

ORIGINAL

10-030

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**RECEIVED**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

MAY 3 2010

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD**Facility/Project Identification**

Facility Name:	Acquisition of Affinity Healthcare, LLC				
Street Address:	2610 Lake Cook Road (Corporate business address)				
City and Zip Code:	Riverwoods, Illinois 60015				
County:	Lake	Health Service Area	8	Health Planning Area:	A-09
Co-applicant's County:	Suburban Cook	Health Service Area	7	Health Planning Area:	A-07

Applicant Identification

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

Exact Legal Name:	Northwest Community Healthcare (Parent)				
Address:	800 West Central Road, Arlington Heights, Illinois 60005				
Name of Registered Agent:	Bruce K. Crowther				
Name of Chief Executive Officer:	Bruce K. Crowther				
CEO Address:	800 West Central Road, Arlington Heights, Illinois 60005				
Telephone Number:	847-618-5015				

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

- 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.

Primary Contact

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

Name:	Michael B. Zenn
Title:	Executive Vice President and COO
Company Name:	Northwest Community Hospital
Address:	800 West Central Road, Arlington Heights, Illinois 60005
Telephone Number:	847-618-5017
E-mail Address:	mzenn@nch.org
Fax Number:	847-618-5009

Additional Contact

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

Name:	D. Louis Glaser
Title:	Partner
Company Name:	Katten Muchin Rosenman LLP
Address:	525 West Monroe Street, Chicago, Illinois 60661
Telephone Number:	312-902-5210
E-mail Address:	louis.glaser@kattenlaw.com
Fax Number:	312-577-8757

Additional Contact

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

Name:	Edwin W. Parkhurst, Jr.
Title:	Managing Principal
Company Name:	PRISM Healthcare Consulting
Address:	799 Roosevelt Road, Bldg. 4, Ste 317, Glen Ellyn, Illinois 60137
Telephone Number:	630-790-5089
E-mail Address:	<u>eparkhurst@consultprism.com</u>
Fax Number:	630-790-2696

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Co-applicant's County:	Suburban Cook	Health Service Area	7	Health Planning Area:	A-07

Applicant Identification

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

Exact Legal Name:	Northwest Community Health Services, Inc.				
Address:	800 West Central Road, Arlington Heights, Illinois 60005				
Name of Registered Agent:	Bruce K. Crowther				
Name of Chief Executive Officer:	Bruce K. Crowther				
CEO Address:	800 West Central Road, Arlington Heights, Illinois 60005				
Telephone Number:	847-618-5015				

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Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance]

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Company Name:	Northwest Community Hospital
Address:	800 West Central Road, Arlington Heights, Illinois 60005
Telephone Number:	847-618-5017
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Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Northwest Community Hospital
Address of Site Owner:	800 West Central Road, Arlington Heights, Illinois 60005
Street Address or Legal Description of Site:	800 West Central Road, Arlington Heights, Illinois 60005

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.]

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Address:	800 West Central Road, Arlington Heights, Illinois 60005
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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.] - **Not Applicable**

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.idph.state.il.us/about/hfpb.htm>).

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Historic Resources Preservation Act Requirements

[Refer to application instructions.] - **Not Applicable**

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

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DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification:

- Substantive
- Non-substantive **(Per Agency Staff)**

Part 1120 Applicability or Classification:
[Check one only.]

- Part 1120 Not Applicable
- Category A Project
- Category B Project
- DHS or DVA Project

2. Project Outline

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 Radiology/Imaging		X			38 + 9 = 47*
• 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					

* Northwest Community Hospital 38
Affinity Healthcare, LLC 9

APPEND DOCUMENTATION AS ATTACHMENT-8, 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.

This Certificate of Need Permit Application is for the purchase of 100% of the tangible and intangible assets (excluding cash and accounts receivable) of Affinity Healthcare LLC, an Illinois series Limited Liability Company ("Affinity"). Affinity is a physician practice with approximately 41 healthcare providers including physicians, nurses, and allied health professionals with offices in Arlington Heights, Illinois and Buffalo Grove, Illinois. The acquisition will be made by a subsidiary of Northwest Community Healthcare located at 800 West Central Road, Arlington Heights, Illinois, namely Northwest Community Health Services, Inc. With this acquisition, the parties will combine their now separate healthcare operations into a consolidated healthcare system that improves quality, enhances access, and provides preeminent primary care services for Arlington Heights and the surrounding area. Combining their organizations will form an integrated healthcare delivery system.

Affinity Healthcare, LLC assets will be acquired with an estimated project capital expenditure of \$17,108,000. These assets, by way of example, include all Affinity locations and associated furniture, fixtures and tenant improvements, equipment, inventory, pre-paid expenses, practice records (including Affinity's paper and electronic health records) and other tangible assets, all intellectual property (including the trade names, trademarks and service marks of Affinity Healthcare), all transferable contracts and licenses, all trained and assembled workforce in place, and all goodwill and going concern value, attributable to the ordinary course of business of Affinity plus related transaction costs.

The purchase price for Affinity assets is within the range of fair market value as established based upon an independent valuation using established third party valuation methodologies. A substantial portion of the valuation was based on Affinity's goodwill and going concern value.

This is a non-substantive project according to the definitions in Section 1110.40 in that it is the change of ownership of a physician practice. (Note: This classification was verified with State Agency Staff) and has a Category B classification due to the expected expenditure.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-clinical components that are not related to the provision of health care, complete the second column of the table below. See 20 ILCS 3960 for definition of non-clinical. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Preplanning Costs			\$96,700
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			17,011,300
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			\$17,108,000
SOURCE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Cash and Securities			\$17,108,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			\$17,108,000
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Capitalized Project Costs

Physician Practice Acquisition

Practice Cost

Fair Market Value Purchase Price \$16,270,000

Other Project Related Costs

Pre-Planning \$96,700

Legal / Due Diligence 270,000

IT Integration 250,000

Permit Application Development 40,000

Signage 55,000

Transaction Closing 87,300

Costs / Contingency

Permit Application Processing Fee 39,000

Sub-total Other \$838,000

Total Project Costs to be Capitalized \$17,108,000

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 Yes No
 Purchase Price: \$ _____
 Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
 Yes 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 \$ Not Applicable .
This is the acquisition of an existing business (physician practice).

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): * September 16, 2010

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON contingencies.
 Project obligation will occur after permit issuance.

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits

- * Project closing date is expected to be the earlier of (a) the first business day of the month immediately following receipt of all regulatory approvals and satisfaction of all conditions precedent to closing set forth in the asset purchase agreement; or (b) such other date agreed to by the Parties following the receipt of all regulatory approvals and satisfaction of all conditions precedent to closing. The expected closing date is on or before September 1, 2010, based on anticipated Review Board approval on July 27.

Cost Space Requirements

Not Applicable

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
CLINICAL							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON CLINICAL							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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Facility Bed Capacity and Utilization (2008 AHQ)

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**.

FACILITY NAME: Northwest Community Hospital		CITY: Arlington Heights, IL			
REPORTING PERIOD DATES: From: January 1, 2008 to: December 31, 2008					
Category of Service	Authorized Beds	Admissions	Patient Days *	Bed Changes	Proposed Beds
Medical/Surgical	336	17,476	78,915	--	336
Obstetrics	44	3,232	8,434	--	44
Pediatrics	16	543	2,044	--	16
Intensive Care **	60	4,155	10,043	--	60
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	32	1,355	9,253	--	32
Neonatal Intensive Care	8	--	--	--	8
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Dedicated Observation Other ((identify)	0	Incl	1,497	--	0
TOTALS:	496	26,761	110,186	--	496

* Includes the following observation days

Medical / Surgical	3,723
Pediatrics	643
ICU	113
OB/GYN	313
AMI	0
Dedicated Observation	<u>1,497</u>
Total	<u>6,289</u>

** Includes direct admissions (2,446) and transfers (1,709)

Facility Bed Capacity and Utilization – Preliminary 2009 AHQ Draft

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**.

FACILITY NAME: Northwest Community Hospital		CITY: Arlington Heights, IL			
REPORTING PERIOD DATES: From: January 1, 2009 to: December 31, 2009					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	336	18,611	77,619		336
Obstetrics	44	3,033	7,745		44
Pediatrics	16	970	1,766		16
Intensive Care	60	2,354	10,716		60
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	32	1,354	9,263		32
Neonatal Intensive Care	8				8
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Dedicated Observation Other ((identify))					
TOTALS:	496	26,322	107,109		496

Observation days

Medical / Surgical	2,734
Pediatrics	82
ICU	30
OB/GYN	294
AMI	0
Dedicated Observation **	<u>931</u>
Total	<u>4,071</u>

Note: Dedicated Observation beds were taken out of service as of 5/22/09. Prior to that time there were 10 dedicated beds

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 Northwest Community Healthcare * 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.

BK Crowther
SIGNATURE

Bruce K. Crowther
PRINTED NAME

President and CEO
PRINTED TITLE

Michael B. Zenn
SIGNATURE

Michael B. Zenn
PRINTED NAME

Executive Vice President & COO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 30 day of April 2010

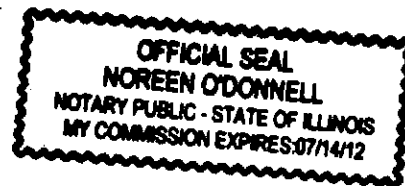
Notarization:
Subscribed and sworn to before me
this 30 day of April 2010

Noreen O'Donnell
Signature of Notary

Noreen O'Donnell
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.

This Application for Permit is filed on the behalf of Northwest Community Hospital * 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.



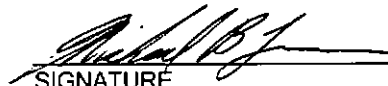
SIGNATURE

Bruce K. Crowther

PRINTED NAME

President and CEO

PRINTED TITLE



SIGNATURE

Michael B. Zenn

PRINTED NAME

Executive Vice President & COO

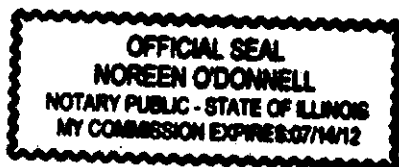
PRINTED TITLE

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Signature of Notary

Seal

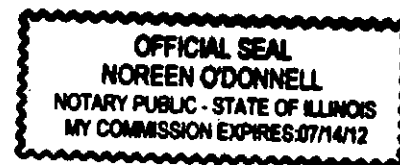


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Seal



*Insert EXACT legal name of the applicant

CERTIFICATION

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- 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 Northwest Community Health Services, Inc. * 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.

BK Crowther

SIGNATURE

Bruce K. Crowther

PRINTED NAME

President

PRINTED TITLE

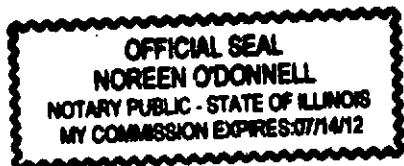
Notarization:

Subscribed and sworn to before me this 30 day of April, 2010

Noreen O'Donnell

Signature of Notary

Seal



Michael B. Zenn

SIGNATURE

Michael B. Zenn

PRINTED NAME

Executive Vice President & COO

PRINTED TITLE

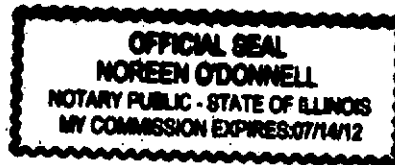
Notarization:

Subscribed and sworn to before me this 30 day of April, 2010

Noreen O'Donnell

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 HFSRB 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 HFSRB.**
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 HFSRB has established utilization standards or occupancy targets in 77 Ill. 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 tot 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 HFSRB 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.

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"/>					
<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

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

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

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 No . 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									
TOTALS									

* Include the percentage (%) of space for circulation

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

SECTION XI. SAFETY NET IMPACT STATEMENT**SAFETY NET IMPACT STATEMENT that describes all of the following:**

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service

APPEND DOCUMENTATION AS ATTACHMENT-77 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification	33
2	Site Ownership	34
3	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	35 – 39
4	Flood Plain Requirements	NA
5	Historic Preservation Act Requirements	NA
6	Description of Project	40
7	Project and Sources of Funds Itemization	41 – 44
8	Cost Space Requirements	NA
9	Discontinuation	NA
10	Background of the Applicant	45 – 84
11	Purpose of the Project	85 – 96
12	Alternatives to the Project	97 – 102
13	Size of the Project	103
14	Project Service Utilization	104 – 105
15	Unfinished or Shell Space	106
16	Assurances for Unfinished/Shell Space	107
17	Master Design Project	NA
18	Mergers, Consolidations and Acquisitions	NA
	Categories of Service:	NA
19	Planning Area Need	NA
20	Service Demand – Establishment of Category of Service	NA
21	Service Demand – Expansion of Existing Category of Service	NA
22	Service Accessibility – Service Restrictions	NA
23	Unnecessary Duplication/Maldistribution	NA
24	Category of Service Modernization	NA
25	Staffing Availability	NA
26	Assurances	NA
	Service Specific:	
27	Comprehensive Physical Rehabilitation	NA
28	Neonatal Intensive Care	NA
29	Open Heart Surgery	NA
30	Cardiac Catheterization	NA
31	In-Center Hemodialysis	NA
32	Non-Hospital Based Ambulatory Surgery	NA
	General Long Term Care:	
33	Planning Area Need	NA
34	Service to Planning Area Residents	NA
35	Service Demand-Establishment of Category of Service	NA
36	Service Demand-Expansion of Existing Category of Service	NA
37	Service Accessibility	NA
38	Description of Continuum of Care	NA
39	Components	NA
40	Documentation	NA
41	Description of Defined Population to be Served	NA

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
42	Documentation of Need	NA
43	Documentation Related to Cited Problems	NA
44	Unnecessary Duplication of Service	NA
45	Maldistribution	NA
46	Impact of Project on Other Area Providers	NA
47	Deteriorated Facilities	NA
48	Documentation	NA
49	Utilization	NA
50	Staffing Availability	NA
51	Facility Size	NA
52	Community Related Functions	NA
53	Zoning	NA
54	Assurances	NA
	Service Specific (continued...):	
55	Specialized Long Term Care	NA
56	Selected Organ Transplantation	NA
57	Kidney Transplantation	NA
58	Subacute Care Hospital Model	NA
59	Post Surgical Recovery Care Center	NA
60	Children's Community-Based Health Care Center	NA
61	Community-Based Residential Rehabilitation Center	NA
	Clinical Service Areas Other than Categories of Service:	
62	Need Determination - Establishment	NA
63	Service Demand	NA
64	Referrals from Inpatient Base	NA
65	Physician Referrals	NA
66	Historical Referrals to Other Providers	NA
67	Population Incidence	NA
68	Impact of Project on Other Area Providers	NA
69	Utilization	NA
70	Deteriorated Facilities	NA
71	Necessary Expansion	NA
72	Utilization- Major Medical Equipment	NA
73	Utilization-Service or Facility	108 - 112
	FEC:	
74	Freestanding Emergency Center Medical Services	NA
	Financial and Economic Feasibility:	
75	Financial Feasibility	113 - 120
76	Economic Feasibility	121 - 126
77	Safety Net Impact Statement	127 - 242

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Exact Legal Name:	Northwest Community Healthcare (Parent)
Address:	800 West Central Road, Arlington Heights, Illinois 60005
Name of Registered Agent:	Bruce K. Crowther
Name of Chief Executive Officer:	Bruce K. Crowther
CEO Address:	800 West Central Road, Arlington Heights, Illinois 60005
Telephone Number:	847-618-5015

Exact Legal Name:	Northwest Community Hospital
Address:	800 West Central Road, Arlington Heights, Illinois 60005
Name of Registered Agent:	Bruce K. Crowther
Name of Chief Executive Officer:	Bruce K. Crowther
CEO Address:	800 West Central Road, Arlington Heights, Illinois 60005
Telephone Number:	847-618-5015

Exact Legal Name:	Northwest Community Health Services, Inc.
Address:	800 West Central Road, Arlington Heights, Illinois 60005
Name of Registered Agent:	Bruce K. Crowther
Name of Chief Executive Officer:	Bruce K. Crowther
CEO Address:	800 West Central Road, Arlington Heights, Illinois 60005
Telephone Number:	847-618-5015

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Northwest Community Hospital
Address of Site Owner:	800 West Central Road, Arlington Heights, Illinois 60005
Street Address or Legal Description of Site:	800 West Central Road, Arlington Heights, Illinois 60005

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Northwest Community Healthcare

Northwest Community Hospital

Northwest Community Health Services, Inc.



To all to whom these Presents Shall Come, Greeting:

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

NORTHWEST COMMUNITY HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 11, 1981, 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.



Authentication #: 1011102578

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 21ST day of APRIL A.D. 2010 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

NORTHWEST COMMUNITY HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 09, 1953, 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.

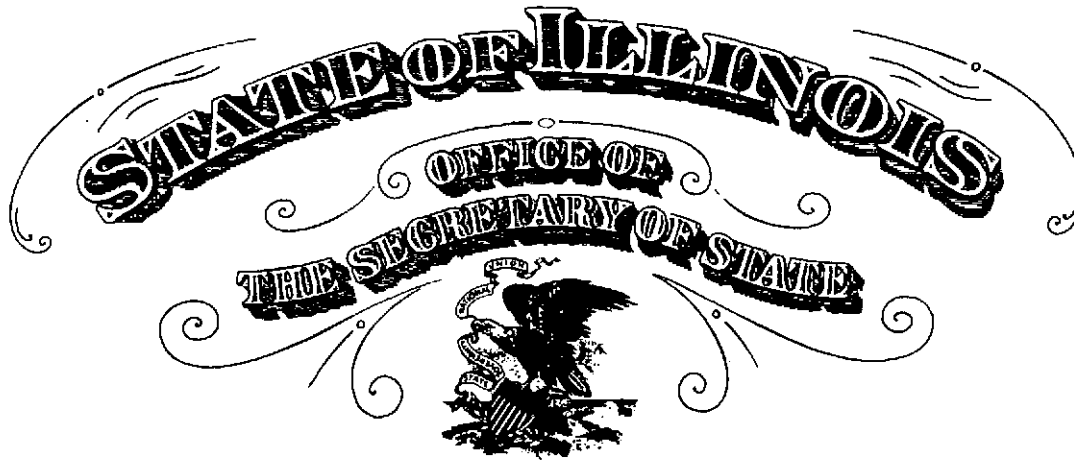


Authentication #: 1011102562
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 21ST
day of APRIL A.D. 2010 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

NORTHWEST COMMUNITY HEALTH SERVICES, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 06, 1984, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1011102532

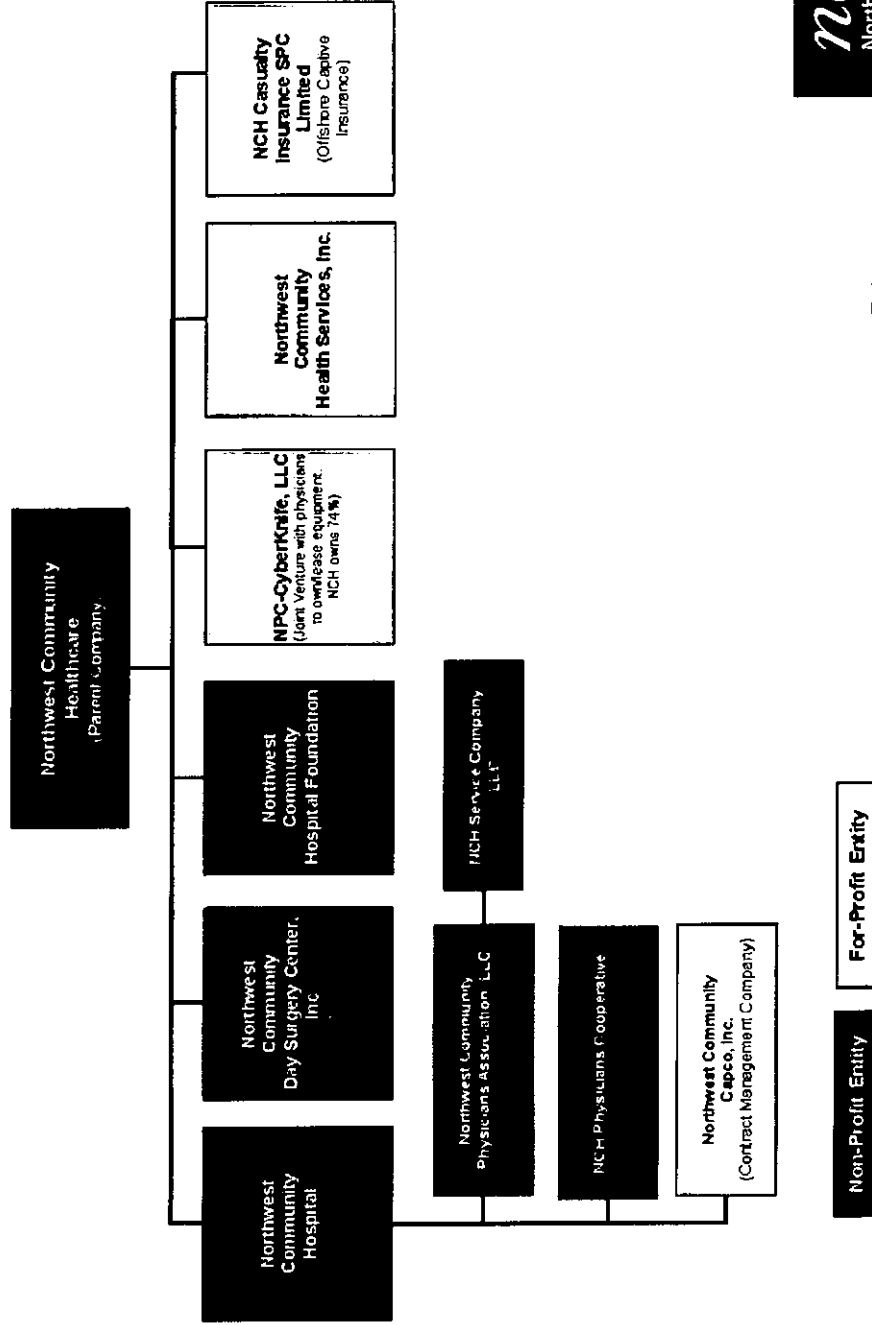
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 21ST day of APRIL A.D. 2010 .

Jesse White

SECRETARY OF STATE

Northwest Community Healthcare & Subsidiaries Corporate Organizational Chart



SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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 type="checkbox"/> Substantive</p> <p><input checked="" type="checkbox"/> Non-substantive (Per Agency Staff)</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>
---	--

2. Project Outline

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 Radiology/Imaging		X			38 + 9 = 47*
• 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					

* Northwest Community Hospital 38
Affinity Healthcare, LLC 9

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-clinical components that are not related to the provision of health care, complete the second column of the table below. See 20 ILCS 3960 for definition of non-clinical. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Preplanning Costs			\$96,700
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			17,011,300
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			\$17,108,000
SOURCE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL
Cash and Securities			\$17,108,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			\$17,108,000
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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.

Capitalized Project Costs

Physician Practice Acquisition

Practice Cost

Fair Market Value Purchase Price	\$16,270,000
----------------------------------	--------------

Other Project Related Costs

Pre-Planning	\$96,700
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Legal / Due Diligence	270,000
-----------------------	---------

IT Integration	250,000
----------------	---------

Permit Application Development	40,000
--------------------------------	--------

Signage	55,000
---------	--------

Transaction Closing	87,300
---------------------	--------

Costs / Contingency

Permit Application Processing Fee	<u>39,000</u>
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Sub-total Other	\$838,000
-----------------	-----------

Total Project Costs to be Capitalized	<u>\$17,108,000</u>
---------------------------------------	---------------------



Jerry M. Chang, CFA
 Director
 1180 Peachtree Street, Suite 1900
 Atlanta, Georgia 30309
 404.602.3462 office phone
 404.512.5422 mobile phone

April 30, 2010

Mr. Bruce K. Crowther
 President and Chief Executive Officer
 Northwest Community Hospital
 800 West Central Road
 Arlington Heights, Illinois 60005

Re: Fair Market Valuation of the Business Enterprise of Affinity Healthcare, LLC

Dear Mr. Crowther:

We understand Northwest Community Hospital ("NCH") and Affinity Healthcare, LLC ("Affinity") have signed an Amended Letter of Intent dated April 30, 2010, wherein NCH or its designee shall acquire all of the tangible and intangible assets of Affinity other than cash, cash equivalents, and accounts receivable for a purchase price of \$16,270,000. The final consideration paid at closing (i.e., the final purchase price) will be subject to customary closing and post-closing adjustments and the final conclusion of NCH's due diligence investigation of Affinity.

This purchase price, subject to customary closing and post-closing adjustments and the final conclusion of NCH's due diligence investigation of Affinity, falls within the overall recommended range of fair market value based on our independent valuation analysis and narrative report prepared for NCH, dated April 30, 2010, which range is \$15,200,000 to \$17,000,000. Our analysis and report regarding the fair market value of Affinity was based on established third party valuation methodologies.

On behalf of Navigant Consulting, I appreciate the opportunity to assist Northwest Community Hospital and its Board with the valuation analysis of Affinity Healthcare, LLC. Please let me know if any questions arise regarding our analysis.

Sincerely,

Jerry M. Chang, CFA

Notarization:

Subscribed and sworn to before me

this 30th day of April

Signature of Notary
 Seal



MUTUAL DECLARATION

THIS MUTUAL DECLARATION (this "**Declaration**") is made and entered into as of April 30, 2010 (the "**Effective Date**"), by and between **NORTHWEST COMMUNITY HOSPITAL**, an Illinois not-for-profit corporation ("**NCH**"), and **AFFINITY HEALTH CARE, LLC**, an Illinois limited liability company ("**Affinity**"). NCH and Affinity may be referred to herein individually as a "**Party**" and collectively as the "**Parties.**"

1. The Parties share a patient-centered culture committed to excellence and quality. The Parties' histories of sound governance and management, together with excellent physicians, nurses and other caregivers, have assured the delivery of exceptional care at each institution.

2. The Parties wish to continue to improve quality, enhance access and accelerate the building of the preeminent primary care services line for Arlington Heights, Illinois and surrounding regions, through the combination of their institutions into an integrated health care delivery system.

3. The Parties have entered into a letter of intent pursuant to which they have negotiated a purchase price for the acquisition by NCH of substantially all of the tangible and intangible assets of Affinity other than cash, cash equivalents and accounts receivable, in an amount equal to Sixteen Million Two Hundred Seventy Thousand Dollars (\$16,270,000), which sale is subject to: (i) the final conclusion of NCH's due diligence investigation of Affinity; (ii) the finalization of a definitive written asset purchase agreement and all other agreements ancillary thereto containing such provisions as may be agreed upon by the Parties; and (iii) such other closing conditions as are set forth in the letter of intent.

IN WITNESS WHEREOF, the Parties have executed this Declaration as of the Effective Date.

NORTHWEST COMMUNITY HOSPITAL

AFFINITY HEALTH CARE, LLC

By: _____

By: _____

Its: _____

Its: _____

CHI02_60801764v3

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 appropriate.
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, included, but not limited to: official records of DPH or other State agencies; the licensing or certification or records of other states, when applicable; and the records of nationally recognized accreditation agencies. **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.

1. Listing of Healthcare Facilities Owned or Operated by the Applicant

Facility Name	Address	City, State	Identification	License #
Northwest Community Hospital (Primary Business Address)	800 W. Central Rd.	Arlington Heights, IL 60005	IL Hospital License JCAHO The College of American Pathologists Commission on Cancer Certificate of Approval with Commendation Centers for Medicare & Medicaid Services Society of Chest Pain Centers Letter of Accreditation JCAHO Behavioral Health Certification (Youth Center) State of Illinois Department of Human Services Intersocietal Commission for the Accreditation of Echocardiography Laboratories	1954436 4656 LAP 1844001 CLIA 14D0411645 ID # 403381
Northwest Community Day Surgery Center	675 W. Kirchoff Rd	Arlington Heights, IL 60005	IL ASTC License	1970726
Northwest Community Wellness Center	900 W. Central	Arlington Heights, IL 60005		
Buffalo Grove Immediate Care Center	15 McHenry Rd.	Buffalo Grove, IL 60089		
Schaumburg Immediate Care & Imaging Center	519 S. Roselle Rd.	Schaumburg, IL 60193		
Buffalo Grove MOB	125 E. Lake Cook Rd	Buffalo Grove, IL 60089		
Schaumburg MOB	455 S. Roselle Rd	Schaumburg, IL 60193		
901 Kirchoff Building	901 W. Kirchoff Rd	Arlington Heights, IL 60005		
Palatine MOB	500 N. Hicks Rd.	Palatine, IL		

Lake Zurich Immediate Care Center	1201 S. Rand Rd.	60067 Lake Zurich, IL 60047		
Central Professional Plaza MOB	605 & 675 Central	Arlington Heights, IL 60005		
Northwest Community Business Center	3060 Salt Creek Lane	Arlington Heights, IL 60005	IL Home Health Agency License	1926426
Palatine Opportunity Center	1585 N. Rand Road	Palatine, IL 60067		
Buffalo Grove Physical Medicine and Rehab	601 W. Deerfield, Pkwy.	Buffalo Grove, IL 60089		
Busse Center for Specialty Medicine MOB	880 W. Central Road	Arlington Heights, IL 60005		
1430 Draw Site for Reference Lab	1430 N. Arlington Heights Rd.	Arlington Heights, IL 60005		
Rolling Meadows Site	3300 Kirchoff Rd.	Rolling Meadows, IL 60053	To open in July	

Affinity Healthcare, LLC, the physician practice which will be acquired, operates three clinical locations with its corporate office located in Riverwoods, Illinois.

Affinity Healthcare, LLC (Corporate business address)
2610 Lake Cook Road
Riverwoods, Illinois 60015

Affinity Healthcare, LLC
1538 North Arlington Heights Road
Arlington Heights, Illinois 60004

Affinity Healthcare LLC
1051 West Rand Road
Arlington Heights, Illinois 60004

Affinity Healthcare, LLC
1450 Busch Parkway
Buffalo Grove, Illinois 60089

2. **Adverse Action** (See attestation letter; Attachment 10, Exhibit 15)

3. **Authorization to Access Information** (See attestation letter; Attachment 10, Exhibit 15)

4. **Prior Applications Filed**

NICU:

Permit Date: April 21, 2009

Permit Project #: 08-101

Permit Amount: \$8,370,156

Project Completion Date: December 31, 2010

PCA:

ORIGINAL

Permit Date: April 25, 2006

Permit Project # 06-005

Permit Amount: \$249,824,956

Project Completion Date: September 30, 2012.

ALTERATION

Permit Alteration Accepted: April 21, 2009

Permit Project # 06-005

Permit Amount: Original budget increased by \$6,953,525 to bring it to a total project cost of \$256,768,481

Project Completion Date: Remains the same - September 30, 2012

License and Certifications

<u>Facility</u>	<u>License / Certification</u>	<u>Expiration</u>
Northwest Community Hospital	State of Illinois Hospital License # 1954436	12/31/10
Northwest Community Hospital	College of American Pathologists Accredited Laboratory LAP Number 1844001	11/21/2011
Northwest Community Hospital	Commission on Cancer Certificate of Approval with Commendation	12/31/2011
Northwest Community Day Surgery Center	State of Illinois ASTC License # 1970726	03/20/2011
Northwest Community Hospital	Joint Commission Certification – Disease Specific Care Certification – Primary Stroke Center Certification # 4656	
Northwest Community Hospital Home Care	State of Illinois Home Health Agency License # 1926426	04/30/10
Northwest Community Hospital	Centers for Medicare & Medicaid Services Certificate of Accreditation CLIA ID #14D0411645	01/02/2011
Northwest Community Hospital	Joint Commission Certification – Measure of Success - Certification # 4656	November 2012
Northwest Community Hospital	Joint Commission Certification – Evidence of Standards - Certification # 4656	June 2012
Northwest Community Hospital	Society of Chest Pain Centers Letter of Accreditation	August 6, 2012
Northwest Community Hospital Youth Center	Joint Commission Certification – Behavioral Health Care Accreditation Program Organization ID # 403381	October 2010
Northwest Community Hospital Youth Center	State of Illinois Department of Human Services – License # A-3043-0001-A	April 30, 2013
Northwest Community Hospital	Intersocietal Commission for the Accreditation of Echocardiography Laboratories – Accreditation Letter # 7374	June 5, 2010

Other Imaging Certifications

American College of Radiology (ACR)

Northwest Community Healthcare
Buffalo Grove, IL

Senographe Essential 2006 MAP ID# 03978-03


Northwest Community Hospital
Schaumburg, IL

Hitachi Altaire 2003
Senographe Essential 2006 MAP ID# 08856-02

Northwest Community Hospital
Arlington Heights

Siemens Biograph 6 2005 for Oncology
Hitachi Echelon 2007
General Electric Signa 1993
Senographe Essential 2007 MAP ID# 00421-14
Senographe Essential 2007 MAP ID# 00421-13
Senographe Essential 2000 D 2003 MAP ID# 00421-09
Hologic Multicare 2008

Accredited for OB, Gynecological, General and Vascular
Ultrasound Services
Siemens ECAM I 2004 for SPECT and Nuclear Cardiology
Siemens ECAM II 2004 for SPECT and Nuclear Cardiology
Siemens Orbiter 37 1992 for Planar
CT Lightspeed 16 2002 for Adult & Pediatric Patients
CT Lightspeed Plus 2002 for Adult & Pediatric Patients
CT Lightspeed QXI 2002 for Adult & Pediatric Patients
Siemens Definition 128 2007 for Adult Patients



State of Illinois 1954436
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

<small>EXPIRATION DATE</small>	<small>CATEGORY</small>	<small>ID NUMBER</small>
12/31/10	BGBD	0001701

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 01/01/10

BUSINESS ADDRESS

NORTHWEST COMMUNITY HOSPITAL
800 WEST CENTRAL ROAD
ARLINGTON HGHTS IL 60005

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 1954436
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION
NORTHWEST COMMUNITY HOSPITAL

<small>EXPIRATION DATE</small>	<small>CATEGORY</small>	<small>ID NUMBER</small>
12/31/10	BGBD	0001701

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 01/01/10

11/07/09

NORTHWEST COMMUNITY HOSPITAL
800 WEST CENTRAL ROAD
ARLINGTON HGHTS IL 60005

FEE RECEIPT NO.



Advancing Excellence

Accredited
Laboratory



The College of American Pathologists

certifies that the laboratory named below

**Northwest Community Hospital
Laboratory**

Arlington Heights, Illinois

Richard P. Regan, MD

LAP Number: 1844001

AU-ID: 1183982

CLIA Number: 14D011645

has met all applicable standards for accreditation and is hereby fully accredited by the College of American Pathologists' Laboratory Accreditation Program. Reinspection should occur prior to November 21, 2011 to maintain accreditation.

Accreditation does not automatically survive a change in director, ownership, or location and assumes that all interim requirements are met.

Robert Williams, MD

Chair, Commission on Laboratory Accreditation

Scott A. Baum MD FRCR

President, College of American Pathologists



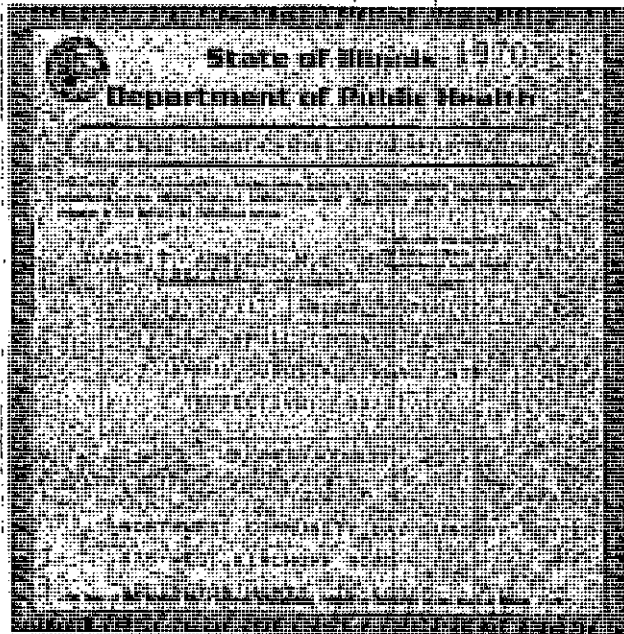
THE COMMISSION ON CANCER AWARDS THIS
Certificate of Approval
WITH COMMENDATION

to the *Community Hospital Comprehensive Cancer Program of
Northwest Community Hospital
Arlington Heights, IL*
Program approved through 2011

STEPHEN B. EDGE, MD, FACS
CHAIR, COMMISSION ON CANCER
AMERICAN COLLEGE OF SURGEONS

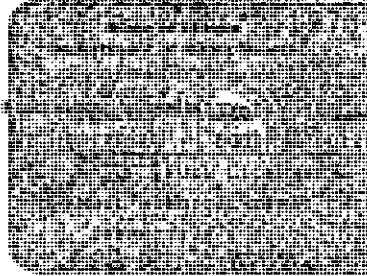
DIANA DICKSON-WITMER, MD, FACS
CHAIR, COMMITTEE ON APPROVALS
AMERICAN COLLEGE OF SURGEONS

The American College of Surgeons does not warrant or make any guarantees or assurances related to outcomes of treatment provided by institutions which have cancer programs approved by the Commission on Cancer.



← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION



02/20/10
NORTHWEST COMMUNITY DAY SURG
675 WEST KIRCHOFF ROAD
ARLINGTON HGHTS IL 60005

FEE RECEIPT NO. 20-



February 8, 2010

Bruce K. Crowther
President and Chief Executive Officer
Northwest Community Hospital
800 West Central Road
Arlington Heights, Illinois 60005

Joint Commission ID#: 4656
Certification Activity: Intra-Cycle
Certification Activity Due: 01/01/2010
Program: Disease-Specific Care
Certification-Primary Stroke Center

Dear Mr. Crowther:

The Joint Commission would like to thank your organization for participating in the Joint Commission's certification 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 certification process as a continuous standards compliance and operational improvement tool.

The Joint Commission is continuing to grant your organization a Passed Certification decision for all services reviewed under the applicable manual noted below.

• Disease-Specific Care Certification Manual

Please visit www.jointcommission.org for information related to your certified sites.

We encourage you to share this certification 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 certification 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 healthcare services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

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

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60110
630 797 5000 www

State of Illinois 1926426
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 regulations and is hereby authorized to engage in the activity as indicated below.

DAMON T. ARNOLD, M. D.
 DIRECTOR
 Board Under the authority of
 The State of Illinois
 Department of Public Health

EXPIRES	CATEGORY	ISSUE NO.
04/30/10	073	1000983

HOME HEALTH AGENCY LICENSES
 SKILLED NURSING**SPEECH THERAPY
 PHYSICAL THERAPY**
 OCCUPATIONAL THERAPY**
 MEDICAL SOCIAL SERVICE**
 HOME HEALTH AIDE**

BUSINESS ADDRESS

NORTHWEST COMMUNITY HOSPITAL HOME CARE
 3060 SALT CREEK LANE
 SUITE 110
 ARLINGTON HEIGHT IL 60005 0000

This form of this license has a colored background. Printed by authority of the State of Illinois - 1/97 -

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION →

State of Illinois 1926426
Department of Public Health
 LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRES	CATEGORY	ISSUE NO.
04/30/10	073	1000983

HOME HEALTH AGENCY LICENSES
 SKILLED NURSING**SPEECH THERAPY
 PHYSICAL THERAPY**
 OCCUPATIONAL THERAPY**
 MEDICAL SOCIAL SERVICE**
 HOME HEALTH AIDE**

04/25/09
 NORTHWEST COMM HOSP TAL HOME CARE
 3060 SALT CREEK LA , SUITE 110
 ARLINGTON HEIGHT IL 60005 0000

FEE RECEIPT NO. 060302

CENTERS FOR MEDICARE & MEDICAID SERVICES
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS
CERTIFICATE OF ACCREDITATION

LABORATORY NAME AND ADDRESS	CLIA ID NUMBER
NORTHWEST COMMUNITY HOSPITAL 800 W CENTRAL RD ARLINGTON HEIGHTS, IL 60005-2349	14D0411645
LABORATORY DIRECTOR	EFFECTIVE DATE
RICHARD P REGAN MD	01/03/2009
	EXPIRATION DATE
	01/02/2011

Pursuant to Section 353 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown hereon (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.



Judith A. Yost

Judith A. Yost, Director
Division of Laboratory Services
Survey and Certification Group
Center for Medicaid and State Operations

If you currently hold a Certificate of Compliance or Certificate of Accreditation, below is a list of the laboratory specialties/subspecialties you are certified to perform and their effective date:

<u>LAB CERTIFICATION (CODE)</u>	<u>EFFECTIVE DATE</u>	<u>LAB CERTIFICATION (CODE)</u>	<u>EFFECTIVE DATE</u>
BACTERIOLOGY (110)	07/24/1995	ANTIBODY TRANSFUSION (520)	07/24/1995
MYCOBACTERIOLOGY (115)	07/24/1995	ANTIBODY NON-TRANSFUSION (530)	07/24/1995
MYCOLOGY (120)	07/24/1995	ANTIBODY IDENTIFICATION (540)	07/24/1995
PARASITOLOGY (130)	07/24/1995	COMPATIBILITY TESTING (550)	07/24/1995
VIROLOGY (140)	12/02/1997	HISTOPATHOLOGY (610)	07/24/1995
SYPHILIS SEROLOGY (210)	07/24/1995	CYTOLOGY (630)	07/24/1995
GENERAL IMMUNOLOGY (220)	07/24/1995		
ROUTINE CHEMISTRY (310)	07/24/1995		
URINALYSIS (320)	07/30/2003		
ENDOCRINOLOGY (330)	03/29/2003		
TOXICOLOGY (340)	03/29/2003		
HEMATOLOGY (400)	07/24/1995		
ABO & RH GROUP (510)	07/24/1995		

FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT WWW.CMS.HHS.GOV/CLIA
OR CONTACT YOUR LOCAL STATE AGENCY. PLEASE SEE THE REVERSE FOR
YOUR STATE AGENCY'S ADDRESS AND PHONE NUMBER.
PLEASE CONTACT YOUR STATE AGENCY FOR ANY CHANGES TO YOUR CURRENT CERTIFICATE.

NORTHWEST COMMUNITY HOSPITAL
800 W CENTRAL RD
ARLINGTON HEIGHTS, IL 60005-2349

STATE AGENCY ADDRESS AND PHONE NUMBER:

ILLINOIS DEPARTMENT OF PUBLIC HEALTH
DIV OF HEALTH CARE FACILITIES & PROGRAMS
525 W JEFFERSON ST/FOURTH FLR
SPRINGFIELD, IL 62761
(217)782-6747

CLIA ID Number: 14D0411645

LABORATORY MAILING ADDRESS:



August 3, 2009

Bruce K. Crowther
President and Chief Executive Officer
Northwest Community Hospital
800 West Central Road
Arlington Heights, IL 60005

Joint Commission ID #: 4656
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 8/3/2009

Dear Mr. Crowther:

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 Home Care
- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning December 06, 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



March 27, 2009

Bruce K. Crowther
President and Chief Executive Officer
Northwest Community Hospital
800 West Central Road
Arlington Heights, IL 60005

Joint Commission ID #: 4656
Accreditation Activity: Evidence of Standards
Compliance
Accreditation Activity Completed: 3/27/2009

Dear Mr. Crowther:

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 Home Care
- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning December 06, 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



SOCIETY OF
CHEST PAIN
CENTERS

August 10, 2009

Bonnie DeGrande, RN
Director of Cardiovascular Services
Northwest Community Hospital
800 W. Central Road
Arlington Heights, IL 60005

Status: Accredited Chest Pain Center (initial)

Dear Ms. DeGrande:

The Accreditation Review Committee has reviewed the report of the onsite review team and has determined that Northwest Community Hospital is deserving of full accreditation as a Chest Pain Center as of August 7, 2009. Congratulations. Your facility will be sent an official certificate of accreditation. Accreditation will be for three years and expires on August 6, 2012.

The final report of the Accreditation Review Committee is enclosed. The report contains suggestions concerning areas that can benefit from further attention and are offered in the spirit of collaboration and process improvement.

As an official accredited facility, Northwest Community Hospital will receive two free individual memberships in the Society of Chest Pain Centers for a period of one year beginning August 7, 2009. The annual membership fee for each individual will be waived as a benefit to your facility for achieving full Chest Pain Center accreditation status. We are asking you, as the key contact, to notify the two individuals of their free one-year membership and forward to them the attached instructions and promo codes needed for the registration process. The two individuals will need to follow the instructions listed on the attached document to access our new online registration process. Once registered, both individuals will receive separate emails confirming their membership status.

Best regards,

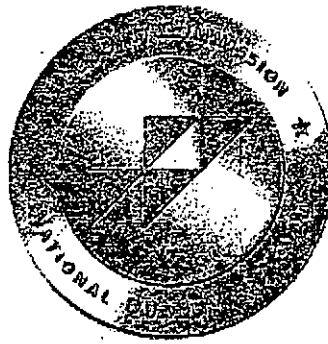
Kay Holmes

Kay Styer Holmes RN, BSN, MSA
Director of Accreditation Services

Northwest Community Hospital Youth

Arlington Heights, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for:
Behavioral Health Care Accreditation Program

July 13, 2007

Accreditation is customarily valid for up to 39 months.

David L. Nahrwold

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

403381
Organization ID #

Dennis S. O'Leary

Dennis S. O'Leary
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of other services provided in accredited organizations. Information about accredited organizations may be obtained from The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org



State of Illinois
Department of Human Services

LICENSE #: A-3043-0001-A

EXPIRES 04/30/13

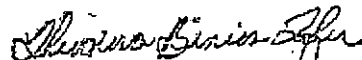
The person, firm or corporation whose name appears on this license and/or medicaid certificate has complied with the required provisions of Illinois Statutes and Rules and is hereby licensed and/or medicaid certified to provide alcoholism and other drug dependency services in the category(ies) stated below:

LICENSED TREATMENT

LEVEL II ADOLESCENT IOP
L III ADOLES. INPATIENT SUBACUTE
LEVEL III ADOLES. RES. EXT. CARE

LICENSEE: YOUTH CENTRE AT NORTHWEST
COMMUNITY HOSPITAL
901 KIRCHHOFF RD. 3 NORTH
ARLINGTON HEIGHTS, IL 60005

APPROVED: 05/01/10



Director of Division of Alcoholism and Substance Abuse

Issued under the authority of the State of Illinois, Department of Human Services



DCN:
004625



Intersocietal Commission for the Accreditation of Echocardiography Laboratories

8830 Stanford Boulevard, Suite 306, Columbia, Maryland 21045
phone 410.872.0100 toll free 800.838.2110 fax 800.581.7889 web www.icael.org

August 24, 2007

Michael Bauer, MD
Lynn Clark, RDCS
Northwest Community Hospital
Echocardiography Laboratory
800 West Central Road
Arlington Heights, Illinois 60005

Re: Reaccredit Application #7374
Date of Decision: June 5, 2007

Dear Dr. Bauer and Ms. Clark:

I would like to take this opportunity to congratulate you on seeking and acquiring reaccreditation by the Intersocietal Commission for the Accreditation of Echocardiography Laboratories. You and your staff are to be commended for demonstrating your laboratory's pursuit of excellence in the field of echocardiography.

At the June 5, 2007, meeting of the ICAEL Board of Directors, the reviews of your application were evaluated and discussed. Your laboratory has been awarded accreditation in the following areas of echocardiography:

Adult Transthoracic, Adult Transesophageal and Adult Stress
The Accreditation Portfolio is sent via UPS ground shipping to the Medical Director and contains the following items:

- a certificate for each clinical area in which your laboratory was granted accreditation.
- a press release announcing the recent accreditation of your laboratory.
- a CD-Rom containing the ICAEL logo designed for use by accredited laboratories.

In addition to explaining what your laboratory's accreditation signifies, the press release enclosed within the Accreditation Portfolio includes basic statistics on cardiovascular disease, designed to explain the role of the echocardiography laboratory within the community. If you would like for us to send this official press release, on ICAEL letterhead, to your local news media, including newspapers, television and radio stations, please complete the media list included within your Accreditation Portfolio and return it to the ICAEL office. We will then forward the official press release to the media you have indicated. In addition, you may use any text from the press release in internally generated public relations and marketing efforts for your laboratory.

Sponsoring Organizations And Representatives

AMERICAN COLLEGE OF CARDIOLOGY

Ramon Castallo, MD
President

Sheri F. Naguib, MD

Timothy P. Oberst, MD
Immediate Past-President

AMERICAN SOCIETY OF ECHOCARDIOGRAPHY

Helga Lombardo, RDCS

Rick Rigling, BS, RDCS
Secretary

Geoffrey Ross, MD, FASE
President-Elect

Raymond Steinbock, MD
Treasurer

SOCIETY OF DIAGNOSTIC MEDICAL SONOGRAPHY

Dee C. Smith, RDCS

SOCIETY OF PEDIATRIC ECHOCARDIOGRAPHY

Louis Bezold, MD

Derek Fyfe, MD

Kathy Kender, RDCS

Consultant To The Board

Richard A. Hume, MD

CEO

Gandra L. Katanlok, CAE

Technical Manager

Suevry German, RDCS

a member organization of the Intersocietal Accreditation Commission



Northwest Community Hospital
August 24, 2007
Page 2 of 2

The CD-Rom contains four different formats of the official ICAEL Accredited Echocardiography Laboratory logo, designed specifically for use by accredited laboratories. The JPG and GIF files are formatted for the web and online use, while the EPS and TIF files are high-resolution, and are best used in print items. You may use the logo on letterhead and other printed materials, as well as on your laboratory's web site, as an acknowledgment of your laboratory's accreditation status. However, the logo must be printed in its exact form; only changes in size are permitted. Use of the ICAEL logo without the words "Accredited Echocardiography Laboratory" underneath, or alterations of any kind to the official ICAEL logo, is strictly prohibited.

If you have any questions regarding the use of the press release or the CD-Rom containing the logo, please contact Kellie Hall (hall@intersocietal.org) or Tamara Sloper (sloper@intersocietal.org) through the ICAEL office, 410-872-0100. Questions related to the review of your application or the accreditation certificates should be directed to me gorman@intersocietal.org, or in my absence to Sandra Katanick.

The reaccreditation application reviewer findings letter will be mailed to you within twelve to sixteen weeks. Please review this important component of the reaccreditation process carefully upon receipt. This detailed document will provide you with the strengths and weaknesses of your laboratory as they relate to the *ICAEL Standards*.

If there are any changes in the laboratory name and address, or the Medical Director or Technical Director positions during the three-year accreditation period, please notify the ICAEL immediately. Thank you, once again, for participating in the process of accreditation and congratulations on acquiring accreditation from the Intersocietal Commission for the Accreditation of Echocardiography Laboratories. By voluntarily demonstrating substantial compliance to the requirements outlined in the *ICAEL Standards*, you have demonstrated a commitment to high-quality patient care.

Sincerely,



Beverly L. Gorman, RDCS
ICAEL Technical Manager

Enclosures



American College of Radiology

The Mammographic Imaging Services of

**Northwest Community Healthcare - Treatment Center
Buffalo Grove, IL**

were surveyed by the
Committee on Mammography Accreditation of the
Commission on Quality and Safety

The following unit was approved :

**General Electric Co. (GE Medical Systems)
SENOGRAPHE ESSENTIAL 2006**

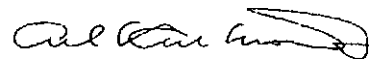
MAP ID # 03978-03

Accredited from :

September 26, 2008 through November 22, 2011


Debra J. Montanino, MD, FACR

CHAIR, COMMITTEE ON MAMMOGRAPHY ACCREDITATION



PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY



American College of Radiology

MRI Services of

**Northwest Community Hospital, Schaumburg Imaging
Center
Schaumburg, IL**

were surveyed by the
Committee on MRI Accreditation of the
Commission on Quality and Safety

The following magnet was approved

Hitachi ALTAIRE 2003

Accredited from:

June 26, 2009 through June 26, 2012

CHAIRMAN, COMMITTEE ON MRI ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

MRAP# 06937-01



American College of Radiology

The Mammographic Imaging Services of

**Northwest Community Hospital-Schaumburg Imaging Ctr
Schaumburg, IL**

were surveyed by the
Committee on Mammography Accreditation of the
Commission on Quality and Safety


The following unit was approved :

**General Electric Co. (GE Medical Systems)
SENOGRAPHE ESSENTIAL 2006**

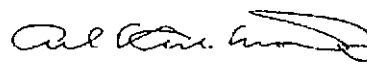
MAP ID # 08856-02

Accredited from :

July 29, 2008 through October 03, 2011


Debra J. Montanaro, MD, FACP

CHAIR, COMMITTEE ON MAMMOGRAPHY ACCREDITATION



PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY



American College of Radiology

PET Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the
Committee on Nuclear Medicine Accreditation
of the Commission on Quality and Safety

The following unit was approved
Siemens BIOGRAPH 6 2005

For
Oncology

Accredited from:

April 06, 2009 through April 06, 2012

CHAIRMAN, COMMITTEE ON NUCLEAR MEDICINE ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY
PETAP# 00850-01



American College of Radiology

MRI Services of

**Northwest Community Healthcare
Arlington Heights, IL**

were surveyed by the
Committee on MRI Accreditation of the
Commission on Quality and Safety

The following magnet was approved

Hitachi Echelon 2007

Accredited from:

June 17, 2008 through August 13, 2011

CHAIRMAN, COMMITTEE ON MRI ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

MRAP# 02752-03



American College of Radiology

MRI Services of

**Northwest Community Healthcare
Arlington Heights, IL**

were surveyed by the
Committee on MRI Accreditation of the
Commission on Quality and Safety

The following magnet was approved
General Electric SIGNA 1993

Accredited from:

June 17, 2008 through August 13, 2011

CHAIRMAN, COMMITTEE ON MRI ACCREDITATION

PRESIDENT AMERICAN COLLEGE OF RADIOLOGY

MRAP# 02752-02



American College of Radiology

The Mammographic Imaging Services of

**Northwest Community Hospital
Arlington Heights, IL**

*were surveyed by the
Committee on Mammography Accreditation of the
Commission on Quality and Safety*

The following unit was approved :

**General Electric Co. (GE Medical Systems)
SENOGRAPHE ESSENTIAL 2007**

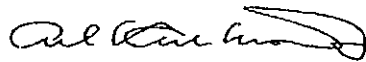
MAP ID # 00421-14

Accredited from :

March 11, 2009 through July 12, 2012


Debra J. Montanaro, MD, FACP

CHAIR, COMMITTEE ON MAMMOGRAPHY ACCREDITATION


Al Katz

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY



American College of Radiology

The Mammographic Imaging Services of

**Northwest Community Hospital
Arlington Heights, IL**

*were surveyed by the
Committee on Mammography Accreditation of the
Commission on Quality and Safety*

The following unit was approved :

**General Electric Co. (GE Medical Systems)
SENOGRAPHE ESSENTIAL 2007**

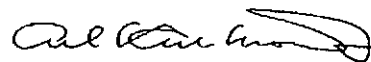
MAP ID # 00421-13

Accredited from :

March 11, 2009 through July 12, 2012


Debra Monticciolo, MD, FACR

CHAIR, COMMITTEE ON MAMMOGRAPHY ACCREDITATION


Al Rucklows

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY



American College of Radiology

The Mammographic Imaging Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the
Committee on Mammography Accreditation of the
Commission on Quality and Safety

The following unit was approved :

**General Electric Co. (GE Medical Systems)
SENOGRAPHE 2000 D 2003**

MAP ID # 00421-09

Accredited from :

March 11, 2009 through July 12, 2012


Debra J. Montross, MD, FACP

CHAIR, COMMITTEE ON MAMMOGRAPHY ACCREDITATION



PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY



American College of Radiology

The Stereotactic Breast Biopsy Imaging Services of

**NORTHWEST COMMUNITY HOSPITAL
Arlington Heights, IL**

were surveyed by the
Committee on Stereotactic Breast Biopsy Accreditation of the
Commission on Quality and Safety

The following unit
hologic MULTICARE 2008

Accredited for
Mass and Calcification Core-Needle Biopsy from
March 11, 2009 through December 06, 2011

CHAIRMAN, COMMITTEE ON STEREOTACTIC ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY
SBBAP# 00391-02



American College of Radiology

The Ultrasound Imaging Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the
Committee on Ultrasound Accreditation
of the Commission on Quality and Safety

Accredited for
OB, Gynecological, General & Vascular Ultrasound Services including

- * Peripheral Vascular
- * Cerebrovascular
- * Abdominal Vascular
- * Deep Abdominal Vascular

September 17, 2009 through October 30, 2012

CHAIRMAN, COMMITTEE ON ULTRASOUND ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

UAP# 00510



ECAM-R

American College of Radiology

Nuclear Medicine Services of

Northwest Community Hospital Arlington Heights, IL

were surveyed by the
Committee on Nuclear Medicine Accreditation
of the Commission on Quality and Safety

The following unit was approved

Siemens ECAM 2004

For

SPECT and Nuclear Cardiology

Accredited from:

March 23, 2010 through August 19, 2012

CHAIRMAN, COMMITTEE ON NUCLEAR MEDICINE ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

NMAP# 01711-02

E. CAM-IP



American College of Radiology

Nuclear Medicine Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the
Committee on Nuclear Medicine Accreditation
of the Commission on Quality and Safety

The following unit was approved

Siemens ECAM 2004

For

SPECT and Nuclear Cardiology

Accredited from:

March 23, 2010 through August 19, 2012

CHAIRMAN, COMMITTEE ON NUCLEAR MEDICINE ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

NMAP# 01711-02



American College of Radiology

Nuclear Medicine Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the
Committee on Nuclear Medicine Accreditation
of the Commission on Quality and Safety

The following unit was approved

Siemens ORBITER 37 1992

For

Planar

Accredited from:

January 11, 2010 through August 19, 2012

CHAIRMAN, COMMITTEE ON NUCLEAR MEDICINE ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

NMAP# 01711-04



American College of Radiology

Computed Tomography Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the
Committee on Computed Tomography Accreditation
of the Commission on Quality and Safety

The following unit was approved

General Electric Medical Systems CT LIGHTSPEED 16 2002

For

Adult & Pediatric Patients

Accredited from:

May 01, 2009 through May 01, 2012

CHAIRMAN, COMMITTEE ON COMPUTED TOMOGRAPHY ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY
CTAP# 03923-01



American College of Radiology

Computed Tomography Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the
Committee on Computed Tomography Accreditation
of the Commission on Quality and Safety

The following unit was approved

General Electric Medical Systems CT LIGHTSPEED PLUS 2002

For

Adult & Pediatric Patients

Accredited from:

July 24, 2009 through May 01, 2012

CHAIRMAN, COMMITTEE ON COMPUTED TOMOGRAPHY ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY
CTAP# 03923-02



American College of Radiology

Computed Tomography Services of

Northwest Community Hospital Arlington Heights, IL

were surveyed by the

Committee on Computed Tomography Accreditation
of the Commission on Quality and Safety

The following unit was approved

General Electric Medical Systems CT LIGHTSPEED QXI 2002

For

Adult & Pediatric Patients

Accredited from:

August 07, 2009 through May 01, 2012

CHAIRMAN, COMMITTEE ON COMPUTED TOMOGRAPHY ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

CTAP# 03923-03



American College of Radiology

Computed Tomography Services of

**Northwest Community Hospital
Arlington Heights, IL**

were surveyed by the

*Committee on Computed Tomography Accreditation
of the Commission on Quality and Safety*

The following unit was approved
Siemens DEFINITION 128 2007
For
Adult Patients

Accredited from:
July 24, 2009 through May 01, 2012

CHAIRMAN, COMMITTEE ON COMPUTED TOMOGRAPHY ACCREDITATION

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY
CTAP# 03923-04

800 West Central Road
Arlington Heights, Illinois 60005

847.618.1000
www.nch.org



April 30, 2010

Mr. Dale Galassie
Acting Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, IL 62761

Dear Mr. Galassie:

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

Northwest Community Hospital does not have any adverse actions during the last three (3) year period prior to filing of this application; and

Northwest Community Hospital authorizes the State Board (HFSRB) and Agency (DPH) access to information in order to verify documentation or information submitted in response to the requirements of Criterion 1110.230.b, or to obtain documentation or information which the State Board or Agency finds pertinent to the application.

If further information or documentation relative to this application is needed, please do not hesitate to contact me.

Sincerely,

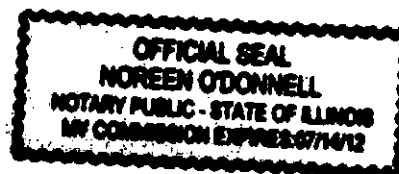
A handwritten signature in black ink that reads "BK Crowther".

Bruce K. Crowther
President and CEO
Northwest Community Hospital

Subscribed and sworn to before me
this 30 day of April 2010

A handwritten signature in black ink that reads "Noreen O'Donnell".

Signature of Notary



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

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 applicant's definition.
3. Identify the exiting 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 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.

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

PROJECT PURPOSE

Through the acquisition of Affinity Healthcare, Northwest Community Healthcare and Northwest Community Hospital are looking to form an integrated healthcare delivery system for the communities they serve. Such a system will improve the efficiency of services, enhance the coordination of care, and provide a higher level of quality healthcare with improved outcomes and increased access for the market area population served.

Northwest Community Hospital's Primary and Secondary Service Area (PSA/SSA) is comprised of 35 zip codes (COMPdata), 20 of which are populated and 15 of which are assigned to businesses. The cities include Arlington Heights, Mount Prospect, Palatine, Elk Grove Village, Barrington, Des Plaines, Lake Zurich, Prospect Heights, Buffalo Grove, Wheeling, Hoffman Estates, and Schaumburg. These 20 zip codes provide approximately 83% of Northwest Community Hospital's patients.

Comparatively, a more concentrated set of 11 zip codes provides 83% of Affinity Healthcare, LLC patients. These zip codes are a subset of Northwest Community Hospital's PSA/SSA. Exhibit A profiles the respective zip codes which account for 83% of each organization's patient origin. Exhibit B provides the population for the Northwest Community Hospital geographic service area.

The Hospital's PSA/SSA is mapped on Exhibit C. Affinity's 83% patient origin geographic market is mapped on Exhibit D. Exhibit E graphically displays the congruence and integration of these two service or primary geographic market areas to be served. Affinity and Northwest Community Hospital serve similar market areas and the greatest majority of Affinity's patients are a subset of Northwest Community Hospital's PSA/SSA. In addition, a vast majority of the patients admitted by Affinity physicians (over 85%) are admitted to Northwest Community Hospital.

Both organizations share a patient-centered culture committed to excellence and quality. NCH and Affinity seek to enhance operational efficiency, improve quality, and enhance local access to care. The combination of these organizations into an integrated healthcare delivery system will further these purposes consistent with documented research in this area as follows:

- Douglas McCarthy, Kimberly Mueller, and Jennifer Wrenn Issues Research, Inc., Mayo Clinic: Multidisciplinary Teamwork, Physician-Led Governance, and Patient-Centered Culture Drive World-Class Health Care CASE STUDY (Commonwealth Fund, New York, N.Y.) Pub. 1306, Vol. 27 August 2009

Abstract: The Mayo Clinic is the world's oldest and largest integrated multi-specialty group medical practice, combining clinical practice, education, and research at the regional, national, and international levels for the benefit of individuals with routine as well as complex health care needs. Mayo's model of integrated care is one of multi-disciplinary practice with salary-based compensation that fosters team-oriented patient care and peer accountability, a supportive infrastructure allowing physicians and other caregivers to excel at clinical work, and a physician-led governance structure promoting a patient-oriented culture. Full integration of the hospital and clinic and the use of a shared electronic medical record across inpatient and outpatient settings have also been critical to realizing efficiencies and promoting clinical excellence. Mayo fosters a learning environment in which teams of medical professionals use information technology and systems engineering to learn from each other and improve care in tandem with clinical practice.

- Thomas T. H. Wan, Blossom Yen-Ju Lin, and Allen Ma Integration Mechanisms and Hospital Efficiency in Integrated Health Care Delivery Systems (Journal of Medical Systems) Volume 26, Number 2 / April, 2002

Abstract Summary: This study analyzes integration mechanisms that affect system performance measures using indicators of efficiency in integrated delivery systems (IDSs) in the United States. The research question is, do integration mechanisms improve IDSs' efficiency in hospital care? American Hospital Association's Annual Survey (1998) and Dorenfest's Survey on Information Systems in Integrated Healthcare Delivery Systems (1998) were used to conduct the study, using IDS as the unit of analysis ... The beneficial effects of integration mechanisms have been realized in IDS performance. High efficiency in hospital care can be achieved by employing proper integration strategies in operations.

- Francis J. Crosson, M.D. 21st-Century Health Care – The Case for Integrated Delivery Systems (N Engl J Med)361;14 NEJM.ORG October 1, 2009

See Attachment 11, Exhibit F

This research indicates the development of an integrated healthcare delivery system, as envisioned by Northwest Community Healthcare, Northwest Community Hospital, and Affinity, will improve the healthcare and well-being of the market population to be served. Benefits will include, by way of summary;

- Efficient and effective care coordination across the continuum, facilitated through electronic health record integration
- A supportive teamwork approach to patient-focused care
- Commitment to improving care quality and patient safety
- Enhanced access to a continuum of healthcare services employing an active approach to access design in order to fulfill the needs of the community vs. the current method which relies upon an independent medical staff to determine geographic locations of practices and associated specialty mix.
- Improved outcomes through the adoption of evidence-based care guidelines and enhanced care coordination across sites of care.

Existing problems or issues in a traditional health delivery system model include, by way of summary;

- Fragmented care with multiple caregivers and access points leading to inefficiencies and possibly compromised quality and safety
- Non-integrated electronic records
- Disparate accountability and responsibility for care based on uncoordinated and fragmented care
- Unaligned financial incentives

The proposed project, to create an integrated health delivery system with employed physicians, will improve service delivery and quality through coordinated patient-focused services consistent with independent research in this area. Service area population-based care, although of high quality now, will be improved. In addition, the value of healthcare services delivered to the community served will be enhanced.

Most agree healthcare reform is long overdue. Even now with the new federal healthcare reform legislation, there is continued debate on the best way(s) to deliver comprehensive healthcare. The proposed integration model is one local step to respond to needed reform initiatives.

Some project goals include:

- Integrated / coordinated access to care across the continuum within 6 months
- Integrated electronic medical records within 6 months
- Integrated management structures within 3 months

This is a practice acquisition; no project related modernization or equipment replacement is contemplated.

Exhibit A

Geographic Service Area
 Northwest Community Hospital and Affinity Healthcare
 (Approximates 83% of patients to each organization)

<u>Zip Code</u>	<u>City</u>	<u>Zip Code Served</u>	
		<u>Northwest Community Hospital</u>	<u>Affinity Healthcare</u>
60004	Arlington Heights	X	X
60005	Arlington Heights	X	X
60007	Elk Grove Village	X	-
60008	Rolling Meadows	X	X
60010	Barrington	X	-
60016	Des Plaines	X	X
60018	Des Plaines	X	-
60047	Lake Zurich	X	X
60056	Mount Prospect	X	X
60067	Palatine	X	X
60070	Prospect Heights	X	X
60074	Palatine	X	X
60089	Buffalo Grove	X	X
60090	Wheeling	X	X
60169	Hoffman Estates	X	-
60173	Schaumburg	X	-
60192	Hoffman Estates	X	-
60193	Schaumburg	X	-
60194	Schaumburg	X	-
60195	Schaumburg	X	-
Total Zip Codes		<u>20</u>	<u>11</u>

Source: Hospital records / COMPdata; Affinity records

Exhibit B
 Service Area Population Estimates
 Northwest Community Hospital PSA and SSA
 (83% of Hospital's Patient Origin)

<u>Zip Code</u>	<u>Name</u>	<u>2009</u>	<u>2014</u>	<u>Change</u>	<u>%</u>
60004	Arlington Heights	51,084	50,390	-694	-1.36%
60005	Arlington Heights	28,989	28,730	-259	-0.89%
60008	Rolling Meadows	23,217	22,902	-315	-1.36%
60056	Mount Prospect	56,684	56,112	-572	-1.01%
60067	Palatine	38,159	38,305	146	0.38%
60074	Palatine	39,421	39,068	-353	-0.90%
60007	Elk Grove Village	34,451	33,851	-600	-1.74%
60010	Barrington	43,909	43,909	0	0.00%
60016	Des Plaines	59,542	59,337	-205	-0.34%
60018	Des Plaines	30,554	30,715	161	0.53%
60047	Lake Zurich	43,672	46,588	2,916	6.68%
60070	Prospect Heights	16,830	16,603	-227	-1.35%
60089	Buffalo Grove	45,229	45,613	384	0.85%
60090	Wheeling	38,077	38,341	264	0.69%
60169	Hoffman Estates	32,277	31,784	-493	-1.53%
60173	Schaumburg	11,293	11,145	-148	-1.31%
60192	Hoffman Estates	14,412	14,563	151	1.05%
60193	Schaumburg	39,368	38,764	-604	-1.53%
60194	Schaumburg	20,841	20,438	-403	-1.93%
60195	Schaumburg	<u>4,314</u>	<u>4,238</u>	<u>-76</u>	<u>-1.76%</u>
Total PSA and SSA		<u>672,323</u>	<u>671,396</u>	<u>-927</u>	<u>-0.14%</u>

Source: ESRI Business Solutions; US Census Bureau

21st-Century Health Care — The Case for Integrated Delivery Systems

Francis J. Crosson, M.D.

It was 1933. The United States was in the midst of a severe economic downturn that was to become the Great Depression. Data from 1929 showed that U.S. health care expenditures had reached 4% of the U.S. gross domestic product, a sum that was believed to threaten the country's financial recovery. After nearly a year of work, the Committee on the Costs of Medical Care, chaired by Dr. Ray Lyman Wilbur, the president of Stanford University, published its findings and recommendations.¹ The first bold-face recommendation read, "Medical service should be more largely furnished by groups of physicians and related practitioners, so organized as to maintain high standards of care and to retain the personal relations between patients and physicians."

The committee had reached this recommendation after reviewing evidence that the group-practice environment tended to produce higher-quality and more efficient care than disaggregated forms of practice. Nonetheless — with notable exceptions, such as the Mayo Clinic, the Geisinger Health System, Kaiser Permanente (where I work), and other isolated instances of integrated delivery systems based on group practices — the transition the committee called for has not taken place. I believe it needs to happen this time around.

The United States must make health care coverage available to all citizens. The recent experiment in Massachusetts has shown that near-universal coverage can be at-

tained but that waste resulting from unnecessary and unsafe care must be eliminated if the system is to be financially sustainable. The primary cause of unnecessary care is the costly brew of expensive technology and fee-for-service payment of physicians.² Most physicians want to do the right thing for their patients. It is easiest for them to do so when their decisions about what services to provide are guided, as much as possible, by science and patients' needs rather than by personal financial considerations. This goal can be accomplished reasonably well through prospective payment of a physician group that, in turn, pays its physicians appropriate salaries. The Massachusetts Special Commission on the Health Care Payment System recently announced its intention of moving away from fee-for-service payment in favor of prospective payment, believing that this change could significantly slow the growth of health care spending.

But there is a problem. Prospective payment for physicians' services has been shown to work well at the medical-group or health-system level but not at the individual-physician or small-practice level. In fact, experiments with individual capitation by health plans in the 1990s turned out to be financially unmanageable for physicians and created concerns that for some the degree of potential personal financial gain or loss made the approach ethically challenging.

Successfully replacing fee-for-service physician payment with

forms of prospective payment will require changes in the organization of physician practices and in the structural relationships between physicians and hospitals. Physicians will have to work together across specialties, work in tandem with hospitals, and be able to respond collectively to new payment methods. These changes have not materialized more broadly to date because of a classic chicken-and-egg conundrum. Payers have little incentive to develop innovative prospective payment methods unless there are enough delivery systems capable of receiving and succeeding with these payments. Conversely, physicians and hospitals have little incentive to do the hard work of integration when the payment system provides little reason to do so.

Thus, two interacting sets of changes need to occur: movement away from fee-for-service payment of physicians toward prospective payment, and multispecialty integration of physicians combined with hospitals to form new "accountable" systems of care. The case for such change was well presented last year by the Commonwealth Fund Commission on a High Performance Health System.³ There are two non-mutually-exclusive ways in which the changes envisioned by the commission could take place: rapid transition for established integrated delivery systems and gradual transition for the majority of physicians and hospitals. There are already 100 or more integrated delivery systems in the United States — they are especially

common in the West and upper Midwest — that are able to accept prospective payment and that could make care more efficient as a consequence. Other health care communities, on the other hand, are still quite disaggregated. In such places, the transition from fee-for-service and solo or small-group practices to prospective payment and integrated delivery systems will need to proceed in a more stepwise fashion. This process can begin with early forms of payment reform, which will in turn drive greater structural integration, which can increase the capacity for additional payment reform, and so on. The ultimate degree of integration will depend on local market realities — not every accountable system of care must be cut from the same structural mold. Similarly, assumption of all risk on the part of delivery systems is not a necessary component of a successful model. Kaiser Permanente's history shows that risk sharing between the payer and the care delivery system can work quite well.

The development of more integrated, accountable care systems should bring other benefits in addition to the opportunity to reduce costs. A number of studies have shown that integrated care is positively correlated with improved quality, which is achieved through the coordination of care among specialties, the effective use of information technology-based decision-support tools, and other key aspects of integrated systems. Such integrated health care entities are increasingly attractive to newly minted physicians, particularly primary care physicians, who perceive them as offering a supportive environment and recognize the ability of group

practices to moderate, at least to some degree, the growing income disparity between primary care physicians and specialists. The growth of integrated care systems may thus be at least a partial correction to the growing tendency of U.S. medical students to shun primary care as a career.

How long would it take to achieve a stepwise transition from complete disaggregation to accountable care systems? Some observers believe that it will be impossible to attain this goal at least until the older generation of physicians retires. Others, who recall some constructive responses from physicians and hospitals to the apparent inevitability of managed care in the early 1990s, believe that the shift could proceed much more quickly — especially because many physicians are more dissatisfied with the status quo than they were 15 years ago. In addition, many hospitals, observing the disintegration of the traditional hospital-staff model of physician self-governance, are seeking new ways of “clinically integrating” with physicians. Finally, the advances in clinical information technology that have occurred in the past decade provide a practical integration tool that was largely absent previously.

What would need to happen to launch the process? Public and private payers would have to initiate the cascade of changes by offering new payment opportunities to delivery organizations that are willing and able to accept them. I, among others, have called for the Centers for Medicare and Medicaid Services, the country's largest payer, to build on the Medicare Physician Group Practice Demonstration by devel-

oping new models that will allow the agency to share financial risk with delivery systems.^{4,5} Models that prove successful could be adopted by private payers as well. Regulators would need to remove certain barriers to integration while ensuring that system development does not lead to abusive pricing. As in Massachusetts, government leaders could seal the deal by establishing a stable long-term vision for delivery-system reform that could be counted on by physicians and hospitals seeking to lead the necessary changes. Most important, though, is that we begin this process of incremental change as soon as possible.

Dr. Crosson reports serving as chairman of the Council of Accountable Physician Practices. No other potential conflict of interest relevant to this article was reported.

All opinions expressed in this article are those of the author and do not necessarily represent the views of the Medicare Payment Advisory Commission (MedPAC), on which the author currently serves as vice-chairman.

From the Kaiser Permanente Institute for Health Policy, Oakland, CA.

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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 costs.

Criterion 1110.230 –Project Purpose, Background and Alternatives

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 resources that are available to serve all or a portion of the population proposed to be served by the project, and (there is no D).
- 2) Documentation shall consist of a comparison of the project to the alternative options. The comparison shall address cost, patient access, quality, and financial benefits in both the short-term (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.

Project Alternatives

The American Hospital Association is dedicated to “shaping the future for a healthier America”. In its most recent advocacy position papers on clinical integration (April 2010) the organization stated “Today’s health care system is fragmented and complex making it hard for patients to get the care they need at the right time and in the right setting. Clinical integration holds the promise of greater quality and improved efficiency in delivering patient centered care ... Delivering care that is more efficient, effective and patient-centered requires a team effort”.

Healthcare systems like Northwest Community Healthcare cannot exist without physicians. Physicians treat and admit the patients healthcare systems serve. Traditionally, physician providers and hospitals operate independently, with physicians being the primary drivers of quality and cost within a healthcare setting. (Source: Joe Flower - “Change the Model”; H&HN Digital Magazine, July 8, 2008) This leads to a fragmented care delivery model. Nationally, the movement is to develop integrated delivery system models (see also Attachment 11) whereby providers work together in an interdependent fashion, pooling infrastructure and resources and developing and implementing protocols and best practices. This enables providers to deliver higher quality care in a more efficient manner than they likely could achieve working independently, as well as reduce care delivery fragmentation. (Source: Guidelines for Clinical Integration, a working paper prepared for AHA by Hogan and Hartson, LLP, April 2007). Reducing fragmentation can best be achieved by employing physicians which, by definition, minimizes independent operations. The future of healthcare delivery depends on physicians and hospitals joining forces as one entity to develop an all-inclusive care model. This is the overarching strategy of the co-applicants and the underlying purpose to acquire Affinity Healthcare, LLC.

An employed physician model enhances care in that hospitals have the economies of scale to provide what physicians require to treat patients and adopt best practices. Independent physician practices are expected to become less viable under healthcare reform. The efficiencies and effectiveness achieved within an integrated delivery system model have been well researched and documented, as noted in part herein (see Attachment 11).

The Northwest Community Healthcare system analyzed four alternatives to develop an employed physician integrated delivery system model. These were conceptualized as “make vs. buy” alternatives as noted below:

Alternative 1: Do nothing; Maintain status quo; Forego an integrated delivery system model.

Alternative 2: Acquire various physician practices to create a “virtual private practice” / employed non-group practice model. (A “make” alternative in the context of a “Project of greater or lesser scope” per IHFSRB rules.)

Alternative 3: Recruit and employ sufficient physicians to develop a group practice as necessary for an employed physician integrated delivery system model with similar organizational characteristics to the Affinity group. (A “make” alternative in the context of a “Project of great or lesser scope” per IHFSRB rules.)

Alternative 4: Acquire an existing in-market group practice (Affinity) and assimilate their operations into Northwest Community Healthcare system to create an integrated healthcare delivery system. (A “buy” alternative.)

These alternatives are address in the attached matrix. After considerable analysis, the preferred alternative determined by Board and management was to acquire Affinity Healthcare LLC as described in this Permit Application.

Alternatives Evaluation Comparison Matrix

	<u>Alternative 1</u>	<u>Alternative 2</u>	<u>Alternative 3</u>	<u>Alternative 4</u>
Alternatives / Criteria	Do nothing; Maintain status quo; Forego an integrated delivery system model.	Acquire various physician practices to create a "virtual private practice" / employed non-group practice model. (A "make" alternative in the context of a "Project of greater or lesser scope" per IHFSRB rules.)	Recruit and employ sufficient physicians to develop a group practice as necessary for an employed physician integrated delivery system model with similar characteristics to the Affinity group. (A "make" alternative in the context of a "Project of great or lesser scope" per IHFSRB rules.)	Acquire existing in-market group practice (Affinity) and assimilate the operations into Northwest Community Healthcare to create an integrated delivery system. (A "buy" alternative.)
Patient Access	No enhancement	Partially enhanced through employed physician practices; access is not optimized due to lack of a group practice model	Enhanced to the degree, success and timing of the physician recruitment effort.	Immediately enhanced through coordinated care models in that one entity can provide all-inclusive care consistent with an integrated delivery model.
Timing	Not applicable	Intermediate > 5 years	Long term > 7 years	Immediate upon closing of transaction and fulfillment of all applicable rules, regulations, and legal requirements.

Alternatives Evaluation Comparison Matrix

	<u>Alternative 1</u>	<u>Alternative 2</u>	<u>Alternative 3</u>	<u>Alternative 4</u>
Alternatives / Criteria	Do nothing; Maintain status quo; Forego an integrated delivery system model.	Acquire various physician practices to create a "virtual private practice" / employed non-group practice model. (A "make" alternative in the context of a "Project of greater or lesser scope" per IHFSRB rules.)	Recruit and employ sufficient physicians to develop a group practice as necessary for an employed physician integrated delivery system model with similar characteristics to the Affinity group. (A "make" alternative in the context of a "Project of great or lesser scope" per IHFSRB rules.)	Acquire existing in-market group practice (Affinity) and assimilate the operations into Northwest Community Healthcare to create an integrated delivery system. (A "buy" alternative.)
Quality / Safety	No change	Minimal change	Long term potential to increase quality and safety through development of common care management protocols, policies and procedures inherent in an integrated healthcare delivery system model	Immediate potential to increase quality and safety due to common care management protocols, policies, and procedures inherent in an integrated healthcare delivery system model.
Cost / Financial Benefits / ROI / NPV 30 Physician; 5-year model	None	Dependent on the acquisition terms and contractual relations. Significant start-up costs result in negative returns during this period and several years beyond	Dependent upon the recruitment, ramp-up and infrastructure development process along with contractual relations. Significant start-up costs and elongated ramp-up result in negative returns during this period and several years beyond	Immediately provides for integrated healthcare delivery system model and approaches financial break-even point during this period.

Alternatives Evaluation Comparison Matrix

	<u>Alternative 1</u>	<u>Alternative 2</u>	<u>Alternative 3</u>	<u>Alternative 4</u>
Alternatives / Criteria	Do nothing; Maintain status quo; Forego an integrated delivery system model.	Acquire various physician practices to create a "virtual private practice" / employed non-group practice model. (A "make" alternative in the context of a "Project of greater or lesser scope" per IHFSRB rules.)	Recruit and employ sufficient physicians to develop a group practice as necessary for an employed physician integrated delivery system model with similar characteristics to the Affinity group. (A "make" alternative in the context of a "Project of greater or lesser scope" per IHFSRB rules.)	Acquire existing in-market group practice (Affinity) and assimilate the operations into Northwest Community Healthcare to create an integrated delivery system. (A "buy" alternative.)
Project Cost	None	\$5.0 to \$10 million, with negative returns during five year time period (Negative ROI)	\$5.0 to \$11 million with negative returns during five year time period (Negative ROI)	Direct asset acquisition cost estimated at \$18.0 million, approaches financial break-even point during this period, making it the least costly alternative.
Conclusion	Not applicable to strategy	Long-term; not viable; does not lead to integrated delivery system.	Potential option except elongated, long-term timeframe; no immediate result	Preferred option; best alternative to achieve integrated healthcare delivery system strategy.

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 THE PROJECT:

1. Document that the amount of physical space proposed for this 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 size exceeding the standards in Appendix B.
 - c. The project involves the conversion of existing bed space and results in excess square footage.

Not Applicable; This is an acquisition of an existing physician practice to be operated in existing space with no modifications. There is no modernization, construction, or demolition of space; hence, this section is not applicable as confirmed with the State Agency.

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

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

READ THE CRITERION and provide the following information

PROJECT SERVICES UTILIZATION:

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

This Permit Application section is not applicable. The current project services utilization is attached for reference purposes.

Project Services Utilization

The proposed project does not involve the change of ownership of a healthcare facility nor does it include the establishment, expansion, modernization, or discontinuation of any healthcare facility or category of service as defined under IHFSRB rules and criterion.

This project does, however, require a capital expenditure for clinical services (physician services and ancillary support) other than a category of service in excess of the current capital expenditure minimum (\$11.5 million as of July 1, 2009). The affected services consistent with Section 1110. Appendix B, adopted effective April 13, 2010, and their associated units of service and volumes for the Hospital and Affinity are included in the chart below:

<u>Modality</u>	<u>Consolidated * Utilization</u>	<u>Existing Pieces of Equipment</u>	<u>Justified Key Rooms</u>
General R/F	120,780	17	16
Nuclear Medicine	21,896	6	11
Ultrasound	39,089	12	13
CAT (CT)	80,394	7	12
MRI	20,473	5	9

This equipment exists, and, except for General R/F, utilization exceeds State Agency guidelines.

* See also Attachment 73, Exhibit C

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

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.

Not Applicable; This is an acquisition of an existing physician practice.

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

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB 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.

Not Applicable; This is an acquisition of an existing physician practice.

SECTION VIII. - SERVICE SPECIFIC REVIEW CRITERIA

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

1. Applicants proposing to establish, expand and/or modernize General Long Term Care 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
					0

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 SEQUENCE 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

Utilization – Service or Facility

The proposed project does not involve the change of ownership of a healthcare facility nor does it include the establishment, expansion, modernization, or discontinuation of any healthcare facility or category of service as defined under IHFSRB rules and criterion.

This project does, however, require a capital expenditure for clinical services other than a category of service in excess of the current capital expenditure minimum (\$11.5 million as of July 1, 2009). The affected services consistent with Section 1110, Appendix B, adopted effective April 13, 2010, and their associated units of service and volumes for the Hospital and Affinity are included in the chart below and detailed in Attachment 73, Exhibit A.

<u>Modality</u>	<u>Consolidated Utilization</u>	<u>Existing Pieces of Equipment</u>	<u>Justified Key Rooms</u>
General R/F	120,780	17	16
Nuclear Medicine	21,896	6	11
Ultrasound	39,089	12	13
CAT (CT)	80,394	7	12
MRI	20,473	5	9

This equipment exists, and, except for General R/F, utilization exceeds State Agency guidelines.

There will be no clinical service areas established, discontinued, or modernized due to this physician practice acquisition. Hence, the criterion is not directly applicable. However, based on Technical Assistance advice from State Agency staff, this section (Section VIII (R)) must be addressed, as applicable.

The specific clinical area having impact is that of imaging. Affinity Healthcare, LLC, provides certain imaging modalities similar to Northwest Community Hospital and consistent with Section 1110, Appendix B, adopted April 13, 2010. These pieces of equipment are profiled in Attachment 73, Exhibit A.

Affinity's utilization is shown in Exhibit B and Exhibit C combines the equipment, utilization, and State Agency guidelines to evaluate the need for select imaging modalities. In all but one modality, General R/F, the combined and integrated organizations can justify additional imaging equipment although no changes are proposed due to this acquisition.

Exhibit A
 Diagnostic Imaging Equipment
 Comparable Modalities Only *

<u>Modality</u>	<u>Northwest Community Hospital</u>	<u>Affinity ** Healthcare (Total)</u>	<u>Total</u>
General R/F	15	2	17
Nuclear Medicine	5	1	6
Ultrasound	10	2	12
CAT	5	2	7
MRI	<u>3</u>	<u>2</u>	<u>5</u>
Total	<u>38</u>	<u>9</u>	<u>47</u>

* Excludes modalities not provided by Affinity or not reportable to IDPH as well as those provided exclusively by Hospital such as Angiography and PET

** 1051 Rand Road, Arlington Heights, IL
 1450 Busch Parkway, Buffalo Grove, IL

Source: 2008 IDPH Annual Hospital Questionnaire
 Affinity Healthcare records

Exhibit B
 Affinity Healthcare
 Imaging Utilization
 Comparable Modalities *

Diagnostic Exams

<u>Modality</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>% Change</u>
General R/F	6,088	7,708	9,204	51.2%
Nuclear Medicine	3,771	4,498	4,650	23.3%
Ultrasound	6,848	8,310	7,068	3.2%
CAT (CT)	3,887	4,341	4,406	13.4%
MRI	2,887	3,261	3,489	20.8%

* Modalities comparable to Northwest Community Hospital imaging services

Source: Affinity Records

Exhibit C

Combined Diagnostic Imaging Volume
Select Modalities – 2009

Modality	Utilization			State Agency Criteria *	Justified Rooms	Current Total Key Room	Variance
	Northwest Community Hospital	Affinity	Total				
General R/F	111,576	9,204	120,780	8,000 procedures	16	17	1
Nuclear Med.	17,246	4,650	21,896	2,000 visits	11	6	(5)
Ultrasound	32,021	7,068	39,089	3,100 visits	13	12	(1)
CAT (CT)	75,988	4,406	80,394	7,000 visits	12	7	(5)
MRI	16,984	3,489	20,473	2,500 procedures	9	5	(4)

* Per Key Room; Criterion adopted effective April 13, 2010 (Section 1110. Appendix B)

Source: Hospital Records; Affinity Records; Draft AHQ submittal

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 - Not Applicable

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.



Moody's Investors Service

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

October 28, 2009

Mr. Michael B. Zenn
Chief Financial Officer and Treasurer
Northwest Community Hospital
800 West Central Road
Arlington Heights, IL 60005

Dear Mr. Zenn:

We wish to inform you that Moody's Investors Service has affirmed the Aa3 and Aa3/MIG_1 ratings assigned to Northwest Community Hospital outstanding bonds. The MIG_1 short term rating applies to the Series 2002 bonds which will be supported by an SBPA from JP Morgan Chase Bank, N.A. effective November 4, 2009. The bonds are issued through the Illinois Finance Authority and the Illinois Health Facilities Authority. The rating outlook is stable.

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,

Beth J. Wexler
Vice President/Senior Credit Officer
Phone: 212-553-1384
Fax: 212-298-7155
Email: beth.wexler@moody.com

BIW:rl

**STANDARD
& POOR'S**

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312 233-7001
reference no.: 40255102

October 21, 2009

Northwest Community Hospital
800 West Central Road
Arlington Heights, IL 60005
Attention: Mr. Michael Zenn, Executive Vice President, COO

Re: Illinois Finance Authority (Northwest Community Hospital)

Dear Mr. Zenn:

Standard & Poor's has reviewed the Issuer Credit Rating on the above-referenced issuer. After such review, we have affirmed the "AA-" rating and changed the outlook to negative from stable. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

STANDARD
& POOR'S

Mr. Michael Zenn
Page 2
October 21, 2009

Please send all information to:
Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at nypublicfinance@standardandpoors.com. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. We appreciate the opportunity to work with you and we look forward to working with you again.

Sincerely yours,

Standard & Poor's Ratings Services
a division of The McGraw-Hill Companies, Inc.



gr
enclosure

cc: Ms. Pamela A. Lenanc, Vice President
Illinois Finance Authority

10/21/09

**STANDARD
& POOR'S**

RATINGS DIRECT®

October 22, 2009

**Illinois Health Facilities Authority
Illinois Finance Authority
Northwest Community Hospital;
Hospital**

Primary Credit Analyst:

Antionette W Maxwell, Chicago (1) 312-233-7016; antionette_maxwell@standardandpoors.com

Secondary Credit Analyst:

Brian T Williamson, Chicago (1) 312-233-7009; brian_williamson@standardandpoors.com

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Rationale

Outlook

Operations

Related Research

www.standardandpoors.com/ratingsdirect

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1

Illinois Health Facilities Authority Illinois Finance Authority Northwest Community Hospital; Hospital

Credit Profile		
Illinois Fin Auth, Illinois		
Northwest Comnty Hosp, Illinois		
Illinois Finance Authority (Northwest Community Hospital)		
Long Term Rating	AA-/Negative	Outlook Revised
Illinois Fin Auth (Northwest Comnty Hosp) ICR		
Long Term Rating	AA-/Negative	Outlook Revised
Illinois Hlth Fac Auth, Illinois		
Northwest Comnty Hosp, Illinois		
Illinois Hlth Fac Auth (Northwest Community Hospital) hosp VRDO ser 2002B		
Long Term Rating	AA-/A-1/Negative	Outlook Revised

Rationale

Standard & Poor's Ratings Services revised its outlook to negative from stable on Northwest Community Hospital (NCH), Ill.'s outstanding debt, issued by the Illinois Health Facilities Authority and Illinois Finance Authority. At the same time, Standard & Poor's affirmed its 'AA-' long-term rating and issuer credit rating (ICR) on NCH's outstanding debt. Finally, Standard & Poor's affirmed its 'AA-/A-1' dual rating on NCH's series 2002B variable-rate demand bonds (VRDBs).

The 'A-1' short-term component of the dual rating is based on a Harris N.A. Bank standby bond purchase agreement (SBPA), which expires Oct. 25, 2009. The 'AA-' long-term component of the rating is based on the credit of Northwest Community Hospital. In November 2009, NCH is expected to replace the SBPA provider from Harris/BMO with JP Morgan. This rating will be assigned under a separate analysis by Standard & Poor's structured ratings group.

The negative outlook reflects our view of NCH's operational challenges for the 2008 fiscal year, which includes the 11 months ended Aug. 31, 2009. NCH continues to experience a softening in volume, but to a greater degree, has been negatively affected by a shift in its payor mix reflecting a rise in Medicare and self pay. Although, NCH has begun to implement an aggressive turnaround plan, which consists of several cost containment initiatives, it is likely that NCH will continue to see margin compression due to: the condition of the local economy; increased expense base with the construction of the new South Pavilion; as well as an upcoming investment to begin employing physicians.

The affirmation of the 'AA-' rating reflects the following:

- Solid market share in a competitive service area;
- Maintenance of solid liquidity with 334 days' cash on hand at Aug. 31, 2009; and

Standard & Poor's RatingsDirect | October 22, 2009

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2

752990 | 301146549

- Implementation of turnaround plan that is expected to begin to yield better margins in the 2010 fiscal year.

Credit concern centers on the flat volume experienced during the past several fiscal years, particularly while NCH is undergoing a sizable construction project as well as weak coverage of maximum annual debt service and relatively high leverage.

NCH is in the construction stages of a large capital project to enhance its current facilities and remain competitive. The proposed project consists primarily of the construction and equipping of a patient-care addition, a 770-car-parking garage, expansion of surgical services, and expansion and modernization of the emergency department. NCH obtained a certificate of need from the Illinois Health Facilities Planning Board for the project in April 2006.

Project construction began in 2006. Expected completion dates are 2010 for the patient-care addition, and 2011 for the emergency department expansion. The parking deck opened in June 2008 and the surgical suites in January 2009. The estimated total cost of the project is approximately \$256 million. The hospital will use approximately \$114 million of its reserves for the project, with an additional \$10 million expected to come from philanthropy.

Outlook

The negative outlook reflects operating losses in the current fiscal year and the likelihood of continued operational challenges during the next fiscal year. NCH began the implementation of a turnaround plan in the fiscal 2009, but still did not achieve positive operating results. Other concerns center on generally soft volumes, particularly during the construction phase of a new patient tower. However, Standard & Poor's expects balance sheet strength to be maintained, which is the leading factor in the maintenance of the rating, as well as NCH's preservation of an overall good market position. If operations do not improve to meet the budget, a negative rating change may occur.

Operations

NCH is a 428-staffed-bed acute-care provider located in Arlington Heights, Ill., 2.5 miles northwest of Chicago. Although the area is very competitive, market share in the hospital's core primary market is strong, at slightly more than 56% in 2008. NCH maintains approximately a 31% market share of inpatient admissions (the largest in the area) in its primary and secondary market areas. Competition for NCH consists of Lutheran General and Good Shepherd, which are part of Advocate Health Care (AA), and Alexian Brothers Medical Center and St. Alexius Medical Center, which are affiliated.

NCH has experienced soft utilization during the past few years and is expecting modest increases in the future. Inpatient admissions for 2008 were 25,250 and are 25,990 in fiscal 2009. During the past few years, the soft volume trends are partly due to capacity constraints, deferred elective procedures, and construction disruption. Inpatient and outpatient surgeries were 9,460 in 2008 but are lower at 9,268 in fiscal 2009 as NCH transitioned to the new operating rooms. Emergency room visits are growing and were 74,674 in 2008 and 75,141 in fiscal 2009.

For the fiscal years ended Sept. 30, 2008, NCH's operating income was positive at \$1.4 million (0.3% margin) but significantly weaker compared to historical levels and reflected a negative \$8.8 million (negative 2.1% margin) for the 11 months ended Aug. 31, 2009. Soft volumes and a shift in the payor mix have contributed to the operational challenges. Excess income for fiscal 2008 and year to date 2009, historically supported by strong investment returns,

Illinois Health Facilities Authority Illinois Finance Authority Northwest Community Hospital; Hospital

was negative at \$2.6 million and negative \$7.0 million, respectively, due to the unfavorable market conditions. NCH will likely not meet its projected 1% operating margin in the 2009 fiscal year. Beyond 2009, NCH is expecting to improve operating margins up to 3% in the next few years aided by the turnaround initiatives. Coverage of maximum annual debt service is low at 1.8x for both the 2008 fiscal year and the 11 months year to date period. The debt burden is moderate at 3.9%.

NCH's balance sheet measures are mixed with ample cash but are moderately high leverage for the rating. For the 2008 fiscal year, unrestricted cash and investments totaled \$406 million (equal to 350 days' cash on hand) a decrease from the 2007 fiscal year's \$454 million, which was 390 days' cash on hand. The decrease was primarily due to the unfavorable capital markets and to a lesser extent, NCH's funding a portion of the construction project with its reserves. Cash to debt is low for the rating at 135%. NCH has reduced its capital spending to around \$30 million from \$50 million to help maintain the current cash reserve levels; however, this does not include the completion of the current large capital construction project.

NCH is party to one basis swap agreement, with Goldman Sachs as the counterparty. The notional amount is \$87.325 million. Standard & Poor's assigned NCH a debt derivative profile overall score of '1.5' on a 4-point scale, with '1' representing the lowest risk. The overall score of '1.5' reflects Standard & Poor's view that NCH's swap portfolio reflects a neutral credit risk at this time due to low counterparty and the average economic viability of the swap portfolio during stressful economic cycles.

Related Research

- USPF Criteria: "Not-For-Profit Health Care," June 14, 2007
- USPF Criteria: "Municipal Swaps," June 27, 2007
- USPF Criteria: "Debt Derivative Profile Scores," March 27, 2006

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 - Not Applicable

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.

C. Criterion 1120.310(c), Reasonableness of Project and Related Costs - Not Applicable

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									
TOTALS									

* 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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Departments	A		B		C		D		E		F		G		H		Total Cost (G + H)
	Cost/Square Foot	New	Mod.	Gross Sq. Foot	New	Mod.	Circ.*	Circ.	Gross Sq. Ft.	Mod.	Circ.	Const. \$	Mod. \$	(A x C)	(B x E)		
Clinical																	
Medical Oncology Infusion Area																	
PET/CT																	
Complementary Medicine																	
Total Clinical																	
Non-clinical																	
Physician Suite																	
Public and Support Space																	
Lease Space for Boutique																	
Building Services																	
Total Non-clinical																	
Total Clinical and Non Clinical																	
Building Net to Gross																	
Total Construction																	
Contingency																	
Total																	

* Include the percentage (%) of space for circulation

Totals may not add due to rounding

Not Applicable – This project is to acquire an existing physician practice

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 - Attached

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 - Attached

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 - Not Applicable

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.

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.

The first full fiscal year of operation after project completion will be Fiscal 2011.

It is estimated that the direct operating costs in FY 2011 will be \$17,771,906 or \$94.35 per equivalent patient day.

	Projected FY 2011
Salaries and Wages	15,551,220
Benefits	527,211
Supplies	1,693,475
Estimated Direct Operating Costs	17,771,906
Projected Total Patient Revenue	1,502,453,162
Projected Inpatient Revenues	800,744,000
% Total Revenue / Inpatient Revenue	187.63%
Projected Patient Days	100,388
Projected Equivalent Patient Days	188,360
Estimated Direct Operating Cost Per Equivalent Patient Day	94.35

Source: NCH Long-Term Financial Plan for Northwest Community Hospital and Project Projections

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.

The first full fiscal year of operation after project completion will be Fiscal 2011.

It is estimated that the capital costs in FY 2011 will be \$375,236 or \$1.99 per equivalent patient day

	Projected FY 2011
Projected First Year Capital Costs after Project Completion	375,236
Projected Total Patient Revenue	1,502,453,162
Projected Inpatient Revenues	800,744,000
% Total Revenue / Inpatient Revenue	187.63%
Projected Patient Days	100,388
Projected Equivalent Patient Days	188,360
Estimated Project Capital Cost Per Equivalent Patient Day	1.99

Source: NCH Long-Term Financial Plan for Northwest Community Hospital and Project Projections

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.

Not Applicable

SECTION XI. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service

APPEND DOCUMENTATION AS ATTACHMENT-77, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SAFETY NET IMPACT STATEMENT that describes all of the following:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

The acquisition of Affinity Healthcare, LLC by Northwest Community Health Services, Inc., a subsidiary of Northwest Community Healthcare (parent company) will, by its intent, form an integrated healthcare delivery system that will integrate Northwest Community Hospital operations (hospital provider) with Affinity (physician provider) operations thereby providing a base to coordinate more efficient and effective care delivery. Independent research in this area (see Attachment 11) demonstrates care delivery, quality, safety, and cost-effectiveness improvements are achieved in integrated healthcare delivery systems.

One goal in an integrated health system is to provide the same experience regardless of socio-economic status and patient /family demographics. By creating the system, the strengths of each organization will be emphasized. The Hospital's current charity care and financial assistance programs will be extended in the Affinity operations thereby positively impacting on the community's safety net services in that they will cover a larger portion of the population (see attached Community Benefits report which includes applicable policies).

This project is to integrate two existing providers which serve a common market, hence, safety net services will not be diminished.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

In general, cross-subsidization arises when positive revenues in a provider's service array subsidize or impact on losses incurred by the provider as a result of providing safety net services. We understand this question in the Safety Net Impact Statement criterion as asking whether or not the proposed acquisition will burden other area providers.

The acquisition will not diminish any currently provided services. Northwest Community Healthcare's service array, system-wide, will be integrated / coordinated with Affinity, thereby enhancing safety net services. Any applicable service cross-subsidization will occur within the newly formed integrated healthcare system and no other providers will be impacted. Therefore, this transaction will not impair the ability of other safety net providers in the market to serve patients seeking safety net services.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

No services or programs will be reduced or discontinued as part of this acquisition. Thus, other providers within the markets currently served will not have to cross-subsidize safety net services. Hence, there will be no reduction in services; services will be enhanced as noted above; and, therefore this criterion is not applicable by definition.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

Northwest Community Hospital			
<u>Charity Care Counts</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Inpatients	361	356	359
Outpatients	<u>9,622</u>	<u>12,483</u>	<u>9,392</u>
Total	<u>9,983</u>	<u>12,839</u>	<u>9,751</u>
<u>Charity Care Costs</u>			
Inpatient	\$1,415,303	\$2,099,092	\$2,393,808
Outpatient	<u>2,796,908</u>	<u>4,464,672</u>	<u>2,230,243</u>
Total	<u>\$4,212,211</u>	<u>\$6,563,764</u>	<u>\$4,624,051</u>

Source: Hospital records; Annual Hospital Questionnaire; IDPH; Community Benefits Plan reporting

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

Northwest Community Hospital			
<u>Medicaid Counts</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Inpatients	2,195	2,343	2,390
Outpatients	<u>24,531</u>	<u>18,434</u>	<u>17,191</u>
Total	<u>26,726</u>	<u>20,777</u>	<u>19,581</u>
<u>Medicaid Revenue</u>			
Inpatient	\$10,762,649	\$18,209,722	\$13,018,205
Outpatient	<u>950,213</u>	<u>5,710,620</u>	<u>1,626,490</u>
Total	<u>\$11,712,862</u>	<u>\$23,920,342</u>	<u>\$14,644,695</u>

Source: Hospital records; Annual Hospital Questionnaire; IDPH;

Northwest Community Healthcare and Northwest Community Hospital certify the above reported charity care and Medicaid information is accurate and complete.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service

The attached Annual Non-Profit Hospital Community Benefits Plan for the period October 1, 2008 through September 30, 2009 profiles additional information relevant to safety net services such as donations, volunteer services, EMS system resources, education, ESL, and research services. In addition, the Hospital's relationship to ACCESS @ Northwest Community, a Federally Qualified Health Center (FQHC), and its Mobile Dental Clinic, further demonstrates the organizations commitment to serve the community and provide relevant safety net services.

800 West Central Road
Arlington Heights, Illinois 60005

847.618.1000
www.nch.org



April 30, 2010

Mr. Dale Galassie
Acting Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, IL 62761

Dear Mr. Galassie:

This letter shall serve as certification that Northwest Community Hospital will maintain a commitment to providing accessible, high-quality care to all patients regardless of their ability to pay, and will continue its charity care policy which will be extended to the newly formed integrated healthcare delivery system on the acquisition of Affinity Healthcare, LLC.

Sincerely,

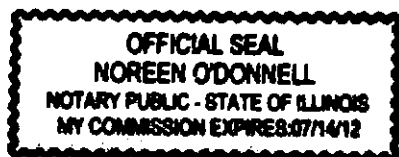
A handwritten signature in black ink, appearing to read "BK Crowther", written over a horizontal line.

Bruce K. Crowther
President and CEO
Northwest Community Hospital

Subscribed and sworn to before me
this 30 day of April 2010

A handwritten signature in black ink, appearing to read "Noreen O'Donnell", written over a horizontal line.

Signature of Notary



Annual Non Profit Hospital Community Benefits Plan Report

Hospital or Hospital System: Northwest Community Healthcare

Mailing Address: 800 West Central Road Arlington Heights, IL 60005
(Street Address/P.O. Box) (City, State, Zip)

Physical Address (if different than mailing address):
(Street Address/P.O. Box) (City, State, Zip)

Reporting Period: 10 / 01 / 08 through 09 / 30 / 09 Taxpayer Number: 36-3125209
Month Day Year Month Day Year

If filing a consolidated financial report for a health system, list below the Illinois hospitals included in the consolidated report.

Hospital Name	Address	FEIN #
<u>Northwest Community Healthcare</u>	<u>800 W. Central, Arlington Hts.</u>	<u>36-3125209</u>
<u>Northwest Community Hospital</u>	<u>800 W. Central, Arlington Hts.</u>	<u>36-2340313</u>
<u>Northwest Community Day Surgery Center, Inc.</u>	<u>675 W. Kirchoff, Arlington Hts.</u>	<u>36-3540436</u>
_____	_____	_____
_____	_____	_____

1. **ATTACH Mission Statement:**
 The reporting entity must provide an organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community and the date it was adopted.

2. **ATTACH Community Benefits Plan:**
 The reporting entity must provide it's most recent Community Benefits Plan and specify the date it was adopted. The plan should be an operational plan for serving health care needs of the community. The plan must:

1. Set out goals and objectives for providing community benefits including charity care and government-sponsored indigent health care.
2. Identify the populations and communities served by the hospital.
3. Disclose health care needs that were considered in developing the plan.

3. **REPORT Charity Care:**
 Charity care is care for which the provider does not expect to receive payment from the patient or a third-party payer. Charity care does not include bad debt. In reporting charity care, the reporting entity must report the actual cost of services provided, based on the total cost to charge ratio derived from the hospital's Medicare cost report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient Ratios), not the charges for the services.

Charity Care..... \$6,644,992

ATTACH Charity Care Policy:
 Reporting entity must attach a copy of its current charity care policy and specify the date it was adopted.

4. **REPORT Community Benefits actually provided other than charity care:**
 See instructions for completing Section 4 of the Annual Non Profit Hospital Community Benefits Plan Report.

Community Benefit Type

Language Assistant Services	\$ 335,049
Government Sponsored Indigent Health Care	\$ 73,558,856
Donations	\$ 288,574
Volunteer Services	
a) Employee Volunteer Services	\$ --
b) Non-Employee Volunteer Services	\$ 1,147,394
c) Total (add lines a and b)	\$ 1,147,394
Education	\$ 569,845
Government-sponsored program services	\$ --
Research	\$ 28,000
Subsidized health services	\$ 1,311,166
Bad debts	\$25,662,492
Other Community Benefits	\$ 1,101,100

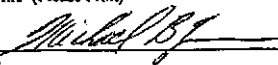
Attach a schedule for any additional community benefits not detailed above.

5. **ATTACH Audited Financial Statements for the reporting period.**

Under penalty of perjury, I the undersigned declare and certify that I have examined this Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto. I further declare and certify that the Plan and the Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto are true and complete.

Michael B. Zenn / Exec. Vice President, COO
 Name / Title (Please Print)

(847) 618-5017
 Phone: Area Code / Telephone No.


 Signature

March 22, 2010
 Date.

Laurence S. Appel
 Name of Person Completing Form

(847) 618-4610
 Phone: Area Code / Telephone No.

lappel@nch.org
 Electronic / Internet Mail Address

(847) 618-4630
 FAX: Area Code / FAX No.

NORTHWEST COMMUNITY HEALTHCARE

MISSION STATEMENT

We exist to provide quality, compassionate
healthcare services to the people of the northwest
community.

*Adopted by the Board of Directors in
September, 1991*



Northwest Community Hospital Community Health Improvement Plan December 2008

Health Improvement Area	Mission	Updated Goals	Desired Measurable Outcomes	Progress Notes As of December 2008
All Community Health Improvement Plans	Create a Community Health Improvement Communication Plan	<p>4th Quarter FY2008</p> <ul style="list-style-type: none"> •Further develop Web links <p>FY2009</p> <ul style="list-style-type: none"> •Additional media coverage 	<p>Improve quality and increase awareness of NCH web based resources to support healthy lifestyle changes.</p> <p>Obtain local media coverage to make the community aware of the Health Improvement Initiative.</p>	<p>Goals Attained FY2009:</p> <ul style="list-style-type: none"> •Web Links Complete/Launched November 12, 2008 • Promotoras, November '08, Daily Herald
Smoking Cessation	Provide education, clinical, and pharmaceutical support to individuals who want to quit smoking in order to improve their overall health and the health of those around them.	<p>4th Quarter FY2008</p> <ul style="list-style-type: none"> •WebMD-Increase visibility on smoking cessation web page •Explore & enhance current NCH employee smoking cessation program <p>FY2009</p> <ul style="list-style-type: none"> •Explore possible partnership w/CDDPH •Explore possible NCH Outpatient Smoking Cessation Clinic •Explore Cessation Station Concept •Develop Quit Brochure •Physician Resources Packet -Develop and Distribute 	<p>By 2010, increase by 30% the number of people who utilize the NCH Web MD smoking cessation program.</p> <p>By 2010, increase by 25% the number of smoking patients discharged from NCH that utilize a follow-up program.</p> <p>By 2010, have 120 questions submitted to Ask the Experts about Smoking Cessation</p> <p>By 2010, provide 100 physicians with Smoking Cessation Resource Packets</p>	<p>Goals Attained FY2008</p> <ul style="list-style-type: none"> •Further investigation into employee smoking cessation program complete-no changes needed to enhance current program. <p>Goals Attained FY2009:</p> <ul style="list-style-type: none"> •WebMD visibility increased and launch of "Ask the Experts" with web redesign launched November 2008 <p>Other</p> <ul style="list-style-type: none"> •Provided consultation with Little City Foundation on Smoking Cessation strategies for employees

Health Improvement Area	Mission	Updated Goals	Desired, Measurable Outcomes	Progress Notes As of December 2008
Pediatric Overweight/Diabetes	Educate families on healthy lifestyle choices in order to prevent pediatric overweight and chronic illness	<p>4th Quarter FY2008</p> <ul style="list-style-type: none"> Develop and sponsor a Type 2 Diabetes Camp in partnership with the Buehler YMCA and the ADA Promotoras de Salud- continue to schedule and offer diabetes education in northeast Palatine Participate as an active member in School Districts #15 and #25 Wellness Committees. School District 15 4th grade "Way to Grow" curriculum at all schools Family Fitness Fair Planning Station Development NWSC PTA Assistance Community Partnerships & Sponsorships Family Fitness Fairs executed Continue Promotoras Diabetes Education in Palatine Establish follow up process for Diabetics who received education through Palatine Diabetes Education Promotoras Launch the Promotoras Program at the Mt. Prospect Resource Center Explore potential expansion of the Promotoras Program to the Wheeling/Prospect Heights area Develop physician packets to assist in promoting nutrition and physical activity. (educational literature, community resources, and RX pads for exercise) Continue to work with Community Clinics on developing a pediatric overweight monitoring system Participate as an active member in School Districts #15 & #25 Wellness Committees. 	<p>Type 2 Diabetes Camp</p> <ul style="list-style-type: none"> Receive referrals from Healthcare professionals for 15 children to participate in camp Promotoras de Salud By the end of FY2009, provide diabetes training to an additional 6 Promotoras for the Mt. Prospect Resource Center FY2009 have each Promotoras leading a minimum of 2 Diabetes Education sessions per month. <p>D15 Program</p> <ul style="list-style-type: none"> Each school year, increase student interest in health, nutrition, and physical activity by 50%. Each school year, show a 40% increase in positive behavior intent by students through active roles in selecting healthy foods. Each school year, increase positive attitudes related to physical activity by 40%. Have 50% of parents surveyed indicate that they increased their knowledge of nutrition and physical fitness at the Family Fitness Fairs 	<p>Goals Attained FY2008</p> <ul style="list-style-type: none"> 31 campers were referred and enrolled in the Type 2 Diabetes Camp in August 2008 Assisted D15 & D25 in developing School Wellness Policy Guidelines <p>Goals Attained FY2009:</p> <ul style="list-style-type: none"> All CCSD 15 schools have begun 4th grade curriculum. 11 Elementary Schools in CCSD 15 have Fitness Fairs scheduled for Jan-Feb 2009. Family Fitness Fair partnerships and sponsors secured include: CCSD 15, Northwest Suburban PTA's, Whole Foods, Buehler YMCA, Dick's Sporting Goods, Brunswick Zone, Dairy Council, W Klin Tae Kwon Do July-November 2008, a total of 68 people received Diabetes Education through the Promotoras Program

Health Improvement Area	Mission	Updated Goals	Desired, Measurable Outcomes	Progress Notes As of December 2008
Pediatric Overweight/ Diabetes (Continued)			<p>Other</p> <ul style="list-style-type: none"> By 2010, have all clinics establish a podiatric overweight monitoring system. Results will be reported to the Community Health & Outreach Committee. By 2010, become the healthcare partner of choice for Districts #15 and #25 	
Prostate Screening	To reduce the years of life lost due to undetected and untreated prostate cancer	<p>4th Quarter FY2008</p> <ul style="list-style-type: none"> Host a Men's Health Event at Mission San Juan Diego Provide prostate screening opportunity for men at Mission San Juan Diego <p>FY2009</p> <ul style="list-style-type: none"> Continue to work with Community Clinics on implementing ACS Prostate Screening guidelines Increase awareness about the importance of prostate screening at the Palatine Opportunity Center 	<p>Mision San Juan Diego</p> <ul style="list-style-type: none"> Participation by 20 men in the education session. PSA screenings by 50% of men who meet criteria 	<p>Goals Attained FY2008</p> <ul style="list-style-type: none"> Over 40 men participated in the Men's Health Event w/emphasis on prostate health at Mission San Juan Diego-September 3, 2008 Provided free PSA's to all men who met screening criteria at Mission San Juan Diego event <p>Goals Attained FY2009</p> <ul style="list-style-type: none"> Launched "Ask the Expert" with web redesign launched November 2008
Children's Health Community Education Program for Moms	Provide basic health care education to under resourced families in order to reduce ED and doctor visits	<p>FY2009</p> <ul style="list-style-type: none"> Develop curriculum for Promotoras and prepare teaching materials Identify & recruit healthcare professional to provide training to Promotoras Identify & train potential Promotoras 	<p>Outcome goals tbd with clinical input</p>	<p>Goals Attained FY2008:</p> <ul style="list-style-type: none"> Secured physician and intern to write curriculum for program



Executive Summary

Northwest Community Hospital in Arlington Heights was founded 50 years ago by a group of business and civic leaders that recognized the need for a hospital in their growing community. Over the years, our commitment to providing responsive medical care to the people who live and work in the northwest suburbs has never wavered. As the community has grown and changed so has Northwest Community to meet the evolving needs of the people we serve.

Our mission guides us as powerfully today as it did in 1959:

"We exist to provide quality, compassionate healthcare services to the people of the northwest community."

Our values reflect our commitment to our mission:

Customer Focus – Total customer satisfaction for internal and external customers.

Community Needs – High quality, compassionate healthcare designed to meet the community's stated needs.

Excellence – Relentless pursuit of superior performance and quality.

Financial Reasonableness – Careful planning for future trends, wise stewardship of resources, and high quality services at a reasonable cost.

Ethical Behavior – Integrity, honesty and fairness in everything we do.

Fairness – Belief in the worth and dignity of the individual without bias or prejudice; our foundation for all our interactions.

Recognizing our role as a vital healthcare resource, we work hard to respond to the changing needs of our community. In 2009, Northwest Community Hospital touched the lives of countless individuals with a broad-based community benefit program that included charity care, donations to numerous local agencies and organizations, support for the education of healthcare professionals and first-responders, and much more.

Notable among these efforts in 2009 was Northwest Community's continued focus on addressing the needs identified in the 2007 Community Health Assessment, a data-driven approach to determining the health status, behaviors and needs of residents in our region.



This assessment tool was very useful in helping us develop strategies to improve this population's health status, reduce health disparities and increase accessibility to preventive services.

Based on the findings of the Community Health Assessment, we identified three areas of special concern and developed a three- to five-year plan to address them. The three areas are Pediatric Overweight/Diabetes, Tobacco Dependence, and Prostate Screening. As outlined later in this report, during 2009, Northwest Community addressed these priorities through a number of programs, including Promotoras de Salud (Promoters of Health), a nationally recognized model to mobilize community members for prevention, health promotion and community building.

During the past year, our financial assistance program expanded in response to the dramatic increase in the number of community residents who are "medically underserved" – people who lack insurance or who have resources that are inadequate to cover the costs of good medical and dental care. This program made it possible for thousands of community members to get excellent healthcare and important social services regardless of their ability to pay.

Northwest Community responded through its continued strong investment in community-based primary care health centers and clinics, including sites in Arlington Heights and Palatine, and through its Mobile Dental Clinic. In addition, Northwest Community is addressing emerging community needs through its involvement in the Mount Prospect Community Connections Center.

Our emphasis on quality led to a number of recognitions in 2009, including: Magnet™ Recognition for Nursing Excellence (2006-2010) from the American Nurses Credentialing Center; 100 Top Hospitals for Cardiovascular Care 2009 from Thomson Reuters; Distinguished Hospital Award for Clinical Excellence 2009 from HealthGrades®, along with Stroke Care, Cardiac Care, and GI Care Excellence Awards for 2009 also from HealthGrades®; a Readers Choice Top Hospital from *Advance for Nurses* magazine; and inclusion as one of the "100 Best Companies to Work For in 2009" (#77) from *Fortune* magazine, as well as one of the "100 Best Places to Work in Healthcare" (#63) from *Modern Healthcare* magazine.

It is notable, too, that our commitment to community extends beyond the programs and services we provide. Northwest Community's presence in the towns and cities we serve generates significant economic benefit to the northwest suburbs. In 2009, Northwest Community purchased more than \$83 million of goods and services from businesses located in our service area. Our more than 4,000 employees, many of whom live in the communities we serve, also contribute to the economy of the northwest suburbs.



Charity Care/Financial Assistance Program

As part of our commitment to the community, Northwest Community provides services free or at a reduced rate to individuals with limited financial resources who are unable to access entitlement programs. Individuals are eligible for free or discounted medically necessary healthcare services based on established criteria. Our current Financial Assistance Policy is attached and exceeds the published recommendations of the Illinois Hospital Association (IHA) and the Metropolitan Chicago Healthcare Council (MCHC). Full (100%) discounts are available to patients with family incomes up to two times the Federal Poverty Guidelines, with partial discounts offered to patients with incomes up to 300% of the Federal Poverty Guidelines. The financial assistance program looks at both the current income and the income from the previous year (as displayed in tax documents) and then calculates potential benefits based upon each variable, offering our patients the most generous benefit. This policy acknowledges the fragile nature of employment and the impact of previous year hardships. In addition, Northwest Community Hospital has integrated the components of the Illinois Uninsured Discount Program to complement and enhance our ability to provide assistance to the community.

In 2009, Northwest Community provided \$6.6 million in unreimbursed charity care, measured as the cost of services provided.

Our Policy in Action

According to the Cook County Department of Public Health's "WePlan," an estimated 14% of the people living in Northwest Community's service area are without health insurance coverage. In order to ensure that patients receive needed financial assistance, Northwest Community conducts pre-admission interviews when possible. If this is not possible, this interview is conducted at admission or soon after. In the case of an emergency admission, the evaluation of payment alternatives does not occur until the required medical care has been provided.

At the initial interview, Northwest Community representatives gather routine and comprehensive demographic data and information regarding any existing third-party coverage. Patients with limited resources are offered the opportunity for a charity care/financial assistance application. Patients, who are potentially eligible for charity care, can be identified at any time before, during or after services have been rendered. Northwest Community Hospital also recognizes that a patient's circumstances can change and, as an organization, we continually offer patients the opportunity to apply for financial assistance at any time; discounts may also be applied to the eligible patient's outstanding accounts. With the introduction of the Uninsured Discount program, Northwest Community waived some of the more restrictive covenants and will permit a



patient to apply for the Uninsured Discount on any service that they received when they did not have insurance coverage, not limiting it to services that were rendered after the implementation date of the program. Northwest Community patients who may qualify for financial assistance from a government-sponsored program, grant, community funding, etc., are referred to the appropriate program provider. Financial counselors work with patients to help them get the assistance they need, answer questions, contact insurance companies, set up payment plans and facilitate loan applications. To ensure accuracy and equality, complimentary translation services are available in a number of languages throughout the process.

Communicating Our Policy

The Financial Assistance Program at Northwest Community is communicated widely to patients and visitors in English and Spanish (see attachments). Some of the communications methods used include:

Signage and Literature

Signage in English and Spanish (see attached) is posted throughout the organization at all access points, including the Emergency Department and the Outpatient Registration areas. These areas also stock and make available a brochure describing our policy. This brochure is printed in English and in Spanish. As always, interpretation services are available for those who need additional information in a language other than English.

Northwest Community Website (www.nch.org)

The following information is posted on the NCH website as a footnote on each page:

Northwest Community Hospital is a charitable organization and provides financial assistance to those who are eligible. For more information please call 847.618.4542.

Applications for financial assistance are available to download in both English and Spanish on the NCH website.

Publications

The following footnote is added to all external publications produced by the organization:

Northwest Community Hospital is a charitable organization and provides financial assistance to people who are eligible. For more information please call 847.618.4542 or visit our website at www.nch.org.



Language Assistance Services

In 2009, Northwest Community provided language assistance services at a cost of \$335,000.

Interpretation Services

Recognizing the importance of communicating with patients in their native language, Northwest Community has created a comprehensive language assistance program. With the organization caring for increasing numbers of patients for who English is not their primary language, the program has grown dramatically. Full-time and part-time interpreters and a telephone-based interpreting system are available to patients and visitors, as well as all Northwest Community employees and the entire medical staff.

In 2009, Northwest Community staff responded to over 17,000 requests for in-person interpreting services, lasting 20 minutes or longer, for our patients and their families. In addition, approximately 4,400 calls were made to the language line requesting interpreting services, available in 150 languages.

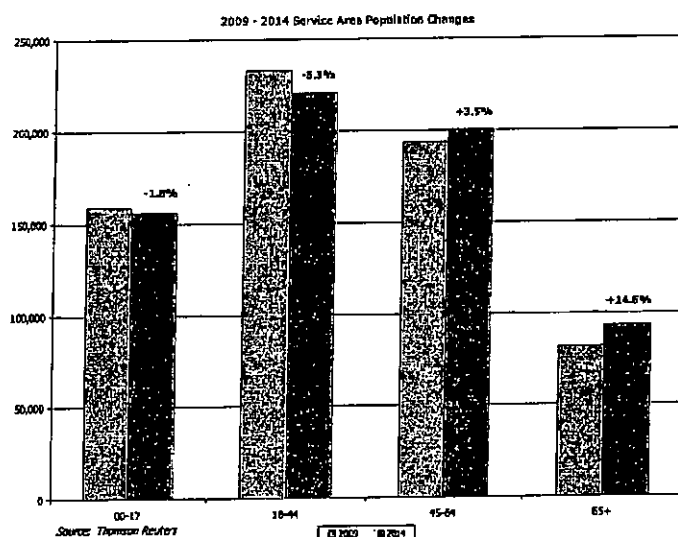
<i>In-Person Interpretation Services</i>	<i>Foreign Language Phone Interpretation</i>	<i>Sign Language and Other Agency Staff Interpretation</i>
17,223 client interactions	789 hours	371 hours

Interpreter services were provided either in-person or via the telephonic language line for the following 47 languages in 2009:

- | | | |
|---------------|-----------|-----------------|
| Albanian | Greek | Russian |
| Arabic | Gujarati | Portugese |
| Armenian | German | Somali |
| Assyrian | Hindi | Spanish |
| Bengali | Hungarian | Sudanese Arabic |
| Bosnian | Italian | Tagalog |
| Bulgarian | Japanese | Taiwanese |
| Burmese | Korean | Thai |
| Cambodian | Laotian | Toishanese |
| Cantonese | Malayalam | Turkish |
| Chinese | Mandarin | Ukranian |
| Croatian | Mongolian | Urdu |
| Danish | Persian | Vietnamese |
| Farsi | Polish | Wolof |
| French | Punjabi | Yugoslavian |
| French Creole | Romanian | |

Government-Sponsored Indigent Care

Northwest Community serves a population that continues to age. With older patients come more chronic conditions and multiple health problems. The graph below illustrates the projected rise in population of people aged 45-plus and the reduction of population of those aged birth to 44.



The cost of caring for Medicare and Medicaid patients exceeds the current level of reimbursement provided by the state and federal governments – meaning hospitals absorb the remaining cost of providing care. At Northwest Community, the cost to care for these patients was approximately \$73.6 million higher than government reimbursement in 2009, as follows:

- Medicare Program unreimbursed costs: \$52 million
- Medicaid Program unreimbursed costs: \$21.6 million

In addition, the organization serves a disproportionate share of Medicare patients in its service area. While 43.5% of all inpatients in the service area are covered by Medicare, Northwest Community's Medicare payer mix is 5.4 percentage points higher than the service area – at 48.9%. This situation, combined with the increase in the aged population, means Northwest Community's shortfall of Medicare reimbursement to offset its costs will continue to increase.



Donations

Northwest Community expresses its commitment to the community by providing financial support to organizations and agencies that address a number of priorities, including health education, child abuse, domestic violence and equal access to social services.

In 2009, using the following criteria, Northwest Community made donations totaling \$289,000 to committed community partners:

- Does it support our mission?
- Does the request serve people in our service area?
- Does it support a healthcare need?
 - Primary Healthcare/Access
 - Disease Management
 - Health Screenings/Prevention
 - Health Innovation/Research
- Does it build on a working relationship with a clinical department?
- Does it contribute to the healthcare needs of the uninsured?
- What are the measurable benefits?

2009 recipients include:

Health World: \$35,000

Health World is a not-for-profit children's outreach health and safety education provider. Health World provides children with the opportunity to learn about the importance of leading a healthy lifestyle through interactive structured programming. Health World provides a creative learning experience that is exciting and supplements the health and safety education efforts of schools and youth organizations.

Shelter, Inc: \$25,000

Since 1975, Shelter, Inc. has provided community-based, emergency and temporary housing for thousands of children and adolescents from birth through age 17 who are abused, neglected, dependent or in need of supervision, residing in the northwest suburbs of Chicago. With support from Northwest Community, Shelter, Inc. has developed its Healthy Families program, which screens at risk, first-time parents, and provides services to those identified as needing assistance to help them to build a healthy and secure environment for their children.

Police Neighborhood Resource Center: \$21,000

The Police Neighborhood Resource Center (PNRC) in Rolling Meadows offers a multitude of programs including: crisis intervention, information and referral, short term counseling, services responding to domestic violence, a community library, youth groups,



employment resources, classes for preschool children and their parents, infant-child safety seat classes, children's summer camp, an annual children's holiday gift program, and more. Agencies also provide invaluable on-site services including: Harper College's English Language Learner classes, citizenship classes and basic employment skills classes; CEDA's Women-Infant-Children nutritional program; Rolling Meadows Public Library's story time and arts and crafts; FIND preschool classes; Boy Scouts; Girl Scouts; Shelter Inc. - Healthy Families America's Women's Group. Northwest Community Hospital provided funding to help support the position of full time police social worker. Services throughout the Center are provided by professional, culturally sensitive staff and trained volunteers, many of whom are bilingual (Spanish-English).

Special Leisure Services Foundation: \$15,000

Special Leisure Services Foundation works with local corporations, civic groups and individuals to help residents with disabilities. They support and promote outstanding opportunities through recreation for people with disabilities and serve as a resource provider to both the Northwest Special Recreation Association and Arca 18 Special Olympics.

Little City Foundation: \$15,000

Little City Foundation is a local not-for-profit organization that strives to ensure that individuals with intellectual and developmental disabilities are provided with the best options and opportunities to live safely, work productively, explore creatively, learn continuously and play pleasurably throughout their lifetime.

American Cancer Society: \$15,000

The American Cancer Society is a nationwide voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service. Northwest Community Hospital supports the Northwest Suburban regional branch of the American Cancer Society in their local efforts to accomplish their mission.

Other:

- Bridge Youth and Family Services: \$10,000
- WINGS (Women In Need Growing Stronger): \$5,500
- American Heart Association: \$5,300
- Hospice of Northeastern Illinois \$5,200
- American Diabetes Association: \$5,000
- And many more....

In total, more than 50 community agencies received donations of \$250 to \$35,000 to support their health and human services missions.



Volunteer Services

Northwest Community Hospital grew out of the heart of the community in which it was planted. Community leaders, a women's auxiliary, doctors and even school children volunteered their time in the late 1950s to bring a community hospital to the northwest suburbs. That community support and spirit of volunteerism has sustained the organization for fifty years and culminated in 2009 with over 850 individuals contributing 117,000 hours of volunteer service.

NCH volunteers are as diverse as the jobs they do. The Volunteer Services department strives to optimize the satisfaction of community members by matching individual skills and experience with rewarding, well-suited volunteer opportunities. For example, volunteers and their specially trained dogs provide animal assisted therapy to our patients. Other trained volunteers serve as "friends" to dementia patients. Whether greeting visitors at the entrances, assisting with way finding or helping with simple tasks on the nursing floors, all volunteers partner with NCH to enhance the personalized service extended to all guests. Volunteers are ambassadors to the community we serve and their dedication and commitment is an invaluable asset.

In addition to the dedicated hospital volunteers, in 2009 local dentists, hygienists, and other non-professionals volunteered 408 hours of their time at the Mobile Dental Clinic, which provided more than 2,800 patient visits. Volunteers also assisted with providing oral health education to children in the community.

The value of this program, in addition to the value of the healthcare professionals who generously volunteer their time at the mobile dental clinic, is \$1,147,000 (measured using the Hospital's minimum wage).

Little City Foundation

For the past 16 years, Northwest Community has partnered with Little City, a residential community in Palatine, Illinois, for adults with developmental disabilities, to provide Little City residents with employment opportunities. In 2009, Northwest Community employed ten Little City residents as part-time workers at a cost of \$80,000. These individuals helped shred documents, collected recycling materials (paper and cardboard) from throughout the Hospital, and performed various minor cleaning and clerical tasks.



Education

EMS System Resource Hospital

One of Northwest Community's most significant contributions to the region was the creation of the Northwest Community Emergency Medical Services (EMS) System. Launched in 1972, it was the first EMS program in Illinois and the first in the nation to serve multiple communities. Today, Northwest Community continues to serve as the area's EMS Resource Hospital, providing administrative, clinical practice, quality management, and fiscal oversight and education for emergency medical dispatchers (EMDs), emergency medical responders (EMRs), emergency medical technicians (EMTs), paramedics, and emergency communications registered nurses (ECRNs) within a 375 square-mile area. The system is a coalition of seven hospitals and 24 EMS provider agencies that employ over 900 paramedics and 400 EMTs, who respond to more than 52,000 patients each year. On-line medical control is provided by over 250 ECRNs.

One aspect of the EMS System's responsibilities is to provide initial and on-going education to System members. Highlights of 2009 include:

- **Emergency Medical Technician:** Two EMT Courses were offered each semester, for a total of four classes. Graduates were awarded seven college credit hours by Harper College. In 2009, 120 EMT students completed this course. NCH students had a 98% pass rate on the state exam on the first attempt, greatly exceeding the state average first attempt pass rate of 71%.
- **The Paramedic Course** is much longer, has a greater depth and breadth, and so is offered once a year. Graduates are awarded 29 college credit hours by Harper College. In 2009, 38 students successfully completed the course and had a 100% pass rate on the state exam on the first attempt, exceeding the state average of 85%.
- **In-Station Continuing Education Program:** Over 100 classes are conducted each month at the ambulance quarters for all System members. Educational materials for each topic including instructor lesson plans, student handouts, skill competency sheets, AV aids (PowerPoint presentations), post-tests, and class credit questions are prepared by NCH EMS educators and are distributed to nurse educators from each of the six EMS Associate Hospitals who assist NCH educators in conducting the classes. Each class is two hours in length and new content is offered 10 months of the year. This is the most extensive EMS continuing education program conducted in Illinois. On average, continuing education was provided to more than 1,200 EMTs, paramedics and ECRNs every month.
- **Emergency Communications Registered Nurse (ECRN):** An 84-hour course offered once a year to ED nurses at all seven system hospitals in order to credential them to provide on-line medical control to EMS personnel.



- **State of Illinois Trauma Nurse Specialist (TNS) Program:** A 90-hour class required by nurses working in the emergency departments of Level I and Level II Trauma Centers. NCH is one of 17 IDPH-approved sites to conduct this course. It is offered once a year and attracts nurses from all over northern Illinois.
- **H1N1 vaccine education, distribution, and administration oversight:** System educators prepared informational materials and created a process by which select paramedics were credentialed to administer H1N1 vaccine to members of their EMS agencies in order to provide widespread immunization coverage to System members. Vaccine distribution to EMS System members was coordinated by NCH EMS and Emergency Preparedness.
- **NCH EMS educators assisted community agencies in planning, implementing and evaluating mass casualty drills, creating injury scenarios and victim injuries/instructions, serving as advisors, site evaluators, and applying moulage to "victims".**
- **NCH EMS educators prepared and conducted special topic classes as requested by System members to meet learning needs when citizens of their service area had special needs or unusual diseases.**

The net cost for EMS Resource Hospital activities in 2009 was \$268,000.

High School Shadowing Program

Eight select students from District 214 high schools are placed in 24 different departments (clinical and non-clinical) for one-on-one shadowing experiences with NCH staff. Experiences can include viewing day surgery procedures, cardiac catheterizations and live births. The program runs six weeks, Monday through Friday, for three hours per day. This program, which was provided at a cost of \$7,310 in 2009, is crafted to expose students to the myriad of jobs in healthcare and to help them discover and refine their career options in the industry. In their reflection paper, students routinely express how they leave with a much greater appreciation of how many jobs roles exist in a hospital setting and how those roles work together to provide the full spectrum of care our patients receive.

English as a Second Language (ESL) classes

Northwest Community underwrites half of the cost (the other half is provided via a State of Illinois Workplace grant) of two classes from Harper College in Palatine, Illinois, to conduct ESL classes for Northwest Community employees to further their English skills and enable them to better integrate into their environment. Northwest Community also pays for all supplies and books. Classes are held in 14-week semesters: one semester runs from September to December; another runs from January to May. In 2009, Northwest Community invested \$9,000 for the classes, and instructors, and staff spent 965 hours in training.



Nursing Students

Our competent and committed nursing staff, from across the organization, volunteer their time and expertise to serve as clinical preceptors for more than 300 undergraduate nursing students, who rotate in and out of Northwest Community Hospital throughout the year. These undergraduate nursing students come from various colleges and universities including -- Harper College, Elmhurst College and Loyola University. As many nurses throughout the Chicago area continue to pursue higher education degrees (BSN and MSN), we are fortunate in that many of these individuals seek Northwest Community Hospital as a place to complete their clinical requirements in a range of clinical areas. At present, we financially support two masters- prepared nursing staff members, who serve as adjunct clinical faculty at both Harper College and Loyola University Marcella Niehoff School of Nursing. Seven of NCH's master's-level and doctoral-level nurses also serve as either adjunct faculty and/or adjunct clinical faculty for several other colleges and universities in the Chicago area. The Director of Professional Development at Northwest Community Hospital is part of the Harper College Nursing Advisory Committee, helping to strengthen the partnership between academia and nursing service. Northwest Community remains committed to these efforts and programs because they are inextricably linked to supporting the ever-growing need for educated nurses, which in turn improves access to healthcare for the communities we serve.

Other Educational Activities

In addition to ESL and nursing students, Northwest Community provides opportunities in the form of clinical rotations for Lab, Pharmacy and Radiological Technology students, as well as internships and vocational information for area junior high and high school students. Costs related to these programs were \$295,000 in 2009.

Harper College / NCH RN Incumbent Worker Partnership Grant

Northwest Community participates in a state of Illinois grant program to help fund health profession education at William Rainey Harper College. In 2009, NCH contributed more than \$45,000 to this particular program. This financial investment is part of NCH's ongoing effort to address the current and projected nursing workforce shortage. This program supports current healthcare workers to become competent and qualified nurses of the future.



Research

Northwest Community's on-site Institutional Review Board (IRB) conducts careful review of all proposed research protocols, with patient safety and understanding as the foremost priorities. The IRB's work also helps ensure scientific merit and monitors any potential conflict of interest. Once a trial is approved and under way, the IRB's oversight provides an extra layer of precaution against unforeseen risks.

With careful scrutiny from the IRB, Northwest Community's physicians have led clinical trials that have played a role in bringing patients better options in prevention, diagnosis and treatment.

In 2009, Northwest Community spent \$28,000 in direct support for its Institutional Review Board.

Online Quality Report Card

In 2007, Northwest Community became the first Chicago-area hospital to disclose information about the quality of its care online. The information is organized according to categories including Clinical Quality, Infection Control, Nursing Care, Mortality, and Patient Safety and Satisfaction. In 2009, Northwest Community included 140 measures in the Quality Report Card ranging from infection rates and outcomes to adherence to recommended guidelines. All results are graded according to performance levels: Better Than US Average; at or Near US Average; and Worse than US Average. The Quality Report Card is presented in an effort to provide a straightforward and objective perspective on the Hospital's performance. Moreover, the website now provides visitors with the ability to learn about the Hospital's performance on measures that are related to a specific area of medical interest.

Subsidized Health Services

Support for community-based health and dental clinics, along with specialized services for senior citizens bring Northwest Community's commitment to excellence beyond its walls. In 2009, Northwest Community subsidized healthcare services in the amount of \$1,311,000.

Since its founding in 1959, Northwest Community has grown and expanded to meet the changing needs of its neighbors. In recent years, one of the most dramatic changes has been the increase in the number of community residents who are "medically indigent"; people who either lack insurance or who have inadequate resources to cover the costs of good medical and dental care. Northwest Community has responded to these changes by making a strong investment in community-based health centers and clinics. Highlights of these programs are described below:



ACCESS @ Northwest Community: A Federally Qualified Health Center

Northwest Community Hospital continued its relationship with ACCESS Community Health Network, Inc., in support of a Federally Qualified Health Center (FQHC) in the community. This facility, known as ACCESS @ Northwest Community, is located in a medical office building that Northwest Community owns, across the street from the Hospital. The ACCESS Community Health Network is a private primary healthcare provider that operates this clinic, along with more than 50 other community health centers in the Chicago area. Their mission is to provide high-quality, cost-effective primary and preventive care without regard to health status or ability to pay. Their mission mirrors NCH's mission and beliefs and, therefore, is a sound partner. Northwest Community supports ACCESS @ Northwest Community by providing medical supplies, an annual financial contribution toward salaries, and an in-kind donation of clinical space.

The ACCESS @ Northwest Community clinic quickly reached full patient capacity by the time it reached its second year of operation. In 2009, Northwest Community Hospital worked closely with ACCESS Community Health Network to explore a variety of plans for expansion. In 2009, this Clinic provided over 14,000 patient visits.

The value of Northwest Community's support for ACCESS @ Northwest Community was \$170,000 in 2009.

Vista Health Center of Cook County

A collaboration of Northwest Community and the Cook County Bureau of Health, the Vista Health Center in Palatine offers healthcare services to any Cook County resident, regardless of their ability to pay. The Vista Health Center provided a total of 14,476 patient visits with providers and an additional 4,470 non-provider visits for services such as immunizations, flu vaccines, and medication refills. Northwest Community provides the clinic space (it is housed within the Palatine Opportunity Center), salaries for two staff positions, and all medical and office supplies. Total support in 2009 was \$140,000.

Neighborhood Health Resource Center

For more than 10 years, Northwest Community Hospital operated this free clinic, located inside the Police Neighborhood Resource Center in Rolling Meadows, staffed by a bilingual nurse manager and multiple volunteer physicians. In recent years, it became increasingly difficult to keep up with the growing demand for services. As a result, the partnership with ACCESS Community Health Network was established and the FQHC described above was opened in order to expand services for patients. From October through December of 2008, patients were transitioned from the Neighborhood Health Resource Center to the ACCESS @ Northwest Community Clinic just a mile away. Total cost incurred for the remaining months the clinic operated in 2009 were \$51,000.



Mobile Dental Clinic

In response to an overwhelming need for dental services for low-income residents, Northwest Community launched the northwest suburbs' first mobile dental clinic in 2003. While many dental health clinics focus on treating emergencies, Northwest Community's program emphasizes the importance of overall oral health, by helping patients develop a habit of regular cleanings and exams, and strives to provide a dental home for their patients. In 2009, dentists, hygienists, and others volunteered more than 400 hours to help the clinic provide 2,800 patient visits. In addition, a number of oral surgeons accepted referrals from the Mobile Dental Clinic at no charge.

The total cost to operate the Mobile Dental Clinic in 2009 was \$339,000 and this does not include the monetary value of the generous time donated by the healthcare professionals who volunteer at the clinic. Northwest Community Hospital funded \$160,000 of the total cost. Collaborative partners, reimbursement from public aid, and patients to cover the remaining cost. Palatine, Elk Grove, and Wheeling Townships have been partners since the inception of the clinic and, have not only continuously provided financial support, but have increased their contributions over the years from \$60,000 to \$85,000 annually.

The UIC College of Dentistry continues its monthly rotations with fourth-year dental students providing dental care to Mobile Dental Clinic patients. In addition, second-year students from the Harper College Dental Hygiene Program continuously rotate through the Mobile Dental Clinic to provide oral health education, sealants, dental cleanings and fluoride treatments to patients, as well as education to local elementary school students.

Providing dental services to under-resourced students at John Jay School in Elk Grove Consolidated School District 59 is the Clinic's newest initiative and it continues to grow each year. This pilot program has expanded to a second school in the District, and other school districts with predominantly under-resourced populations will be considered for future expansion.

In addition, in 2009 oral healthcare for the intellectually and developmentally disabled population was identified as a critical unmet health need in our area. Northwest Community Hospital is working with Little City Foundation, a local not-for-profit organization that serves this population, to address this need through an expansion of the Mobile Dental Clinic Program.



Adult Day Center

The Northwest Community Adult Day Center is designed for older adults and provides social, recreational and intellectual activities as well as medical services. Clients with a variety of diagnoses are accepted. This program, which provided 2,477 client-service days in 2009, was subsidized at a net cost of \$73,000.

Healthy Aging / Senior Services

Northwest Community Hospital's commitment and support for elderly patients and older adults in the community is exemplified by both its Senior Services Department that provides interdisciplinary education, inpatient pilots and new programs to improve care of the older patient; as well as Healthy Aging programs which reach out into the community to provide a comprehensive range of services to older adults, either free of charge or at reduced rates.

This past year, Senior Services became a leader in making improvements to inpatient geriatric care. These included:

- Created a volunteer "Friends" program for patients with delirium
- Purchased, stocked, and delivered Activity Carts to seven of the Hospital units to improve cognitive function
- Conducted eight hours of Geriatric education with approximately 280 interdisciplinary clinical staff
- Created ID badge cards for nursing staff that detail the Depression/ CAM/ Mini-Cog Screenings and provided contact information for our Multi-disciplinary Clinical Resource Team
- Created "Who am I" packets for families of cognitively impaired patients to complete and leave for staff
- Developed Care Maps for select geriatric situations as part of the Hospital's initiative to focus on Patient-Family Centered Care
- Initiated a delirium pilot on NCH's Ortho unit.

Healthy Aging programs and services are numerous and address a broad spectrum of health and lifestyle issues unique to persons age 65 and older. Some of these programs are: Medicare and You (in cooperation with SHIP volunteers from the Illinois Department of Financial & Professional Regulation) – which assists seniors who need help with Medicare, Medicare supplements, HMOs and long-term care insurance; Geriatric Assessment Program; Resource & Referral Program; weekly blood pressure clinic; exercise classes; Take Charge of Your Health, six-week chronic disease self-management course; Walking Clubs; Flu Shot Program; monthly health seminars and screenings; Angel Tree Program; Senior Celebration Day (senior health fair), held annually to present senior health and services information; numerous other health education programs throughout the year, and the "Be Healthy" program offering monthly nurse and social work services at three low income senior buildings.



In 2009, Northwest Community provided these services to our seniors at a cost of \$265,000.

HealthConnection

HealthConnection is a free service of Northwest Community that provides callers with information on over 1,000-plus medical staff members, including primary care doctors and specialists. Callers receive information about the doctors' academic and professional experience, insurance accepted, languages spoken, and office hours, among others. The caller is offered the opportunity to be connected directly to the physician's office of their choice to schedule an appointment. Information and registration is also available through HealthConnection for NCH's community education programs, support groups and health screenings. These specially trained representatives are available Monday through Friday during normal business hours. In 2009, Northwest Community provided this service at a cost of \$492,000.

Community Education & Support

Northwest Community Hospital has long believed in the importance of health education. Patients who attend classes, programs, support groups and screenings are better equipped to take care of their health and that of their families. In 2009, with a goal to assist in the education and support of our community family, NCH hosted 180 unique offerings serving more than 3,500 people. Examples of these offerings included prenatal education in both English and Spanish. Diabetes education classes and support groups were hosted for children and adults with diabetes. For patients faced with cancer diagnoses, they were encouraged to attend their choice of 10 monthly support group meetings, varied by time of meeting and specific diagnosis. Screenings for heart risk, prostate antigen levels, cholesterol and skin cancer were all part of NCH's 2009 successes. In addition, our clinical staff and Hospital personnel are attuned to the current updates in their respective fields and honor many speaking requests for community groups.

Illinois Poison Center (IPC)

In 2009, Northwest Community provided the IPC a subsidy of \$20,000. The Illinois Poison Center serves all of Illinois 24-hours a day, 365 days a year. Staffed by nurses, physicians, pharmacists and other poison specialists, the IPC offers free, confidential poison prevention advice and treatment recommendations via a toll-free hot line. The most recent statistics available document the Center's success by the 98,444 calls they received in 2008. Of these calls, 84,823 were for advice on treating someone exposed to a poison and 13,621 calls were for poison information. Fifty-two percent of all calls received by the IPC concerned children five years of age and younger.



Bad Debts

Northwest Community's mission is to provide quality, compassionate healthcare. Free care is an important component of this mission. In addition to the \$6.6 million of charity care discussed above, we incurred \$25.7 million of bad debts, which represent charges for services provided and billed for which no payment was received.



Other Community Benefits

Northwest Community's commitment to the community is evident in the extensive community outreach programs it provides. This outreach includes a Community Services Department which is dedicated to identifying unmet health needs in the community and ways to address those needs, support of local resource centers, community education, and much more. In 2009, Northwest Community's support for other community benefit initiatives not described in previous sections totaled \$1.1 million. Highlights of some of these community outreach initiatives are described below:

Community Services Department/Improving Community Health

Northwest Community Hospital's commitment to improve the quality of life in our community starts at the Board level. In 1993, the Board established the Community Health and Outreach Committee, a standing committee to oversee this critical work. In addition, the Community Services Department was established and charged with the responsibility to measure and improve community health. As the outreach arm of Northwest Community Hospital, the department continues to focus on the poor and underserved and, in 2009, Northwest Community provided these services at a cost of \$393,000.

One way the Community Services Department measures the community's health is to conduct a formal Community Needs Assessment. It then interprets the results from the assessment and develops plans to address identified health concerns. In 2007, Northwest Community contracted with Professional Research Consultants to complete a Community Health Assessment; a systematic data-driven approach to determining the health status, behaviors and needs of residents in its geographic region. This assessment was conducted to help develop strategies to improve residents' health status, reduce health disparities and increase accessibility to preventive services. Based on the findings of this assessment, Northwest Community identified three areas of special concern and developed initiatives to address them. The three areas of focus are: Pediatric Overweight/Diabetes, Tobacco Dependence, and Prostate Screening. In 2009, initiatives were further developed and implemented. They included:

Pediatric Overweight/Diabetes Nutrition & Lifestyle Education

Northwest Community made a commitment to Community Consolidated School District 15 (CCSD15) to provide education and programs that address the growing epidemic of pediatric overweight/diabetes over the next three to five years. NCH contracted with Health World, a not-for-profit children's health and safety education provider, to lead an interactive "hands-on" learning experience with all 1,372 fourth grade students in the school district. Health World visited the students four times throughout the year and also provided classroom and take-home activities to use between their visits. This approach reinforces the key concepts associated with good nutrition and physical activity. The



success of this program was determined by using a unique measurement tool to gauge the students' pre- and post-knowledge about nutrition and health. The first year's program results helped establish a benchmark for measurement, and identified key findings that will help further develop the curriculum being used. Some of these findings included: 55% of students surveyed drank pop and sports drinks after school, 51% of students reported they weren't sure if they had a healthy body weight, and 38% of students reported they had dieted to lose weight.

Family Fitness Fairs

In addition to the classroom education provided by Health World, Northwest Community sponsored, in partnership with CCSD15 and the Northwest Suburban PTAs, eleven Family Fitness Fairs for the elementary age students in the school district. These fairs were created to be family-friendly events that featured educational and interactive activity stations that focused on nutrition, physical activity, and making healthy choices. Examples of these stations included portion control, tasting new fruits and veggies, reading nutritional labels, and learning how much physical activity it takes to burn the calories in common "junk food". When families arrived at the fair, they were given a passport and challenged to visit each station and receive their passport stamp. Each family that succeeded, was rewarded with a goodie bag brimming with health focused giveaways and coupons for healthy foods activities. Multiple community partners joined in to support the fairs, including: Whole Foods Market, Buehler YMCA, Palatine Park District, and many more. Over 900 families attended the fairs and most completed the surveys, which were then used to determine if the fairs had made an impact. Ninety-eight percent of families' surveyed indicated they would be making lifestyle changes based on what they learned at the Family Fitness Fairs.

School	# of Passports Returned	# of Passports w/Complete Surveys	%	Event Was Fun	%	Families Increased Knowledge Nutrition	%	Families Increased Awareness Importance Physical Activity	%	Families That Will Implement Lifestyle Changes	%
Central Road	92	84	91%	83	99%	83	99%	82	98%	82	98%
Hunting Ridge	179	169	94%	169	100%	163	96%	166	98%	166	98%
Virginia Lake, Lincoln, & Jane Addams	103	101	98%	101	100%	101	100%	100	99%	100	99%
Marion Jordan	71	22	31%	22	100%	22	100%	22	100%	22	100%
Paddock	135	111	82%	111	100%	108	97%	99	89%	104	94%
Pleasant Hill	112	104	93%	104	100%	104	100%	101	97%	104	100%
Sanborn	36	36	100%	36	100%	36	100%	35	97%	36	100%
Whiteley	127	127	100%	127	100%	127	100%	126	99%	126	99%
Winston Campus Elementary	85	79	93%	79	100%	79	100%	74	94%	77	97%
Total	940	833	89%	832	100%	823	99%	805	97%	817	98%

CCSD 15 Family Fitness Fair Survey Recap

940 families x 3.5 persons per family= 3,290 Estimated Attendance



Promotoras de Salud

In 2009, NCH continued to address the growing epidemic of pediatric overweight and diabetes with the Latino families in its primary service area through its Promotoras de Salud or Promoters of Health Program. "Promoters of Health" is a nationally recognized model to mobilize community members for prevention, health promotion and community building. The approach is effective because Promotoras work from within their own communities and share the same values, culture, language and life experiences. The program identifies Hispanic women who demonstrate the potential to become leaders in their community and provides them with leadership training and education on specific health topics. The Promotoras then use these skills to lead small group presentations and kitchen-table type health discussions with members of their community. NCH worked with the American Diabetes Association (ADA) to develop a curriculum on diabetes prevention, which included lifestyle recommendations, such as changes in diet and physical activity. National statistics show that one in three Latino children will develop diabetes before reaching adulthood. Getting this message to family members who can help prevent diabetes is a key strategy with this population.

Tobacco Dependence

NCH is fortunate to have an Advanced Practice Pulmonary Nurse who assists both NCH patients and the community with tobacco treatment and support. This passionate individual is currently being mentored by physicians from the Mayo Clinic and uses her expertise to offer guidance on developing treatment plans for smoking cessation. In addition to working with patients daily, she works with community members who request assistance through the "Ask the Expert" section on the NCH website and she participates in many community events by providing valuable education and guidance. A few of the 2009 events are highlighted below:

- Respiratory Health Association of Metropolitan Chicago COPD Rally – Provided education to over 300 participants on using inhalers and support to those choosing to quit.
- Community Consolidated School District 15 School Health In-service – Provided education on the dangers of second hand smoke and children with asthma.
- Ira Crown High School– Prepared a presentation, video and handouts on smoking cessation.
- Heart and Soul Community Health Fair – Offered information and education to family members who want a loved one to quit smoking.



Prostate Screening

NCH employs a full time Prostate Nurse Navigator who is dedicated to providing education on prostate cancer prevention, as well as screenings to patients and the community. Below is a summary of the community events in 2009:

- NCH Free Prostate Cancer Screening – Education regarding prostate cancer prevention and screening provided with American Cancer Society (ACS) materials. Fifty-three (53) men screened.
- Men's Health Program at Faith Lutheran Church in Arlington Heights – Presentation about prostate health and cancer and services offered at Northwest Community Hospital. Thirty-nine (39) participants
- St. Colette's Men's Health Event – PSA screens and follow-up by nurse navigator. Thirty-four (34) men screened and received follow up.
- NCH Free Prostate Cancer Screening -- Education regarding prostate cancer prevention (ACS materials) and screening provided. Fifty-two (52) men screened.
- NCH Free Prostate Cancer Screening – Education regarding prostate cancer prevention (ACS materials) and screening provided. Forty-one (41) men screened.
- Palatine Board of Health Event "Coaching Men's Health" – Presentation by Prostate Nurse Navigator on prostate conditions and cancer. Thirty-five (35) participants.

Vulnerable Populations

Although the Community Services Department spends a great deal of time on Community Health Initiatives and providing resources for the poor and underserved population, they also work to identify and provide services for other vulnerable populations as well.

NCH supports the homeless community in multiple ways. In 2009, NCH provided laundry service for 14 local emergency shelter sites at a cost of \$42,000. In addition, over \$90,000 in medication was distributed to homeless individuals through the Charitable Prescription Program. Journeys from PADS to Hope, a local not for profit that provides housing, counseling, and employment assistance to the homeless, reports that the number of clients using their services increased by 40% in 2009.

In 2009, another vulnerable population that lacks access to healthcare was identified: the developmentally disabled. NCH became aware of the disparity as it entered into a relationship with the Little City Foundation (LCF). LCF is a local, not for profit organization that works with intellectually and developmentally disabled individuals. They offer residential care, vocational opportunities, athletics, fine arts, and much more. Currently, their 360 clients face daily challenges in trying to obtain both medical and dental care. NCH has made a commitment to help Little City develop a comprehensive plan to improve medical and dental services.



Community Resource Centers

NCH supports two local resource centers which provide a multitude of services for the under served population. The mission of these centers is to coordinate resources and provide direct services and referrals to those seeking to become active participants in the community and to create a pathway to continued education and better jobs.

The Palatine Opportunity Center

In 1999, Northwest Community purchased a 20,000-square-foot building in Palatine and converted it into a community center. In 2009, more than 247,000 client visits were made to the Palatine Opportunity Center. Local agencies providing services include: the Palatine Library, the Bridge Youth and Family Services, the Palatine Township Senior Citizens Council, the Palatine Park District, William Rainey Harper College, Community Economic Development Association, the Ambulatory Division of the Cook County Bureau of Health Services (Vista Health Center), the Palatine Police Department, Early Childhood Development Center, and Preservation for Human Dignity. Some of the programs offered include GED and citizenship, healthcare services, computer literacy, after-school homework assistance, bilingual counseling, parenting classes, recreation, job placement and career education. The positive socio-economic impact the programs have made in the community would not have been possible without the donation of the building. The net cost to operate the Center in 2009 was \$261,000.

The Community Connections Center

In August 2009, this new resource center opened its doors to the community. Through a generous grant from the Chicago Community Trust, the Village of Mt. Prospect was able to conduct a needs assessment of the community and the findings demonstrated the need for additional services for the immigrant population. The Village of Mt. Prospect, the Mt. Prospect Public Library, District 214 Community Education, Community Consolidated School District 59, and Northwest Community Hospital all partnered to open the center. Services provided at the Center include health education, advocacy, case management, counseling, financial assistance, adult and family literacy, parent education, public benefits application assistance, and much more.

MedAssist Program

Northwest Community provides assistance throughout the public aid application process to patients, free of charge, when applying for medical coverage through the Illinois Medicaid program. Northwest Community spent \$185,000 in 2009 to provide this service to our patients. The assistance provided is inclusive of completing the application, gathering all of the appropriate additional documents that must be submitted,



working with the state on the patient's behalf and, in some cases, working through an appeal process. In addition, other services that are provided include:

- Adding a newborn to an existing Medicaid account
- Completing and processing all paperwork associated with the Crime Victims Fund
- Completing and processing all paperwork associated with the Sexual Assault Victims fund
- Working with out-of-state agencies to get patients covered.

Health Information via Northwest Community's Website

The Northwest Community website (www.nch.org) received near 550,000 visits in 2009. Through this site, Northwest Community provides thousands of pages of current, medically reviewed information in English and Spanish at a cost of \$26,000 in 2009.

There are sections addressing:

- Illnesses and Conditions
- Prescription Drugs and Herbal Remedies
- Diseases, Tests and Procedures
- Daily Health News
- Chronic Disease Management
- Health Alerts
- Product Recalls
- Healthy Living (mind/body connection, fitness, alternative medicine)

Emergency Preparedness

In 2009, Northwest Community Hospital (NCH) spent \$88,000 preparing for any type of natural or man-made disaster in our area and responding to the H1N1 pandemic. During the events of the 2009 H1N1 pandemic, NCH provided planning expertise to local and regional healthcare delivery partners and public health agencies. In addition, volunteer NCH staff participated in H1N1 vaccination clinics held both locally and county-wide. Current emergency preparedness training and equipment allows NCH to maintain its mission to provide healthcare during extreme conditions -- either on the Hospital's campus or out in the community. Each year, staff spends many hours conducting and participating in drills, including those that involve or are coordinated by outside agencies such as the Cook County Department of Public Health and other area municipalities. We also actively participate on state and local task forces and committees, including the Regional Catastrophic Planning Team medical subcommittee, that plan for and coordinate community-wide responses to disasters.



Transportation: Courtesy Van

Northwest Community offers an affordable and accessible Courtesy Van for anyone seeking transportation to and from the Hospital to receive services. There is a varying fee structure depending on each rider's ability to pay. This service was provided in 2009 at a cost of \$34,000.

Medical Missions Team:

Northwest Community lends generous support to its employees and medical staff that travel throughout the US and overseas to help others with medical needs. This group of dedicated individuals, known as the Medical Missions Team (MMT), receives up to 40 hours of pay annually for time spent on medical missions' trips and all immunizations required to travel to the various destinations. In addition, the Hospital donates equipment and medical/general supplies to be used on mission trips and to local not-for-profit organizations. In 2009, the value of this donation was \$25,000.

Free Publications

Northwest Community also provides, free of charge, the following publications to further the health and well-being of the communities it serves:

Mended Hearts Newsletter: This publication is produced throughout the year and serves as an educational vehicle for patients and family members affected by heart disease.

Medical Staff Directory: In order to keep information current, the NCH Medical Directory was not printed this year, but is easily accessible online at www.nch.org. In 2009, this online directory received more than 185,926 visits. The 2009 Medical Staff Directory contains information on more than 900 physicians.

Furthering Pediatric Health Education via Media Relations

Every other week, Dr. Helen Minciotti, former chair of the department of Pediatrics at Northwest Community Hospital, writes a *Daily Herald* column addressing topics in children's healthcare. This column began in June 2005 and runs in all *Daily Herald* editions, reaching more than 150,000 readers. Topics in 2009 included bunk bed injuries, child abuse, craniosynostosis, choking hazards, lactose intolerance, melanoma, peanut allergies, protein supplements, tdap vaccines, toe walking, vitamins, and clavicle fractures.



Conclusion

At Northwest Community Hospital, "community" is central to our name and fundamental to our mission. Since opening in 1959, our physicians, staff and volunteers have provided an unending commitment to meeting the healthcare needs of the communities we serve by:

- Providing medical care to those who cannot afford to pay;
- Proactively addressing emerging community healthcare needs;
- Improving health status and increasing access to services;
- Bringing health services directly into local community settings;
- Offering health education for residents of all ages;
- Supporting local agencies and organizations;
- Training the region's First Responders, and so much more.

In 2009, Northwest Community contributed nearly \$85 million through community service activities and financial assistance programs. Every day, and in every corner of our community, Northwest Community's people and programs make a meaningful, tangible difference for residents of the northwest suburban region.

You may be eligible for the financial assistance and charity care programs that Northwest Community Hospital offers, under the terms and conditions of the programs available. Package pricing is also available on select services.

For more information, please ask your registrar, go to www.nch.org or call a financial counselor at 847.618.4542.

Usted puede ser elegible para los programas de asistencia financiera y de caridad que el Northwest Community Hospital ofrece, bajo los términos y condiciones de los programas disponibles. Además contamos con paquetes de servicios seleccionados a precios especiales.

Para mayor información, por favor pregúntele a la persona de registro, vaya a la página internet www.nch.org ó llame a un consejero financiero al: 847-618-4542.



Northwest
Community
Hospital

You may be eligible for the financial assistance and charity care programs that the Northwest Community Day Surgery Center offers, under the terms and conditions of the programs available.

Package pricing is also available on select services.

For more information, please ask your registrar, go to www.nch.org or call a financial counselor at 847.618.4542.

Usted puede ser elegible para los programas de asistencia financiera y de caridad que el Centro de Ambulatoria del Northwest Community Hospital ofrece, bajo los términos y condiciones de los programas disponibles. Además contamos con paquetes de servicios seleccionados a precios especiales.

Para mayor información, por favor pregúntele a la persona de registro, vaya a la página internet

www.nch.org ó llame a un

consejero financiero al: 847-618-4542.



Northwest
Community
Hospital

Si desea recibir un pago por correo, este debe dirigirse a: Northwest Community Hospital, PO Box 95698, Chicago, Illinois 60694-5698.

Para las personas sin seguro:

● En Northwest Community, a todos los pacientes se les trata con dignidad y respeto, sin importar su situación económica. Nunca se negará ni se suspenderá el servicio de urgencias basado en la capacidad de pago de un paciente.

Si no tiene seguro de salud, llame a un consejero financiero del hospital al número indicado a continuación. El consejero financiero revisará las opciones de pago y financiamiento que podrían estar disponibles para usted. Esto puede incluir postular a Medicaid de Illinois, TODOS los programas de atención infantil o familiar, los fondos de Asistencia para Víctimas de Crimen Violento de Illinois, otros programas patrocinados por el gobierno, subvenciones, fondos comunitarios, ayuda financiera y servicios con tarifa especial. Comuníquese con un consejero financiero al 847.618.4542.

Servicios Financieros Y Asistencia

Para los pacientes de
Northwest Community
Hospital y el Centro de Cirugía
Ambulatoria de
Northwest Community



800 W. Central Road &
675 W. Kirschoff Road
Arlington Heights, IL 60005
847.618.4542
www.nchl.org

NCHI Item # 46095 2/2008



HONORARIOS MÉDICOS—*Continúa desde el párrafo*
seguro o en los planes aceptados por Northwest
Community Hospital y el Centro de Cirugía
Ambulatoria. Los honorarios por la mayoría de
estos servicios profesionales no se incluyen en las
cuentas de Northwest Community o del Centro
de Cirugía Ambulatoria. En la mayoría de los
casos usted recibirá una cuenta separada de su
médico u otro profesional de la salud.

Si tiene preguntas concernientes a cualquiera de las
cuentas del médico, llame al número de teléfono
impreso en la cuenta en cuestión.

"MEDICARE Y USTED"

Ofrecemos ayuda con las reclamaciones de Medi-
care, seguros complementarios y otros asuntos
relativos a la cuenta para personas mayores. Para
más información sobre el programa "Medicare y
usted," llame al 847.618.7440.

Si usted tiene cobertura de Medicare y necesita
servicios ambulatorios, traiga la orden de su
médico. Si Medicare no cubre los servicios
ordenados, se le puede pedir que firme un
formulario de Medicare (un Aviso anticipado para
el beneficiario) en el cual se establece que usted
tiene conocimiento de su responsabilidad de pago.

OTRA INFORMACIÓN DEL SEGURO

Cobertura del plan de seguro: Algunos planes de
salud exigen que los pacientes reciban servicios en
un hospital "dentro de la red" o "proveedor
participante." Para verificar los requisitos de su
seguro y para estar seguro de que Northwest
Community está en la red de su plan, llame a su
compañía de seguros.

Proveedores "fuera de la red"

En caso de urgencia, usted debe ir al hospital más
cercano. En general, su plan de seguro cubrirá
estos costos o lo transferirá a un hospital "dentro

de la red." Si usted va a un hospital "fuera de la
red" en una situación que no sea de urgencia, se le
puede exigir que pague un excedente.
Comuníquese con su compañía de seguros para
obtener detalles sobre su cobertura "fuera de la
red."

Pago de cuentas por parte del seguro.

Su plan de seguro exige que usted certifique
previamente ciertos servicios o que le avise dentro
de cierto plazo después de la hospitalización. Debe
leer los detalles de los requisitos de su plan y
cualquier documento de beneficios proporcionado
por su aseguradora o empleador. Debe llamar a la
consulta de su médico y a su compañía de seguros
para consultar sobre los procedimientos electivos.
Converse cualquier inquietud respecto a si cumple
los requisitos del seguro o respecto al pago cuando
programa su cita, o pida hablar con un consejero
financiero.

Monto adeudado.

Su plan de seguro le entregará una "Explicación de
beneficios," la cual señala el monto que se ha
pagado, cualquier cantidad sin cobertura o
rechazada y el saldo restante que usted adeuda.
Revise esta información y llame a su compañía de
seguros o a Northwest Community si tiene
preguntas. Northwest Community le enviará una
cuenta con cualquier monto restante que adeude
(como cargos por concepto de coseguro,
deducibles o falta de cobertura). Se le puede
solicitar que pague en el momento de la admisión
o del alta.

Para realizar un pago.

● Si desea pagar su cuenta vía Internet, visite
www.nwch.org, bajo "Hospital Services" vaya a
"Información para el paciente y el visitante (Pa-
tient/Visitor Information). Luego haga clic en
"Pague su cuenta en Internet" ("Pay Your Hospital
Bill Online").

EL PAPEL DE NORTHWEST COMMUNITY

Northwest Community le facturará por los servicios a su plan de seguro, incluidos Medicare y Medicaid. Si usted tiene más de un plan de seguro, Northwest Community le facturará también a esos otros planes.

Northwest Community le enviará estados de cuenta que muestren el saldo más reciente que su compañía de seguros adeuda, o la parte que le corresponde a usted. Después de que su seguro haya pagado, le enviaremos un estado de cuenta que refleje el monto que usted debe.

Northwest Community le proporcionará un consejo financiero para que le responda las preguntas acerca de la facturación y el seguro, o lo ayude con los asuntos de pago. El consejero también puede ayudarle a determinar si califica para el programa de ayuda financiera de Northwest Community. Estos programas son de utilidad para pacientes sin seguro o con un seguro que no cubre todos los gastos. Además, el consejero determinará si usted califica para alguno de los servicios con tarifas especiales que se ofrecen. Puede comunicarse con los consejeros financieros al 847.618.4542 hasta las 9:00 p.m. los siete días de la semana.

Northwest Community le brindará servicios de intérprete. Coordinaremos la ayuda de un intérprete, sin costo, para responder sus preguntas relacionadas con facturación y pago.

EL PAPEL DEL PACIENTE Y DE LA FAMILIA

Proporcione información acerca de su identificación y de su seguro de salud completos en el momento de la admisión. Le pediremos su licencia de conducir o su tarjeta de identificación, así como los papeles del seguro y los formularios de autorización. También le pediremos que ceda sus beneficios del seguro a Northwest Community.

Comprender y cumplir con los requisitos del plan de seguro, obteniendo los autorizaciones para los servicios, entregando los formularios de declaración y realizando la coordinación necesaria de los formularios de beneficios. Para los servicios ambulatorios, traiga a la cita su formulario de derivación o de autorización y la orden del médico.

Responder en forma inmediata a las peticiones del plan de seguro. Le entregaremos toda la información y documentación a su compañía de seguros; pero a veces es necesario que usted llame para resolver asuntos relacionados con su cuenta. Si su compañía de seguros no nos ha pagado y no ha respondido a nuestros intentos por resolver sus asuntos de pago, el saldo adeudado puede convertirse en responsabilidad suya.

Llamar si surgen dudas o inquietudes con respecto a una cuenta. Llame al número de teléfono que aparece en la cuenta que usted recibe para obtener información. Para obtener información sobre cobertura, niveles de beneficios o servicios que no están cubiertos por su seguro, llame al número que aparece en su tarjeta del seguro.

Pagar oportunamente. El pago de su cuenta es, en última instancia, su responsabilidad, a excepción de los servicios aprobados por Medicare, Medicaid y THCare. Pediremos solícitamente que pague antes de recibir el servicio o antes del alta si usted no puede pagar el pago de otro monto, o si no tiene cobertura de seguro. Para su comodidad, Northwest Community acepta efectivo, cheques personales, giro postal, Visa, MasterCard, Discover y American Express.

Avisar a Northwest Community si tiene problemas para pagar la cuenta. Si tiene problemas económicos, háganoslo saber. Un consejo financiero puede ayudar a aliviar las alternativas.

de pago con las que cuenta, tales como: convenios especiales de pago, programas patrocinados por el gobierno, subvenciones, fondos comunitarios, ayuda financiera y servicios con tarifa especial. Para postular a los programas de ayuda financiera o gubernamental, se exige cierta información personal y financiera.

Avisar a Northwest Community si su tratamiento es consecuencia de un accidente o lesión del trabajo. Si el servicio o la hospitalización son producto de un accidente o lesión del trabajo, se pueden pedir que entregue información sobre los posibles pagos provenientes de fuentes como: seguro de propietario, indemnización por accidentes y enfermedades del trabajo o seguro automotriz.

HONORARIOS MÉDICOS

Northwest Community tiene contrato con grupos de médicos independientes como médicos de sala de urgencias, patólogos, radiólogos y anestesiólogos a fin de entregar servicios especializados dentro del hospital y el Centro de Cirugía Ambulatoria. Además, si médico podría requerir a otros profesionales de la salud como enfermeras especializadas, matronas, asistentes médicos, enfermeras anestestas o médicos especialistas para hacerle consultas relacionadas con su caso.

Es importante que considere la posibilidad de que estos especialistas de la salud no formen parte de los mismos planes de seguros y redes de Northwest Community Hospital y el Centro de Cirugía Ambulatoria.

Por lo tanto, es posible que tenga que asumir una responsabilidad financiera mayor por los servicios prestados por estos médicos y profesionales de la salud aliados, que no están incluidos en su plan del

Consulte al revendedor

La misión de Northwest Community es brindar servicios de atención de salud compasivos y de calidad para las personas de los barrios periféricos del noroeste. Entendemos que las cuentas del hospital y las reclamaciones del seguro de salud pueden ser confusas, razón por la que estamos aquí para ayudarlo a despejar sus dudas.

CONSEJEROS FINANCIEROS

Nuestros consejeros financieros pueden responder cualquier pregunta respecto a la cuenta. También pueden comunicarse con su compañía de seguros sobre reclamaciones pendientes, pedir y aceptar pagos, cobrar saldos de pagos independientes antes de los servicios o la admisión, establecer planes de pago, facilitar las solicitudes de préstamos y ayudar a llenar las solicitudes de ayuda financiera o servicios con tarifa especial.

**Comuníquese con
nuestros consejeros
financieros llamando al**

847.618.4542.

NORTHWEST COMMUNITY'S ROLE

Northwest Community will bill your insurance plan; including Medicare and Medicaid, for payment of services. If you have more than one insurance plan, Northwest Community will bill these other plans as well.

Northwest Community will send you statements that show the most current balance that your insurance company owes or that is your responsibility. After your insurance has paid, we will send you a statement showing the amount you owe.

Northwest Community will provide a financial counselor to answer billing and insurance questions or assist you with payment issues. A counselor also can help you determine if you qualify for Northwest Community's financial assistance. These programs can help uninsured or underinsured patients. In addition, a counselor can help determine if you qualify for any of the package pitcoed services that are offered. Financial counselors can be called at 847.618.4542 until 9 pm seven days a week.

Northwest Community will provide language assistance. We will arrange translation assistance for you free of charge to answer your billing and payment questions.

THE PATIENT/FAMILY ROLE

Provide complete identification and health insurance information upon registration. We will ask you for a driver's license or state identification card, all insurance cards and authorization forms. We also will ask you to assign your insurance benefits to Northwest Community.

Understand and comply with insurance plan requirements by obtaining authorizations for services, providing referral forms or completing any required coordination of benefits forms. For outpatient services, please bring your referral/authorization form and your physician's order to your appointment.

Respond immediately to insurance plan requests. We will provide all information and paperwork to your insurance company, but sometimes a call is required from you to resolve issues related to your account. If your insurance company has not paid us and has not responded to our attempts to resolve your payment issues, the balance owed may become your responsibility.

Call with any questions or concerns about a bill. The phone number on the bill you receive is the best number to call for information. For information about coverage, benefit levels or services not covered by your insurance, call the number on your insurance card.

Make prompt payments. Payment for your bill is ultimately your responsibility, with the exception of services approved by Medicare, Medicaid and Tricare. We may ask you to pay prior to the time of service; or prior to discharge if you have a deductible, co-payment or other self-pay amount due; or if you do not have insurance coverage. For your convenience, Northwest Community accepts cash, personal check, money order, Visa, MasterCard, Discover and American Express.

Notify Northwest Community if you have difficulty paying the bill. If you are having financial problems, please let us know. A

financial counselor can discuss payment alternatives that may be available to you, including: special payment arrangements, government-sponsored programs, grants, community funding, financial assistance, charity care and package priced services. To apply for government or financial assistance programs, certain personal and financial information is required.

Notify Northwest Community if your treatment is the result of an accident or work injury. If your service or hospitalization results from an accident or work injury, you may be asked to provide information about possible payments from sources such as homeowners insurance, workers' compensation or auto insurance.

PHYSICIAN FEES

Northwest Community contracts with independent physician groups, such as emergency room physicians, pathologists, radiologists and anesthesiologists, to offer specialized services within the Hospital and Day Surgery Center. In addition, your physician may decide to call in other allied health professionals, such as advanced practice nurses, nurse midwives, physician assistants, nurse anesthetists, or physician specialists for consultations related to your care.

It's important for you to know that these physicians may not be part of the same insurance plans and networks as Northwest Community Hospital and Day Surgery Center. Therefore, you may have a greater

-continued on back

Northwest Community's mission is to deliver quality, compassionate healthcare services to the people of the northwest suburbs. We understand that hospital bills and health insurance claims can be confusing, and we are here to help you with your questions.

FINANCIAL COUNSELORS

Our financial counselors can answer any questions about your bill. They also can talk to your insurance company about outstanding claims, ask for and accept payments, collect self-pay balances prior to services/admission, set up payment plans, facilitate loan applications and help with completing applications for financial assistance and/or package priced services.

Financial Counselors
are available at
847.618.4542.

PHYSICIAN FEES *-continued from front*

financial responsibility for services provided by these physicians and allied health professionals, who do not participate in your insurance plan or those plans accepted by Northwest Community Hospital and Day Surgery Center. Fees for most of these professional services are not included on Northwest Community Hospital or Day Surgery Center bills. In most cases you will receive a separate bill from your doctor or other health care professional.

If you have questions regarding any of your doctor bills, call the telephone number printed on the bill in question.

"MEDICARE AND YOU"

We offer assistance with Medicare claims, supplemental insurance and other bill-related issues for seniors. For more information on the "Medicare and You" program, call 847.618.7440.

If you have Medicare and require outpatient services, please bring your physician's order with you. If Medicare does not cover the services ordered, you may be asked to sign a Medicare form (an Advance Beneficiary Notice) stating you have been told about your payment responsibility.

OTHER INSURANCE INFORMATION

Insurance Plan Coverage

Some health plans require patients to receive services at an "in-network" or "participating provider" hospital. To verify your insurance requirements and to be sure Northwest Community is in your plan's network, call your insurance company.

"Out-of-Network" Providers:

In an emergency you should go to the nearest hospital. Your insurance plan will generally cover these costs or transfer you to an "in-network" hospital. If you go to an "out-of-network" hospital in a non-emergency situation, you may be required to pay a larger portion of your bill. Contact your insurance company for details about its "out-of-network" coverage.

Insurance Payment of Bills:

Your insurance plan requires you to pre-certify certain services or to notify them within a certain period of time after hospitalization. You should read the details of your plan's requirements and any benefit documents provided by your insurance carrier or employer. You should talk to your doctor's office and your insurance company about elective procedures. Please discuss any insurance eligibility or payment concerns when you schedule your appointment, or ask to speak with a financial counselor.

The Amount You Owe:

You will receive an "Explanation of Benefits" from your insurance plan, which shows the amount it has paid, any non-covered or denied amounts and the remaining balance that you owe. Review this information and call your insurance company or Northwest Community if you have questions. Northwest Community will send you a bill for any remaining amount due (such as co-insurance, deductible or non-covered charges). You may be asked to pay at registration or discharge from the Hospital.

**NORTHWEST COMMUNITY HOSPITAL
ADMINISTRATIVE POLICY**

PREPARED BY:	Dawn Walden	NUMBER:	FN-008
REVIEWED BY:	Dawn Walden	DATE:	08/2004
APPROVED BY:	Mike Zenn	REVISION DATE:	11/21/05;
DEPT OF ORIGIN:	Finance		03/2006;
RESPONSIBLE			07/2007; 01-
AUTHORITY:	M. Zenn		2008; 08-2008;
			04-2009
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		COMPLIANCE:	

SUBJECT: CHARITY CARE / FINANCIAL ASSISTANCE

STATEMENT OF POLICY:

To identify circumstances that Northwest Community Hospital, Northwest Community Day Surgery Center and Northwest Community Physicians Association, LLC (NCH) may provide care without charge or at a discount commensurate with the ability to pay, for a patient whose financial status makes it impractical or impossible to pay for medically necessary services. The provision for financial assistance is consistent, appropriate and essential to the execution of our mission, vision and values.

The guidelines in this policy are not designed to turn away or discourage those in need from seeking treatment. They are intended to assure that the resources NCH can afford to devote to its patients are focused on those who are most in need and least able to pay, rather than those who choose not to pay.

In an effort to maintain our patients' dignity, the term "Financial Assistance" is used throughout this policy to be synonymous with "Charity Care".

PURPOSE OF POLICY:

In keeping with effective stewardship, provision for financial assistance will be budgeted annually but will have no upper limit as to how much financial assistance, in aggregate, may be awarded in any given fiscal year. The financial assistance administrative policy will be reviewed annually by the Finance Committee. An annual report on financial assistance will be provided to the Finance Committee and the Community Services Committee.

In order to promote the health and well-being of the community served, individuals with limited financial resources who are unable to access entitlement programs shall be eligible for free or discounted health care services based on established eligibility criteria. These eligibility criteria will be based upon the Federal Poverty guidelines and will be updated annually, by the designated PFS representative, in conjunction with the published updates by the United States Department of Health and Human Services. All open self-pay balances may be considered for charity care. If an initial determination is made that the patient has the ability to pay all or a portion of the bill, such a determination does not prevent a reassessment of the person's ability to pay at a later date. The need for financial assistance may be re-evaluated at the following times:

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- Subsequent to the rendering of services
- When an account that is closed is to be reopened
- \geq 6 months since the last application determination date
- Patients may reapply if there is a change in their income, assets or family size responsibility

To be considered for financial assistance, the patient must cooperate with NCH and provide the information and documentation necessary to apply for other existing financial resources that may be available to pay for his or her health care, such as government sponsored programs, grants, community funding, etc. Patients are responsible for completing the required application forms and cooperating fully with the information gathering and assessment process, in order to determine eligibility for financial assistance.

Appropriate signage will be clearly and conspicuously posted in the emergency department, the treatment centers, the billing office, the admissions office and all other locations visible to the public in order to provide notice of the financial assistance program and the assistance available. This will be reviewed by the designated Access Services representative on a periodic basis and the findings will be reported to the Compliance Committee.

Information providing notice of the financial assistance policy, such as brochures, will be included in patient services/information folders and/or in patient intake areas. Marketing material provided to patients will mention the financial assistance program. This will be reviewed by the designated Access Services and Patient Financial Services representatives on a periodic basis and the findings will be reported to the Compliance Committee.

Applications for financial assistance will be made available by PAS or PFS to the public upon request.

NCH's financial assistance policy will be made available by PAS or PFS to the public upon request.

NCH will share information regarding the financial assistance program with local and state community service agencies, such as credit counseling services, community action groups,

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medical assistance offices and others that provide access and counseling to the uninsured and underinsured populations.

All signs, public information and/or forms regarding the provision of financial assistance will use languages that are the primary languages of at least 5% of the patients served by the hospital annually based on data collected from patients by the hospital on primary languages spoken in the household and as determined by the U.S. Census data for Cook and Lake Counties, Illinois. Review of the census data will be performed on a periodic basis and the findings will be reported to the Compliance Committee.

The Patient Financial Services department shall make information about the availability of, and how to access the hospital's Financial Assistance program a standard component of new employee orientation for all employees and will conduct an annual Financial Assistance in-service with all staff who regularly interact with patients, including such hospital personnel as Patient Registration, Patient Financial Services, Financial Counselors, Case Management, Social Workers; and outsourced vendors, such as collection agencies and public assistance eligibility vendors.

The necessity for medical treatment of any patient will be based on the physician-ordered care that is required to treat an illness or condition and is not cosmetic or experimental in nature. Questions relating to the medical necessity of potential charity care services will be reviewed by the Vice President of Medical Affairs at NCH, or his designee. Financial assistance may be provided to individuals who qualify under the policy and have received or are receiving medically necessary services. All patients will be treated with respect and fairness regardless of their ability to pay.

SPECIAL INSTRUCTIONS/FORMS TO BE USED:

Application for Financial Assistance
Financial Assistance Worksheet and Summary

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SUBJECT: CHARITY CARE / FINANCIAL ASSISTANCE

I. Definitions

- A. **Assets:** Assets include immediately available cash and investments such as savings and checking account balances as well as other investments, including retirement or IRA funds, life insurance values, trust accounts, real estate except for primary residence, etc. NCH will not require the applicant to withdraw funds from their retirement (401K) or IRA in the event the patient will have to pay penalties because of early withdrawal. NCH will expect the patient to consider securing a loan against these funds. *Assets do not include* primary residence; \$2000 for the uninsured patient, or \$3000 for the uninsured patient and one dependent residing together; \$50 for each additional dependent residing in the same household; personal effects and household goods that have a total value of less than \$2000; a wedding and engagement ring and items required due to medical or physical condition; one automobile with fair market value of \$4500 or less.
- B. **Bad Debt Expense:** Uncollectible accounts receivable that were expected to result in cash inflows (i.e. they do not meet NCH's financial assistance eligibility criteria). They are defined as the provision for actual or expected uncollectibles resulting from the extension of credit.
- C. **Charity Care:** Health care services that were never expected to result in cash inflows. Charity care results from NCH's policy to provide health care services free or at a discount to individuals who meet the established criteria.
- D. **Disposable Income:** Annual family income less monthly expenses.
- E. **Family Income:** Gross wages, salaries, wages, welfare benefits, strike benefits, unemployment benefits, dividends, interest, Social Security benefits, workers compensation, veterans benefits, training stipends, military allotments, regular support from family members not living in the household, child support, alimony, support from parents if parents claim the child on taxes, government pensions,

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private pensions, insurance and annuity payments, income from rents, royalties, estates and trusts.

F. **Family:** The patient, his/her spouse (including a legal common law spouse) and his/her legal dependents according to the Internal Revenue Service rules. Therefore, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

G. **Indigent Person:**

a. **Financially Indigent:** A person who is uninsured or underinsured and is accepted for care with no obligation or a discounted obligation to pay for the services rendered based on NCH's eligibility criteria set forth in this policy. These patients are also defined as poor or economically disadvantaged and have income at or below federal poverty levels.

b. **Medically Indigent:** A patient whose medical or hospital bills after payment by third-party payers exceed a specified percentage of the person's annual gross income determined in accordance with the healthcare provider organization's eligibility system, and who is financially unable to pay the remaining bill. The patient who incurs catastrophic medical expenses is classified as medically indigent when payment would require liquidation of assets critical to living or would cause undue financial hardship to the family support system. In addition, medically indigent shall also include catastrophic medical expenses of patients where after payment by third party payers, the residual amount exceeds a specified percentage of a patient's annual gross income.

H. **The NCH service area is defined by the following zip codes:**
60004-60009; 60010-60011; 60016-60019; 60038; 60042; 60047; 60049; 60055-60056; 60067; 60070; 60074; 60078; 60084; 60089-60090; 60094-60095; 60103; 60107; 60133; 60159; 60168; 60172; 60173; 60179; 60192-60196.

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Patients who do not reside or work within the services area will not be considered for charity or financial assistance unless one of the following circumstances exists:

- a. The patient has been brought to NCH by ambulance;
 - b. Emergency care has been provided by the Emergency Department (ED). If this applies, the services covered under the financial assistance are only those services provided to the patient at the ED and not services provided subsequent to the emergency visit;
 - c. Immediate care (unscheduled / drop-in visits) has been provided by one of the Treatment Centers (TC). If this applies, the services covered under the financial assistance are only those services provided to the patient at the TC and not services provided subsequent to the immediate care visit;
 - d. The service the patient has received or is seeking is not available at a provider closer to the patient's residence or place of employment;
 - e. The referring physician works within the service area or the referring physician is on the NCH medical staff
- I. **Medically Necessary** means the physician-ordered care that is required to treat an illness or condition and is not cosmetic or experimental in nature. Medically necessary does not include non-medical services such as social, educational, and vocational services.
- J. **Uninsured Patient** means a patient who has been an Illinois resident for at least one year, who does not have third-party coverage from a health insurer, a health care service plan, Medicare, or Medicaid, and whose injury is not compensable for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by NCH. The term does not include any patient who had an opportunity to obtain third-party coverage through his or her employer but did not obtain such coverage, and who has already been given a one-time exception to the employer offered insurance requirement.

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SUBJECT: CHARITY CARE / FINANCIAL ASSISTANCE

II. Financial Assistance Guidelines

- A. To be eligible for a 100 percent reduction from the patient portion of billed charges, an indigent patient's family income must be at or below 200 percent of the current Federal Poverty Guidelines.
- B. To be eligible for 1 to 99 percent reduction of the patient portion of billed charges, a financially indigent patient's family income must fall between 201% - 300% of the Federal Poverty Guidelines.
- C. Each applicant will be reviewed for medical indigence.
- D. Each applicant will be reviewed to determine if they have filed for bankruptcy. If the patient has filed for and has been awarded bankrupt status, the patient qualifies for 100% financial assistance. If the final determination has not been made by the courts, AND the patient does not qualify for 100% financial assistance, the final determination made by NCH on the financial assistance application will be deferred until the courts have ruled on the bankruptcy filing.
- E. A comparison will be made between the total dollars of financial assistance that would be allocated through the sliding scale or through the medical indigence calculation. The patient/guarantor will be given the financial assistance amount that is the greater between the two (2) calculations.
- F. After the financial assistance adjustment has been computed and applied, the remaining balances will be treated in accordance with Patient Financial Services and Patient Access Services policies regarding self-pay balances.

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SUBJECT: CHARITY CARE / FINANCIAL ASSISTANCE

PROCEDURE:

I. Identification of Potentially Eligible Patients

- A. Where possible, prior to the admission of the patient, NCH will conduct a pre-admission interview with the patient, the guarantor, and/or his/her legal representative. If a pre-admission interview is not possible, this interview should be conducted upon admission or as soon as possible thereafter. In the case of an emergency admission, NCH's evaluation of payment alternatives should not take place until the required medical care has been provided. At the time of the initial patient interview, the following information should be gathered:
1. Routine and comprehensive demographic data.
 2. Complete information regarding all existing third party coverage.
 3. Provide patient charity application.
 4. Schedule an appointment for full patient interview to complete and review the application.
- B. Identification of potentially eligible patients can take place at any time during the rendering of services or during the collection process.
- C. Those patients who may qualify for financial assistance from a government sponsored program(s), grants, community funding, etc. should be referred to the appropriate program prior to consideration for financial assistance.

II. Collections and Billing

- A. The following information must be included on or with the bill sent to an uninsured patient:
1. A request that the patient inform the hospital if the patient has health insurance coverage, Medicare, Medicaid, or other insurance;

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ADMINISTRATIVE POLICY**

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		COMPLIANCE:	

SUBJECT: CHARITY CARE / FINANCIAL ASSISTANCE

2. A statement that if the patient does not have health insurance he or she may be eligible for government sponsored programs, grants, community funding, etc. or the hospital's financial assistance program;
 3. A statement indicating how the patient may obtain information on how to apply for government sponsored programs, grants, community funding, etc.; and
 4. The hospital contact and telephone number for financial assistance programs.
- B. Prior to an account being authorized for the filing of suit, a final review of the account will be conducted and approved by the Director of Patient Financial Services to make sure that no application of financial assistance was ever received and/or that the patient has not filed for bankruptcy. (Refer to the Patient Financial Services policies for further clarification.) Prior to a summons being filed, the Director of Patient Financial Services approval is required. NCH and its outside collection agencies will not request body attachments from the court system for payment of an outstanding account; however it is recognized that the court system may take this action independently. No suit will be filed for collection purposes for at least seventy (70) days after discharge of the uninsured patient.
- C. All contracts with third party agents who collect bills on behalf of NCH will require that said agents will follow the NCH financial assistance. If it is identified that the patient is a likely candidate for financial assistance, the third party agent will return the account(s) to NCH and cease and desist all collection activity.
- D. Upon request of a discharged patient, the hospital must provide an itemized statement of charges for services rendered by the hospital within seventy (70) days after receiving the request.

**NORTHWEST COMMUNITY HOSPITAL
ADMINISTRATIVE POLICY**

PREPARED BY:	Dawn Walden	NUMBER:	FN-008
REVIEWED BY:	Dawn Walden	DATE:	08/2004
APPROVED BY:	Mike Zenn	REVISION DATE:	11/21/05;
DEPT OF ORIGIN:	Finance		03/2006;
RESPONSIBLE			07/2007; 01-
AUTHORITY:	M. Zenn		2008; 08-2008;
			04-2009
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SUBJECT: CHARITY CARE / FINANCIAL ASSISTANCE

- E. No collection activities will be pursued against an uninsured patient who complies with the hospital's payment plan.
- F. No collection activities will be pursued against an uninsured patient who informs the hospital that he or she has applied for health care coverage from a health insurer, a health care service plan, Medicare, Medicaid, KidCare, FamilyCare, or other third party insurer until a decision has been made on the application for health care coverage or until there is no longer a reasonable basis to believe the patient may qualify for such coverage, whichever is sooner.
- G. No collection activities will be pursued against an uninsured patient who has requested financial assistance from the hospital and is cooperating with the hospital to determine the patient's eligibility for financial assistance until a determination has been made on the uninsured patient's eligibility for financial assistance.

III. Determination of Eligibility

- A. At the time of registration, all patients registered as self pay will be offered a Financial Assistance Application along with a cover letter and instructions as to how to apply.
- B. All patients identified as potential financial assistance recipients will be offered the opportunity to apply for financial assistance. If this evaluation is not conducted until after the patient leaves NCH a Patient Financial Services representative will mail a financial assistance application to the patient for completion.
- C. The patient should receive and complete a written application (Attachment #1A or #1B) and provide all supporting data required to verify eligibility within no more than 15 days from original contact.
- D. In the evaluation of an application for financial assistance, a patient's total resources will be taken into account, which will include, but not be limited to, analysis of

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assets, family income and medical expenses. A credit report will be generated for the patient as well. If a patient has available resources, the patient is not eligible for financial assistance.

- B. If a patient's total assets are equal to or greater than the patient's financial responsibility to NCH, or their annual family income, whichever is greater, then NCH will not look to force liquidation of a personal residence, but may file a lien to protect its interest through future sale of such property.
- F. A record, paper or electronic, should be maintained reflecting authorization of financial assistance along with copies of all application and worksheet forms. The approval limits for Financial Assistance are as follows:
 - 1. Account Representative and Financial Counselor <\$100
 - 2. Manager of Patient Financial Services and Manager of Patient Access Services \$100.01 to \$5,000
 - 3. Director of Patient Financial Services and Director of Access Services \$5,000.01 to \$50,000
 - 4. Vice President of Revenue Cycle Management and Executive Vice President \$50,000+
- G. Upon completion of the application and submission of appropriate documentation, the Patient Financial Service representative or the Patient Access Services representative will complete the Financial Assistance Worksheet. The information shall be forwarded to the Manager of Customer & Support Services or an Access Services Manager for initial determination. Financial Assistance approvals will be made in accordance with the guidelines and documented on the worksheet.
- H. Accounts where patients are identified as medically indigent or accounts where the representative or manager has identified special circumstances that when taken into consideration may affect the patient's eligibility for financial assistance will be referred to the Director of Patient Financial Services for special consideration. The

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review of accounts that do not clearly meet the criteria and the decisions and rationale for those decisions will be documented and maintained in the account file.

IV. Notification of Eligibility Determination

- A. Clear guidelines as to the length of time required to review the application and provide a decision to the patient should be provided at the time of application. A prompt turnaround and a written decision, which provides a reason for denial, will be provided, generally within 15 days of receipt of a completed application.
- B. A clear explanation of the appeal process must be provided to the patient with the document given to the patient providing the final outcome of the application for financial assistance.
- C. If a financial assistance determination allows for a percent reduction but leaves the patient with a self-pay balance the customary collection steps will be taken with the patient.

V. Policy Compliance by Service Line

All service lines will comply with this policy as written with the exception of

- The Youth Center (See the Revenue Cycle Management Youth Center Charity Care Policy)
- The Wellness Center (See the Wellness Center Charity Care Policy)
- The NCH Dental Van Services (See the Dental Van Charity Care Policy)
- Seniors Day Care Program (See the Seniors Day Care Program Policy)

**NORTHWEST COMMUNITY HOSPITAL
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SUBJECT: CHARITY CARE / FINANCIAL ASSISTANCE

REGULATORY REFERENCES/COMPLEMENTARY POLICIES

STANDARD	REGULATORY REFERENCE SOURCES
Other NCH Policies	
Illinois Statute	35 ILCS 200/15-65 – Illinois Not-For-Profit Corporation Act
JCAHO Standard(s)	RI 1.40 – Patient Rights
Federal	26 U.S.C. § 501 (c)(3) – Internal Revenue Service Code – Tax Exempt Organizations 42 U.S.C. § 1395 – Emergency Medical Treatment and Active Labor Act
Other	

FINANCIAL ASSISTANCE WORKSHEET

Patient Name: _____ #REFI

Account Numbers _____ 1) Patient's Responsibility _____ 2) Dates of Service _____

See Attached Summary Sheet _____ #REFI _____ See Attached Summary Sheet _____

Total Acct Balances: 3) _____ #REFI

Family Size _____ #REFI

Family Income: 4) _____ #REFI

Family Size:	Full Assistance		Partial Assistance
	Column A	Column B	Column B
1	\$20,420		\$30,630
2	\$27,380		\$41,070
3	\$34,340		\$51,510
4	\$41,300		\$61,950
5	\$48,260		\$72,390
6	\$55,220		\$82,830
7	\$62,180		\$93,270
8	\$69,140		\$103,710

- 5) Documents Attached (Please Check):
- Most current 1040 Income Tax Return and/or W2's
 - Copy of current checking account balances
 - Copies of savings and investment account balances
 - Copies of last 6 pay stubs
 - Copies of additional medical/hospital bill(s) owed to other providers of care
 - Other (Please describe) _____

6) Public Aid Applicant? Public Aid Approved?

Yes No Yes No

Section I
Is family annual gross income on line 4 LESS THAN the amount shown in Column A for this family size?
 Yes No

If yes, enter the write-off amount on the Financial Assistance/Charity Care Worksheet Summary and forward to the Manager/Director for approval.

Section II
If family annual gross income on line 4 is between amounts shown in Columns A and B for this family size, this patient qualifies for partial assistance as follows:

Step 1: Line 4 Family Income _____ #REFI

Column A Amt for this Family Size _____ #REFI

Excess Income _____ #REFI

Step 2: Column B Amt less Column A Amt for this Family Size _____ #REFI

Step 3: Step 1 / Step 2 _____ #REFI

Step 4: Charly % = 1 - (Answer to Step 3) _____ #REFI

Step 5: Charly Amount = Answer to Step 4 x Total in box 3 above _____ #REFI

Section III
NCH Financial Assistance / Charity Care Policy Guidelines based on Medical Indigence:

Line 4 Family Income _____ #REFI

Amount of reasonable medical expenses per IRS guidelines: _____ 15.00%

Patient fair share of medical expenses _____ #REFI

Total Patient Responsibility _____ #REFI

Adjustment Due to medical Indigence _____ #REFI

Medical Indigence % _____ #REFI

Reduction in Charity Assistance for Assets held:

Charity Amount calculated above _____ #REFI

Total Assets to be considered _____ #REFI

Asset reduction for Family Size _____ #REFI

Assets to be considered in Charity adjustment _____ #REFI

Increase in patient responsibility based on Assets held (15%) _____ #REFI

Section IV:
Compare the total dollars of financial assistance / charity care that would be allocated through the sliding scale (Section II) the medical indigence calculation (Section III). The patient/guarantor will be given the financial assistance / charity care a is the greater of the two (2) calculations. Complete the request for the applicable write-off for each account and forward to Manager/Director for approval.

Type of Assistance and Amount _____ #REFI _____ #REFI

Assistance %: _____ #REFI _____ #REFI

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AUTHORITY:	D. Walden	COMPLIANCE:	

SUBJECT: UNINSURED DISCOUNT POLICY

STATEMENT OF POLICY:

To identify circumstances that Northwest Community Hospital, Northwest Community Day Surgery Center, NCH Service Company, LLC and Northwest Community Physicians Association, LLC (NCH) may provide care at a discount rate of 135% of the Medicare cost ratio for an uninsured patient requiring medically necessary services. The application for the uninsured discount will be means based; therefore the difference between the charges and the amount the uninsured patient will owe will be considered charity / financial assistance. The provision for discounts to the uninsured is consistent, appropriate and essential to the execution of our mission, vision and values.

The guidelines in this policy are not designed to turn away or discourage those in need from seeking treatment.

In an effort to maintain our patients' dignity, the term "Financial Assistance" is to be used. This term, which is used throughout this policy is synonymous with "Charity Care".

PURPOSE OF POLICY:

In order to promote the health and well-being of the community served, individuals with limited financial resources who are unable to access entitlement programs shall be eligible for discounted health care services based on established eligibility criteria. These eligibility criteria will be based upon the Federal Poverty guidelines and will be updated annually by the designated Patient Financial Services (PFS) representative, in conjunction with the published updates by the United States Department of Health and Human Services. All open self-pay balances may be considered for the uninsured discount, with the exception of those balances that are self-pay after insurance has paid. If an initial determination is made that the patient does not qualify for the uninsured discount, such a determination does not prevent the patient from reapplying at a later date. The need for the uninsured discount may be re-evaluated at the following times:

- Subsequent to the rendering of services
- When an account that is closed is to be reopened
- \geq 6 months since the last application determination date
- Patients may reapply if there is a change in their income, assets or family size responsibility

To be considered for the uninsured discount, the patient must cooperate with NCH and provide the information and documentation necessary to apply for other existing financial resources that may be available to pay for his or her health care, such as government sponsored programs, grants, community funding, etc. Patients are responsible for completing the required application

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SUBJECT: UNINSURED DISCOUNT POLICY

forms and cooperating fully with the information gathering and assessment process in order to determine eligibility for the uninsured discount.

Appropriate signage will be clearly and conspicuously posted in the emergency department, the treatment centers, the billing office, the admissions office and other locations visible to the public in order to provide notice of the financial assistance / uninsured discount program. Signage will be reviewed by the designated Patient Access Services (PAS) representative on a periodic basis and the findings will be reported to the Hospital Compliance Committee.

Brochures providing information about the financial assistance / uninsured discount policy will be included in patient services/information folders and/or in patient intake areas. Marketing material provided to patients will mention the programs. This will be reviewed by the designated PAS and PFS representatives on a periodic basis and the findings will be reported to the Hospital Compliance Committee.

Applications for financial assistance / uninsured discount will be made available by PAS or PFS to the public upon request.

NCH's financial assistance / uninsured discount policy will be made available by PAS or PFS to the public upon request.

NCH will share information regarding the financial assistance / uninsured discount program with local and state community service agencies, such as credit counseling services, community action groups, medical assistance offices and others that provide access and counseling to the uninsured and underinsured populations.

All signs, public information and/or forms regarding the provision of financial assistance / uninsured discount will use languages that are the primary languages of at least 5% of the patients served by the hospital annually based on data collected from patients by the hospital on primary languages spoken in the household and as determined by the U.S. Census data for Cook and Lake Counties, Illinois. Review of the census data will be performed on a periodic basis and the findings will be reported to the Hospital Compliance Committee.

The PFS department shall make information about the availability of, and access to the hospital's Financial Assistance and Uninsured Discount programs a standard component of new employee orientation for all employees and will conduct an annual Financial Assistance and Uninsured Discount in-service with all staff who regularly interact with patients,

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including such hospital personnel as Patient Registration, Patient Financial Services, Financial Counselors, Case Management, Social Workers; and outsourced vendors, such as collection agencies and public assistance eligibility vendors.

The necessity for medical treatment of any patient will be based on the physician-ordered care that is required to treat an illness or condition. Questions relating to the medical necessity of potential services will be reviewed by the Senior Vice President of Medical Affairs at NCH, or his designee. All patients will be treated with respect and fairness regardless of their ability to pay.

SPECIAL INSTRUCTIONS/FORMS TO BE USED

Application for Patient Uninsured Discount
Financial Assistance Worksheet and Summary

L. Definitions

- A. **Assets:** Assets include immediately available cash and investments such as savings and checking account balances as well as other investments, life insurance values, trust accounts, real estate except for primary residence, etc. Assets do not include primary residence; personal property exempt from judgment under Illinois Code of Civil Procedure 735 ILCS 5/12-1001; or any amounts held in a pension or retirement plan, provided, however, that distributions and payments from pension or retirement plans may be included as income; \$2000 for the uninsured patient, or \$3000 for the uninsured patient and one dependent residing together; \$50 for each additional dependant residing in the same household.
- B. **Bad Debt Expense:** Uncollectible accounts receivable that were expected to result in cash inflows (i.e. they do not meet NCH's financial assistance eligibility criteria). They are defined as the provision for actual or expected uncollectibles resulting from the extension of credit.
- C. **Charity Care:** Health care services that were never expected to result in cash inflows. Charity care results from NCH's policy to provide health care services free or at a discount to individuals who meet the established means based criteria.
- D. **Disposable Income:** Annual family income less monthly expenses.

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- E. **Family Income:** The sum of a family's annual earnings and cash benefits from all sources before taxes, less payments made for child support. Some examples of income are gross wages, salaries, wages, welfare benefits, strike benefits, unemployment benefits, dividends, interest, Social Security benefits, workers compensation, veterans benefits, training stipends, military allotments, regular support from family members or other individuals, child support, alimony, support from parents if parents claim the child on taxes, distributions from government pensions, distributions from private pensions, insurance and annuity payments, income from rents, royalties, estates and trusts.
- F. **Family:** The patient, his/her spouse (including a legal common law spouse), his or her domestic partner, and his/her legal dependents according to the Internal Revenue Service rules. Therefore, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.
- G. **Illinois Resident:** A person who lives in Illinois and who intends to remain living in Illinois indefinitely. Relocation to Illinois for the sole purpose of receiving health care benefits does not satisfy the residency requirement.
- H. **Medically Necessary:** Any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by a hospital to a patient covered under Title XVIII of the federal Social Security Act for beneficiaries with the same clinical presentation as the uninsured patient. A "medically necessary" service does not include any of the following:
- a. Non-medical services such as social and vocational services
 - b. Elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity.
- I. **Uninsured Patient:** An Illinois resident who is a patient of a hospital and is not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage

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program, including high deductible health insurance plans, workers' compensation, accident liability insurance, or other third party liability.

II. Uninsured Discount Guidelines

- A. To be eligible for the uninsured discount, the patient's family income must be at or below 600 percent of the current Federal Poverty guidelines.
- B. The maximum amount that may be collected in a twelve (12) month period from a patient determined to be eligible for the uninsured discount is 25% of the patient's family income and is subject to the patient's continued eligibility. The patient will be excluded from this cap when the patient owns assets having a value in excess of 600% of the Federal Poverty guidelines.
- C. After the financial assistance adjustment has been computed and applied, the remaining balances will be treated in accordance with Patient Financial Services and Patient Access Services policies regarding self-pay balances.

PROCEDURE:

I. Identification of Potentially Eligible Patients

- A. Where possible, prior to the admission of the patient, NCH will conduct a pre-admission interview with the patient, the guarantor, and/or his/her legal representative. If a pre-admission interview is not possible, this interview should be conducted upon admission or as soon as possible thereafter. In the case of an emergency room visit, NCH's evaluation of payment alternatives shall not take place until the required medical care has been provided. At the time of the initial patient interview, the following information should be gathered:
 - 1. Routine and comprehensive demographic data.
 - 2. Complete information regarding all existing third party coverage.
 - 3. Provide patient financial assistance application.
 - 4. Schedule an appointment for full patient interview to complete and review the application.

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- B. Identification of potentially eligible patients can take place at any time during the rendering of services or during the collection process.
- C. Those patients who may qualify for financial assistance from a government sponsored program(s), grants, community funding, etc. should be referred to the appropriate program prior to consideration for financial assistance.

II. Determination of Eligibility

- A. At the time of registration, all patients registered as self pay will be offered a Financial Assistance Application along with a cover letter and instructions as to how to apply.
- B. All patients identified as potential financial assistance recipients will be offered the opportunity to apply for financial assistance. If this evaluation is not conducted until after the patient leaves NCH a Patient Financial Services representative will mail a financial assistance application to the patient for completion.
- C. The patient must complete a written application (Attachment #1A or #1B) and provide all supporting data required to verify eligibility within no more than 60 days from the date of service. In the event all documents are not provided initially, the patient will have an additional thirty (30) days to submit the needed documentation.
- D. During the evaluation of an application for the uninsured discount, a patient's total resources will be taken into account. This includes but is not be limited to, analysis of assets and family income. A credit report may be requested on the patient/guarantor.
- E. A record, paper or electronic, shall be maintained reflecting authorization of uninsured discount along with copies of all application and worksheet forms. The approval limits are as follows:
 - 1. Account Representatives and Financial Counselor <\$500
 - 2. Manager of Patient Financial Services \$500.01 to \$5,000

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3. Director of Patient Financial Services and Director of Access Services
\$5,000.01 to \$50,000
 4. Vice President of Revenue Cycle Management and Executive Vice
President/COO \$50,000+
- F. Upon completion of the application and submission of appropriate documentation, the Patient Financial Service representative will complete the Financial Assistance Worksheet. The information shall be forwarded to the Manager of Customer & Support Services for initial determination. Financial Assistance approvals will be made in accordance with the guidelines and documented on the worksheet.
- G. Accounts where the representative or manager has identified special circumstances that when taken into consideration may affect the patient's eligibility for the uninsured discount will be referred to the Director of Patient Financial Services for special consideration. The review of accounts that do not clearly meet the criteria and the decisions and rationale for those decisions will be documented and maintained in the account file.
- III. Notification of Eligibility Determination**
- A. Clear guidelines as to the length of time required to review the application and provide a decision to the patient should be provided at the time of application. A prompt turnaround and a written decision, which provides a reason for denial, will be provided, generally within 15 days of receipt of a completed application.
 - B. A clear explanation of the appeal process must be provided to the patient with the document given to the patient providing the final outcome of the application.
 - C. Customary collection steps will be taken with the patient who has a self-pay balance.
- IV. Billing and Collections**
- A. The following information must be included on or with the bill sent to an uninsured patient:

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1. A request that the patient inform the hospital if the patient has health insurance coverage, Medicare, Medicaid, or other insurance;
 2. A statement that if the patient does not have health insurance he or she may be eligible for government sponsored programs, grants, community funding, etc. or the hospital's financial assistance program or uninsured discount program;
 3. A statement indicating how the patient may obtain information on how to apply for government sponsored programs, grants, community funding, etc.; and
 4. The hospital contact and telephone number for financial assistance and uninsured discount programs.
- B. Prior to an account being authorized for the filing of suit, a final review of the account will be conducted and approved by the Director of PFS to make sure that no application of financial assistance was ever received and/or that the patient has not filed for bankruptcy. (Refer to the PFS policies for further clarification.) Prior to a summons being filed, the Director of PFS approval is required. NCH and its outside collection agencies will not request body attachments from the court system for payment of an outstanding account; however it is recognized that the judge may take this action independently.
- C. If a third party agent identifies that the patient is a likely candidate for the uninsured discount, the third party agent will return the account(s) to NCH and cease and desist all collection activity.
- D. No collection activities will be pursued against an uninsured patient who complies with the hospital's payment plan.
- E. No collection activities will be pursued against an uninsured patient who informs the hospital that he or she has applied for health care coverage from a health insurer, a health care service plan, Medicare, Medicaid, KidCare, FamilyCare, or other third party insurer until a decision has been made on the application for health care coverage or until there is no longer a reasonable basis to believe the patient may qualify for such coverage, whichever is sooner.
- F. No collection activities will be pursued against an uninsured patient who has requested the uninsured discount from the hospital and is cooperating with the

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hospital to determine the patient's eligibility, until a determination has been made on the uninsured patient's eligibility.

- G. If a patient or guarantor has made a payment on the account and later qualifies for the uninsured program, no refund will be granted.

V. Policy Compliance by Service Line

All service lines will comply with this policy as written with the exception of

- The Wellness Center (See the Wellness Center Charity Care Policy)
- The NCH Dental Van Services (See the Dental Van Charity Care Policy)

REGULATORY REFERENCES/COMPLEMENTARY POLICIES

STANDARD	REGULATORY REFERENCE SOURCES
Other NCH Policies	Administrative Policy FN-008 Charity Care / Financial Assistance
The Joint Commission	RI 1.40 - Patient Rights
Illinois Law	PA95-0965 Uninsured Discount Act
Illinois Law	735 ILCS 5/12- 1001 Enforcement of Judgment - Exemption of Personal Property
Federal Law	26 U.S.C. § 501 (c)(3) - Internal Revenue Service Code - Tax Exempt Organizations 42 U.S.C. § 1395dd- Emergency Medical Treatment and Active Labor Act
Other	N/A