



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516
June 9, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Trip Pilgrim, Chief Development Officer
Vanguard Health System
20 Burton Hills Blvd.
Nashville, TN 37212

RE: PERMIT: #10-013 - Westlake Hospital

Dear Mr. Pilgrim:

On June 8, 2010, the Illinois Health Facilities and Services Review Board approved the application for permit for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of Part 1110 and 1120. In arriving at a decision, the State Board considered the findings contained in the State Agency Report, the application material, and any testimony made before the State Board.

- **PROJECT: #10-013 - Westlake Hospital** - The permit holders are approved for a change of ownership of a 225 bed acute care facility located at 1225 Lake Street, Melrose Park, Illinois.
- **PERMIT HOLDERS**: The permit holders are Vanguard Health Systems, Vanguard Health Management, Inc., Vanguard Health Financial Corporation, LLC., VHS Westlake Hospital, Inc., 20 Burton Hills Blvd., Nashville, TN, Resurrection Health Care Corporation, 7435 West Talcott, Chicago, Illinois, and Westlake Community Hospital d/b/a Westlake Hospital, 1225 Lake Street, Melrose Park, Illinois.
- **CONDITIONS AND STIPULATIONS**:

The permit holders have stipulated to the following conditions:

- the categories of service and number of beds as reflected in the Inventory of Health Care Facilities will not substantially change for at least 36 months following the project's completion date; and
- the permit holders intend to maintain ownership and control of the facility for a minimum of three years; and
- the hospital will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the project completion date; and

- the permit holders will operate the hospital as a general acute care facility for a minimum of three years from the date of the close of the transaction; and
 - the permit holders will invest \$15 million of capital commitments over 3 years at the VHS Westlake Hospital (f/n/a Westlake Hospital) and VHS West Suburban Medical Center (f/n/a West Suburban Medical Center); and
 - the permit holders will establish a community relations committee at VHS Westlake Hospital (f/n/a Westlake Hospital) that will meet on an least an annual basis to identify issues of common concern. The community relations committee will be comprised of between 9 and 14 members. At least 9 members of the community relations committee will be from local businesses, community groups, and or neighborhood associations; and
 - the permit holders will submit to the Illinois Attorney General the standard form entitled "Annual Non Profit Community Benefits Plan Report (without attachments) on or before the last day of the sixth month after the close of the Hospitals' fiscal year for the three fiscal years after acquiring the Hospital; and,
 - the permit holders will report to the State Board six months after the close of the Hospital's fiscal year for the three fiscal years after acquiring the Hospital on the status of the stipulations; and
 - the permit holders will timely resolve the pending compliance matters related to Vanguard Health System and the State Board.
- **PERMIT AMOUNT:** \$20,310,500
 - **PROJECT OBLIGATED BY:** December 31, 2010
 - **PROJECT COMPLETION DATE:** December 31, 2010

This permit is valid only for the defined construction or modification, site, amount and the named permit holder and is not transferable or assignable.

In accordance with the Planning Act, the permit is valid until such time as the project has been completed, provided that all post permit requirements have been fulfilled, pursuant to the requirements of 77 Ill. Adm. Code 1130.

The permit holder is responsible for complying with the following requirements in order to maintain a valid permit. Failure to comply with the requirements may result in expiration of the permit or in State Board action to revoke the permit.

1. OBLIGATION-PART 1130.720

The project must be obligated by the **Project Obligation Date**, unless the permit holder obtains an "Extension of the Obligation Period" as provided in 77 Ill. Adm. Code 1130.730. Obligation is to be reported as part of the first annual progress report (see 2. below) for permits requiring obligation within 12 months after issuance. For major construction projects which require obligation within 18 months after permit issuance, obligation must be reported as part of the second annual progress report. If project completion is required prior to the respective annual progress report referenced above, obligation must be reported as part of the notice of project completion. The reporting of obligation must reference a date certain when at least 33% of total funds assigned to project cost were expended or committed to be expended by signed contracts or other legal means.

2. ANNUAL PROGRESS REPORT-PART 1130.760

An annual progress report must be submitted to IDPH every 12-month from the permit issuance date until such time as the project is completed.

3. PROJECT COMPLETION REQUIREMENTS-PART 1130.770

The permit holder must submit a written notice of project completion as defined in Section 1130.140. Each permit holder shall notify IHFSRB within 30 days following the project completion date and provide supporting documentation within 90 days following the completion date and must contain the information required by Section 1130.770.

This permit does not exempt the project or permit holder from licensing and certification requirements, including approval of applicable architectural plans and specifications prior to construction. Should you have any questions regarding the permit requirements, please contact Mike Constantino at 217-782-3516.

Sincerely,



Dale W. Galassie, Acting Chairman
Illinois Health Facilities and Services Review Board