the conversion of existing bed space that results in excess square footage.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

#### PROJECT SERVICES UTILIZATION:

**This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFPB has not established utilization standards or occupancy targets in 77 III. Adm. Code 1100.**

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110. Appendix B.

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

#### UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data are available; and

- b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**ASSURANCES:**

Submit the following:

1. Verification that the applicant will submit to HFPB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.



**SECTION VII. - CATEGORY OF SERVICE - REVIEW CRITERIA**

1. This Section is applicable to all projects proposing establishment, expansion or modernization of **ALL categories of service that are subject to CON review**, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960], WITH THE EXCEPTION OF:
  - General Long Term Care;
  - Subacute Care Hospital Model;
  - Postsurgical Recovery Care Center Alternative Health Care Model;
  - Children's Community-Based Health Care Center Alternative Health Care Model; and
  - Community-Based Residential Rehabilitation Center Alternative Health Care Model.

If the project involves any of the above-referenced categories of service, refer to " SECTION VIII.- Service Specific Review Criteria" for applicable review criteria, and submit all necessary documentation for each service involved..

2. READ THE APPLICABLE REVIEW CRITERIA FOR EACH OF THE CATEGORIES OF SERVICE INVOLVED. [Refer to SECTION VIII regarding the applicable criteria for EACH action proposed, for EACH category of service involved.]
3. After identifying the applicable review criteria for each category of service involved (see the charts in Section VIII), provide the following information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

**A. Planning Area Need - Formula Need Calculation:**

1. Complete the requested information for each category of service involved:  
Refer to 77 Ill. Adm. Code 1100 for information concerning planning areas, bed/station/key room deficits and occupancy/utilization standards.

Planning Area     **A-07**     please see table on following page

Category of Service	No. of Beds/Stations/Key Rooms Proposed	HFPB Inventory Need or Excess	Part 1100 Occupancy/Utilization Standard

Using the formatting above:

2. Indicate the number of beds/stations/key rooms proposed for each category of service.
3. Document that the proposed number of beds/stations/key rooms is in conformance with the projected deficit specified in 77 Ill. Adm. Code 1100.
4. Document that the proposed number of beds/stations/key rooms will be in conformance with the applicable occupancy/utilization standard(s) specified in Ill. Adm. Code 1100.

**B. Planning Area Need - Service to the Planning Area Residents:**

1. If establishing or expanding beds/stations/key rooms, document that the primary purpose of the project will be to provide necessary health care to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.
2. If expanding an existing category of service, provide patient origin information for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the area. For all other projects, document that at least 50% of the projected patient volume will be from residents of the

Planning Area Need - Formula Need Calculation:			
Planning Area: A-07			
Category of Service	No. of Beds/Stations/Key Rooms Proposed	HFPB	Part 1100
		Inventory Need or Excess	Occupancy/Utilization Standard
Medical/Surgical	212	excess of 275	88%
Pediatrics	17	included in above	65%
Obstetrics	38	excess of 119	78%
ICU	35	need of 5	60%
NICU	8	not applicable	75%

area.

- If expanding an existing category of service, submit patient origin information by zip code, based upon the patient's legal residence (other than a health care facility).

APPEND DOCUMENTATION AS ATTACHMENT -19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**C. Service Demand - Establishment of Category of Service**

Document "Historical Referrals" and either "Projected Referrals" or "Project Service Demand - Based on Rapid Population Growth" :

1. Historical Referrals

If the applicant is an existing facility, document the number of referrals for the last two years for each category of service, as formatted below:

EXAMPLE:

Year	CY or FY	Category of Service	Patient Origin by Zip Code	Name & Specialty of Referring Physician	Name & Location of Recipient Hospital
2008	CY	Medical/Surgical	62761 [Patient Initials]	Dr. Hyde	Wellness Hospital

2. Projected Referrals

An applicant proposing to establish a category of service or establish a new hospital shall submit physician referral letters containing ALL of the information outlined in Criterion 1110.530(b)(3)

3. Project Service Demand - Based on Rapid Population Growth

If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand must be determined, as specified in the Criterion titled "Project Service Demand - Based on Rapid Population Growth".

APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**D. Service Demand - Expansion of an Existing Category of Service**

Document "Historical Service Demand" and either "Projected Referrals" or "Project Service Demand - Based on Rapid Population Growth" :

1. Historical Service Demand

Category of Service	Board Occupancy/Utilization Standards	Year One Indicate CY or FY	Year Two Indicate CY or FY
	[Indicate standards for the planning area.]	2007	2008
Obstetrics beds	78%	80.6%	85.4%
ICU beds	60%	65.0%	61.2%

- a. As formatted above, document that the average annual occupancy/utilization rate has equaled or exceeded occupancy standards for the category of service, as specified in 77 Ill. Adm. Code 1100, for each of the latest two years;
- b. If patients have been referred to other facilities in order to receive the subject services, provide documentation of the referrals, including: patient origin by zip code; name and specialty of referring physician; and name and location of the recipient hospital, for each of the latest two years

**2. Projected Referrals**

An applicant proposing to establish a category of service or establish a new hospital shall submit physician referral letters containing ALL of the information outlined in subsection(b)(4) of the criteria for the subject service(s).

**3. Projected Service Demand – Based on Rapid Population Growth**

If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand must be determined, as specified in the criterion titled "Projected Service Demand-Based on Rapid Population Growth" of the criteria for the subject service(s).

APPEND DOCUMENTATION AS ATTACHMENT-21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**E. Service Accessibility - Service Restrictions**

1. The applicant shall document that at least one of the factors listed in subsection (b)(5) of the criteria for subject service(s) exists in the planning area.
2. Provide documentation, as applicable, listed in subsection (b)(5) of the criteria for the subject service(s), concerning existing restrictions to service access:

APPEND DOCUMENTATION AS ATTACHMENT-22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**F. Unnecessary Duplication/Maldistribution**

1. Document that the project will not result in an unnecessary duplication, and provide the following information:
  - a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;
  - b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and
  - c. The names and locations of all existing or approved health care facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.
2. Document that the project will not result in maldistribution of services. Maldistribution exists when the identified area (within the planning area) has an excess supply of facilities, beds

and services characterized by such factors as presented in subsection (c)(1) and (2) of the criteria for the subject service(s).

- 3. Document that, within 24 months after project completion, the proposed project:
  - A) Will not lower the utilization of other area providers below the occupancy standards specified in 77 Ill. Adm. Code 1100; and
  - B) Will not lower, to a further extent, the utilization of other area hospitals that are currently (during the latest 12-month period) operating below the occupancy standards.

APPEND DOCUMENTATION AS ATTACHMENT-23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**G. Category of Service Modernization**

- 1. Document that the inpatient beds areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, citing factors, as listed in subsection (d)(1) of the criteria for the subject service(s), but not limited to the reasons cited in the rule.
- 2. Provide the following documentation of the need for modernization:
  - A. the most recent IDPH Centers for Medicare and Medicaid Services (CMMS) inspection reports;
  - B. the most recent Joint Commission on Accreditation of Healthcare Organizations (JCAHO) reports;
- 3. Include other documentation, as applicable to the factors cited above:
  - A. Copies of maintenance reports;
  - B. Copies of citations for life safety code violations; and
  - C. Other pertinent reports and data.
- 4. Provide the annual occupancy/utilization for each category of service to be modernized, for each of the last three years.

APPEND DOCUMENTATION AS ATTACHMENT-24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**H. Staffing Availability**

- 1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.
- 2. Provide the following documentation:
  - a. The name and qualification of the person currently filling the position, if applicable; and
  - b. Letters of interest from potential employees; and
  - c. Applications filed for each position; and
  - d. Signed contracts with the required staff; or
  - e. A narrative explanation of how the proposed staffing will be achieved.

APPEND DOCUMENTATION AS ATTACHMENT-25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**I. Performance Requirements**

READ the subsection titled "Performance Requirements" for the subject service(s).

**K. Assurances**

Submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after project completion, the applicant will achieve and maintain the occupancy/utilization standards specified in 77 Ill. Adm Code 1100 for each category of service involved in the proposal.

APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA**

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

**A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care**

- In addition to addressing the Category of Service Review Criteria for ALL category of service projects [SECTION VII], applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:

- Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds	# to Establish	# to Expand	# to Modernize
<input type="checkbox"/> Medical/Surgical	239	212	0	-27	212
<input type="checkbox"/> Obstetric	28	38	0	+10	38
<input type="checkbox"/> Pediatric	35	17	0	-18	17
<input type="checkbox"/> Intensive Care	29	35	0	+6	35

- READ the applicable review criteria outlined below:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(b)(5) - Planning Area Need - Service Accessibility	X		
1110.530(c)(1) - Unnecessary Duplication of Services	X		
1110.530(c)(2) - Maldistribution			
1110.530(c)(3) - Impact of Project on Other Area Providers	X		
1110.530(d)(1) - Deteriorated Facilities			X
1110.530(d)(2) - Documentation			X
1110.530(d)(3) - Documentation Related to Cited Problems			X

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(d)(4) - Occupancy			X
110.530(e) - Staffing Availability	X	X	
1110.530(f) - Performance Requirements	X	X	X
1110.530(g) - Assurances	X	X	



**D. Criterion 1110.930 - Neonatal Intensive Care**

**NOT APPLICABLE, NO BEDS  
BEING ADDED**

**Please see note on following  
page**

This section is applicable to all projects proposing to add neonatal intensive care beds for which an exemption was not obtained.

**1. Criterion 1110.930(a), Staffing**

Read the criterion and for those positions described under this criterion provide the following information:

1. The name and qualifications of the person currently filling the job.
2. Letters of interest from potential employees.
3. Applications filed for each position.
4. Signed contracts with the required staff.
5. A detailed explanation of how you will fill the positions.

**2. Criterion 1110.930(b), Letter of Agreement**

Read the criterion and provide the required letter of agreement.

**3. Criterion 1110.930(c), Need for Additional Beds**

Read the criterion and provide the following information:

- a. The patient days and admissions for the affiliated center for each of the last two years; or
- b. An explanation as to why the existing providers of this service in the planning area cannot provide care to your projected caseload.

**4. Criterion 1110.930(d), Obstetric Service**

Read the criterion and provide a detailed assessment of the obstetric service capability.

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

## NOTE ON NEONATAL INTENSIVE CARE

On April 8, 2008 the Illinois Health Facilities Planning Board issued a Permit (#07-146) for the establishment of an 8-bed neonatal intensive care unit (NICU) at St. Alexius Medical Center. As of the filing of this application for a major modernization project at the hospital, the NICU previously approved is awaiting approval to open from the regional perinatal network.

The NICU approved through the above-referenced project was intended to act as a temporary site until such time a more suitable location within the hospital could be developed. The permanent site for the NICU is addressed through this application.

The costs associated with the NICU portion of this project and as identified in ATTACHMENTS 8 and 76C1 relate only to the NICU proposed to be developed on the sixth floor of the proposed tower and do not include the costs approved through project #07-146.

On July 13, 2009 the co-applicants' consultant had a technical assistance conference call with State Agency staff to discuss why historical utilization of the NICU service could not be provided in this *Application for Permit*. State Agency staff advised that because the number of NICU beds was not being increased, the co-applicants need not "justify" the need for the service, but that reference should be made to the previously approved project. This statement is intended to provide that reference.

**PLEASE SEE TABLE ON FOLLOWING PAGE**

**R. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service**

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:

2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms	# to Establish	# to Expand	# to Modernize
<input type="checkbox"/>					
<input type="checkbox"/>					

3. READ the applicable review criteria outlined below and SUBMIT all required information:

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities
		and/or
	(c)(2) -	Necessary Expansion
		PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility

APPEND DOCUMENTATION AS INDICATED BELOW, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM:

APPLICABLE REVIEW CRITERIA	Attachment Number
Need Determination - Establishment	62
Service Demand	63
Referrals from Inpatient Base	64
Physician Referrals	65
Historical Referrals to Other Providers	66
Population Incidence	67
Impact of Project on Other Area Providers	68
Utilization	69
Deteriorated Facilities	70
Necessary Expansion	71
Utilization -Major Medical Equipment	72
Utilization - Service or Facility	73

### Clinical Service Areas Other than Categories of Service

Service	# Existing Key Rooms	# Proposed Key Rooms	# to Establish	# to Expand	# to Modernize
Critical Decisions	0	8	8	0	0
C-Section	2	3	0	1	3
Surgery	11	15	0	4	4
Recovery	42	60	0	18	18
Observation	0	10	10	0	10
LDR	11	11	0	0	11
Laboratory	N/A	N/A	N/A	N/A	N/A
Pharmacy	N/A	N/A	N/A	N/A	N/A
MRI	2	3	0	1	1

**T. Financial Feasibility**

This section is applicable to all projects subject to Part 1120.

**REVIEW CRITERIA RELATING TO FINANCIAL FEASIBILITY (FIN)**

Does the applicant (or the entity that is responsible for financing the project or is responsible for assuming applicant's debt obligations in case of default) have a bond rating of "A" or better?

Yes  No

If yes is indicated, submit proof of the bond rating of "A" or better (that is less than two years old) from Fitch's, Moody's or Standard and Poor's rating agencies and go to Section XXVI. If no is indicated, submit the most recent three years' audited financial statements including the following:

1. Balance sheet
2. Income statement
3. Change in fund balance
4. Change in financial position

**A. Criterion 1120.210(a), Financial Viability**

1. Viability Ratios

If proof of an "A" or better bond rating has not been provided, read the criterion and complete the following table providing the viability ratios for the most recent three years for which audited financial statements are available. Category B projects must also provide the viability ratios for the first full fiscal year after project completion or for the first full fiscal year when the project achieves or exceeds target utilization (per Part 1100), whichever is later.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each. Insert the worksheets after this page.

2. Variance

Compare the viability ratios provided to the Part 1120 Appendix A review standards. If any of the standards for the applicant or for any co-applicant are not met, provide documentation that a person or organization will assume the legal responsibility to meet the debt obligations should the applicant default. The person or organization must demonstrate compliance with the ratios in Appendix A when proof of a bond rating of "A" or better has not been provided.

**REVIEW CRITERIA RELATING TO FINANCIAL FEASIBILITY (FIN)**  
(continued)

**B. Criterion 1120.210(b), Availability of Funds "A" bond rating provided**

If proof of an "A" or better bond rating has not been provided, read the criterion and document that sufficient resources are available to fund the project and related costs including operating start-up costs and operating deficits. Indicate the dollar amount to be provided from the following sources:

\_\_\_\_\_ Cash & Securities

Provide statements as to the amount of cash/securities available for the project. Identify any security, its value and availability of such funds. Interest to be earned or depreciation account funds to be earned on any asset from the date of application submission through project completion are also considered cash.

\_\_\_\_\_ Pledges

For anticipated pledges, provide a letter or report as to the dollar amount feasible showing the discounted value and any conditions or action the applicant would have to take to accomplish goal. The time period, historical fund raising experience and major contributors also must be specified.

\_\_\_\_\_ Gifts and Bequests

Provide verification of the dollar amount and identify any conditions of the source and timing of its use.

\_\_\_\_\_ Debt Financing (indicate type(s) \_\_\_\_\_)

For general obligation bonds, provide amount, terms and conditions, including any anticipated discounting or shrinkage) and proof of passage of the required referendum or evidence of governmental authority to issue such bonds;

For revenue bonds, provide amount, terms and conditions and proof of securing the specified amount;

For mortgages, provide a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated;

For leases, provide a copy of the lease including all terms and conditions of the lease including any purchase options.

\_\_\_\_\_ Governmental Appropriations

Provide a copy of the appropriation act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, provide a resolution or other action of the governmental unit attesting to such future funding.

\_\_\_\_\_ Grants

Provide a letter from the granting agency as to the availability of funds in terms of the amount, conditions, and time or receipt.

\_\_\_\_\_ Other Funds and Sources

Provide verification of the amount, terms and conditions, and type of any other funds that will be used for the project.

\_\_\_\_\_ TOTAL FUNDS AVAILABLE

**C. Criterion 1120.210(c), Operating Start-up Costs "A" bond rating provided**

If proof of an "A" or better bond rating has not been provided, indicate if the project is classified as a Category B project that involves establishing a new facility or a new category of service? Yes 9 No 9. If yes is indicated, read the criterion and provide in the space below the amount of operating start-up costs (the same as reported in Section I of this application) and provide a description of the items or components that comprise the costs. Indicate the source and amount of the financial resources available to fund the operating start-up costs (including any initial operating deficit) and reference the documentation that verifies sufficient resources are available.

APPEND DOCUMENTATION AS ATTACHMENT 75, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**U. Economic Feasibility**

This section is applicable to all projects subject to Part 1120.

**SECTION XXVI. REVIEW CRITERIA RELATING TO ECONOMIC FEASIBILITY (ECON)**

**A. Criterion 1120.310(a), Reasonableness of Financing Arrangements**

Is the project classified as a Category B project? Yes  No . If no is indicated this criterion is not applicable. If yes is indicated, has proof of a bond rating of "A" or better been provided? Yes  No . If yes is indicated this criterion is not applicable, go to item B. If no is indicated, read the criterion and address the following:

Are all available cash and equivalents being used for project funding prior to borrowing? Yes No

If no is checked, provide a notarized statement signed by two authorized representatives of the applicant entity (in the case of a corporation, one must be a member of the board of directors) that attests to the following:

1. a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order that the current ratio does not fall below 2.0 times; or
2. borrowing is less costly than the liquidation of existing investments and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

**B. Criterion 1120.310(b), Conditions of Debt Financing**

Read the criterion and provide a notarized statement signed by two authorized representatives of the applicant entity (in the case of a corporation, one must be a member of the board of directors) that attests to the following as applicable:

1. The selected form of debt financing the project will be at the lowest net cost available or if a more costly form of financing is selected, that form is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional debt, term (years) financing costs, and other factors;
2. All or part of the project involves the leasing of equipment or facilities and the expenses incurred with such leasing are less costly than constructing a new facility or purchasing new equipment.

**B. Criterion 1120.310(c), Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE												
Department (list below)	A	B	C		D		E		F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)		Mod. \$ (B x E)			
Contingency												
<b>TOTALS</b>												

\* Include the percentage (%) of space for circulation

2. For each piece of major medical equipment included in the proposed project, the applicant must certify one of the following:

**REVIEW CRITERIA RELATING TO ECONOMIC FEASIBILITY (ECON)**  
(continued)

- a. that the lowest net cost available has been selected; or
  - b. that the choice of higher cost equipment is justified due to such factors as, but not limited to, maintenance agreements, options to purchase, or greater diagnostic or therapeutic capabilities.
3. List the items and costs included in preplanning, site survey, site preparation, off-site work, consulting, and other costs to be capitalized. If any project line item component includes costs attributable to extraordinary or unusual circumstances, explain the circumstances and provide the associated dollar amount. When fair market value has been provided for any component of project costs, submit documentation of the value in accordance with the requirements of Part 1190.40.

**D. Criterion 1120.310(d), Projected Operating Costs**

Read the criterion and provide in the space below the facility's projected direct annual operating costs (in current dollars per equivalent patient day or unit of service, as applicable) for the first full fiscal year of operation after project completion or for the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later. If the project involves a new category of service, also provide the annual operating costs for the service. Direct costs are the fully allocated costs of salaries, benefits, and supplies. Indicate the year for which the projected operating costs are provided.

**E. Criterion 1120.310(e), Total Effect of the Project on Capital Costs**

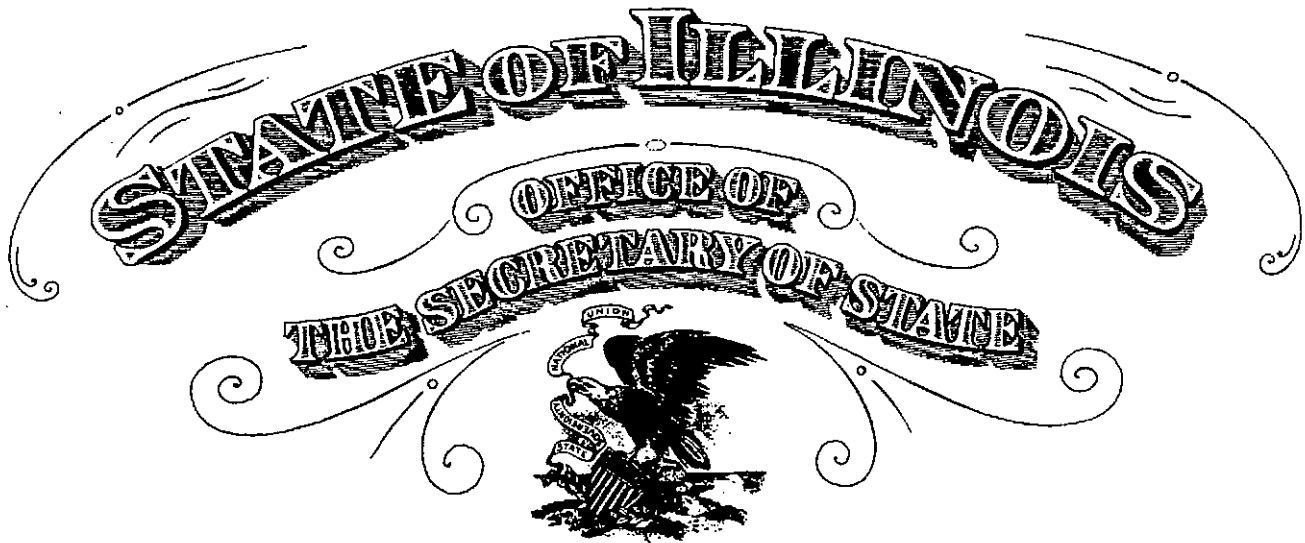
Is the project classified as a category B project? Yes  No  . If no is indicated, go to item F. If yes is indicated, provide in the space below the facility's total projected annual capital costs as defined in Part 1120.130(f) (in current dollars per equivalent patient day) for the first full fiscal year of operation after project completion or for the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later. Indicate the year for which the projected capital costs are provided.

**F. Criterion 1120.310(f), Non-patient Related Services**

Is the project classified as a category B project and involve non-patient related services? Yes  No  . If no is indicated, this criterion is not applicable. If yes is indicated, read the criterion and document that the project will be self-supporting and not result in increased charges to patients/residents or that increased charges are justified based upon such factors as, but not limited to, a cost benefit or other analysis that demonstrates the project will improve the applicant's financial viability.

**APPEND DOCUMENTATION AS ATTACHMENT 76, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**





*To all to whom these Presents Shall Come, Greeting:*

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

ALEXIAN BROTHERS HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 03, 1983, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

*In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 31ST day of AUGUST A.D. 2009 .*



Authentication # 0924302356

Authenticate at: <http://www.cyberdriveillinois.com>

*Jesse White*

SECRETARY OF STATE

ATTACHMENT 1



*To all to whom these Presents Shall Come, Greeting:*

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

ST. ALEXIUS MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON AUGUST 21, 1998, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



*In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 31ST day of AUGUST A.D. 2009 .*

*Jesse White*

Authentication #: 0924302386

Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

ATTACHMENT 1



# MUTUAL CORPORATION NON-ASSESSABLE POLICY

Factory Mutual Insurance Company  
P.O. Box 7500  
Johnston, Rhode Island 02919  
1-800-343-7722

### CERTIFIED POLICY COPY

This is to certify that this is a true copy of the original policy or endorsement bearing the same number issued to the named insured by this Company. Liability is assumed under the original policy only. Dated 22-SEP-08

### DECLARATIONS

<b>Policy No.</b> FC740	<b>Previous Policy No.</b> FC625	<b>DATE OF ISSUE</b> 12 September, 2008
<b>Account No.</b> 1-75928	<b>Replaces Binder No.</b>	

In consideration of this Policy's Provisions, Conditions, Stipulations, Exclusions and Limits of Liability, and of premium charged, Factory Mutual Insurance Company, hereafter referred to as the Company, does insure:

<p><b>INSURED:</b></p> <p>Alexian Brothers Health System</p> <p>(For Complete Title See Policy)</p>
---

The term of this Policy is from the 1st day of October, 2008 to the 1st day of October, 2009 at 12:01 a.m., Standard Time, at the Locations of property involved as provided in this Policy.

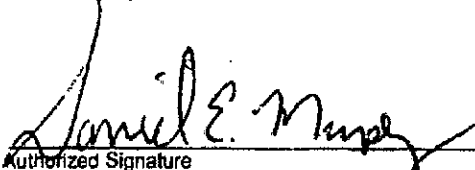
This Policy covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as described in this Policy.


By virtue of this Policy and any other policies purchased from the Company being in force, the Insured becomes a member of the Company, subject to the provisions of its charter and by-laws, and is entitled to one vote either in person or by proxy at any and all meetings of said Company.


Assignment of this Policy will not be valid except with the written consent of the Company.

This Policy is made and accepted subject to the above provisions and those hereinafter stated, which are made a part of this Policy, together with such other provisions and agreements as may be added to this Policy.

In Witness, this Company has issued this Policy at its office in the city of Johnston, R. I. this 12th day of September, 2008.

  
Authorized Signature

  
Secretary

  
President

Countersigned (if required) this \_\_\_\_\_ day of \_\_\_\_\_

Agent

FM Global

Account No. 1-75928  
Policy No. FC740

SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index No.	Division	Location Title	Address	City	ST	Postal Code	CO
IL12	001070.04	ABMC	ABMC 24 Hr. Care Urgent Care Center	1339 West Lake Street	Addison	IL	601011836	US
IL12A	001070.04	ABCHS	ABMC 24 Hr. Care Occupational Health Clinic	1339 West Lake Street	Addison	IL	601011836	US
IL12B	001070.04	SAV	ABMC 24 hr Car.	1339 West Lake Street	Addison	IL	601011836	US
IL59	000000.00	BMF	Bonv. Med. Foundation	1415 West Lake Street	Addison	IL	601011870	US
IL60A	000000.00		Savelli Properties	2055 West Army Trail Road	Addison	IL	601011478	US
IL58	000000.00	SAMC	St. Alexius Medical Center	2537 West Algonquin Road, # 2541	Algonquin	IL	601029403	US
IL41	000000.00	ACMH	Alexian Bros. Center for Mental Health	1208 East Northwest Highway	Arlington Heights	IL	600046793	US
IL51	000000.00	SAMC	St. Alexius Medical Center	1614 West Central Road	Arlington Heights	IL	600052490	US
IL8	064128.37	ABHS	Alexian Bros. Health System New Corporate Office	3040 West Salt Creek Lane	Arlington Heights	IL	600051069	US
IL8A	064128.37	ABMC	Alexian Bros. Health System	3040 West Salt Creek Lane	Arlington Heights	IL	600051069	US
IL8B	064128.37	SAMC	Alexian Bros. Health System	3040 West Salt Creek Lane	Arlington Heights	IL	600051069	US
IL8C	064128.37	ABBHH	Alex. Bros. Health System	3040 West Salt Creek Lane	Arlington Heights	IL	600051069	US
IL8D	064128.37	BMF/BMG	Alex. Bros. Health System	3040 West Salt Creek Lane	Arlington Heights	IL	600051069	US
IL44	000000.00	ACMH	Alexian Bros. Center for Mental Health	332 North Salem, Units 1C, 1G, 2B, 2C, 2D, 3G, 4G	Arlington Heights	IL	600051380	US
IL74	000000.00	ACMH	Alexian Bros. Center for Mental Health	333 North Kaspar, 1B, 1C, 2B	Arlington Heights	IL	600051280	US
IL42	064128.13	ACMH	Alexian Bros. Center for Mental Health	3350 West Salt Creek Lane	Arlington Heights	IL	600055023	US
IL35	000000.00	ABMC	Bonaventure Medical Group - Older Adult	6000 Garlands Lane	Barrington	IL	600106025	US
IL35A	000000.00		Thelen	6000 Garlands Lane Suite 180	Barrington	IL	600106025	US
IL50	000000.00	SAMC	St. Alexius Medical Center	114 Bartlett Plaza	Bartlett	IL	601034234	US

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**SCHEDULE OF LOCATIONS, APPENDIX A**

Location No.	Index No.	Division	Location Title	Address	City	ST	Postal Code	CO
IL33	001070.15	BMF	Bonv. Med. Foundation	304 West Bartlett Avenue	Bartlett	IL	601034002	US
IL33A	001070.15	SAV	Savelli Properties	304 West Bartlett Avenue	Bartlett	IL	601034002	US
IL72	000000.00	SAV	Savelli Properties	864 West Stearns Road	Bartlett	IL	601034508	US
IL22	001070.16	ABCHS	Alexian Bros. Corporate Health Services	1240 IL Route 83	Bensenville	IL	601061034	US
IL22A	001070.16	SAV	Savelli Properties	1240 IL Route 83	Bensenville	IL	601061034	US
IL75	000000.00		Bonv. Med Foundation	437 West Army Trail Road	Bloomingtondale	IL	60108	US
IL28	000000.00	WPS	Workplace Solutions	35 East Wacker Drive, Suite 1740	Chicago	IL	606012211	US
IL2	064425.27	BH	Alexian Bros. Bonaventure House AIDS Facility	825 West Wellington Avenue	Chicago	IL	606575123	US
IL80	001456.35	BH	Alexian Bros. Bonaventure House South Chicago Project	8425 South Saginaw Avenue	Chicago	IL	60617	US
IL62	000000.00	THEL	Thelen Corp. (Asbury Court)	1750 Elmhurst Road	Des Plaines	IL	600181862	US
IL62A	000000.00		Bonv. Med Foundation	1750 Elmhurst Road	Des Plaines	IL	600181862	US
IL76	000000.00		Savelli Properties	1061 East Main Street, Suite 500	East Dundee	IL	601182453	US
IL49	000000.00	SAMC	St. Alexius Medical Center	515 Dundee Avenue	East Dundee	IL	601181642	US
IL36	000000.00	BMF	Bonv. Med. Foundation	543 East Main Street	East Dundee	IL	601182469	US
IL36A	000000.00	SAV	Savelli Properties	543 East Main Street	East Dundee	IL	601182469	US
IL77	000000.00		Bonv. Med Foundation	1 American Way	Elgin	IL	601204340	US
IL77A	000000.00		Savelli Properties	1 American Way	Elgin	IL	601204340	US
IL64	000000.00	ABHS	Priests Residence	1000 Martha Street	Elk Grove Village	IL	600073463	US
IL65	000000.00	SAV	Savelli Properties	122 Biesterfield Road	Elk Grove Village	IL	600073657	US
IL34	001070.18	BMF	Bonv. Med. Foundation	126 Biesterfield Road	Elk Grove Village	IL	600073657	US



SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index No.	Division	Location Title	Address	City	ST	Postal Code	CO
IL25	001070.17	ABCBS	Alexian Bros. Corporate Health Services	136 Biesterfield Road	Elk Grove Village	IL	600073657	US
IL14B	064175.81	ABMC	Alexian Bros. Medical Center	600 Alexian Way	Elk Grove Village	IL	600073370	US
IL14E	064175.81	ABHS	Alexian Brothers Health System	600 Alexian Way	Elk Grove Village	IL	600073370	US
IL16	064175.81	ABMC	ABMC Plaza Medical Office	701 Biesterfield Road	Elk Grove Village	IL	600073309	US
IL14C	064175.81	THEL	Thelen Corp (Wimmer)	800 Biesterfield Road	Elk Grove Village	IL	600073361	US
IL14D	064175.81	NELLC	Neurosciences Equipment, LLC	800 Biesterfield Road	Elk Grove Village	IL	600073361	US
IL14	064175.81	ABMC	Alexian Bros. Medical Center	800 West Beisterfield 850 West Biesterfield 820 Biesterfield	Elk Grove Village	IL	600073361	US
IL14A	064175.81	EGMOB	Alexian Bros. Medical Center	800 West Biesterfield Road	Elk Grove Village	IL	600077312	US
IL14BR	064175.81	ABMC	Alexian Bros. Medical Center New Construction	800 West Beisterfield 850 West Biesterfield 820 Biesterfield	Elk Grove Village	IL	600073361	US
IL66	064175.81	THEL	Thelen Corp (Eberle)	800 West Biesterfield Road	Elk Grove Village	IL	600073361	US
IL1	064388.96	ABA	Alexian Bros. of America Brothers Residence	801 Gloucester Drive	Elk Grove Village	IL	600073319	US
IL15	064175.81	ABMC	Alexian Bros. Rehab Hospital (Neihoff)	955 Beisner Road	Elk Grove Village	IL	600073475	US
IL78	000000.00	ABHS	Alexian Brothers Health System	996 Martha Street	Elk Grove Village	IL	600073462	US
IL10	064190.66	SAV	Hanover Park Medical Center	1515 East Lake Street	Hanover Park	IL	601334896	US
IL10A	064190.66	ABCBS	Hanover Park Medical Center - ABMC Hospice	1515 East Lake Street	Hanover Park	IL	601334896	US
IL10B	064190.66	ABMC	Hanover Park Medical Center Home Health	1515 East Lake Street	Hanover Park	IL	601334896	US
IL10C	064190.66	SAMC	Hanover Park Medical Center 24 hour care center and mammography	1515 East Lake Street	Hanover Park	IL	601334896	US
IL10D	064190.66	BMF/ BMG	Hanover Park Medical Center BMF/BMG Office	1515 East Lake Street	Hanover Park	IL	601334896	US

FM 610881

Account No. 1-75928  
Policy No. FC740

SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index No.	Division	Location Title	Address	City	ST	Postal Code	CO
IL10E	064190.66	THEL	Hanover Park Medical Center	1515 East Lake Street Suite 202	Hanover Park	IL	601337152	US
IL57	000000.00	SAMC	St. Alexius Medical Center	1000 Grand Canyon Parkway	Hoffman Estates	IL	601691705	US
IL13A	001070.51	SAV	ABMC	1220 West Higgins Road	Hoffman Estates	IL	601694033	US
IL5	064176.09	SAMC	St. Alexius Med. Ctr. Hospital, Office	1555 and 1575 North Barrington Road	Hoffman Estates	IL	601691018	US
IL5BR	064176.09	SAMC	St. Alexius Medical Center Builder Risk Hospital	1555 and 1575 North Barrington Road	Hoffman Estates	IL	601691019	US
IL48G	064176.09		Bonv. Med Foundation-Poplar Creek	1555 Barrington Road (DOB ), Suite 3450	Hoffman Estates	IL	601695039	US
IL48F	064176.09		Bonv. Med Foundation-Pediatric Group	1555 Barrington Road (DOB 1), Suite 415	Hoffman Estates	IL	601695038	US
IL48B	064176.09	THEL	St. Alexis Medical Center.	1555 Barrington Road (DOB 3), Suites 2500, 3350 & 3400	Hoffman Estates	IL	601691019	US
IL48C	064176.09	SURG JV	St. Alexius Medical Center	1555 Barrington Road (DOB 3) Surgery JV, Suite 400	Hoffman Estates	IL	601691019	US
IL48D	064176.09	SAMC	St. Alexis Medical Center	1555 Barrington Road (DOB 3) LL, Grd Flr, Suite 2400	Hoffman Estates	IL	601691019	US
IL48E	064176.09		Bonv. Med Foundation	1555 Barrington Road (DOB 3), Suite 2550	Hoffman Estates	IL	601695037	US
IL47A	000000.00	SAMC	St. Alexius Medical Center	1585 Barrington Road (DOB 1)	Hoffman Estates	IL	601695019	US
IL47	000000.00	SAMC	St. Alexius Medical Center	1585 Barrington, Suites 104, 306, 505	Hoffman Estates	IL	601695019	US
IL53	000000.00	SAMC	St. Alexius Medical Center	1626 West Algonquin Road	Hoffman Estates	IL	601691587	US
IL53A	000000.00	SAV	St. Alexis Medical Center	1626 West Algonquin Road	Hoffman Estates	IL	601691527	US
IL4	064182.26	ABBHH	Alexian Bros. Behav. Health Hospital	1650 Moon Lake Boulevard	Hoffman Estates	IL	601691010	US
IL4BR	064182.26	ABBHH	Alexian Bros. Behav. Health Hospital Builders Risk Construction	1650 Moon Lake Boulevard	Hoffman Estates	IL	601941010	US
IL7	064182.34	ABHS	Alexian Bros. Medical Plaza	1786 Moon Lake Boulevard	Hoffman Estates	IL	601695029	US



Account No. 1-75928  
Policy No. FC740

SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index No.	Division	Location Title	Address	City	ST	Postal Code	CO
IL7A	064182.34	SAMC	Alexian Bros. Medical Plaza	1786 Moon Lake Boulevard	Hoffman Estates	IL	601695029	US
IL7B	064182.34	ABBHH	Alexian Bros. Medical Plaza	1786 Moon Lake Boulevard	Hoffman Estates	IL	601695029	US
IL7C	064182.34	THEL	Alexian Brothers Medical Plaza	1786 Moon Lake Boulevard	Hoffman Estates	IL	601695029	US
IL29	000000.00	WPS	Workplace Solutions	100 North Waukegan Road Suite 108	Lake Bluff	IL	600441600	US
IL68B	000000.00		ABMC 24 Hr. Care Occupational Health Clinic	1060 South Elmhurst Road	Mount Prospect	IL	600564240	US
IL68	001268.89	ABMC	ABMC 24 Hr. & Diagnostic Center	1060 South Elmhurst Road	Mount Prospect	IL	600564240	US
IL68A	001268.89	SAV	ABMC 24 Hr. & Diagnostic Center	1060 South Elmhurst Road	Mount Prospect	IL	600564240	US
IL68C	001268.89		Bonv. Med Foundation Corp Health Services	1060 South Elmhurst Road	Mount Prospect	IL	600564240	US
IL6	001070.12	SAMC	SAMC 24 Hr. Care SAMC Urgent Care Center	231 East Northwest Highway	Palatine	IL	600678114	US
IL6A	001070.12	ABCHS	Occupational Health Clinic	231 East Northwest Highway	Palatine	IL	600678114	US
IL6B	001070.12	BMF/BMG	Office	231 East Northwest Highway	Palatine	IL	600678114	US
IL6C	001070.12	SAV	Savelli Properties	231 East Northwest Highway	Palatine	IL	600678114	US
IL82	000000.00		Bonv. Med Foundation	4949 Euclid Avenue	Palatine	IL	600677212	US
IL26	001070.52	ABHS	ABI Warehouse	503 and 505 South Vermont	Palatine	IL	600676947	US
IL45	066161.80	ABA	Alexian Bros. of America	1220 Old Bay Road	Pistakee Bay	IL	60050	US
IL81	000000.00		Workplace Solutions	1100 East Woodfield Road, Suite 433	Schaumburg	IL	601735119	US
IL11	064191.56	SAV	Old Towne Medical Center	25 East Schaumburg Road	Schaumburg	IL	601943550	US
IL11D	064191.56		Old Towne Medical Center BMF/BMG Office Nutrition & Disease Prevention Center	25 East Schaumburg Road, Suite 110	Schaumburg	IL	601943548	US
IL11C	064191.56	BMF/BMG	Old Towne Medical Center BMF/BMG Office	25 East Schaumburg Road, Suite 200	Schaumburg	IL	601943548	US



SCHEDULE OF LOCATIONS, APPENDIX A

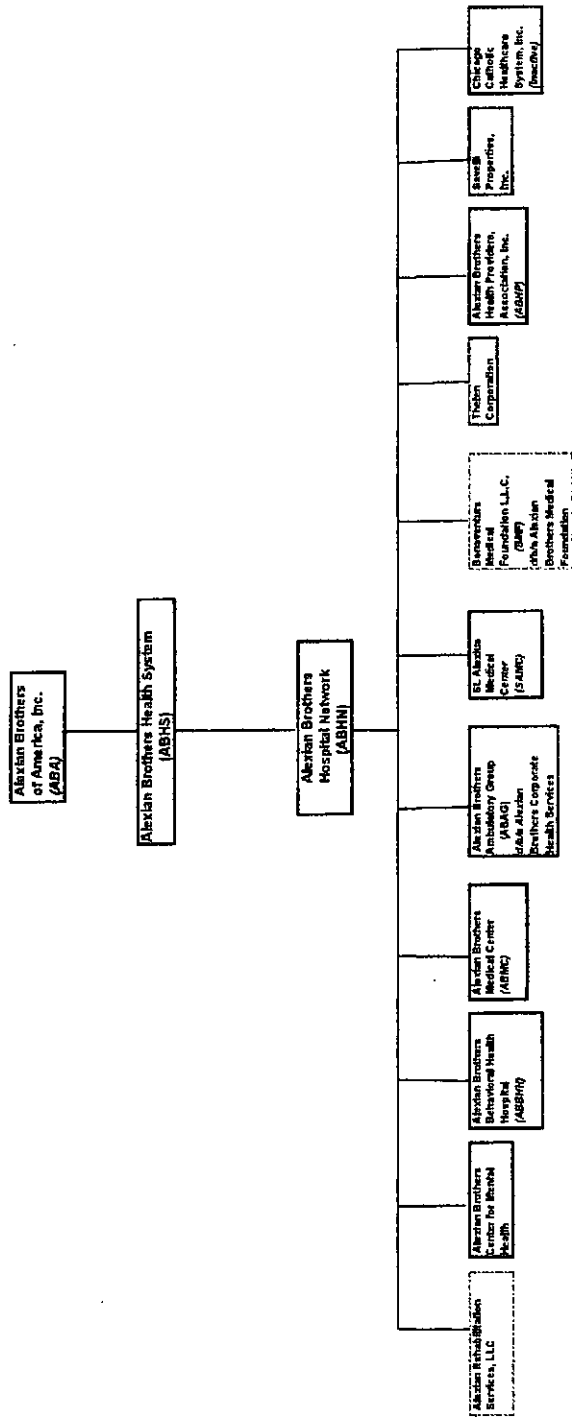
Location No.	Index No.	Division	Location Title	Address	City	ST	Postal Code	CO
IL9	001070.53	ABHN	Alexian Medical Mall	347 West Golf Road	Schaumburg	IL	601953607	US
IL9A	001070.53	ABMC	Alexian Medical Mall	347 West Golf Road	Schaumburg	IL	601953607	US
IL9B	001070.53	SAMC	Alexian Medical Mall	347 West Golf Road	Schaumburg	IL	601953607	US
IL79	000000.00		Bonv. Med Foundation	350 Schaumburg Road Friendship Village	Schaumburg	IL	601943464	US
IL79A	000000.00		Thelen	350 Schaumburg Road Friendship Village	Schaumburg	IL	601943464	US
IL23	001070.56	ABCCHS	Alexian Bros. Corporate Health Services	361 East Golf Road	Schaumburg	IL	60195	US
IL54	000000.00	SAMC	St. Alexius Medical Center	75 East Irving Park Road	Streamwood	IL	601072930	US
IL3	001070.57	BH	Alexian Bros. Bonv., The Harbor AIDS Facility	826 North Avenue	Waukegan	IL	600853814	US
IL71	000000.00	THEL	Thelen Corp	530 Main Street	West Chicago	IL	601852843	US
MO2	069125.07	ABSL	Alexian Bros. Services d/b/a Alexian Court	2636 Chippewa Street	Saint Louis	MO	631183912	US
MO5	001070.58	ABCSSL	Alexian. Bros. Comm. Srvs. of SL PACE	3900 South Grand Boulevard	Saint Louis	MO	631183414	US
MO1	069160.50	ABA	Alexian Bros. of America, Inc. Brothers Residence	3910 Ohio Avenue	Saint Louis	MO	631184619	US
MO4	069104.03	ABSV	Alexian. Bros. Sherbrooke Village	4005 Ripa Avenue	Saint Louis	MO	631252378	US
MO3	069116.11	ABLV	Alexian. Bros. Lansdowne Village skilled nursing facility	4624 Lansdowne Avenue	Saint Louis	MO	631161523	US
MO7	001268.91		Alexian Bros. Comm. Sevs. of SL North PACE	8449 Jennings Station Road	Saint Louis	MO	631366301	US
TN8	001070.65	ABSN	Alexian Bros. Senior Neighbors	1000 Newby Street	Chattanooga	TN	374022703	US
TN4	001070.59	AVT	AVT Valley Residence Assisted Family Living	1164 Mountain Creek Road	Chattanooga	TN	374051618	US
TN7	001070.64	AGI	Alexian Grove Senior Housing	4025 Carl Swafford Drive	Chattanooga	TN	374192218	US
TN6	001070.63	ABCS	Alexian Bros. Community Services	425 and 455 Cumberland	Chattanooga	TN	374041905	US



**SCHEDULE OF LOCATIONS, APPENDIX A**

Location No.	Index No.	Division	Location Title	Address	City	ST	Postal Code	CO
TN5	000000.00	AVT	Alexian Village St. Elmo Community Center	4625 Saint Elmo Avenue	Chattanooga	TN	374091660	US
TN14	000000.00	ABSN	Alexian Bros. Senior Neighbors	521 Hawthorne	Chattanooga	TN	374041905	US
TN13	000000.00	ABSN	Alexian Bros. Senior Neighbors	957 Boynton Drive	Chattanooga	TN	374022118	US
TN2	084752.25	AVT	Alexian Village of Tennessee Alexian Inn, Cluster Unit/Brau Apartments, Canyon View Apartments	100 James Boulevard	Signal Mountain	TN	373771860	US
TN1	084752.25	ABA	Alexian Brothers of America, Inc. Brothers Residence	198 James Boulevard	Signal Mountain	TN	373771816	US
TN10	000000.00	ABSN	Alexian Bros. Senior Neighbors	190 Depot Street	Soddy Daisy	TN	373796603	US
W13	063142.55	AVM	Alexian Village of Milwaukee, Inc. Village West	7979 West Glenbrook Road	Milwaukee	WI	532231062	US
W14	063142.55	AVM	Alexian Village of Milwaukee, Inc. Health Center	7979 West Glenbrook Road	Milwaukee	WI	532231062	US
W14A	063142.55	AVM	Alexian Village of Milwaukee, Inc. Cottage Construction	7979 West Glenbrook Road	Milwaukee	WI	532231062	US
W17	063142.55	ABA	Alexian Brothers of America, Inc. Brothers Residence	8000 Limerick Road	Milwaukee	WI	532231072	US
W16	063142.55	AVM	Alexian Elderly Services, Inc. Alexian Pavillion	9225 North 76th Street	Milwaukee	WI	532231058	US
W11	063142.55	AVM	Alexian Village of Milwaukee, Inc. Village East	9301 North 76th Street	Milwaukee	WI	532231003	US
W12	063142.55	AVM	Alexian Village of Milwaukee, Inc. Village Square	9301 North 76th Street	Milwaukee	WI	532231003	US
W12A	063142.55	AVM	Alexian Village of Milwaukee, Inc. Village East Solarium Construction	9301 North 76th Street	Milwaukee	WI	532231074	US
HU01	999999.99		Szent Alexius Kolostor	Templomisor ut7	Gyorujbarat		9081	HU
PH01	000000.00		Alexian Brothers Novitiate	9th 1 <sup>st</sup> Jereza Subd. Bajada	Davao City		8000	PH
PH02	000000.00		Alexian Brothers Health & Wellness Clinic	Km 4 MacArthur Highway, Matina	Davao City		8000	PH

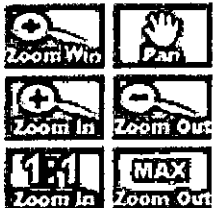
41



# FEMA MSC Viewer



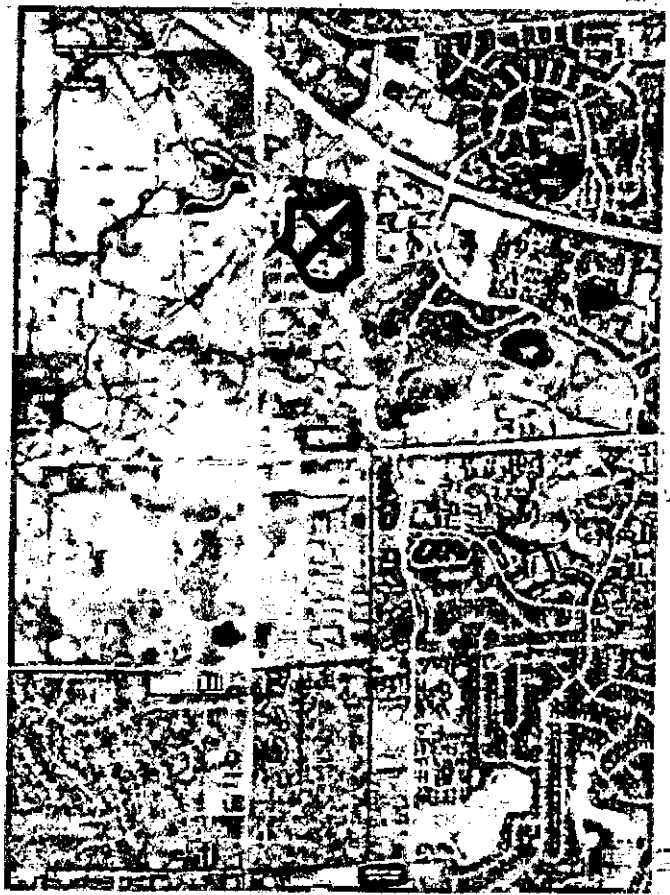
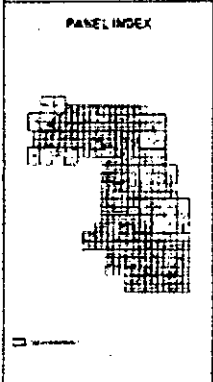
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### Follow Instructions

- 1. Select page size
  - Letter 8.5x11
  - Legal 8.5x14
  - Tabloid 11x17
- 2. Select & Move Areas
  - Print Area
  - Scale and North Arrow
  - Title Block
- 3. Create FIR Mette
  - Adobe PDF
  - Image File

Map information and metadata text, including details about the map's content and source.



The map provided above is in compliance with the flood plain identification requirements identified in Executive Order #5, 2006.

ATTACHMENT 4

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**Illinois Historic  
Preservation Agency**

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • [www.illinois-history.gov](http://www.illinois-history.gov)

Cook County

Hoffman Estates

CON - New Construction of Bed Tower and Interior Rehabilitation, St. Alexius  
Medical Center  
1555 Barrington Road  
IHPA Log #008071309

July 29, 2009

Jacob Axel

Axel & Associates, Inc.  
675 North Court, Suite 210  
Palatine, IL 60067

Dear Mr. Axel:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker  
Deputy State Historic  
Preservation Officer

## ITEMIZATION OF PROJECT COSTS

### Preplanning Costs (\$1,433,055)

Evaluation of alternatives, preliminary design concepts and feasibility assessments.

### Site Survey and Soil Investigation (\$25,000)

Surveying of site and evaluation of the ground's ability to support the proposed building.

### Site Preparation (\$3,139,868)

Removal of existing parking surfaces, drive and walkways, installation of exterior signage and lighting, and landscaping.

### New Construction Contracts (\$63,297,355)

Construction of additions to hospital consistent with ATTACHMENT 76c.

### Modernization Contracts (\$9,821,075)

Renovation to existing hospital structure consistent with ATTACHMENT 76c.

### Contingencies (\$7,121,750)

New construction and renovation-related contingencies.

### Architectural and Engineering Fees (\$4,442,741)

Professional fees associated with the project design, preparation of all documents, and interface with IDPH and local authorities, through the project's completion.

### Consulting and Other Fees (\$2,000,000)

CON-related consulting and review fees, IDPH and municipal review fees, environmental impact assessment, project management services, reimbursables, site security, permits, insurance, materials testing, interior design consultant and miscellaneous costs.

### Moveable and Other Equipment (\$21,000,000)

Furnishing, fixtures and all non-fixed clinical and non-clinical equipment, including IT.

### Bond Issuance Expense (\$390,00)

All costs associated with the issuance of project-specific bonds, including bond counsel, issuer's fees, statement development and printing, title insurance and other miscellaneous costs associated with the issuance.

Net Interest Expense During Construction (\$4,744,000)

Interest paid on debt from issuance through the completion of construction.

Dept./Area	Cost	Gross Square Feet		Amount of proposed Total Square Feet			Vacated Space
		Existing	Proposed	New Const.	That is:		
					Modernized	As Is	
<b>Reviewable</b>							
Medical/Surgical	\$ 13,300,472	51,051	107,916	-	107,916		
ICU	\$ 5,026,341	13,318	18,627	5,309	13,318		
Pediatrics	\$ 5,722,296	14,375	9,866	9,866			14,375
Obstetrics/L I Nursery	\$ 13,615,054	17,595	25,873	25,873			17,595
NICU/L III Nursery	\$ 1,701,223	3,374	2,742	2,742			3,374
L II Nursery	\$ 10,593,981	-	18,179	18,179			
Critical Decisions Unit	\$ 1,237,253	-	2,764	2,764			
Surgery/Recovery	\$ 10,820,698	25,805	38,955	12,518	10,413		16,024
C-Section Suite	\$ 4,410,386	1,947	6,708	6,708			
LDRs	\$ 5,335,655	10,900	9,164	9,164			10,900
MRI	\$ 154,657	1,800	2,877		1,077		1,800
Observation Beds	\$ 3,202,446	-	6,452	6,452			
Lab	\$ 197,328	5,060	5,166		475		
Pharmacy	\$ 773,283	2,407	4,062	1,655			
Express Admissions	\$ 1,237,253	-	2,826	2,826			
	\$ 77,328,328		262,177	104,056	133,199		
<b>Non-Reviewable</b>							
Physicians' Offices	\$ 2,324,989			4,874			
Nursing Admin/Ed	\$ 842,305			1,874			
Film Storage	\$ 120,258				1,291		
Patient Registration	\$ 400,774	3,020	3,812	792			
Biomedical Engineering	\$ 590,946	3,058	3,948	890			
Central Sterile	\$ 100,086	1,770	2,070		300		
Dietary	\$ 460,344	10,240	11,519		1,279		
Public Areas	\$ 10,421,504			20,610			
Environmental Services	\$ 1,483,183	3,987	4,290	3,400			
Facilities/Mechanical	\$ 12,430,536			34,077			
General Stores	\$ 481,032	6,209	7,007	1,060	1,402		
Information Technology	\$ 1,171,548	2,524	2,395	1,563			
Security	\$ 801,720	348	1,963	1,721			
Conference Center	\$ 7,495,225	7,468	14,551	14,551			
Medical Staff/On Call	\$ 962,064			2,100			
<b>Total</b>	\$ 40,086,515		51,555	87,512	4,272		
	\$ 117,414,843		313,732	191,568	137,471		





# State of Illinois 1906373 Department of Public Health

## LICENSE, PERMIT, CERTIFICATION, REGISTRATION

This person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

**DAMON T. ARNOLD, M.D.**

**DIRECTOR**

EXPIRATION DATE

01/31/10

CATEGORY

BGBD

I.D. NUMBER

0004994

**FULL LICENSE**

**GENERAL HOSPITAL**

**EFFECTIVE: 02/01/09**

**BUSINESS ADDRESS:**

**ST. ALEXIUS MEDICAL CENTER**

**1555 BARRINGTON ROAD**

**HOFFMAN ESTATES, IL 60194**

This is a document that is subject to the provisions of the Illinois Public Access Act (625 ILCS 170/1-170/10) and is hereby made available to the public.

Issued under the authority of  
The State of Illinois  
Department of Public Health

↑ DISPLAY THIS PART IN A  
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN  
IDENTIFICATION

**State of Illinois 1906373**

**Department of Public Health**

**LICENSE, PERMIT, CERTIFICATION, REGISTRATION**

**ST. ALEXIUS MEDICAL CENTER**

EXPIRATION DATE

01/31/10

CATEGORY

BGBD

I.D. NUMBER

0004994

**FULL LICENSE**

**GENERAL HOSPITAL**

**EFFECTIVE: 02/01/09**

**12/06/08**

**ST. ALEXIUS MEDICAL CENTER**

**1555 BARRINGTON ROAD**

**HOFFMAN ESTATES IL 60194**

**FEE RECEIPT NO.**



October 14, 2008

Edward M. Goldberg  
President and CEO  
St. Alexius Medical Center  
1555 Barrington Road  
Hoffman Estates, IL 60169

Joint Commission ID #: 5173  
Accreditation Activity: Measure of Success  
Accreditation Activity Completed: 10/14/2008

Dear Mr. Goldberg:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning March 14, 2008. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit [Quality Check®](#) on the Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that the Joint Commission will keep the report confidential, except as required by law. To ensure that the Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin, RN, Ph.D.  
Executive Vice President  
Accreditation and Certification Operations

ATTACHMENT 10



May 13, 2009

Francine McGouey, MA  
CEO  
Alexian Brothers Behavioral Health Hospital  
1650 Moon Lake Boulevard  
Hoffman Estates, IL 60169

Joint Commission ID #: 263831  
Accreditation Activity: Measure of Success  
Accreditation Activity Completed: 5/13/2009

Dear Mrs. McGouey:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Behavioral Health Care
- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning October 28, 2008. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

A handwritten signature in cursive script that reads 'Ann Scott Blouin RN, Ph.D.'.

Ann Scott Blouin, RN, Ph.D.  
Executive Vice President  
Accreditation and Certification Operations

ATTACHMENT 10

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 1906374  
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ALEXIAN BROTHERS BEHAVIORAL

EXPIRATION DATE	CATEGORY	ID NUMBER
01/31/10	BGBD	0005009

FULL LICENSE

PSYCH. HOSPITAL

EFFECTIVE: 02/01/09

12/06/08

ALEXIAN BROTHERS BEHAVIORAL  
HEALTH HOSPITAL  
1650 MOON LAKE BOULEVARD  
HOFFMAN ESTATES IL 60194

FEE RECEIPT NO.

State of Illinois 1906374  
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DAMON T. ARNOLD, M.D.  
DIRECTOR

Issued under the authority of  
The State of Illinois  
Department of Public Health

EXPIRATION DATE	CATEGORY	ID NUMBER
01/31/10	BGBD	0005009

FULL LICENSE  
PSYCH. HOSPITAL  
EFFECTIVE: 02/01/09

BUSINESS ADDRESS

ALEXIAN BROTHERS BEHAVIORAL  
HEALTH HOSPITAL  
1650 MOON LAKE BOULEVARD

HOFFMAN ESTATES IL 60194

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

**State of Illinois 1927329**  
**Department of Public Health**

**LICENSE, PERMIT, CERTIFICATION, REGISTRATION**

The person, firm or corporation whose name appears on this certificate, has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity described below.

**DAMON T. ARNOLD, M.D.**  
**DIRECTOR**  
Exercise under the authority of  
The State of Illinois  
Department of Public Health

06/30/10	BGBD	0002238
FULL LICENSE		
GENERAL HOSPITAL		
EFFECTIVE: 07/01/09		

**BUSINESS ADDRESS**

**ALEXIAN BROTHERS MEDICAL CENTER**  
**800 WEST BIESTERFIELD ROAD**

**ELK GROVE VILLAG, IL 60007**

The fees of this license has a colored background, printed by authority of the State of Illinois • 457 •

**State of Illinois 1927329**  
**Department of Public Health**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

06/30/10	BGBD	0002238
FULL LICENSE		
GENERAL HOSPITAL		
EFFECTIVE: 07/01/09		

05/02/09

**ALEXIAN BROTHERS MEDICAL CENTER**  
**800 WEST BIESTERFIELD ROAD**  
**ELK GROVE VILLAG IL 60007**

FEE RECEIPT NO.

Alexian Brothers Medical Center  
Elk Grove Village, IL  
has been Accredited by



**The Joint Commission**

Which has surveyed this organization and found it to meet the requirements for the  
Hospital Accreditation Program

July 14, 2007

Accreditation is customarily valid for up to 39 months.

*David L. Nahrwold*

David L. Nahrwold, M.D.  
Chairman of the Board

7340  
Organization ID #

*Dennis S. O'Leary*

Dennis S. O'Leary, M.D.  
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at [www.jointcommission.org](http://www.jointcommission.org).





**ALEXIAN**  
**BROTHERS**  
Health System

September 21, 2009

Illinois Health Facilities and  
Services Review Board  
525 West Jefferson  
Springfield, IL 62761

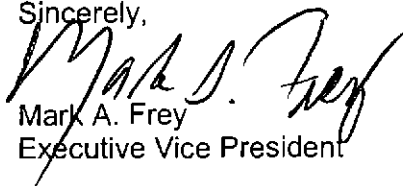
To Whom It May Concern:

In accordance with Review Criterion 1110.230.b, Background of the Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that:

1. Alexian Brothers Health System has not had any adverse actions against any facility owned and operated by the applicant during the three (3) year period prior to the filing of this application and,
2. Alexian Brothers Health System authorizes the State Board and Agency access to information to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application.

If we can in any way provide assistance to your staff regarding these as assurances or any other issue relative to this application, please do not hesitate to call me.

Sincerely,

  
Mark A. Frey  
Executive Vice President

## PURPOSE OF THE PROJECT

This project proposes a major modernization program for St. Alexius Medical Center (SAMC), designed to improve the hospital's ability to deliver both inpatient and outpatient services to the population that has traditionally looked to SAMC for care, in a contemporary fashion. In the most general terms, the project will: 1) transform the hospital into a facility consisting primarily of private patient rooms; 2) improve from a facility perspective the manner in which the hospital is able to provide services to women through the modernization of its LDR suites and its ante- and post-partum areas, and to infants and children through the modernization of its NICU, newborn nursery, and pediatrics areas; and 3) improve the patient flow and the manner in which outpatient services are provided.

The proposed project does not involve the establishment of any new "categories of service", but does involve a re-designation of beds, resulting in an overall reduction in the hospital's approved bed complement.

The hospital's service area is not anticipated to change with this project. According to the IHA's CompDATA program, SAMC has historically attracted 80-90% of its medical/surgical patients from a 28-ZIP Code area in northwestern Cook County and eastern Kane County. (Please see ATTACHMENT 24 for an identification of the



ZIP Code areas/communities.) The historical and anticipated patient origin for obstetrics and pediatrics at SAMC is very similar to that of its medical/surgical service population.

Among the demographic characteristics relevant to this project are aging, area fertility rates and payor mix. First, according to IDPH projections, the cumulative 65+ population in the 28-ZIP Codes from which SAMC attracts the vast majority of its patients will increase by over 20% between 2007 and 2012. Second, with Sherman Hospital's relocating to the west, residents of a number of ZIP Code areas served by SAMC and Sherman will now be located closer to SAMC, and it is anticipated that SAMC's market share of the area to the west of the hospital (primarily ZIP Code area 60123) will increase. Because the fertility rate in northern Kane County (per IDPH data) of .076/1,000 is higher than every other collar county planning area with the exception of southern Kane County, an increase in demand for OB services at SAMC is anticipated to result. Third, during 2008, 41.4% of SAMC's OB patients were Medicaid recipients, compared to 7.7% for the Med/Surg service. With the anticipated increases in OB patients resulting from Sherman Hospital's relocation, the 41.4% is anticipated to increase.

The nation-wide trend toward private patient rooms is in part a result of studies that have shown both lower medication error rates as well as lower infection rates for hospitalized patients not sharing a room.

St. Alexius anticipates near immediate feedback from the private room setting, not only in terms of lower medication error and infection rates, but in improved patient satisfaction as identified through post-discharge surveys. While neither SAMC's medication error or infection rates are abnormal, the target for both is zero.

Last, numerous informational sources were used in the planning of this project, including: anecdotal information obtained through user group (key physicians, management, and departmental personnel) planning sessions, internal historical utilization data, IDPH utilization data, the Illinois Hospital Licensing Act, IHFPB space and utilization standards, AIA Guidelines for Design and Construction of Health Care Facilities 2006, and Department of Veterans Affairs Design Guides.

## ALTERNATIVES

The purpose of this project is to provide hospital services to the patient population that has traditionally looked to St. Alexius Medical Center for those services, and to provide those services in a private room setting, consistent with contemporary practices.

Two alternatives were considered:

### Alternative 1, Deflect Patients to Alexian Brothers Medical Center

The potential of deflecting patients, particularly medical/surgical and pediatrics patients to St. Alexius' sister hospital in Elk Grove Village was quickly dismissed, and for two primary reasons. First, Alexian Brothers Medical Center completed a major modernization project earlier this year, which included the locating of 80.1% of its non-rehabilitation beds in a private room setting. Utilization of the medical/surgical, pediatrics and obstetrics services has been high, and the accommodating of St. Alexius patients would necessitate the conversion of private rooms back to semi-private rooms. Second, historically, seven out of every ten patients admitted to St. Alexius are initially seen in the emergency department, necessitating an inter-hospital transfer if patients were to be "deflected" to Alexian Brothers Medical Center, for all but scheduled/elective admissions, which account for only 30% of the hospital's admissions.

Alternative 2. Increase the Number of Private Rooms to be Provided, Beyond the Number Proposed

Upon the completion of this project, 87.1% of St. Alexius' beds will be located in a private room, 270 of the planned 310 beds. The design to be used by the hospital for the new construction component of this project incorporates a "footprint" for a nursing unit to have 32 private rooms. An additional 32-room floor could be added to the project, resulting in 97.4% of the beds being located in private rooms.

The single largest drawback to including the additional 32-bed floor is the cost of doing so, estimated at \$8,460,000. Fully understanding that the hospital's census will exceed 90% (277 of its 308 approved beds) on relatively rare occasions, management believes it to be more prudent to put procedures in place within the admitting department to place a second patient in a semi-private room only when a suitable bed in a private room or an unoccupied semi-private room is not available.

The primary evidence of an improved quality of patient care associated with an increased number of private rooms (Alternative 2) will be higher scores on patient satisfaction surveys, and perhaps a minimally lower infection and medication error rates. The quality of service to be provided to patients transferred from St. Alexius' ED (Alternative 1) to Alexian Brothers Medical Center would be inferior because of the delays and difficulties associated with such transfers.

**SUMMARY COMPARISON OF ALTERNATIVES TO PROPOSED PROJECT**

	<u>Cost</u>	<u>Quality</u>	<u>Patient Accessibility</u>
<u>Alternative 1</u> Deflect Patients to ABMC	no/minimal short-term or long-term costs	quality of care would be identical, but quality of service would be inferior due to the required transfer	inferior, most patients would be treated further from home
<u>Alternative 2</u> Construct an Additional 32-bed Unit	additional short-term cost of approx. \$8.5M, no long-term costs	identical*	identical*

\*identical to the proposed project

## SIZE OF PROJECT

The space planning process for this project was directed by Proteus Group, a Chicago-based architectural and planning firm with extensive background in the planning of hospitals and other health care-related facilities. That process, in addition to Proteus Group's expertise was shaped by the following factors:

- hospital-specific bed need requirements and the volume of ancillary and support services projected to result from anticipated admissions and patient days;
- building limitations resulting from the design of the existing building in areas to be renovated;
- user group meetings that included physicians, staff, and management; and
- the cost associated with alternatives.

As a result of its space planning process, the co-applicants are confident that the proposed is necessary and not excessive.

### Description of Construction and Renovation

The primary construction associated with this project will involve the building of a six-level facility, attached to the existing hospital, to include the following:

#### Lower Level:

- pharmacy
- biomedical engineering
- conference center
- general stores
- information technology
- security

- facilities/environmental services

Second Level:

- pediatrics
- intensive care
- observation

Third level:

- interstitial mechanical space

Fourth Level:

- LDRs
- OB/Gyn unit
- C-Section Suite
- observation

Fifth Floor:

- OB/Gyn unit
- Level I (well baby) nursery

Sixth Floor

- Level II nursery
- Level III (NICU) nursery
- on-call rooms

In addition, new construction, in the form of additions to the ground floor of the existing hospital building will allow for the expanding of surgery/recovery and nursing administration/nursing education, as well as the development of physicians' office space and an express admissions unit.

The three nursing units on the second and fourth floors and two nursing units on the third, fifth and sixth floors of the existing hospital bed tower will be renovated to accommodate all of the proposed 212 medical/surgical beds and 27 ICU beds. In addition, renovation will occur on the lower two levels of the existing hospital to address the needs of surgery/recovery, MRI, lab, film storage, dietary and general stores.

### Departmental Space Allocation

A goal of the facility planning process was to gain efficiencies through the sharing of support space, when feasible by programmatically related or adjacent departments. This concept, and its impact on the project's compliance with the IDPH's space standards was discussed with State Agency staff through a technical assistance conference on August 4, 2009. As a result of that conference, State Agency staff concurred with the reasonableness of such an approach, and stated that if presented as such, combined space standards of related departments—such as surgery and recovery or the postpartum unit and the well baby nursery—would be used by the State Agency in their evaluation of the project's consistency with those standards.

As a result, the surgical suite and recovery function are being combined (existing standard being 2,078 sf per OR and 180 sf per recovery station and the proposed standard being 2,750 sf per OR and 180 sf per recovery station), and 15 Class C operating rooms, 45 Phase I and 15 Phase II recovery stations will be provided. Similarly, the 38-bed obstetrics service is being combined with the Level I/well baby nursery (existing standard being 476 sf per bed for the 38 obstetrics beds and 152 sf per obstetrics bed for the well baby nursery, and the proposed standards being 500-660 sf per bed for the obstetrics beds and 160 sf per obstetrics beds for the well baby nursery). The combining of areas is clearly identified in the tables provided at ATTACHMENT 8 and ATTACHMENT 76C1.



The proposed project consists of fifteen "clinical" areas, and the IHFSRB currently maintains standards for ten of those areas. The IHFSRB does not have standards for the following areas: Level II nursery, critical decisions unit, observation beds, and the C-Section suite. In addition, it should be noted that the State Board has proposed rules, which were approved on March 11, 2009. Through the "new" rules, the space standards for two areas, pharmacy and laboratory, have been eliminated, and the standards for every other of the clinical areas included in this project, and for which there are standards, have changed.

The table below addresses each clinical area having an IDPH-adopted space standard.

	#	Proposed SF	Proposed SF/Bed	Current Standard	Proposed Standard
<b><u>Consistent with Current Standard:</u></b>					
ICU Beds	35	18,627	532	603	600-685
NICU/ L III Nursery	8	2,742	343	355	437-565
Surgery/Recovery	15	41,588	2,773	3,470	3,690
LDRs	11	9,164	833	1,975	1,120-1,600
MRI	3	2,877	959	3,400	1,800
Laboratory		5,166	17	36	none
<b><u>Exceeding Current Standard:</u></b>					
Medical/Surgical Beds	212	104,604	493	401	500-660
Obstetrics Beds/L I Nursery	38	25,873	681	628	500-660
Pediatrics Beds	17	9,866	580	420	500-660
Pharmacy		4,062	13	12	none

As proposed, six of the 10 clinical areas for which the State Board maintains standards are compliant with the "old" standards; and every one of the clinical areas is compliant with the "new" standards. It should be noted that in many instances, and particularly the inpatient units, the "new" standards incorporate more contemporary

hospital design concepts, such as the providing of private rooms or multiple levels of post-surgical recovery care, that were not incorporated into the "old" standards, some of which were developed as early as the 1980s.

Last, the medical/surgical beds will all be located in the existing hospital upon the project's approval. That building, which was built by a previous owner, was designed to have three round 16 to 18-room nursing units per floor. This relatively unusual design is viewed by the co-applicants as being inefficient. However, there are minimal opportunities to decrease the square footage per patient room, the result being 493 sf per room.

## PROJECT SERVICES UTILIZATION

The proposed project involves five services addressed in Section 1100, and for which the IDPH has established utilization standards:

- medical/surgical beds
- pediatrics beds
- obstetrics beds
- ICU beds
- NICU

### Medical/Surgical Beds

It is projected that in 2012 St. Alexius Medical Center (SAMC) will require 212 Medical/Surgical beds to operate at the IDPH target utilization level of 85%. The proposed 212 beds represents a reduction of 27 beds from the hospital's current complement. This projection assumes no change to the current age group-specific average length of stay (ALOS), nor does it anticipate any change to the hospital's historical service area.

The hospital's historical 28 ZIP Code service area and historical (2007) admission rates from each of the 28 ZIP Code areas were used as the basis for the bed need projection. During 2007, 82.5% of SAMC's 15-64 year old Med/Surg patients and 90.1% of its 65+ age group patients came from this area, and those rates were held constant in the projection process. ZIP Code specific 2012 population projections (five years from the base year) developed by ESRI Marketing Systems, Inc. were applied to

the historical admission rates, and two adjustments were made to the resultant patient day projections.

First, and most significant, was an adjustment to the hospital-specific admission rates from nine of the 28 ZIP Code areas. These adjustments were made in response to an extraordinary and unique circumstance: the IHFPB-approved relocation of Sherman Hospital, anticipated to occur in 2010. Sherman Hospital is the closest hospital to the west of SAMC, located 7.94 miles (per MapQuest) to the west, and relocating to 12.37 miles to the west of SAMC. As a result, the projected SAMC admission rates from nine of the 28 ZIP Codes have been adjusted, with six being adjusted downward and three being adjusted upward. The adjustments are estimates resulting from SAMC's understanding of physician admitting patterns as well as discussions with representatives of a number of EMS districts that will adjust their transport destinations as a result of the relocation of Sherman Hospital. The table below identifies the anticipated admission rate changes.

**ADJUSTMENTS TO MED/SURG ADMISSION RATE  
RESULTING FROM THE RE-LOCATION OF SHERMAN HOSPITAL**

60102	Algonquin	-30%
60110	Carpentersville	175%
60118	West Dundee	75%
60120	Elgin (East side)	175%
60123	Elgin (West side)	-50%
60124	Elgin	-40%
60142	Huntley	-40%
60156	Lake in the Hills	-50%
60177	South Elgin	-50%

The second adjustment made is minor, but accounts for the difference between SAMC's historical 7-day census and its Monday-Friday census, with that adjustment being +1.2%.

The tables on the following two pages provide the methodology for the projected bed need. In reviewing these tables, and particularly the age 65+ table, of note is the fact that the ZIP Code areas contributing the largest number of patients (60169/Hoffman Estates, 60107/Streamwood, 60193 and 60194/Schaumburg and 60133/Hanover Park) are not among the ZIP Code areas identified above as having anticipated shifts in admission rates to SAMC.

Ages 15-64 Med/Surg		2008 adm	2007 pop (000s)	adm rate	2012 pop (000s)	adm rate	2012 adm	% from 28 ZIPs	projected adm	ALOS	Pt. Days	adj for 5-day	adjusted Pt. Days	Bed Need
60004	Arlington Hts	20	33.151	0.6033	31.650	0.6033	19.09							
60007	Elk Gr. Vill	58	23.550	2.4628	22.693	2.4628	55.89							
60008	Rolling Mead.	55	15.278	3.5999	14.714	3.5999	52.97							
60010	Barrington	160	30.127	5.3109	31.111	5.3109	165.23							
60014	Crystal Lk.	45	33.989	1.3240	36.688	1.3240	48.57							
60067	Palatine	127	26.895	4.7221	27.143	4.7221	128.17							
60074	Palatine	66	26.614	2.4799	26.069	2.4799	64.65							
60102	Algonquin	133	23.448	5.6721	27.538	3.9705	109.34							
60103	Bartlett	469	26.089	17.9769	26.719	17.9769	480.33							
60107	Streamwood	1,018	24.825	41.0070	24.106	41.0070	988.52							
60108	Bloomingtondale	45	15.564	2.8913	15.34	2.8913	44.35							
60110	Carpenters.	188	26.337	7.1382	29.575	19.6302	580.56							
60118	W. Dundee	73	13.162	5.5463	14.933	9.7060	144.94							
60120	Elgin	263	34.776	7.5627	35.373	20.7974	735.67							
60123	Elgin	144	33.390	4.3127	34.931	2.1563	75.32							
60124	Elgin	44	1.888	23.3051	1.910	13.9831	26.71							
60133	Hanover Pk.	770	26.191	29.3994	26.625	29.3994	782.76							
60142	Huntley	92	11.767	7.8185	15.648	4.6911	73.41							
60156	Lk. In the Hills	89	22.353	3.9816	27.013	1.9908	53.78							
60169	Hoffman Ests.	765	2.418	316.3772	2.411	316.3772	762.79							
60172	Roselle	102	17.731	5.7526	17.347	5.7526	99.79							
60173	Schaumburg	55	9.200	5.9783	8.898	5.9783	53.19							
60177	S. Elgin	88	14.128	6.2288	15.865	3.1144	49.41							
60188	Carol Stream	56	29.589	1.8926	29.448	1.8926	55.73							
60192	Schaumburg	190	0.693	274.1703	0.782	274.1703	214.40							
60193	Schaumburg	414	27.978	14.7973	26.621	14.7973	393.92							
60194	Schaumburg	391	25.348	15.4253	24.336	15.4253	375.39							
60195	Hoffman Ests.	96	21.117	4.5461	20.688	4.5461	94.05							
		6,016	597.60		616.18		6,729	0.825	8,156	3.50	28,547	1.012	28,889	93.12

Ages 65+ Med/Surg	2008 adm		2007 pop (000s)		2012 pop (000s)		adm rate		2012 adm		% from 28 ZIP's	projected adm		ALOS		Pt. Days		adj for 5-day		adjusted Pt. Days		Bed Need		
	2008 adm	2007 pop (000s)	adm rate	2012 pop (000s)	adm rate	2012 adm	adm rate	2012 adm	adm rate	2012 adm		adm	ALOS	Pt. Days	5-day	adjusted Pt. Days	Bed Need							
60004	37	7.488	4.9412	7.843	4.9412	38.75	4.9412	38.75																
60007	55	4.361	12.6118	4.78	12.6118	60.28	12.6118	60.28																
60008	22	2.539	8.6648	2.665	8.6648	23.09	8.6648	23.09																
60010	190	5.373	35.3620	6.64	35.3620	234.80	35.3620	234.80																
60014	14	4.479	3.1257	5.437	3.1257	16.99	3.1257	16.99																
60067	89	4.356	20.4316	5.204	20.4316	106.33	20.4316	106.33																
60074	26	3.480	7.4713	3.914	7.4713	29.24	7.4713	29.24																
60102	81	2.295	35.2941	3.262	35.2941	80.59	35.2941	80.59																
60103	486	2.522	192.7042	3.323	192.7042	640.36	192.7042	640.36																
60107	892	2.664	334.8348	3.276	334.8348	1096.92	334.8348	1096.92																
60108	38	3.139	12.1058	3.752	12.1058	45.42	12.1058	45.42																
60110	58	2.089	27.7645	2.68	27.7645	204.62	27.7645	204.62																
60118	45	1.868	24.0899	2.499	24.0899	105.35	24.0899	105.35																
60120	142	3.300	43.0303	3.902	43.0303	461.74	43.0303	461.74																
60123	40	4.823	8.2936	5.375	8.2936	22.29	8.2936	22.29																
60124	18	0.225	80.0000	0.275	80.0000	13.20	80.0000	13.20																
60133	389	2.084	186.6603	2.756	186.6603	514.44	186.6603	514.44																
60142	87	3.173	27.4188	4.841	27.4188	79.64	27.4188	79.64																
60156	23	1.285	17.8988	1.865	17.8988	16.69	17.8988	16.69																
60169	1,129	0.746	1513.4048	0.766	1513.4048	1159.27	1513.4048	1159.27																
60172	77	2.421	31.8050	2.93	31.8050	93.19	31.8050	93.19																
60173	35	0.858	40.7925	1.085	40.7925	44.26	40.7925	44.26																
60177	13	1.287	10.1010	1.713	10.1010	8.65	10.1010	8.65																
60188	35	2.626	13.3283	3.199	13.3283	42.64	13.3283	42.64																
60192	154	0.043	3581.3953	0.068	3581.3953	243.53	3581.3953	243.53																
60193	575	4.679	122.8895	5.268	122.8895	647.38	122.8895	647.38																
60194	638	3.149	202.6040	3.679	202.6040	745.38	202.6040	745.38																
60195	68	2.082	32.6609	2.668	32.6609	87.14	32.6609	87.14																
	5,456	79.43		95.67		6,862		6,862			0.901	7,616			4.80	36,558	1,012	36,996				119.25	212.36	

### Pediatrics Beds

This project proposes a reduction in the hospital's pediatrics bed complement from 35 to 17. The methodology used to identify the number of beds required and to demonstrate that those beds will operate at the IDPH's target utilization level is identical to that used to identify the Medical/Surgical bed need, and as discussed above. The table on the following page presents the methodology.



Ages 0-14/pediatrics	2008 adm		2007 pop		2012 pop		2012 adm		projected adm		ALOS		adj for		Bed	
	2008 adm	(000s)	adm rate	(000s)	adm rate	(000s)	adm rate	2012 adm	% from 28 ZIPs	projected adm	Pt. Days	ALOS	5-day	Pt. Days	adjusted	Bed Need
60004	2	9.714	0.2059	9.342	0.2059	9.342	1.92									
60007	22	6.469	3.4008	6.062	3.4008	6.062	20.62									
60008	9	4.75	1.8947	4.553	1.895	4.553	8.63									
60010	16	9.164	1.7460	8.858	1.746	8.858	15.47									
60014	16	11.178	1.4314	10.805	1.431	10.805	15.47									
60067	7	7.330	0.9550	7.356	0.955	7.356	7.02									
60074	10	8.650	1.1561	8.568	1.156	8.568	9.91									
60102	32	8.691	3.6820	9.556	3.314	9.556	31.67									
60103	50	10.759	4.6473	10.683	4.647	10.683	49.65									
60107	131	8.721	15.0212	8.505	15.0212	8.505	127.76									
60108	11	3.684	2.9859	3.463	2.9859	3.463	10.34									
60110	80	11.101	7.2066	12.208	19.8180	12.208	241.94									
60118	9	4.119	2.1850	4.526	3.9330	4.526	17.80									
60120	60	13.648	4.3962	13.753	13.1887	13.753	181.38									
60123	41	11.540	3.5529	12.172	2.1317	12.172	25.95									
60124	10	0.698	14.3266	0.730	5.0143	0.730	3.66									
60133	107	9.304	11.5004	8.734	11.5004	8.734	100.44									
60142	18	3.342	5.3860	4.179	2.6930	4.179	11.25									
60156	30	8.940	3.3557	10.195	1.6779	10.195	17.11									
60169	67	0.657	101.9787	0.650	101.9787	0.650	66.29									
60172	17	4.838	3.5138	4.573	3.5138	4.573	16.07									
60173	7	1.746	4.0092	1.717	4.0092	1.717	6.88									
60177	10	5.841	1.7120	6.624	0.8560	6.624	5.67									
60188	9	10.217	0.8809	9.438	0.8809	9.438	8.31									
60192	27	0.302	89.4040	0.330	89.4040	0.330	29.50									
60193	48	7.025	6.8327	6.841	6.8327	6.841	46.74									
60194	38	7.578	5.0145	7.370	5.0145	7.370	36.96									
60195	2	6.174	0.3239	5.987	0.3239	5.987	1.94									
	886	196.18		197.778		197.778	1116		0.798	1,399	2.8	3,917	1.012	3,964		16.71

### Obstetrics Beds

It is projected that in 2012 St. Alexius Medical Center (SAMC) will require 38 obstetrics beds to operate at the IDPH target utilization level of 78%. 34 of the beds will be designated as postpartum beds, and four additional beds will be physically separated from the postpartum unit and designated as antepartum beds. The postpartum bed need projection assumes no change to the current average length of stay (ALOS), nor does it anticipate any change to the hospital's historical service area.

The hospital's historical 28 ZIP Code service area and historical (2007) admission rates from each of the 28 ZIP Code areas were used as the basis for the bed need projection. During 2007, 83.1% of SAMC's obstetrics patients came from this area, and that rate was held constant in the projection process. ZIP Code specific 2012 population projections (five years from the base year) developed by ESRI Marketing Systems, Inc. were applied to the historical admission rates, and, as was the case with the Medical/Surgical projection discussed above, adjustments were made to the ZIP Code-specific admission rates. Unlike with the Medical/Surgical bed need projection, however, no adjustment was made for a Monday-Friday census.

Adjustments to the hospital-specific admission rates were made from nine of the 28 ZIP Code areas. These adjustments, as was the case with the Medical/Surgical projections, were made in response to the relocation of Sherman Hospital (see Medical/Surgical discussion), anticipated to occur in 2010 and Provena St. Joseph Hospital's (Elgin) 2009 "discontinuation" of its obstetrics category of service. IDPH data

indicates that during 2007, there were 499 deliveries at Provena St. Joseph Hospital. While it is anticipated that the vast majority of the St. Joseph deliveries will gravitate to Sherman Hospital, both because SAMC is one of the closest hospitals to St. Joseph and because SAMC is the closest hospital affiliated with the Catholic Church, it is also anticipated that 15-20% of the St. Joseph deliveries, and particularly those from the east side of Elgin, will relocate to St. Alexius.

The anticipated admission rates from six ZIP Code areas were being adjusted downward and the anticipated rates from three were adjusted upward. The adjustments are estimates resulting from SAMC's understanding of physician admitting patterns.

**ADJUSTMENTS TO OB/GYN ADMISSION RATE  
RESULTING FROM THE RE-LOCATION OF SHERMAN HOSPITAL**

60102	Algonquin	-10%
60110	Carpentersville	+175%
60118	West Dundee	+80%
60120	Elgin (East side)	+300%
60123	Elgin (West side)	-40%
60124	Elgin	-65%
60142	Huntley	-50%
60156	Lake in the Hills	-40%
60177	South Elgin	-50%

The table following this discussion provides the methodology for the projected bed need for the patient population traditionally coming to SAMC for obstetrics services, as discussed above, identifying a need for 34 beds to address the projected postpartum caseload.

With the opening of the hospital's NICU, and based on discussions with high risk obstetricians currently practicing at St. Alexius, a significant number of antepartum patients, requiring 3-4 beds, will be admitted to SAMC. These patients reside in the area, but have historically been admitted to a hospital having a NICU for their antepartum hospitalization in anticipation of the newborn requiring the care of a NICU. This has typically resulted in a travel-related hardship for the patients' families, that will be eliminated with the opening of SAMC's NICU. A letter from Suburban Maternal Fetal Medicine, LLC projecting an anticipated 100-120 patients having an average length of stay of 10-14 days, is provided at the end of this attachment.

Obstetrics	2008 adm		2007 pop		2012 pop		2012 adm	2012 adm rate	2012 adm	% from 28 ZIPs	projected adm	ALOS	Pt. Days	Bed Need
	2008 adm	F 15-44 yo (000s)	adm rate	F 15-44 yo (000s)	adm rate	F 15-44 yo (000s)								
60004	14	9.215	1.5193	8.466	1.5193	8.466	12.86							
60007	32	6.722	4.7605	6.069	4.7605	6.069	28.89							
60008	17	4.42	3.8462	4.035	3.8462	4.035	15.52							
60010	38	7.371	5.1553	7.49	5.1553	7.49	38.61							
60014	29	10.43	2.7804	10.438	2.7804	10.438	29.02							
60067	43	7.406	5.8061	7.098	5.8061	7.098	41.21							
60074	55	8.217	6.6934	7.618	6.6934	7.618	50.99							
60102	59	8.069	7.3119	8.158	6.5807	8.158	53.69							
60103	147	7.486	19.6367	7.8	19.6367	7.8	153.17							
60107	347	7.799	44.4929	7.124	44.4929	7.124	316.97							
60108	27	4.339	6.2226	4.105	6.2226	4.105	25.54							
60110	186	9.266	20.0734	9.837	55.2018	9.837	543.02							
60118	28	3.91	7.1611	4.224	12.8900	4.224	54.45							
60120	181	11.435	15.8286	11.068	47.4858	11.068	525.57							
60123	81	11.157	7.2600	11.24	4.3560	11.24	48.96							
60124	38	0.626	60.7029	0.610	21.2460	0.610	12.96							
60133	327	8.207	39.8440	7.605	39.8440	7.605	303.01							
60142	35	3.479	10.0604	4.381	5.0302	4.381	22.04							
60156	53	8.186	6.4745	8.925	3.8847	8.925	34.67							
60169	236	0.706	334.2776	0.666	334.2776	0.666	222.63							
60172	39	5.132	7.5994	4.697	7.5994	4.697	35.89							
60173	55	2.874	19.1371	2.564	19.1371	2.564	49.07							
60177	39	4.963	7.8582	5.149	3.9291	5.149	20.23							
60188	29	9.521	3.0459	8.756	3.0459	8.756	26.67							
60192	85	0.209	406.6986	0.219	406.6986	0.219	89.07							
60193	122	8.034	15.1855	7.266	15.1855	7.266	110.34							
60194	124	7.62	16.2730	6.946	16.2730	6.946	113.03							
60195	47	6.403	7.3403	5.922	7.3403	5.922	43.47							
	2,513	183.20		178.48		178.48	3,021		0.831	3,636	2.60	9,453	33.20	

### ICU Beds

Two methodologies were used to project ICU bed utilization and bed need. Methodology 1 is very similar to the IDPH's area-wide ICU bed need determination methodology, using the average of three years of historical utilization to identify a use rate, and then projecting that use rate on the 2012 projected service area population. That methodology identified a need for 32 beds. Methodology 2 identified St. Alexius Medical Center's 2008 ratio of ICU patient days to medical/surgical/pediatrics patient days and applied that ratio to the 2012 projected medical/surgical and pediatrics (see above) patient days, identifying a need for 41 beds.

35 ICU beds are being proposed, and the co-applicants believe that to be a sufficient and appropriate number. St. Alexius operates a pediatrics emergency department (in addition to the adult department), and that service is well known throughout the far northwestern suburbs. The hospital also operates a small pediatrics intensive care unit (PICU), largely to support the pediatric ED, with many of the patients admitted to the PICU being initially seen in the pediatrics ED. The separation of pediatrics from adult patients would suggest a "need" somewhat greater than that identified through Methodology 1, 32 beds. In addition, and as noted in Methodology 2, SAMC has historically provided 12.9 ICU patient days of care for every 100 patient days of medical/surgical/pediatrics care it provides. As noted in the discussions of medical/surgical and pediatrics bed need presented earlier in this attachment, due primarily to demographic changes—including both population growth and aging within the service area—and the relocating of Sherman Hospital, utilization of the pediatric and

medical/surgical services are anticipated to increase during the planning period, resulting in an increase in the demand at SAMC for ICU beds.

The projected utilization of ICU beds at SAMC, based on the current med/surg/peds : ICU patient day ratio, results in an occupancy rate of 70.0% (24.5 ADC ÷ 35 beds), compared to the IDPH target of 60%.

As a result of the issues discussed above, as well as the availability of suitable space, a bed number within the 32-41 bed range identified by the two methodologies would appear appropriate, and design considerations resulted in the proposed 35 bed complement.

ICU	2007/08 M/S/P	2007/08 ICU days	rate	projected m/s/p adm	projected ICU days	ADC	Target Occ Rate	Bed Need
0-14 adm:	1,110			1,399				
15-64 adm:	7,292			8,156				
65+ adm:	6,055			7,616				
	14,458	5,323	0.368	17,171	6,322	17.32	0.6	28.87
<b>ICU-Methodology 1</b>								
2006 patient days:	6,737				2007 service area pop:	0-14:		196,180
2007 patient days:	6,737					15-64:		597,600
2008 patient days:	6,482					65+:		79,430
average:	19,956		6.652					873,210
					2006-2008 patient days/1,000:			7.62
<b>ICU-Methodology 2</b>								
2008 M/S/P	2008 ICU				2012 M/S/P		2012 ICU	
Pt Days	Pt Days				Pt Days		Pt Days	
60,375	6,482		0.129	69,506	69,506		8,944	
					ave daily census:		24.50	
					target occupancy rate:		0.60	
					2012 ICU bed need:			41



### NICU Stations

On April 8, 2008 a CON Permit (#07-146) was issued for the establishment of an 8-station NICU at St. Alexius. As of the writing of this application, the hospital is awaiting approval from the perinatal network to initiate services. The project addressed in this application includes a replacement of the recently-constructed NICU as a component of the later stages of the proposed project. The originally-approved NICU was viewed as a temporary site for the service by the hospital, and the proposed site will be contiguous to the hospital's re-located obstetrics and newborn services.

Consistent with direction given by State Agency staff on July 13, 2009 this application will not provide utilization-based justification for the NICU, as it had been provided in conjunction with project #07-146, and that the number of proposed NICU stations will remain at eight.

# SUBURBAN MATERNAL FETAL MEDICINE, LLC

Donald R. Taylor, D.O., FACOOG  
Lee C. Yang, D.O., FACOOG

Edward Hospital  
801 S. Washington  
Naperville, IL 60540  
(630) 527-3278  
(630) 527-7459 Fax

St. Alexius Medical Center  
1555 N. Barrington Rd.  
Hoffman Estates, IL 60194  
(847) 490-6960  
(847) 490-2916 Fax



Mr. Edward M. Goldberg  
CEO  
St. Alexius Medical Center  
1555 Barrington Road  
Hoffman Estates, IL 60194

Dear Ed,

I am looking forward to the opening of St. Alexius' Level III NICU, and as we have discussed, its availability will be a important to our patients from the northwest suburbs.

As you are aware, our high-risk obstetrics practice serves both St. Alexius Medical Center and Edward Hospital, and we maintain offices at both hospitals. Because Edward operates a Level III NICU, our practices at the two hospitals differ, but I can certainly envision what our commitment to St. Alexius will be, with the opening of your Level III NICU, that being very similar to our commitment to Edward.

It has been, and will continue to be, our practice to typically admit our antepartum patients to a hospital having a Level III NICU, when the likelihood of the baby needing that level of care exists. Currently, we are either admitting such northwest suburban patients to Edward Hospital or referring them to another practice, for admission to a closer hospital. Many of these patients live a hour away from Edward, resulting not only in family difficulties during the antepartum stay, but while the newborn is being cared for in the hospital, which can be for an extended period.

Our practice's length of antepartum stay typically ranges from 10-14 days, and based on the geographic distribution of the patients in our practice, I would anticipate 100-120 annual admissions to St. Alexius, following the opening of your Level III NICU.

Our group supports your plans, and would be happy to assist you in any way you deem appropriate.

Sincerely,

Donald Taylor, D.O., FACOOG

A handwritten signature in black ink, appearing to read 'Donald Taylor'. The signature is stylized and cursive.

ATTACHMENT 14

PLANNING AREA NEED  
SERVICE TO PLANNING AREA RESIDENTS

The only IDPH-designated “categories of service” to be expanded as a component of the proposed project are the obstetrical beds and ICU components, which will expand from 28 to 38 beds and 29 to 33 beds, respectively.

Historically, St. Alexius Medical Center has provided its services, including obstetrics and ICU services, to the residents of its “home” planning area, that being IDPH-designated Planning Area A-07, which consists of the northwestern Cook County suburbs. Of note, however, is the fact that SAMC is located only 4¾ miles to the east of the border with PA A-11 (Kane County) and 7¾ miles south of PA A-09 (Lake County).

The table on the following page identifies SAMC’s 2008 obstetrics patient origin by ZIP Code area, identifying each area contributing .3% or more of the obstetrics admissions. The ZIP Code areas in boldface represent the areas located in PA A-07, with those 18 areas accounting for 55.6% of the admissions. Seven of the nine ZIP Code areas accounting for the highest numbers of admissions are located in A-07. The source of the provided ZIP Code data was the IHA’s CompDATA program.

ZIP Code Area	Community	%
<b>60107</b>	<b>Streamwood</b>	<b>11.4%</b>
<b>60133</b>	<b>Hanover Park</b>	<b>10.7%</b>
<b>60169</b>	<b>Hoffman Estates</b>	<b>7.7%</b>
60110	Carpentersville	6.1%
60120	Elgin	5.9%
<b>60103</b>	<b>Bartlett</b>	<b>4.8%</b>
<b>60194</b>	<b>Schaumburg</b>	<b>4.1%</b>
<b>60193</b>	<b>Schaumburg</b>	<b>4.0%</b>
<b>60192</b>	<b>Schaumburg</b>	<b>2.8%</b>
60123	Elgin	2.7%
60102	Algonquin	1.9%
<b>60074</b>	<b>Palatine</b>	<b>1.8%</b>
<b>60173</b>	<b>Schaumburg</b>	<b>1.8%</b>
60156	Lake in the Hills	1.7%
<b>60195</b>	<b>Hoffman Estates</b>	<b>1.5%</b>
<b>60067</b>	<b>Palatine</b>	<b>1.4%</b>
<b>60172</b>	<b>Roselle</b>	<b>1.3%</b>
60177	South Elgin	1.3%
<b>60010</b>	<b>Barrington</b>	<b>1.2%</b>
60124	Elgin	1.2%
60142	Huntley	1.1%
<b>60007</b>	<b>Elk Grove Village</b>	<b>1.0%</b>
<b>60188</b>	<b>Carol Stream</b>	<b>1.0%</b>
<b>60108</b>	<b>Bloomington</b>	<b>0.9%</b>
60118	West Dundee	0.9%
<b>60008</b>	<b>Rolling Meadows</b>	<b>0.6%</b>
<b>60004</b>	<b>Arlington Heights</b>	<b>0.4%</b>
60014	Crystal Lake	<u>0.3%</u>
	Other	18.5%

Similarly, the table on the following page identifies the historical ICU patient origin, which for planning purposes, is anticipated to be virtually identical to the patient origin of the Medical/Surgical service. Each ZIP Code area contributing a minimum of 0.4% of the hospital's ICU patients during 2008 is identified. The 18 ZIP Code areas identified in boldface, which are located in northwestern Cook County, accounted for 58.4% of the hospital's ICU patients during the study period, and seven of the nine ZIP

ZIP Code Area	Community	%
<b>60107</b>	<b>Streamwood</b>	<b>14.3%</b>
<b>60169</b>	<b>Hoffman Estates</b>	<b>14.2%</b>
<b>60133</b>	<b>Hanover Park</b>	<b>8.7%</b>
<b>60194</b>	<b>Schaumburg</b>	<b>7.9%</b>
<b>60193</b>	<b>Schaumburg</b>	<b>7.4%</b>
<b>60103</b>	<b>Bartlett</b>	<b>7.2%</b>
60120	Elgin	3.0%
<b>60192</b>	<b>Schaumburg</b>	<b>2.6%</b>
<b>60010</b>	<b>Barrington</b>	<b>2.6%</b>
60110	Carpentersville	1.8%
60102	Algonquin	1.6%
60123	Elgin	1.4%
<b>60195</b>	<b>Hoffman Estates</b>	<b>1.3%</b>
<b>60172</b>	<b>Roselle</b>	<b>1.3%</b>
60142	Huntley	1.3%
<b>60067</b>	<b>Palatine</b>	<b>1.1%</b>
60118	West Dundee	0.9%
60156	Lake in the Hills	0.8%
60177	South Elgin	0.8%
<b>60007</b>	<b>Elk Grove Village</b>	<b>0.8%</b>
<b>60074</b>	<b>Palatine</b>	<b>0.7%</b>
<b>60188</b>	<b>Carol Stream</b>	<b>0.7%</b>
<b>60173</b>	<b>Schaumburg</b>	<b>0.6%</b>
<b>60108</b>	<b>Bloomington</b>	<b>0.6%</b>
<b>60008</b>	<b>Rolling Meadows</b>	<b>0.6%</b>
60124	Elgin	0.4%
<b>60004</b>	<b>Arlington Heights</b>	<b>0.4%</b>
60014	Crystal Lake	0.4%
	Other	<u>14.6%</u>
		100.0%

In conclusion, and even though St. Alexius Medical Center is located in close proximity to two other IDPH-designated planning areas, the majority of both obstetrics and ICU patients admitted to the hospital are residents of the IDPH-designated planning area in which the hospital is located.

SERVICE DEMAND  
EXPANSION OF AN EXISTING CATEGORY OF SERVICE

Two IDPH-designated categories of service will be expanded through the proposed project: obstetrics beds will be increased from 28 to 38 and ICU beds will be increased from 29 to 33.

Obstetrics Beds

As a component of this project, the hospital's obstetrics bed complement will be expanded from the current 28 beds to 38 beds. 34 of the proposed beds will be designated as postpartum beds, with the remaining four beds being designated for antepartum care.

During 2007 and 2008 SAMC operated its obstetrics category of service at 80.6% and 85.3% occupancy, respectively, with the average being 83%. The IDPH's target occupancy rate for a 28-bed service is 78%, and as such, the service operated in excess of the target rate during each of the past two years. Mathematically, during 2008, 31 beds would have been needed to reduce the occupancy rate to the target level.

The postpartum bed need projection (please see ATTACHMENT 14 for calculations) assumes no change to the current average length of stay (ALOS), nor does it anticipate any change to the hospital's historical service area.

The hospital's historical 28 ZIP Code service area and historical (2007) admission rates from each of the 28 ZIP Code areas were used as the basis for the bed need projection. During 2007, 83.1% of SAMC's obstetrics patients came from this area, and that rate was held constant in the projection process. ZIP Code specific 2012 population projections (five years from the base year) developed by ESRI Marketing Systems, Inc. were applied to the historical admission rates, and, as was the case with the Medical/Surgical projection discussed above, adjustments were made to the ZIP Code-specific admission rates. Unlike with the Medical/Surgical bed need projection, however, no adjustment was made for a Monday-Friday census.

Adjustments to the hospital-specific admission rates were made for nine of the 28 ZIP Code areas. These adjustments were made in response to the relocation of Sherman Hospital, anticipated to occur in 2010 and Provena St. Joseph Hospital's (Elgin) 2009 "discontinuation" of its obstetrics category of service. These, and particularly the relocation of a close by hospital, are unusual circumstances that impact the projected utilization of other area hospitals, and particularly St. Alexius. The ignoring of these factors when projecting utilization and bed need would simply not be practical.

IDPH data indicates that during 2007, there were 499 deliveries at Provena St. Joseph Hospital. While it is anticipated that the vast majority of the St. Joseph deliveries will gravitate to Sherman Hospital, both because SAMC is one of the closest hospitals to St. Joseph and because SAMC is the closest hospital affiliated with the Catholic Church,

it is also anticipated that 15-20% of the St. Joseph deliveries, and particularly those from the east side of Elgin, will relocate to St. Alexius.

The anticipated admission rates from six ZIP Code areas were adjusted downward and the anticipated rates from three were adjusted upward. The adjustments are estimates resulting from SAMC's understanding of physician admitting patterns.

**ADJUSTMENTS TO OB/GYN ADMISSION RATE  
RESULTING FROM THE RE-LOCATION OF SHERMAN HOSPITAL**

60102	Algonquin	-10%
60110	Carpentersville	+175%
60118	West Dundee	+80%
60120	Elgin (East side)	+300%
60123	Elgin (West side)	-40%
60124	Elgin	-65%
60142	Huntley	-50%
60156	Lake in the Hills	-40%
60177	South Elgin	-50%

With the opening of the hospital's NICU, and based on discussions with high risk obstetricians currently practicing at St. Alexius, a significant number of antepartum patients, requiring 3-4 beds, will be admitted to SAMC. These patients reside in the area, but have historically been admitted to a hospital having a NICU for their antepartum hospitalization in anticipation of the newborn requiring the care of a NICU. This has typically resulted in a travel-related hardship for the patients' families, which will be eliminated with the opening of SAMC's NICU. Please see the letter included in ATTACHMENT 14 from Suburban Maternal Fetal Medicine, LLC projecting 100-110 antepartum admissions, having average lengths of stay of 10-14 days.



### ICU Beds

During 2007 and 2008 SAMC's ICU beds operated with occupancy rates of 65.2% and 61.2%, respectively. The average occupancy rate during that two-year period was 63.2%.

Two methodologies were used to project ICU bed utilization and bed need (please see ATTACHMENT 14). Methodology 1 is very similar to the IDPH's area-wide ICU bed need determination methodology, using the average of three years of historical utilization to identify a use rate, and then projecting that use rate on the 2012 projected service area population. That methodology identified a need for 32 beds. Methodology 2 identified St. Alexius Medical Center's 2008 ratio of ICU patient days to medical/surgical/pediatrics patient days and applied that ratio to the 2012 projected medical/surgical and pediatrics (see ATTACHMENT 14) patient days, identifying a need for 41 beds.

St. Alexius operates a pediatrics emergency department (in addition to the adult department), and that service is well known throughout the far northwestern suburbs. The hospital also operates a small pediatrics intensive care unit (PICU), largely to support the pediatric ED, with many of the patients admitted to the PICU being initially seen in the pediatrics ED. The separation of pediatrics from adult patients would suggest a "need" somewhat greater than that identified through Methodology I, 32 beds. In addition, and as noted in Methodology 2, SAMC has historically provided 12.9 ICU patient days of care for every 100 patient days of medical/surgical/pediatrics care it

provides. As noted in the discussions of Medical/Surgical and pediatrics bed need presented earlier in this attachment, due primarily to demographic changes—including both population growth and aging within the service area—and the relocating of Sherman Hospital, utilization of the pediatric and Medical/Surgical services are anticipated to increase during the planning period, resulting in an increase in the demand at SAMC for ICU beds.

The projected utilization of ICU beds at SAMC, based on the current med/surg/peds : ICU patient day ratio, results in an occupancy rate of 70.0% (24.5 ADC ÷ 35 beds), compared to the IDPH target of 60%.

As a result of the issues discussed above, as well as the availability of suitable space, a bed number within the 32-41 bed range identified by the two methodologies would appear appropriate, and design considerations resulted in the proposed 35 bed complement.

## SERVICE RESTRICTIONS

Review criterion 1110.530.(b)(5) limits service restrictions to: planning areas in which the service in question is not provided, where limitations due to payor status exist, where restrictive admissions policies exist, where indicators of unusual medical care problems exist, or where all providers located within 45 minutes are operating in excess of the utilization standard.

The only two IDPH-designated "categories of service" to be expanded through the proposed project are obstetrics beds (10 beds) and ICU beds (4 beds). None of the "restrictions" noted in the paragraph above exist in this planning area, nor would one expect them to exist in any 45-minute area in Illinois for either of these two services, which are common to most hospitals.

Rather, St. Alexius has operated both of these services in excess of the IDPH's target utilization for 2+ years, utilization increases will result from demographic changes and from the relocation of Sherman Hospital and the Provena St. Joseph's recent decision to "discontinue" its obstetrics program, both of which the State Board is well aware of.

In addition, and of note is the fact that during the first four months of 2009, St. Alexius was on "bypass" for emergency transport vehicles 12 times due to no ICU beds being available.

## CATEGORY OF SERVICE MODERNIZATION

The proposed project involves the modernization of five IDPH-designated "categories of service": medical/surgical beds, obstetrics beds, pediatrics beds, ICU beds, and a Level III nursery/NICU. Through the proposed modernization, the number of medical/surgical and pediatrics beds will be reduced, the number of obstetrics and ICU beds will be increased and the number of Level III nursery stations/beds will remain constant. Cumulatively, the project will result in a reduction of 31 beds.

Consistent with review criterion 1110.530(d)1 C), the proposed modernization is designed to increase the number of private rooms at St. Alexius, consistent with what has become a "standard of care". At the conclusion of the project, 100% of the hospital's ICU, pediatric and obstetrics beds and 83% of its medical/surgical beds will be located in private rooms.

Numerous hospitals, particularly in the suburban Chicago planning areas have received approvals over the past 5-10 years for similar projects—projects designed to either increase the number of private patient rooms or create a 100% private room setting—noting a number of reasons to do so, including: improved infection control capabilities, enhanced patient privacy, and patient desire; all of which are applicable to this project.

The table below provides three years of historical utilization information for each “category of service” with the exception of the Level III nursery, which has yet to become operational.

<b>Category</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
medical/surgical	47.8%	51.5%	54.3%
pediatrics	38.8%	32.3%	22.5%
obstetrics	76.1%	80.6%	85.4%
ICU	63.6%	65.0%	61.2%

## STAFFING AVAILABILITY

The proposed project does not involve the establishment of any “categories of service”, but does include the expansion of two existing services: obstetrics beds and ICU beds.

St. Alexius Medical Center, as is its current practice, will meet—and in most cases, exceed—all relevant IDPH licensure and JCAHO staffing requirements.

The incremental staffing required for the four additional ICU beds and the 10 additional obstetrics beds will be attracted prior to the actual expanding of those services through the hospital’s normal recruitment vehicles, which include internal postings, internet postings and postings in the print media. No unusual difficulties are anticipated in the recruitment of well-qualified staff for either of these services.

## PERFORMANCE REQUIREMENTS

The IDPH maintains performance requirements/minimum unit sizes for four of the five categories of service addressed in this project. Compliance with those minimum unit sizes is demonstrated below. The IDPH does not maintain a minimum unit size for NICUs, the fifth category of service included in this project.

	<u>Minimum Size</u>	<u>Proposed Size</u>
medical/surgical beds	100	212
obstetrics beds	20	38
pediatrics beds	4	17
ICU beds	4	35





**ALEXIAN**  
**BROTHERS**  
Health System

## ASSURANCES

September 21, 2009

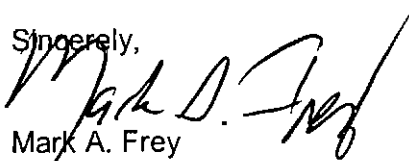
Illinois Health Facilities and  
Services Review Board  
525 West Jefferson  
Springfield, IL 62761

To Whom It May Concern:

This letter is being provided for inclusion on the Application for Permit addressing a major modernization program for St. Alexius Medical Center.

It is the applicant's understanding that by the end of the second year following the completion of the project, each of the IDPH-designated "categories of service" addressed in the project will achieve and maintain the applicable occupancy and/or utilization standards, as identified in 77 Ill. Adm. Code 1100. Those "categories of service" include: medical/surgical beds, ICU beds, obstetrics beds, pediatric beds and neonatal intensive care unit.

Sincerely,



Mark A. Frey  
Executive Vice President

PLANNING AREA NEED  
SERVICE TO PLANNING AREA RESIDENTS

The only IDPH-designated "categories of service" to be expanded as a component of the proposed project are the obstetrical beds and ICU components, which will expand from 28 to 38 beds and 29 to 33 beds, respectively.

Historically, St. Alexius Medical Center has provided its services, including obstetrics and ICU services, to the residents of its "home" planning area, that being IDPH-designated Planning Area A-07, which consists of the northwestern Cook County suburbs. Of note, however, is the fact that SAMC is located only 4 $\frac{3}{4}$  miles to the east of the border with PA A-11 (Kane County) and 7 $\frac{3}{4}$  miles south of PA A-09 (Lake County).

The table on the following page identifies SAMC's 2008 obstetrics patient origin by ZIP Code area, identifying each area contributing .3% or more of the obstetrics admissions. The ZIP Code areas in boldface represent the areas located in PA A-07, with those 18 areas accounting for 55.6% of the admissions. Seven of the nine ZIP Code areas accounting for the highest numbers of admissions are located in A-07.

ZIP Code Area	Community	%
<b>60107</b>	<b>Streamwood</b>	<b>11.4%</b>
<b>60133</b>	<b>Hanover Park</b>	<b>10.7%</b>
<b>60169</b>	<b>Hoffman Estates</b>	<b>7.7%</b>
60110	Carpentersville	6.1%
60120	Elgin	5.9%
<b>60103</b>	<b>Bartlett</b>	<b>4.8%</b>
<b>60194</b>	<b>Schaumburg</b>	<b>4.1%</b>
<b>60193</b>	<b>Schaumburg</b>	<b>4.0%</b>
<b>60192</b>	<b>Schaumburg</b>	<b>2.8%</b>
60123	Elgin	2.7%
60102	Algonquin	1.9%
<b>60074</b>	<b>Palatine</b>	<b>1.8%</b>
<b>60173</b>	<b>Schaumburg</b>	<b>1.8%</b>
60156	Lake in the Hills	1.7%
<b>60195</b>	<b>Hoffman Estates</b>	<b>1.5%</b>
<b>60067</b>	<b>Palatine</b>	<b>1.4%</b>
<b>60172</b>	<b>Roselle</b>	<b>1.3%</b>
60177	South Elgin	1.3%
<b>60010</b>	<b>Barrington</b>	<b>1.2%</b>
60124	Elgin	1.2%
60142	Huntley	1.1%
<b>60007</b>	<b>Elk Grove Village</b>	<b>1.0%</b>
<b>60188</b>	<b>Carol Stream</b>	<b>1.0%</b>
<b>60108</b>	<b>Bloomington</b>	<b>0.9%</b>
60118	West Dundee	0.9%
<b>60008</b>	<b>Rolling Meadows</b>	<b>0.6%</b>
<b>60004</b>	<b>Arlington Heights</b>	<b>0.4%</b>
60014	Crystal Lake	<u>0.3%</u>
	Other	18.5%

Similarly, the table on the following page identifies the historical ICU patient origin, which for planning purposes, is anticipated to be virtually identical to the patient origin of the medical/surgical service. Each ZIP Code area contributing a minimum of 0.4% of the hospital's ICU patients during 2008 is identified. The 18 ZIP Code areas identified in boldface, which are located in northwestern Cook County, accounted for 58.4% of the hospital's ICU patients during the study period, and seven of the nine ZIP Code areas contributing the highest number of patients are located in Planning Area A-07.

ZIP Code Area	Community	%
<b>60107</b>	<b>Streamwood</b>	<b>14.3%</b>
<b>60169</b>	<b>Hoffman Estates</b>	<b>14.2%</b>
<b>60133</b>	<b>Hanover Park</b>	<b>8.7%</b>
<b>60194</b>	<b>Schaumburg</b>	<b>7.9%</b>
<b>60193</b>	<b>Schaumburg</b>	<b>7.4%</b>
<b>60103</b>	<b>Bartlett</b>	<b>7.2%</b>
60120	Elgin	3.0%
<b>60192</b>	<b>Schaumburg</b>	<b>2.6%</b>
<b>60010</b>	<b>Barrington</b>	<b>2.6%</b>
60110	Carpentersville	1.8%
60102	Algonquin	1.6%
60123	Elgin	1.4%
<b>60195</b>	<b>Hoffman Estates</b>	<b>1.3%</b>
<b>60172</b>	<b>Roselle</b>	<b>1.3%</b>
60142	Huntley	1.3%
<b>60067</b>	<b>Palatine</b>	<b>1.1%</b>
60118	West Dundee	0.9%
60156	Lake in the Hills	0.8%
60177	South Elgin	0.8%
<b>60007</b>	<b>Elk Grove Village</b>	<b>0.8%</b>
<b>60074</b>	<b>Palatine</b>	<b>0.7%</b>
<b>60188</b>	<b>Carol Stream</b>	<b>0.7%</b>
<b>60173</b>	<b>Schaumburg</b>	<b>0.6%</b>
<b>60108</b>	<b>Bloomington</b>	<b>0.6%</b>
<b>60008</b>	<b>Rolling Meadows</b>	<b>0.6%</b>
60124	Elgin	0.4%
<b>60004</b>	<b>Arlington Heights</b>	<b>0.4%</b>
60014	Crystal Lake	0.4%
	Other	<u>14.6%</u>
		100.0%

In conclusion, and even though St. Alexius Medical Center is located in close proximity to two other IDPH-designated planning areas, the majority of both obstetrics and ICU patients admitted to the hospital are residents of the IDPH-designated planning area in which the hospital is located.

PLANNING AREA NEED  
SERVICE DEMAND  
EXPANSION OF AN EXISTING CATEGORY OF SERVICE

Two IDPH-designated categories of service will be expanded through the proposed project: obstetrics beds will be increased from 28 to 38 and ICU beds will be increased from 29 to 33.

Obstetrics Beds

As a component of this project, the hospital's obstetrics bed complement will be expanded from the current 28 beds to 38 beds. 34 of the proposed beds will be designated as postpartum beds, with the remaining four beds being designated for antepartum care.

During 2007 and 2008 SAMC operated its obstetrics category of service at 80.6% and 85.3% occupancy, respectively, with the average being 83%. The IDPH's target occupancy rate for a 28-bed service is 78%, and as such, the service operated in excess of the target rate during each of the past two years. Mathematically, during 2008, 31 beds would have been needed to reduce the occupancy rate to the target level.

The postpartum bed need projection (please see ATTACHMENT 14 for calculations) assumes no change to the current average length of stay (ALOS), nor does it anticipate any change to the hospital's historical service area.

The hospital's historical 28 ZIP Code service area and historical (2007) admission rates from each of the 28 ZIP Code areas were used as the basis for the bed need projection. During 2007, 83.1% of SAMC's obstetrics patients came from this area, and that rate was held constant in the projection process. ZIP Code specific 2012 population projections (five years from the base year) developed by ESRI Marketing Systems, Inc. were applied to the historical admission rates, and, as was the case with the medical/surgical projection discussed above, adjustments were made to the ZIP Code-specific admission rates. Unlike with the medical/surgical bed need projection, however, no adjustment was made for a Monday-Friday census.

Adjustments to the hospital-specific admission rates were made for nine of the 28 ZIP Code areas. These adjustments were made in response to the relocation of Sherman Hospital, anticipated to occur in 2010 and Provena St. Joseph Hospital's (Elgin) 2009 "discontinuation" of its obstetrics category of service. These, and particularly the relocation of a close by hospital, are unusual circumstances that impact the projected utilization of other area hospitals, and particularly St. Alexius. The ignoring of these factors when projecting utilization and bed need would simply not be practical.

IDPH data indicates that during 2007, there were 499 deliveries at Provena St. Joseph Hospital. While it is anticipated that the vast majority of the St. Joseph deliveries will gravitate to Sherman Hospital, both because SAMC is one of the closest hospitals to St. Joseph and because SAMC is the closest hospital affiliated with the Catholic Church, it is also anticipated that 15-20% of the St. Joseph deliveries, and particularly those from the east side of Elgin, will relocate to St. Alexius.

The anticipated admission rates from six ZIP Code areas were being adjusted downward and the anticipated rates from three were adjusted upward. The adjustments are estimates resulting from SAMC's understanding of physician admitting patterns.

**ADJUSTMENTS TO OB/GYN ADMISSION RATE  
RESULTING FROM THE RE-LOCATION OF SHERMAN HOSPITAL**

60102	Algonquin	-10%
60110	Carpentersville	+175%
60118	West Dundee	+80%
60120	Elgin (East side)	+300%
60123	Elgin (West side)	-40%
60124	Elgin	-65%
60142	Huntley	-50%
60156	Lake in the Hills	-40%
60177	South Elgin	-50%

With the opening of the hospital's NICU, and based on discussions with high risk obstetricians currently practicing at St. Alexius, a significant number of antepartum patients, requiring 3-4 beds, will be admitted to SAMC. These patients reside in the area, but have historically been admitted to a hospital having a NICU for their antepartum hospitalization in anticipation of the newborn requiring the care of a NICU. This has

typically resulted in a travel-related hardship for the patients' families, which will be eliminated with the opening of SAMC's NICU.

#### ICU Beds

During 2007 and 2008 SAMC's ICU beds operated with occupancy rates of 65.2% and 61.2%, respectively. The average occupancy rate during that two-year period was 63.2%.

Two methodologies were used to project ICU bed utilization and bed need (please see ATTACHMENT 14). Methodology 1 is very similar to the IDPH's area-wide ICU bed need determination methodology, using the average of three years of historical utilization to identify a use rate, and then projecting that use rate on the 2012 projected service area population. That methodology identified a need for 32 beds. Methodology 2 identified St. Alexius Medical Center's 2008 ratio of ICU patient days to medical/surgical/pediatrics patient days and applied that ratio to the 2012 projected medical/surgical and pediatrics (see ATTACHMENT 14) patient days, identifying a need for 41 beds.

St. Alexius operates a pediatrics emergency department (in addition to the adult department), and that service is well known throughout the far northwestern suburbs. The hospital also operates a small pediatrics intensive care unit (PICU), largely to support the pediatric ED, with many of the patients admitted to the PICU being initially seen in the pediatrics ED. The separation of pediatrics from adult patients would suggest a



“need” somewhat greater than that identified through Methodology I, 32 beds. In addition, and as noted in Methodology 2, SAMC has historically provided 12.9 ICU patient days of care for every 100 patient days of medical/surgical/pediatrics care it provides. As noted in the discussions of medical/surgical and pediatrics bed need presented earlier in this attachment, due primarily to demographic changes—including both population growth and aging within the service area—and the relocating of Sherman Hospital, utilization of the pediatric and medical/surgical services are anticipated to increase during the planning period, resulting in an increase in the demand at SAMC for ICU beds.

The projected utilization of ICU beds at SAMC, based on the current med/surg/peds : ICU patient day ratio, results in an occupancy rate of 70.0% (24.5 ADC ÷ 35 beds), compared to the IDPH target of 60%.

As a result of the issues discussed above, as well as the availability of suitable space, a bed number within the 32-41 bed range identified by the two methodologies would appear appropriate, and design considerations resulted in the proposed 35 bed complement.

## CATEGORY OF SERVICE MODERNIZATION

The proposed project involves the modernization of five IDPH-designated "categories of service": medical/surgical beds, obstetrics beds, pediatrics beds, ICU beds, and a Level III nursery/NICU. Through the proposed modernization, the number of medical/surgical and pediatrics beds will be reduced, the number of obstetrics and ICU beds will be increased and the number of Level III nursery stations/beds will remain constant. Cumulatively, the project will result in a reduction of 31 beds.

Consistent with review criterion 1110.530(d)1 C), the proposed modernization is designed to increase the number of private rooms at St. Alexius, consistent with what has become a "standard of care". At the conclusion of the project, 100% of the hospital's ICU, pediatric and obstetrics beds and 83% of its medical/surgical beds will be located in private rooms. A total of 88.3% of the hospital's beds will be located in private rooms.

Numerous hospitals, particularly in the suburban Chicago planning areas have received approvals over the past 5-10 years for similar projects—projects designed to either increase the number of private patient rooms or create a 100% private room setting—noting a number of reasons to do so, including: improved infection control capabilities, enhanced patient privacy, and patient desire; all of which are applicable to this project.

The table below provides three years of historical utilization information for each "category of service" with the exception of the Level III nursery, which has yet to become operational.

<b>Category</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
medical/surgical	47.8%	51.5%	54.3%
pediatrics	38.8%	32.3%	22.5%
obstetrics	76.1%	80.6%	85.4%
ICU	63.6%	65.0%	61.2%

## STAFFING AVAILABILITY

The proposed project does not involve the establishment of any “categories of service”, but does include the expansion of two existing services: obstetrics beds and ICU beds.

St. Alexius Medical Center, as is its current practice, will meet—and in most cases, exceed—all relevant IDPH licensure and JCAHO staffing requirements.

The incremental staffing required for the four additional ICU beds and the 10 additional obstetrics beds will be attracted prior to the actual expanding of those services through the hospital’s normal recruitment vehicles, which include internal postings, internet postings and postings in the print media. No unusual difficulties are anticipated in the recruitment of well-qualified staff for either of these services.

## PERFORMANCE REQUIREMENTS

The IDPH maintains performance requirements/minimum unit sizes for four of the five categories of service addressed in this project. Compliance with those minimum unit sizes is demonstrated below. The IDPH does not maintain a minimum unit size for NICUs, the fifth category of service included in this project.

	<u>Minimum Size</u>	<u>Proposed Size</u>
medical/surgical beds	100	212
obstetrics beds	20	38
pediatrics beds	4	17
ICU	4	35



**ALEXIAN**  
**BROTHERS**  
Health System

ASSURANCES

September 21, 2009

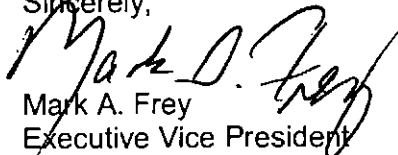
Illinois Health Facilities and  
Services Review Board  
525 West Jefferson  
Springfield, IL 62761

To Whom It May Concern:

This letter is being provided for inclusion on the Application for Permit addressing a major modernization program for St. Alexius Medical Center.

It is the applicant's understanding that by the end of the second year following the completion of the project, each of the IDPH-designated "categories of service" addressed in the project will achieve and maintain the applicable occupancy and/or utilization standards, as identified in 77 Ill. Adm. Code 1100. Those "categories of service" include: medical/surgical beds, ICU beds, obstetrics beds, pediatric beds and neonatal intensive care unit.

Sincerely,

  
Mark A. Frey  
Executive Vice President

**St Alexius Medical Center  
Neonatologists**

Martin J. Kelly, MD, Medical Director, Neonatology  
Board Certification, General Pediatrics, Neonatal-Perinatal Medicine

Hamida Khan, MD, Attending Neonatologist  
Board Certification, General Pediatrics, Neonatal-Perinatal Medicine

Violetta Komotos, MD, Attending Neonatologist  
Board Certification, General Pediatrics, Neonatal-Perinatal Medicine

Charles C. MacDonald II, MD, Attending Neonatologist  
Board Certification, General Pediatrics, Neonatal-Perinatal Medicine

**St Alexius Medical Center  
Special Care Nursery  
Registered Nurses**

	NAME	RN Certification High-Risk Neonate
1.	Barnes, Laura	Yes
2.	Born, Joyce	
3.	Brown, Theresa	
4.	Callahan, Susan	
5.	Cassin, Sarah	
6.	Chen, Helen	
7.	Corso, Kristin	
8.	Dier-Zimmel, Amanda	
9.	Feikert, Laurie	
10.	Frueh, Sophie	
11.	Gabler, Christine	Yes
12.	Grubnich, Sarah	
13.	Hausl, Ellyn	Yes
14.	Jett, Julie	
15.	Kaplan, Lina	
16.	Kelly, Melissa	
17.	Kim, Shirley	
18.	Layug, Arceli	
19.	Lindsey, Lori	
20.	Marando, Nancy	
21.	Mattijevic, Melanie	
22.	Mis, Sandra	Yes
23.	Mruz, Laura	
24.	Newton, Karla	
25.	Oliver, Kathryn	Yes
26.	Paganis, Alexandra	
27.	Paganis, Heather	
28.	Pearson, Lynda	
29.	Perryman, Marsha	
30.	Reid, Nancy	
31.	Rudd, Cheryl	Yes
32.	Schmerber, Lois	Yes
33.	Schultz, Melissa	
34.	Searle, Patricia	Yes
35.	Stahl, Karolyn	
36.	Vidales, Maria D	Yes
37.	Weber, Janet	
38.	Weiersheuser, S	
39.	Wollberg, Margaret	
41.	Wojtowicz, Anita	Yes
42.	Zak, Lisa	
43.	Zarek, Juanita	Yes





**ROCKFORD HEALTH**  
*system*

LEGAL 815-971-7420  
COMPLIANCE 815-971-7333  
FAX 815-961-1449

IT'S CALLED COMMITMENT

2350 NORTH ROCKTON AVENUE  
SUITE 205  
ROCKFORD, IL 61103

VIA U.S. MAIL

March 31, 2009

Christine M. Budzinsky  
Vice President, Patient Care Services  
St. Alexius Medical Center  
1555 Barrington Road  
Hoffman Estates, IL 60194

**Re: Perinatal Affiliation Agreement for Level II Hospital with Extended Capabilities  
& Renewal of Perinatal Center Education Affiliation Agreement**

Dear Ms. Budzinsky:

Enclosed for your records is a fully executed copy of the Perinatal Affiliation Agreement for Level II Hospital with Extended Capabilities between Rockford Memorial Hospital and St. Alexius Medical Center. Also Enclosed is a fully executed copy of the Renewal of Perinatal Center Education Affiliation Agreement. Thanks you for your assistance in getting these agreements completed. If you have any questions or need anything further please feel free to contact me at (815) 971-7445.

Sincerely,

Joan E. Meyer, Paralegal  
Rockford Health System  
2400 North Rockton Ave  
Rockford, IL 61103

Enclosures

ATTACHMENT 28-2

**PERINATAL AFFILIATION AGREEMENT  
FOR LEVEL II HOSPITAL WITH EXTENDED CAPABILITIES**

This Perinatal Affiliation Agreement ("Agreement") is made this 31<sup>st</sup> day of December 2008 by and between St. Alexius Medical Center, ("Hospital") located and doing business in Hoffman Estates, Illinois, and the Rockford Regional Perinatal Center at Rockford Memorial Hospital ("Perinatal Center") located and doing business in Rockford, Illinois. The Perinatal Center is recognized and designated by the Illinois Department of Public Health as a Level III Perinatal Center providing obstetrical care and neonatal care. In order to serve as a Level II with extended capabilities affiliated perinatal facility designated by the Illinois Department of Public Health, Hospital agrees to affiliate with the above Perinatal Center on the terms and conditions set forth herein.

**I. PURPOSE**

This Agreement has been entered into pursuant to the Adopted Rules of the Illinois Department of Public Health, Regionalized Perinatal Health Care Code (77 Ill. Adm. Code 640), with the express purpose and intent of establishing procedures for the care, support and transport of high-risk obstetrical and neonatal patients.

**II. PERINATAL CENTER OBLIGATIONS**

- A. The Perinatal Center will maintain "hot-lines" staffed 24-hours a day so that Hospital may consult with the Perinatal Center regarding obstetrical and neonatal patients and/or arrange for support services, referral or transport. These numbers, which are subject to change upon written notice to Hospital, shall be:

Obstetrical Number

Neonatal Number

Rockford: 1-800-373-6155  
or 815-971-6310

1-800-397-6861  
or 815-971-6500

Any physician affiliated with Hospital may request a patient transfer in accordance with the terms of this Agreement by contacting the Perinatal Center through the appropriate numbers.

- B. The Perinatal Center will accept all medically eligible obstetrical/neonatal patients.
- C. The Perinatal Center shall provide medical and surgical treatment and support services unavailable from Hospital to those neonatal and/or obstetrical patients whom the Perinatal Center determines need such treatment or services but whom the Perinatal Center determines need not or cannot be transported to the Perinatal Center. The Perinatal Center shall bill such patients for any such treatment or services provided.

- D. If the Perinatal Center is unable to accept a referred maternal or neonatal patient because of a lack of capacity or capability, Perinatal Center will assist in arranging for admission of the patient to another facility capable of providing the appropriate level of care.
- E. Transportation of all patients transferred pursuant to this Agreement will be the responsibility of the Perinatal Center. Decisions regarding transport and mode of transport will be made by the Perinatal Center in collaboration with the referring physician. Responsibility for the patient remains with Hospital until the transportation selected by the Perinatal Center accepts the patient.
- F. The Maternal Fetal Medicine physician of the Perinatal Center in collaboration with the referring physician will decide whether to have an obstetrical patient stabilized before transfer, kept in the affiliated unit or transferred immediately. The Perinatal Center will determine the best possible alternatives and the staff needed for transport.
- G. Written protocols for the mechanism of referral/transfer/transport will be distributed by the Perinatal Center to Hospital's physicians, administration and nursing service. This is to include a mechanism for data recording of the time, date and circumstances of transfer so that this information can be utilized as part of the morbidity and mortality reviews.
- H. A written summary of patient management and outcome for patients transferred under this Agreement will be sent by the Perinatal Center to the referring physician of record and to Hospital's chart at the time the patient is discharged. In addition, the Perinatal Center will endeavor to keep the referring physician informed of the patient's progress prior to discharge as appropriate.
- I. The Perinatal Center will conduct Joint Mortality and Morbidity conferences at the Hospital:
1. The Perinatal Center will be represented by Maternal Fetal Medicine specialists, neonatologist, and a nursing representative.
  2. The Hospital will be represented by obstetricians, pediatricians, family physicians, nurse midwives, and a nursing representative.
  3. The Hospital will provide case material to the Perinatal Center at least two weeks prior to conference.
  4. The content of the review will be determined by the Perinatal Center and Hospital in accordance with guidelines contained in Regionalized Perinatal Health Care Code. The review must include but not limited to maternal deaths, fetal deaths, neonatal deaths, selected morbidity, transfers, and continuous quality improvement projects.

J. The Perinatal Center will transfer patients back to Hospital when medically feasible in accordance with physician to physician consultation. Where patients are transferred back to Hospital in accordance with this paragraph, Hospital shall be responsible for notifying the appropriate health department of the patient's eventual discharge to home via the Adverse Pregnancy Outcome Reporting System (APORS) and for referring to appropriate state and local education service agencies those children having an identified handicapping condition or developmental disability. Where the Perinatal Center discharges the patient to his or her home, the Perinatal Center shall be responsible for these notifications and referrals. Each party shall use its own established procedures for making such notification and referrals and for obtaining appropriate parental consent. The Hospital will establish a method for securing a primary physician for any neonate returning from the Perinatal Center without a primary physician on admission to the Perinatal Center. Hospital and the Perinatal Center agree that stable infants with the following conditions may be returned to the Hospital where Hospital resources permit:

1. Infant with weight equal to or greater than 1250 grams.
2. Infant requiring oxygen less than 50% by hood or equivalent amount by nasal cannula.
3. Infant requiring chest physiotherapy.
4. Infant requiring gavage feedings.
5. Infant requiring phototherapy.
6. Infant requiring IV therapy with or without antibiotics.

K. The Perinatal Center will develop and offer Perinatal Outreach Education programs at a reasonable cost to include the following:

1. On-site consultation by Perinatal Center physicians and nurse educators as needed.
2. Periodic obstetrical and neonatal needs assessment of Hospital.
3. Protocols for patient management for Hospital.
4. Continuing Medical Education programs for obstetricians, pediatricians and family practitioners either at Hospital or at the Perinatal Center site.
5. Mini-Fellowships at the Perinatal Center for Hospital physicians and nurses.

6. Programs based on need assessment by outreach nurse educators at Hospital for obstetrical and neonatal nursing staff.
- L. The Perinatal Center will establish, maintain and coordinate the educational programs offered by and for all Level I, Level II, Level II+ and Level III hospitals for which it serves.
- M. The Perinatal Center shall develop a Regional Perinatal Management Group, Regional Quality Council, and Nurse Leadership Group, including, but not limited to, representatives of each hospital in the Perinatal Network. This group shall meet at least quarterly to plan management strategies, evaluate morbidity and mortality reviews, evaluate the effectiveness of current programs and services, determine the methodologies used to monitor, evaluate, and improve the quality of health care services for neonatal and obstetrical patients at Hospital, and to set future goals. The Regional Quality Council shall determine the projects and data collection system to be used.

### III. HOSPITAL OBLIGATIONS

- A. The Hospital, through its administrative staff, will inform the physician and nursing staff of the guidelines in this document.
- B. The Hospital physicians will utilize the "hot-line" established by the Perinatal Center for consultation, referral, and transport of obstetrical and neonatal patient.
- C. The Hospital designated as a Level II with extended capabilities will usually care for maternal and neonatal patients defined in Level II with extended capabilities guidelines. (See Appendix A)
- D. The Hospital physicians will consult and/or transfer to the Perinatal Center obstetrical and neonatal patients who require the services of the Perinatal Center, including but not limited to, patients outlined in the Regionalized Perinatal Health Care Code. (See Appendix B)
- E. Hospital shall develop and implement a system for assigning a physician to those neonatal patients referred to the Perinatal Center who have no physician. When the Perinatal Center has determined that it is medically feasible to transfer a patient back to Hospital, such assigned physician shall become the patient's primary physician. When no physician has been assigned to such patient, Hospital agrees that the designated pediatrician on call at Hospital at the time of transfer back to the Hospital shall be designated as the patient's primary physician.
- F. The Hospital staff will develop and maintain in-house continuing educational programs for obstetrical and neonatal/pediatric medical and nursing staff and other disciplines as needed. Staff will participate in continuing educational programs for nurses and physicians developed by the Perinatal Center.

- G. The Hospital will designate representatives to serve on the Perinatal Regional Continuous Quality Improvement Council and Regional Management Group, Northwest Illinois Perinatal Regional Advisory Council (NIPRAC). It is recommended that physician, nursing and/or administration represent the Hospital.
- H. The Hospital will maintain and share such statistics as the Perinatal Regional Quality Improvement Council may deem appropriate.
- I. The Hospital physicians will make appropriate referrals for high-risk infants and neonates with handicapping conditions to appropriate follow-up programs.
- J. The Hospital will provide documented evidence of the support services available as required by requirements for Level II hospitals with extended capabilities in the Regionalized Perinatal Health Care Code.
- K. The Hospital will participate in the Adverse Pregnancy Outcome Reporting System.
- L. The Hospital will provide information, counseling and referral services to parents or potential parents of its neonatal patients who have handicapping conditions or developmental disabilities and allow the Perinatal Center to perform an evaluation of such patients within 24 hours from the time the condition is first identified.

#### IV. JOINT RESPONSIBILITIES

- A. This agreement will remain in effect for a period of two years beginning on December 1, 2008 and ending on November 30, 2010. Thereafter, this agreement may be renewed for a term mutually agreed upon by both parties. If either party wishes to terminate this agreement, they may do so upon 90 days prior written notification to the other. The Illinois Department of Public Health will also be notified of the intent to terminate. If Hospital obtains a Level III designation they must notify the Perinatal Center in writing. This Agreement will then terminate upon the Perinatal Center's receipt of Hospital's notification.
- B. Hospital and Perinatal Center acknowledge that in the course of the term of this Agreement, Hospital and Perinatal Center will have access to patient records, reports, and similar documents, and to individually identifiable health information, as that term is defined in the Health Insurance Portability and Accountability Act of 1997 (HIPAA) regulations. Hospital and Perinatal Center agree to prepare, preserve, disclose, and maintain the confidentiality and security of all such records and information in accordance with the accepted standards of medical practice, the parties' policies, the requirements of this Agreement, and all applicable laws and regulations concerning the confidentiality and disclosure of medical records, medical records information, and individually identifiable health information, including, but not limited to, HIPAA and the rules and regulations related thereto. Hospital and Perinatal Center agree to assume full responsibility

for the compliance, education, and training of its respective employees and agents regarding the standards, policies, requirements, laws, and regulations referred to above. The provisions of this Section shall survive termination of this Agreement.

- C. None of the provisions of this Agreement are intended to create, nor shall they be deemed or construed to create, any relationship between the parties other than that of independent entities contracting or cooperating with each other solely for the purpose of effectuating the provisions of this Agreement. Neither party to this Agreement, nor their respective employees, contractors, or agents, shall be construed to be the agent, employer, employee, or representative of the other or entitled to any benefits provided by the other to its employees or contractors.
- D. Any notice required or permitted under the terms of this Agreement shall be in writing and shall be deemed to have been given: (1) upon delivery when delivered personally; (2) one (1) business day after dispatch by a nationally recognized overnight delivery service; or (3) three (3) business days after deposit in the United States mail with first-class postage and registered mail or certified mail fees prepaid, return receipt requested, to the following address or addresses (or at such other addresses designated by the parties in writing from time to time):

If to Hospital:

St. Alexius Medical Center  
1555 Barrington Rd.  
Hoffman Estates, IL 60194  
Attention: Chief Executive Officer

If to Perinatal Center:

Rockford Memorial Hospital  
2400 North Rockton Avenue  
Rockford, IL 61103  
Attention: Barb Prochnicki  
Perinatal Grant Administrator

With Copy To:

Rockford Health System  
2400 North Rockton Avenue  
Rockford, IL 61103  
Attention: VP Legal Affairs

## V. MISCELLANEOUS

- A. Hospital may obtain genetic counseling services from the Perinatal Center by contacting the medical geneticist or counselors at (815) 971-5069.
- B. Hospital will maintain a Level II nursery, with a Board Certified Pediatrician as director. The director shall be responsible for:
  - 1. Supervising and coordinating the care provided at the nursery and providing consultation to other physicians when needed; and
  - 2. Securing twenty-four hour coverage, 365 days a year (366 on leap years) by developing and implementing a call schedule.

The director or his designee will be notified of all admissions to the nursery and will decide in conjunction with the private physician whether consultation is needed, consistent with the terms and conditions of this Agreement. All pediatricians providing coverage for the nursery shall be Board Certified or Eligible.
- C. Both parties agree to comply with all applicable laws and regulations in effect at the time of this Agreement, as amended from time to time.
- D. It is recommended that the Chairpersons of Hospital's Departments of Obstetrics and Gynecology and Pediatrics be Board Certified.



## APPENDIX A

### Maternal and Neonatal patients to be cared for at the Hospital:

#### I. Maternal

- A. The maternal patient with an uncomplicated current pregnancy and no previous history suggestive of potential difficulties.
- B. Normal current pregnancy although previous history may be suggestive of potential difficulties.
- C. Selected medical conditions controlled with medical treatment, such as mild chronic hypertension, controlled thyroid disease, illicit drug use, UTIs, non-systemic steroid dependent reactive airway disease.
- D. Selected obstetric complications that present after 32 weeks, such as mild preeclampsia, PIH, placenta previa, abruptio placenta, PROM or premature labor.
- E. Other selected OB conditions that do not adversely affect maternal health or fetal well-being, such as normal twin gestation, hyperemesis gravidarum, suspected fetal macrosomia, or incompetent cervical os.
- F. Gestational Diabetes A1 (White's criteria, non-insulin dependent)

#### II. Neonatal

- A. Mild to moderate respiratory distress (not requiring mechanical ventilation >6 hours).
- B. Suspected neonatal sepsis, hypoglycemia responsive to glucose infusion, and asymptomatic neonates of diabetic mothers.
- C. Nursery care of infants with a birth weight of >1250 grams who are otherwise well.
- D. Nursery care of infants  $\geq$ 30 weeks who are otherwise well.
- E. Infants on Mechanical ventilation.

## APPENDIX B

- I. For the following maternal conditions, consultations between Hospital physicians and Maternal Fetal Medicine physicians at the Rockford Memorial Hospital Perinatal Center are recommended:
- A. Current OB history suggestive of potential difficulties, such as: IUGR, prior neonatal death, two or more previous deliveries <34 weeks or a single preterm delivery <30 weeks, prior birth of a neonate with serious complications resulting in a handicapping condition, recurrent SAB or fetal demise, family history of genetic disease.
  - B. Active chronic medical problems with known increase in perinatal mortality, such as: cardiovascular disease Class I and II, autoimmune disease, reactive airway disease requiring treatment with systemic corticosteroids, seizure disorder, controlled hyperthyroidism on suppressive therapy, chronic hypertension controlled on a single medication, idiopathic thrombocytopenia purpura, thromboembolic disease, malignant disease (especially when active), renal disease with functional impairment, HIV+ (consultation may be with MFM or ID subspecialist).
  - C. Selected OB complications that present prior to 34 weeks, such as: suspected IUGR, polyhydramnios, oligohydramnios, preeclampsia/pregnancy induced hypertension, congenital viral disease, maternal surgical conditions, suspected fetal anomaly or abnormality, isoimmunization with antibody titers >1:8, antiphospholipid syndrome.
  - D. Abnormalities of the reproductive tract known to be associated with an increase in preterm delivery, such as uterine anomalies or DES exposure.
  - E. Insulin dependent diabetes Class A2 and B or greater (White's criteria).

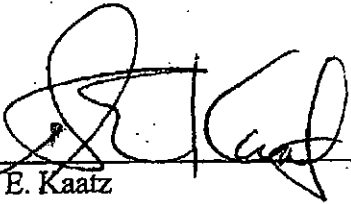
II. For the following maternal conditions, referral is required (subsequent management and site of delivery determined by mutual collaboration between patient's physician and perinatologist)

- A. Patients from the above consultation list, which deemed advisable by mutual collaboration between Maternal Fetal Medicine physician at the Perinatal Center and the obstetrician at the referring office of Hospital.
- B. Selected chronic medical conditions with a known increase in perinatal mortality, such as: cardiovascular disease with functional impairment (Class III >), respiratory failure requiring mechanical ventilation, acute coagulopathy, intractable seizures, coma, sepsis, solid organ transplantation, active autoimmune disease requiring corticosteroid treatment, unstable reactive airway disease, renal disease requiring dialysis or with a serum creatinine >1.5mg%, active hyperthyroidism, hypertension that is unstable or requires more than one medication to control, severe hemoglobinopathy.
- C. Selected OB complications that present prior to 32 weeks gestation, such as: multiple gestation with > two fetuses, twin gestation complicated by demise, discordancy, or maldevelopment of one fetus or by twin-to-twin transfusion, preterm labor unresponsive to first-line tocolytics, PROM, medical and obstetric complication of pregnancy possibly requiring induction of labor or non-emergent caesarean section for maternal or fetal indications, such as severe preeclampsia.
- D. Isoimmunization with possible need for intrauterine transfusion
- E. Insulin dependent diabetes Classes C, D, R, F, or H (White's criteria)
- F. Suspected congenital anomaly or abnormality requiring an invasive fetal procedure, neonatal surgery, or postnatal medical intervention to preserve life, such as: fetal hydrops, pleural effusion, ascites, persistent fetal arrhythmia, major organ system malformation-malfunction or genetic condition.

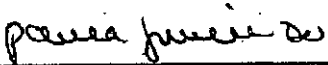
- III. For the following neonatal conditions, consultation shall occur and mutual collaboration will determine the most appropriate facility for continued patient care, these conditions may trigger subsequent transfer to Perinatal Center
- A. Premature birth with gestation <30 weeks.
  - B. Infants with a birth weight  $\leq$  1250 grams.
  - C. Infants with significant congenital heart disease associated with cyanosis, congestive heart failure, or impaired peripheral blood flow
  - D. Infants with major congenital malformations requiring comprehensive evaluation or neonatal surgery
  - E. Infants requiring neonatal surgery with general anesthesia
  - F. Infants with sepsis, unresponsive to therapy, associated with persistent shock or other organ system failure
  - G. Infants with uncontrolled seizures
  - H. Infants with stupor, coma, hypoxic ischemic encephalopathy Stage II or greater
  - I. Infants requiring double-volume exchange transfusion
  - J. Infants with metabolic derangement persisting after initial correction therapy
  - K. Infants identified as having handicapping conditions that threaten life for which transfer can improve outcome

To evidence their agreement, the parties each have caused this Agreement to be duly executed and delivered in its name and on its behalf.

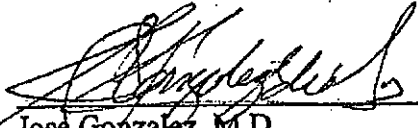
**Rockford Memorial Hospital**

  
\_\_\_\_\_  
Gary E. Kaatz  
President and CEO

3/25/09  
Date

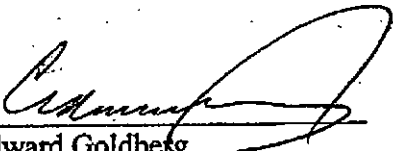
  
\_\_\_\_\_  
Paula Melone, D.O.  
Director, Maternal Fetal Medicine

3/19/09  
Date

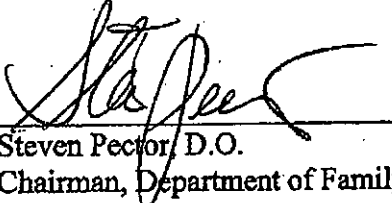
  
\_\_\_\_\_  
Jose Gonzalez, M.D.  
Director, Neonatology

3/13/09  
Date


**St. Alexius Medical Center**

  
\_\_\_\_\_  
Edward Goldberg  
President and CEO

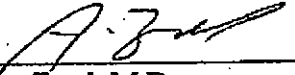
3/19/2009  
Date

  
\_\_\_\_\_  
Steven Pector, D.O.  
Chairman, Department of Family Practice

2/04/09  
Date

  
\_\_\_\_\_  
Ishwar Patel, M.D.  
Chairman, Department of Obstetrics and Gynecology

11/30/09  
Date

  
\_\_\_\_\_  
Alireza Zand, M.D.  
Chairman, Department of Pediatrics

1/30/10  
Date

**RENEWAL OF PERINATAL CENTER EDUCATION AFFILIATION AGREEMENT**

**THIS RENEWAL OF PERINATAL CENTER EDUCATION AFFILIATION AGREEMENT** ("Renewal") is made and effective as of this 31<sup>st</sup> day of December, 2008 (the "Effective Date") between Rockford Memorial Hospital ("Center") and St. Alexius Medical Center ("Hospital").

**RECITALS:**

- A. Center and Hospital have been parties to that certain Perinatal Center Education Affiliation Agreement effective as of November 1, 2006 (the "Agreement").
- B. The Agreement was to have expired as of December 31, 2008.
- C. The Agreement provides under section 7. "Term; Termination" that the Agreement may be renewed for a term mutually agreed upon by both parties.
- D. The parties desire to extend the term of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein set forth, the parties agree as follows:

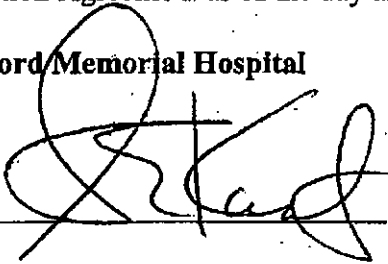
- 1. The term of the Agreement is hereby renewed for an additional period of two (2) years commencing as of January 1, 2009 and ending as of December 31, 2011.
- 2. All other terms and conditions of the Agreement shall remain in full force and effect.

THE PARTIES HERETO have executed this Renewal of Perinatal Center Education Affiliation Agreement as of the day and year first above written.

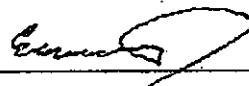
Rockford Memorial Hospital

St. Alexius Medical Center

By: \_\_\_\_\_



By: \_\_\_\_\_



Name: Gary E. Kaatz

Name: EDWARD M. GOLDBERG

Its: President & CEO

Its: PRESIDENT & CEO

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--Critical Decisions Unit--

A critical decisions unit, similar to those employed at other hospitals will be developed in close proximity to the adult Emergency Department to reduce congestion from the "holding" of patients in an ED treatment station, awaiting a decision on whether or not to admit the patient to an inpatient unit. While the potential exists for a very limited number of non-ED patients to use this unit, to lend conservatism to the utilization projections, usage by ED patients, exclusively, is incorporated into the utilization projection model. SAMC does not currently have a Critical Decisions Unit (CDU), or a similar function.

It should be noted that no modernization of the emergency department is included in this project.

This CDU will provide a needed service for a patient population that has traditionally looked to St. Alexius for its inpatient services, and that service population is identified on a ZIP Code and community-specific basis in ATTACHMENT 14. SAMC is located in IDPH-designated Planning Area A-07, which is comprised of the far northwestern suburbs of Cook County. Because of the hospital's close proximity to both the Kane and Lake County lines, portions of Planning Areas A-11 and A-09 have been included in the hospital's historical service area, and that will continue to be the case.

Further, and as also discussed in ATTACHMENT 14, while the hospital's service area is not anticipated to change, with the relocation of Sherman Hospital westward, SAMC's market share of certain ZIP Code areas is anticipated to increase, while its market share of others is anticipated to decrease. The population projections used in ATTACHMENT 14 are less than ten years into the future, consistent with the HFSRB's limitation.

Because the utilization of the CDU will be greatly dependent on that of the ED, the projected utilization of the ED provides the basis for the CDU's utilization model. The two tables below project both ED utilization, as well as the number of inpatient admissions that are initially seen in the ED.

<b>EMERGENCY DEPARTMENT VISITS:</b>		
	<b>Visits</b>	<b>Increase</b>
2004	41,355	
2005	45,504	10.0%
2006	46,939	3.2%
2007	49,870	6.2%
2008	51,976	4.2%
2012 @ 4%	60,804	
2014 @ 4%	65,766	

<b>INPATIENT ADMISSIONS THROUGH ED:</b>			
	<b># adm from ED</b>	<b>% of ED visits</b>	<b>% of hosp adm</b>
2005	9,456	20.8%	64.0%
2006	10,243	21.8%	65.1%
2007	11,242	22.5%	66.5%
2008	12,237	23.5%	70.0%
2014	14,468	22.0%	69.5%



The projections above identify 14,468 patients as being admitted to an inpatient unit after being seen in the ED, and for planning purposes, that number is assumed to remain constant in 2014 and 2015, the first two years following the opening of the CDU.

In order to translate admissions through the ED (14,468) into CDU utilization and bed or room need, a number of assumptions, based on the hospital's experience were incorporated into the model, those being:

- once a CDU is developed, 70% of the ED patients that are admitted will bypass the CDU and go directly to an inpatient unit
- 50% of the patients using the CDU will be discharged, rather than being admitted to an inpatient unit
- the average length of stay in the CDU will be 9 hours

The following model, which incorporates the ED utilization projection, the projected number of CDU patients and the assumptions above, identifies a need for 8 CDU beds, assuming an 80% target utilization rate.

admissions from the ED:	14,468
less 70% for direct admissions:	<u>(10,128)</u>
admissions using the CDU:	4,340
plus 50% for patients discharged from the CDU:	<u>2,170</u>
total patients using the CDU:	6,510
average length of stay (hrs):	<u>9.0</u>
annual CDU hours of utilization:	58,590
hours of utilization per day:	161
beds to be provided	8
utilization:	83.6%

The eight required beds will be provided in private rooms.

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--Observation Beds--

The proposed project includes ten observation beds, in which patients will be held for up to 24 hours, often after an outpatient procedure, when a longer than normal recovery or observation period is needed. Some hospitals elect to develop a designated observation unit with a separate staff, while others elect to locate observation beds on or adjacent to inpatient units, so that the staff of a nearby inpatient unit can be used to care for the observation patients. St. Alexius has elected to incorporate the latter approach into its plans, believing it to be a more efficient delivery of care process. (The personnel costs associated with staffing observation beds over the project's life far outweigh the construction-related costs.) Three beds will be located adjacent to the fourth floor nursing unit and seven will be located adjacent to the second floor nursing unit.

The IHFSRB does not maintain any need determination formula or target utilization level for this service.

These units will be appropriate for a number of types of patients, including: pre- and post-procedure cardiac catheterization patients, outpatients requiring more than the typical 1-3 hours of post-op observation following surgery, patients requiring more than the typical one hour recovery following an outpatient procedure in the GI lab, patients awaiting laboratory results prior to a decision to admit, or patients that have not tolerated

an outpatient procedure or treatment (such as chemotherapy) well enough to safely return home. In addition, an IDPH-licensed ASTC is located in a medical office building connected to the hospital, and on occasion, a patient requiring a longer recovery period could utilize one of these beds.

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--C-Section Suite—

The hospital's 2-procedure room C-Section suite will be replaced with a 3-procedure room suite through new construction. The suite will also provide three private recovery rooms and support space. Use of this area will be limited to C-Section deliveries, exclusively.

During 2007 and 2008, 1,082 and 1,154 C-Section deliveries were performed, respectively at the hospital. This equated to C-Section rates of 37.3% and 36.3%. For planning purposes, the mean of the past two years, 36.8% is anticipated, and based on the projected 3,636 deliveries during the first year the suite is available, 1,338 C-Section deliveries are anticipated. For planning purposes, that number is projected to remain constant.

The anticipated 1,338 C-Section deliveries equates to 3.67 per day, and because of the practice of performing scheduled C-Sections on weekdays, the lack of predictability for non-scheduled deliveries, and the hospital's current experience associated with 1,100+ deliveries in a 2-procedure room suite, three procedure rooms are being provided.

The IDPH does not have a utilization standard for this type of room.

This suite will provide a needed service for a patient population that has traditionally looked to St. Alexius for its obstetrics-related services, and that service population is identified on a ZIP Code and community-specific basis in ATTACHMENT 14. SAMC is located in IDPH-designated Planning Area A-07, which is comprised of the far northwestern suburbs of Cook County. Because of the hospital's close proximity to both the Kane and Lake County lines, portions of Planning Areas A-11 and A-09 have been included in the hospital's historical service area, and that will continue to be the case. Further, and as also discussed in ATTACHMENT 14, while the hospital's service area is not anticipated to change, with the relocation Sherman Hospital westward, SAMC's market share of certain ZIP Code areas is anticipated to increase, while its market share of others is anticipated to decrease. The population projections used in ATTACHMENT 14 are less than ten years into the future, consistent with the HFSRB's limitation.

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--LDRs--

The modernization of the Labor-Delivery-Recovery suite will involve the establishment of an 11-room suite to replace the existing 11-room suite. Obstetrics is a primary and growing service at the hospital.

Replacement of the LDR suite is necessary because of the required proximity relationship with the other obstetrics-related services, including the postpartum beds and the C-Section suite, which are being relocated into newly constructed space on the fourth and fifth floors. The LDR suite will be on the fourth floor.

The hospital does not maintain either individual labor or delivery rooms. As such, all patients use the LDRs for the labor process, and those delivering vaginally also use the LDRs for the delivery and recovery processes. Women delivering by C-Section are transported to the C-Section suite (also on the fourth floor), which includes a recovery function.

During 2008, 3,172 babies were delivered at St. Alexius. The LDR is being planned to accommodate the projected 3,636 deliveries (please see ATTACHMENT 14), along with the other obstetrics patients, including those presenting with false labor, that

use the area. The historical ALOS in this area is 18 hours and 45 minutes. For planning purposes, that ALOS is anticipated to remain constant, resulting in a projected occupancy rate of 71%. The IDPH does not maintain a target utilization standard for LDRs.

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--Laboratory--

The laboratory is critical to virtually all of the primary services of the hospital, and will be minimally expanded from 5,060 sf to 5,166 sf, to provide additional administrative space.

The IDPH does not maintain any utilization targets or standards for laboratories.



CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--Magnetic Resonance Imaging--

The modernization of the magnetic resonance imaging (MRI) function will involve the addition of a third unit, consistent with the utilization levels that the hospital has experienced with this modality in recent years. MRI, in recent years, has become a primary diagnostic tool, used in support of the hospital's medical, surgical and pediatrics programs.

During 2007, 9,023 examinations were performed, and that volume increased to 10,072 in 2008. The IDPH's utilization standard for this modality is 3,400 annual examinations, and as such, the hospital has been operating well above that standard.

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--Pharmacy--

The hospital's pharmacy function will be expanded through the development of a satellite pharmacy. The pharmacy, which will be located on the lower level in new construction, and will serve the proximate (by elevator) inpatient units as well as outpatients. The pharmacy supports all of the hospital's primary services, and expansion is required to address the increasing inpatient as well as outpatient volumes on the hospital campus.

The IDPH does not maintain any utilization standards or targets for this service.

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE  
--Surgery and Recovery--

The surgical suite will be expanded from eleven to thirteen operating rooms, consistent with historical utilization, and the recovery function will be expanded, consistent with licensure standards for a 15-OR surgical suite, providing 45 Phase I and 15 Phase II recovery stations.

The capacity of the surgical suite needs to expand in response to the utilization experienced over the past two years. The IDPH standard for an 11-OR suite, as currently exists, is 16,500 hours, and the standard for the proposed 15-OR suite is 22,500 hours of usage per year. During 2007 and 2008 23,216 and 22,841 hours were used, respectively. (The minimal decrease in utilization is fully attributable to the opening of an ASTC in the adjacent medical office building.) The average annual hours of usage, 23,028, support 16 operating rooms, one more than proposed, based on the IDPH standard.

For planning purposes, utilization is projected to be consistent at 23,200 hours per year.



**Moody's Investors Service**

7 World Trade Center at 250 Greenwich Street  
New York, New York 10007

August 11, 2009

Mr. James Sances  
Vice President and Chief Financial Officer  
Alexian Brothers Health System  
600 Alexian Way  
Elk Grove Village, IL 60007

Dear Mr. Sances:

We wish to inform you that Moody's Investors Service has affirmed Alexian Brothers Health System's A3 long-term and underlying bond ratings on bonds issued through the Illinois Finance Authority and The Health, Educational, and Housing Facility Board of Signal Mountain, Tennessee. The outlook remains **negative**.

Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time.

The rating as well as any other revisions or withdrawals thereof will be publicly disseminated by Moody's through the normal print and electronic media and in response to verbal requests to Moody's rating desk.

In order for us to maintain the currency of our rating, we request that you provide ongoing disclosure, including annual and quarterly financial and statistical information.

Should you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,

Mark T. Pascaris  
Assistant Vice President/Analyst  
Phone: 312-706-9963  
Fax: 212-298-6377  
Email: mark.pascaris@moodys.com

MTP:rl

cc: Mr. Ken Kaufman, Kaufman, Hall and Associates, Inc.

ATTACHMENT 75

#### NOTE ON BOND RATING LETTER

The August 11, 2009 letter from Moody's Investors Service makes note of bonds issued by the Illinois Finance Authority and The Health, Education and Housing Facility Board of Signal Mountain, Tennessee. The Tennessee entity operates in Tennessee in much the same manner as the Illinois entity operates in Illinois; and Alexian Brothers Health System has used the Tennessee entity to issue bonds for projects in Tennessee. The Illinois Finance Authority limits its issuances to Illinois projects.



**ALEXIAN**  
**BROTHERS**  
Health System


Illinois Health Facilities  
and Services Review Board  
Springfield, IL


RE: MAJOR MODERNIZATION  
PROGRAM,  
ST. ALEXIUS MEDICAL CENTER

To Whom It May Concern:

The selected form of debt financing for the proposed project, and as presented in the *Application for Permit*, will result in the lowest net cost available to the co-applicants.


Sincerely,

  
Mark A. Frey  
Executive Vice President

  
Brother Thomas Keusenkothen, C.F.A.  
President/CEO, Alexian Brothers Health System

Notarized:

Subscribed and sworn before me this 5<sup>th</sup> day of October, 2009  
County of Cook.

 Notary Public



COST and GROSS SQUARE FEET by DEPARTMENT or SERVICE

	A		B		C		D		E		F		G		H		Total	
	Cost/Sq. Foot	Mod.	Gross Sq. Ft.	New	Gross Sq. Ft.	New	Gross Sq. Ft.	Mod.	Gross Sq. Ft.	Circ.	Const. \$	Mod. \$	(A x C)	(B x E)	(G + H)	Costs		
<b>Reviewable</b>																		
Medical/Surgical																		
ICU	\$ 345.00	\$ 70.00					107,916							\$ 7,554,120	\$ 7,554,120	\$ 7,554,120	\$ 7,554,120	
Pediatrics	\$ 330.00	\$ 75.00		5,309			13,318						\$ 1,831,605	\$ 998,850	\$ 2,830,455	\$ 2,830,455	\$ 2,830,455	
Obstetrics/L I Nursery	\$ 320.00			9,866									\$ 3,255,780		\$ 3,255,780	\$ 3,255,780	\$ 3,255,780	
NICU/L II Nursery	\$ 345.00			25,873									\$ 8,279,360		\$ 8,279,360	\$ 8,279,360	\$ 8,279,360	
L II Nursery	\$ 330.00			2,742									\$ 945,990		\$ 945,990	\$ 945,990	\$ 945,990	
Critical Decisions Unit	\$ 255.00			18,179									\$ 5,999,070		\$ 5,999,070	\$ 5,999,070	\$ 5,999,070	
Surgery/Recovery	\$ 380.00	\$ 80.00		2,764									\$ 704,820		\$ 704,820	\$ 704,820	\$ 704,820	
C-Section Suite	\$ 365.00			12,518			10,413						\$ 4,756,840	\$ 833,040	\$ 5,589,880	\$ 5,589,880	\$ 5,589,880	
LDRs	\$ 330.00			6,708									\$ 2,448,420		\$ 2,448,420	\$ 2,448,420	\$ 2,448,420	
MRI	\$ 300.00	\$ 85.00		9,164									\$ 3,024,120		\$ 3,024,120	\$ 3,024,120	\$ 3,024,120	
Observation Beds	\$ 300.00						1,077						\$ 1,935,600	\$ 91,545.00	\$ 91,545	\$ 91,545	\$ 91,545	
Lab		\$ 80.00		6,452									\$ 1,935,600	\$ 38,000.00	\$ 38,000	\$ 38,000	\$ 38,000	
Pharmacy	\$ 270.00			1,655									\$ 446,850		\$ 446,850	\$ 446,850	\$ 446,850	
Express Admissions	\$ 255.00			2,828									\$ 720,630		\$ 720,630	\$ 720,630	\$ 720,630	
contingency	\$ 330.10	\$ 71.44		104,056			133,199						\$ 34,349,085	\$ 9,515,555	\$ 43,864,640	\$ 43,864,640	\$ 43,864,640	
	\$ 30.00	\$ 10.00											\$ 3,121,680	\$ 1,331,990	\$ 4,453,670	\$ 4,453,670	\$ 4,453,670	
	\$ 360.10	\$ 81.44											\$ 37,470,765	\$ 10,847,545	\$ 48,318,310	\$ 48,318,310	\$ 48,318,310	
<b>Non-Reviewable</b>																		
Physicians' Offices	\$ 350.00			4,874									\$ 1,705,900		\$ 1,705,900	\$ 1,705,900	\$ 1,705,900	
Nursing Admin/Ed	\$ 335.00			1,874									\$ 627,790		\$ 627,790	\$ 627,790	\$ 627,790	
Film Storage		\$ 65.00					1,291							\$ 83,915	\$ 83,915	\$ 83,915	\$ 83,915	
Patient Registration	\$ 350.00			792									\$ 277,200		\$ 277,200	\$ 277,200	\$ 277,200	
Biomed. Engineering	\$ 350.00			890									\$ 311,500		\$ 311,500	\$ 311,500	\$ 311,500	
Central Sterile		\$ 100.00					300						\$ 30,000		\$ 30,000	\$ 30,000	\$ 30,000	
Dietary		\$ 95.00					1,279						\$ 121,505		\$ 121,505	\$ 121,505	\$ 121,505	
Public Areas	\$ 355.00			20,610									\$ 7,316,550		\$ 7,316,550	\$ 7,316,550	\$ 7,316,550	
Environmental Serv.	\$ 315.00			3,400									\$ 1,071,000		\$ 1,071,000	\$ 1,071,000	\$ 1,071,000	
Facilities/Mechanical	\$ 305.00			34,077									\$ 10,393,485		\$ 10,393,485	\$ 10,393,485	\$ 10,393,485	
General Stores	\$ 260.00	\$ 50.00		1,060			1,402						\$ 275,600	\$ 70,100	\$ 345,700	\$ 345,700	\$ 345,700	
Info. Technology	\$ 335.00			1,563									\$ 523,605		\$ 523,605	\$ 523,605	\$ 523,605	
Security	\$ 335.00			1,721									\$ 576,535		\$ 576,535	\$ 576,535	\$ 576,535	
Conference Center	\$ 355.00			14,551									\$ 5,165,605		\$ 5,165,605	\$ 5,165,605	\$ 5,165,605	
Medical Staff/On Call	\$ 335.00			2,100									\$ 703,500		\$ 703,500	\$ 703,500	\$ 703,500	
contingency	\$ 330.79	\$ 71.52		87,512			4,272						\$ 28,948,270	\$ 305,520	\$ 29,253,790	\$ 29,253,790	\$ 29,253,790	
	\$ 30.00	\$ 10.00											\$ 2,625,360	\$ 42,720	\$ 2,668,080	\$ 2,668,080	\$ 2,668,080	
	\$ 360.79	\$ 81.52											\$ 31,573,630	\$ 348,240	\$ 31,921,870	\$ 31,921,870	\$ 31,921,870	
<b>PROJECT TOTAL</b>	\$ 360.42	\$ 81.44		191,568			137,471						\$ 69,044,395	\$ 11,195,785	\$ 80,240,180	\$ 80,240,180	\$ 80,240,180	

## MISCELLANEOUS COSTS

### Preplanning Costs (\$1,433,055)

Evaluation of alternatives, preliminary design concepts and feasibility assessments.

### Site Survey and Soil Investigation (\$25,000)

Surveying of site and evaluation of the ground's ability to support the proposed building.

### Site Preparation (\$3,139,868)

Removal of existing parking surfaces, drive and walkways, installation of exterior signage and lighting, and landscaping.

### Consulting and Other Fees (\$2,000,000)

CON-related consulting and review fees, IDPH and municipal review fees, environmental impact assessment, project management services, reimbursables, site security, permits, insurance, materials testing, interior design consultant and miscellaneous costs.



ST. ALEXIUS MEDICAL VCENTER		YEAR FOLLOWING PROJECT COMPLETION									
OPERATING COSTS		MIS	OB	PEDIATRICS	ICU	NICU	Hospital				
salaries & benefits	\$ 27,589,187	\$ 5,977,657	\$ 1,839,279	\$ 8,276,756	\$ 3,525,285	\$ 153,273,263					
supplies	\$ 12,877,256	\$ 2,729,418	\$ 839,821	\$ 3,779,195	\$ 1,609,657	\$ 69,985,089					
<b>TOTAL</b>	<b>\$ 40,466,444</b>	<b>\$ 8,707,076</b>	<b>\$ 2,679,100</b>	<b>\$ 12,055,951</b>	<b>\$ 5,134,942</b>	<b>\$ 223,258,352</b>					
Patient Days	77,380	10,819	3,917	8,943	2,190	103,248					
	adjusted pt day =	\$928,352,257									
		10,560	87,912								
<b>Operating cost/adj pt day*</b>	<b>\$522.96</b>	<b>\$804.82</b>	<b>\$683.97</b>	<b>\$ 1,348.16</b>	<b>\$ 2,344.72</b>	<b>\$ 2,639.14</b>					
*for inpatient units, unadjusted patient days are used per discussion with State Agency staff on June 26, 2007											
<b>CAPITAL COSTS</b>											
interest							\$7,412,814				
depreciation & amortization							\$22,862,000				
							\$30,274,814				
	adjusted pt day =	\$928,352,257									
		10,560	87,912								
<b>Facility capital cost per adjusted patient day:</b>								<b>\$344.38</b>			

## SAFETY NET IMPACT STATEMENT

The Congregation of Alexian Brothers is a lay, apostolic Catholic Order, whose Brothers dedicate themselves primarily to live in the community and to participate in the ministry of healing in the tradition of the Roman Catholic Church. For nearly 800 years the Alexian Brothers have cared for the sick, the aged, the poor and the dying; regardless of the individual's ability to pay.

The Congregation operates three hospitals in the northwest Chicago suburbs—Alexian Brothers Medical Center in Elk Grove Village and St. Alexius Medical Center and Alexian Brothers Behavioral Health Hospital in Hoffman Estates—as well as a wide range of outpatient and residential care programs, ranging from immediate care centers to a community mental health center to a residential program for those with aids. The Alexian Brothers programs are provided by over 750 physicians and 6,000 employees.

From a hospital perspective, Alexian Brothers Health System in general and St. Alexius Medical Center in specific, serve as safety net providers for inpatient services in a region where there are no publicly-owned hospitals. The table on the following page uses a number of benchmarks taken from the 2007 IDPH Hospital *Profiles* to compare St. Alexius to its programmatic/geographic cohort hospitals. Of note is the fact that in every one of the six benchmarks St. Alexius ranked first or second, and when combined with Alexian Brothers Medical Center, one of the two hospitals ranked first in four of the six benchmarks.

In addition, in many cases the revenues generated by ABHS's hospitals subsidize other programs that provide services either primarily or exclusively to those without private insurance, such as the outpatient mental health center or the primary care center operated by ABHS.

Comparison of Key  
Medicaid and Charity Care Statistics

	St. Alexius	Alexian Brothers Medical Center	Northwest Community	Advocate Good Shepherd	Sherman Hospital	Provena St. Joseph
<b>Medicaid</b>						
% of inpatient admissions	14.5%	11.9%	9.3%	3.2%	22.3%	11.4%
# of inpatient admissions	2,445	2,441	2,343	419	2,775	1,052
<b>Charity Care</b>						
% inpatient admissions	3.0%	2.5%	1.4%	0.6%	3.4%	3.0%
# of inpatient admissions	503	510	356	75	424	275
total charity care expense	\$7.051M	\$7.720M	\$6.564M	\$0.410M	\$1.871M	\$3.241M
charity care as a % of net revenue	2.7%	2.2%	1.6%	0.2%	0.8%	2.1%

Consolidated Annual Non-Profit Hospital Community Benefits Plan Reports are filed annually with the Illinois Attorney General's office by Alexian Brothers Health System (ABHS) on behalf of the three non-profit hospitals identified above.

During 2008, ABHS provided charity services with a cost of \$13.1M and a charges value of \$48.2M.

The table below identifies the amount of St. Alexius-specific charity care and Medicaid services provided during the past three years.

St. Alexius Medical Center  
Charity Care and Care Provided to Medicaid Recipients

	2006	2007	2008
Charity Care	\$ 5,615,160	\$ 7,013,998	\$ 6,123,652
Medicaid Services	\$ 25,095,000	\$ 27,998,000	\$ 25,359,308

In 2008 ABHS conducted a Community Health Assessment, through which it identified a number of health indicators, including access to care and insurance status that were trending negatively. One in ten area residents reported difficulty in accessing the services of a primary care physician and the "uninsured rate increased from 7.9% in 2002 to 9.9% in 2006 and is currently estimated to be as high as 14.6%." In the western portion of its service area an increase in age-adjusted diabetes related mortality has been identified; likely attributable to a rapidly growing Hispanic population. Also identified in the area is an increased in reported autism, from 1% in 2006 to 4% in 2008, increased pediatric eating disorders, increases in obesity in all age groups, and dramatic increases in reported chronic depression.

In response to the findings of the 2008 (and earlier) Assessments, ABHS has developed a broad range of services to address the diabetes, eating disorders, other mental-health related, autism and other afflictions within the service population. ABHS's ambulatory care services are being reorganized to both provide improved access to primary care services, and to address obesity-related issues. In addition, the System has developed the Alexian Brothers Community Health Access Program, the goals of which are to:

- Provide access to primary care services for the area's uninsured persons.
- Serve as a community resource to link uninsured persons to healthcare services.
- Respond to health concerns of the community.

Finally, ABHS is addressing the mental health needs of the area through both its psychiatric hospital and the Alexian Brothers Center for Mental Health, which provides outpatient programming to a patient population that is predominantly unemployed and/or working poor, and either covered by Medicaid or uninsured. (Alexian Brothers Behavioral Health Hospital is a freestanding psychiatric hospital, and as such, is prohibited by law from accepting adult Medicaid recipients as patients.)

During 2008, Alexian Brothers Health System further provided measurable community benefits through a subsidized community family health center (\$606,000), its language assistance program (\$251,000), facilities donated to community groups (\$237,000), research (\$18,000), miscellaneous government-sponsored programs (\$104,000), and over \$2M for education programs. In addition, during 2008 ABHS provided either donations or in-kind services valued at over \$2.1M to approximately 40 community groups and agencies.