

# Axel & Associates, Inc.

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MANAGEMENT CONSULTANTS

10-013

**RECEIVED**

MAR 18 2010

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Via Electronic Mail and FedEx

TO: Mike Constantino  
FROM: Jack Axel  
DATE: March 17, 2010

RE: Change of Ownership CON Applications  
West Suburban Medical Center  
Westlake Hospital

In reviewing the two applications identified above, I noted that the pro forma income statement and balance sheet for Resurrection Health Care were inadvertently omitted. I am attaching copies, and will forward hard copies to you, immediately. Also, this morning I received a copy of the new IDPH license for MacNeal Hospital (pages 48 and 49 of the West Suburban and Westlake applications, respectively.) I have attached a copy of that document, and will also forward hard copies to you, immediately.

**RESURRECTION HEALTH CARE**  
**COMBINED STATEMENT OF REVENUE AND EXPENSES POST**  
**TRANSACTION**

(Divestiture of Westlake and West Suburban Hospitals)

	<u>CONSOLIDATED TOTAL</u>
NET SERVICE REVENUE	\$1,314,509
REVENUE FROM OTHER SERVICES	96,487
NET ASSETS RELEASED FROM RESTRICTIONS	<u>3,519</u>
TOTAL OPERATING REVENUE	\$1,414,515
OPERATING EXPENSES:	
SALARIES	524,500
EMPLOYEE BENEFITS	161,276
SPECIALISTS' FEES	69,068
SUPPLIES	171,445
OTHER	188,157
PURCHASED SERVICES	56,998
INSURANCE	36,104
DEPRECIATION AND AMORTIZATION	74,874
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	95,286
INTEREST	23,141
ASSESSMENTS AND TAXES	<u>49,809</u>
TOTAL EXPENSES	<u>\$1,450,658</u>
LOSS FROM OPERATIONS	<u>(\$36,143)</u>
NON-OPERATING GAINS (LOSSES)	
INVESTMENT INCOME (LOSS), AND OTHER, NET	(42,902)
CONTRIBUTIONS & OTHER	<u>(607)</u>
NET NONOPERATING GAINS (LOSSES)	<u>(\$43,509)</u>
REVENUE AND GAINS DEFICIENT OF EXPENSES AND LOSSES	<u><u>(\$79,652)</u></u>

**RESURRECTION HEALTH CARE  
COMBINED BALANCE SHEET POST TRANSACTION  
(Divestiture of Westlake and West Suburban Hospitals)**

**ASSETS**

<b>CURRENT ASSETS:</b>	
CASH & CASH EQUIVALENTS	\$102,217
ASSETS WHOSE USE IS LIMITED OR RESTRICTED	379,482
PATIENT AND RESIDENT ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS	182,150
OTHER RECEIVABLES	16,593
INVENTORY OF SUPPLIES	12,878
ESTIMATED RECEIVABLES UNDER THIRD-PARTY REIMBURSEMENT PROGRAMS	1,396
PREPAID EXPENSES AND OTHER CURRENT ASSETS	25,595
<b>TOTAL CURRENT ASSETS</b>	<u>\$700,311</u>

**INVESTMENTS:**

BY BOARD FOR REINVESTMENT & SELF-INSURANCE UNDER BOND INDENTURE AGREEMENTS-HELD BY TRUSTEE	297,342
BY DONORS-PERMANENTLY RESTRICTED	29,260
<b>TOTAL INVESTMENTS</b>	<u>14,319</u>
	<u>\$340,921</u>

PLANT, PROPERTY & EQUIPMENT (LESS ACCUMULATED DEPRECIATION)	724,743
DEFERRED FINANCE CHARGES	9,653
OTHER ASSETS	18,804
<b>TOTAL ASSETS</b>	<u>\$1,794,432</u>

**LIABILITIES AND FUND EQUITY**

<b>CURRENT LIABILITIES:</b>	
ACCOUNTS PAYABLE & ACCRUED EXPENSES	80,923
ACCRUED PAYROLL AND FRINGE BENEFITS	59,412
ESTIMATED PAYABLES UNDER THIRD-PARTY REIMBURSEMENT PROGRAMS	97,228
CURRENT PORTION LONG-TERM DEBT	379,482
DEFERRED REVENUE & REFUNDABLE DEPOSITS	42,099
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$659,144</u>

LONG-TERM DEBT, EXCLUDING CURRENT INSTALLMENTS AND UNAMORTIZED BOND DISCOUNT	256,767
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ACCRUED PENSION LIABILITY	245,673
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ESTIMATED SELF-INSURED PROFESSIONAL AND GENERAL LIABILITY CLAIMS	251,671
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ASSET RETIREMENT OBLIGATIONS	13,509
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<b>TOTAL LIABILITIES</b>	<u>\$1,426,764</u>
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**NET ASSETS:**

UNRESTRICTED	340,593
TEMPORARILY RESTRICTED	12,756
PERMANENTLY RESTRICTED	14,319
<b>TOTAL FUND EQUITY</b>	<u>\$367,668</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$1,794,432</u>
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State of Illinois 1959872

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 01/31/11	CATEGORY BGBD	I.D. NUMBER 0005082
FULL LICENSE		
GENERAL HOSPITAL		
EFFECTIVE: 02/01/10		

BUSINESS ADDRESS

VHS OF ILLINOIS  
D/B/A MACNEAL HOSPITAL  
3249 SOUTH OAK PARK AVENUE

BERWYN IL 60402

The face of this license has a colored background. Printed by Authority of the State of Illinois - 1/97