

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

RECEIVED

JUN 17 2010

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name:	Advocate BroMenn Medical Office Building		
Street Address:	3024 E. Empire		
City and Zip Code:	Bloomington	IL	61704
County:	McLean	Health Service Area 4	Health Planning Area: D-02

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Advocate Health & Hospitals Corporation d/b/a Advocate BroMenn Medical Center		
Address:	1304 Franklin Avenue, Normal, IL 61761		
Name of Registered Agent:	Gail D. Hasbrouck		
Name of Chief Executive Officer:	Roger S. Hunt (Hospital President)		
CEO Address:	1304 Franklin Avenue, Normal, IL 61761		
Telephone Number:	(309) 268-5700		

Type of Ownership of Applicant/Co-Applicant

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

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

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

Primary Contact

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

Name:	Sonja Reece
Title:	Director, Government Relations & Property Management
Company Name:	Advocate BroMenn Medical Center
Address:	1304 Franklin Avenue, Normal, IL 61761
Telephone Number:	(309) 268-5482
E-mail Address:	sreece@bromenn.org
Fax Number:	(309) 888-0961

Additional Contact

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

Name:	Steven M. Holman
Title:	Vice President, Planning & Support Services
Company Name:	Advocate BroMenn Medical Center
Address:	1304 Franklin Avenue, Normal, IL 61761
Telephone Number:	(309) 268-5896
E-mail Address:	sholman@bromenn.org
Fax Number:	(309) 888-0961

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

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

This Section must be completed for all projects.

**Facility/Project Identification**

Facility Name:	Advocate BroMenn Medical Office Building		
Street Address:	3024 E. Empire		
City and Zip Code:	Bloomington	IL	61704
County:	McLean	Health Service Area	4 Health Planning Area: D-02

**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	Advocate Health Care Network
Address:	2025 Windsor Drive, Oak Brook, IL 60523
Name of Registered Agent:	Gail D. Hasbrouck
Name of Chief Executive Officer:	James Skogsbergh (Chief Executive Officer)
CEO Address:	2025 Windsor Drive, Oak Brook, IL 60523
Telephone Number:	(630) 990-5018

**Type of Ownership of Applicant/Co-Applicant**

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

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

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

**Primary Contact**

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

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Address:	1304 Franklin Avenue, Normal, IL 61761
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E-mail Address:	sholman@bromenn.org
Fax Number:	(309) 888-0961

**Post Permit Contact**

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960

Name:	Sonja Reece
Title:	Director, Government Relations & Property Management
Company Name:	Advocate BroMenn Medical Center
Address:	1304 Franklin Avenue, Normal, IL 61761
Telephone Number:	(309) 268-5482
E-mail Address:	sreece@bromenn.org
Fax Number:	(309) 888-0961

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Advocate Health & Hospitals Corporation d/b/a Advocate BroMenn Medical Center
Address of Site Owner:	1304 Franklin Avenue, Normal, IL 61761
Street Address or Legal Description of Site:	Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS <u>ATTACHMENT-2</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

**Operating Identity/Licensee**

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

Exact Legal Name:	Advocate Health & Hospitals Corporation d/b/a Advocate BroMenn Medical Center		
Address:	1304 Franklin Avenue, Normal, IL 61761		
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li> <li>o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</li> </ul>			
APPEND DOCUMENTATION AS <u>ATTACHMENT-3</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

**Organizational Relationships**

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity 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-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**Flood Plain Requirements**

[Refer to application instructions.]

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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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.hfsrb.illinois.gov>).

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

**Historic Resources Preservation Act Requirements**

[Refer to application instructions.]

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

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

**DESCRIPTION OF PROJECT****1. Project Classification**

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

Part 1110 Classification:

- Substantive  
 Non-substantive

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

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

## 2. 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.

Advocate Health Care Network and Advocate Health and Hospitals Corporation, d/b/a Advocate BroMenn Medical Center are proposing to build an 89,879 GSF medical office building at the northwest corner of Trinity Lane and Empire Street in Bloomington, Illinois. The medical office building will be predominately used as leased space for physicians. BroMenn Physicians Management Corporation intends to lease the physician office space.

Although the building is primarily for physician office space, the hospital will utilize the following three clinical service areas (other than categories of service):

1. An outpatient laboratory for specimen procurement and rapid testing;
2. A mammography unit and bone density unit, relocated from the hospital to the medical office building; and
3. Outpatient physical, occupational, and speech therapies, which will also be relocated from another medical office building on the hospital campus.

The project includes the following non-clinical service areas: leased physician offices; women's center for education and wellness; administration and staff support; and, essential infrastructure such as lobbies, stairs, elevators, circulation, and electrical/mechanical spaces.

This project has been in the planning stage for several years. As a result, the funding commitment for this project was included in the agreement when BroMenn Healthcare System and Advocate Health and Hospitals Corporation merged in January 2010.

The medical office building will not be a health care facility as defined in 20 ILCS 3960. Since a medical office building does not have any beds, this will not affect or change bed capacity.

The project is reviewable under PA 096-0031 because it involves clinical space and the total project cost exceeds the current capital expenditure threshold.

This project is non-substantive because it is solely and entirely limited in scope to outpatient clinical service areas and non-clinical areas.

**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-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs			\$ -
Site Survey and Soil Investigation	\$ 798	\$ 6,452	\$ 7,250
Site Preparation	\$ 111,237	\$ 859,051	\$ 970,288
Off Site Work			\$ -
New Construction Contracts	\$ 1,780,242	\$ 13,748,285	\$ 15,528,527
Modernization Contracts			\$ -
Contingencies	\$ 94,574	\$ 730,367	\$ 824,941
Architectural/Engineering Fees	\$ 67,100	\$ 542,900	\$ 610,000
Consulting and Other Fees	\$ 65,752	\$ 531,998	\$ 597,750
Movable or Other Equipment (not in construction contracts)	\$ 340,854	\$ 2,757,816	\$ 3,098,670
Bond Issuance Expense (project related)	\$ 49,211	\$ 383,537	\$ 432,748
Net Interest Expense During Construction (project related)	\$ 225,879	\$ 1,760,437	\$ 1,986,316
Fair Market Value of Leased Space or Equipment			\$ -
Other Costs To Be Capitalized			\$ -
Acquisition of Building or Other Property (excluding land)			\$ -
<b>TOTAL USES OF FUNDS</b>	<b>\$ 2,735,647</b>	<b>\$ 21,320,843</b>	<b>\$ 24,056,490</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$ 2,735,647	\$ 21,320,843	\$ 24,056,490
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 2,735,647</b>	<b>\$ 21,320,843</b>	<b>\$ 24,056,490</b>

**NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Related Project Costs**

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

Land acquisition is related to project	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Purchase Price: \$	3,473,910	
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 \$ \_\_\_\_\_.

**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:

<input type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input checked="" type="checkbox"/> Schematics	<input type="checkbox"/> Final Working

Anticipated project completion date (refer to Part 1130.140): October 31, 2012

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.

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

**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

**Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**

**Cost Space Requirements**

Provide in the following format, the department/area DGSF or the building/area BGSF and cost. The type of gross square footage either DGSF or BGSF must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

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

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.



**Facility Bed Capacity and Utilization**

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

FACILITY NAME: Advocate BroMenn Medical Center		CITY: Normal			
REPORTING PERIOD DATES:		From: January 1, 2009		to: December 31, 2009	
Category of Service	Authorized Beds	Admissions	Patient Days (Inc. Observ)	Bed Changes	Proposed Beds
Medical/Surgical	134	6,575	27,597	-0-	134
Obstetrics	30 <sup>4</sup>	1,783	4,399	-0-	30
Pediatrics	11	390	1,084	-0-	11
Intensive Care	12	618 <sup>2</sup>	1,919	-0-	12
Comprehensive Physical Rehabilitation	15	301	2,617	-0-	15
Acute/Chronic Mental Illness	19	577	3,066	-0-	19
Neonatal Intensive Care	-0-		-0-	-0-	-0-
General Long Term Care	-0-		-0-	-0-	-0-
Specialized Long Term Care	-0-		-0-	-0-	-0-
Long Term Acute Care	-0-		-0-	-0-	-0-
Other (identify)	-0-		-0-	-0-	-0-
<b>TOTALS:</b>	<b>221</b>	<b>10,244<sup>3</sup></b>	<b>40,682<sup>1</sup></b>	<b>-0-</b>	<b>221</b>

<sup>1</sup>Patient days are reported for inpatient days, plus observation days on the nursing unit.

<sup>2</sup>Intensive Care admissions include transfers into Intensive Care Unit.

<sup>3</sup>Total admissions include transfers into Intensive Care Unit.

<sup>4</sup>Includes six beds classified as CON transitional, approved as Project 08-076, and currently under construction.

**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 Advocate Health Care Network 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.

*Dominic J. Nakis*  
SIGNATURE

X *William P. Santulli*  
SIGNATURE

Dominic J. Nakis

William P. Santulli

PRINTED NAME  
SNP, LTO  
PRINTED TITLE

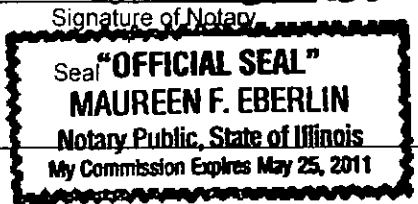
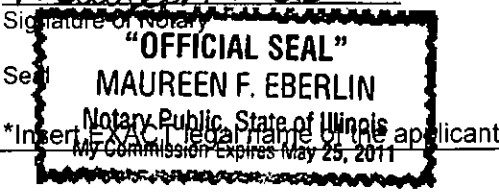
PRINTED NAME  
EVPCO  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 11<sup>th</sup> day of June

Notarization:  
Subscribed and sworn to before me  
this 11<sup>th</sup> day of June

*Maureen F. Eberlin*  
Signature of Notary

*Maureen F. Eberlin*  
Signature of Notary



**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 Advocate Health & Hospitals Corporation d/b/a Advocate BroMenn Medical Center \* 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.

*William Santulli*  
SIGNATURE

*Jim Skogsburch*  
SIGNATURE

William Santulli

Jim Skogsburch

PRINTED NAME

PRINTED NAME

Exec. VP and COO  
PRINTED TITLE

President and CEO  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 9<sup>th</sup> day of June

Notarization:  
Subscribed and sworn to before me  
this 9<sup>th</sup> day of June

*Maureen F. Eberlin*

*Maureen F. Eberlin*

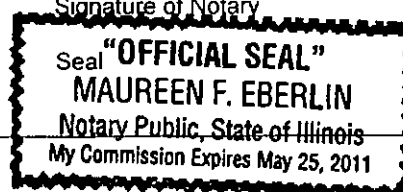
Signature of Notary

Signature of Notary

Seal

Seal

\*Insert Notary Public, State of Illinois applicant



**SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, 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 – Background, Purpose of the Project, 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, and certification 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-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.**

**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 **as appropriate.**

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

**NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.**

**APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.**

**ALTERNATIVES**

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** 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
  - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, 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. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

**APPEND DOCUMENTATION AS ATTACHMENT-13, 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. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF 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 space that results in excess square footage.

**Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.**

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, 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. **A narrative of the rationale that supports the projections must be provided.**

**A table must be provided in the following format with Attachment 15.**

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

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

**UNFINISHED OR SHELL SPACE:****N/A**

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-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.****ASSURANCES:****N/A**

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-17, 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
X Diagnostic Radiology		2
X Therapies (PT, OT, SP)		21
X Laboratory		7

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

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 <u>ATTACHMENT-37</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		



The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

**Bond Rating documentation included as Attachment 39.**

**VIII. - 1120.120 - Availability of Funds**

**N/A**

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <p style="margin-left: 40px;">1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and</p> <p style="margin-left: 40px;">2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;</p> <p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p> <p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <p style="margin-left: 40px;">1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;</p> <p style="margin-left: 40px;">2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</p> <p style="margin-left: 40px;">3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;</p> <p style="margin-left: 40px;">4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;</p> <p style="margin-left: 40px;">5) For any option to lease, a copy of the option, including all terms and conditions.</p> <p>e) Governmental Appropriations – 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, a copy of a resolution or other action of the governmental unit attesting to this intent;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<p><b>TOTAL FUNDS AVAILABLE</b></p>	

**APPEND DOCUMENTATION AS ATTACHMENT-39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

IX. 1120.130 - Financial Viability

N/A

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

**Financial Viability Waiver**

The applicant is not required to submit financial viability ratios if:

1. All of the projects capital expenditures are completely funded through internal sources
2. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
3. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

**APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

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.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

**APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**X. 1120.140 - Economic Feasibility**

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

<b>A. Reasonableness of Financing Arrangements</b>	<b>N/A</b>										
<p>The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:</p>											
<ol style="list-style-type: none"> <li>1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or</li> <li>2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:             <ol style="list-style-type: none"> <li>A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or</li> <li>B) 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.</li> </ol> </li> </ol>											
<b>B. Conditions of Debt Financing</b>											
<p>This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:</p>											
<ol style="list-style-type: none"> <li>1) That the selected form of debt financing for the project will be at the lowest net cost available;</li> <li>2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;</li> <li>3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.</li> </ol>											
<b>C. Reasonableness of Project and Related Costs</b>											
Read the criterion and provide the following:											
<ol style="list-style-type: none"> <li>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).</li> </ol>											
<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>											
Department (list below)	A	B	C		D	E		F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)			
Contingency											
<b>TOTALS</b>											
* Include the percentage (%) of space for circulation											

**D. Projected Operating Costs**

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

**E. Total Effect of the Project on Capital Costs**

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

**APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XI. Safety Net Impact Statement****N/A**

**SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:**

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.

**A table in the following format must be provided as part of Attachment 43.**

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			

<b>Total</b>			
<b>Medicaid (revenue)</b>			
Inpatient			
Outpatient			
<b>Total</b>			

APPEND DOCUMENTATION AS **ATTACHMENT-43**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

## XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
<b>Net Patient Revenue</b>			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS **ATTACHMENT-44**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

File Number 1707-692-2



To all to whom these Presents Shall Come, Greeting:

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

ADVOCATE HEALTH CARE NETWORK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 14, 1923, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 10TH day of JUNE A.D. 2010 .



Authentication #: 1016101632  
Authenticate at: <http://www.cyberdriveillinois.com>

Jesse White

SECRETARY OF STATE

File Number 1004-695-5



To all to whom these Presents Shall Come, Greeting:

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

ADVOCATE HEALTH AND HOSPITALS CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 12, 1906, 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 #: 1016101622  
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 10TH day of JUNE A.D. 2010 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 1.2 & 3.2 – CERTIFICATE OF GOOD STANDING

3

70

**Corporation Warranty  
Deed**


Mail To:  
BroMenn Healthcare Hospital  
Attn: ~~Roger Hunt~~ *Sorja Reece*  
1302 Franklin Avenue  
Normal, IL 61761

Name & Address of Taxpayer:  
BroMenn Healthcare Hospital  
Attn: ~~Roger Hunt~~ *Accounting Dept*  
1302 Franklin Avenue  
Normal, IL 61761

COUNTY STAMP TAX

*17370 MS*

Image# 010794680003 Type: DEED  
Recorded: 12/21/2009 at 03:53:10 PM  
Total Amt: \$5,242.00 Page 1 of 3  
IL Rental Housing Fund: \$10.00  
McLean County, IL  
H. Lee Newcom Recorder  
File **2009-00038808**

STATE TAX	STATE OF ILLINOIS	# 000000000	REAL ESTATE TRANSFER TAX
	 DEC. 21. 09		03474.00
	MCLEAN COUNTY		FP351011

THIS INDENTURE WITNESSETH, That the Grantor FOB DEVELOPMENT, INC., a corporation duly organized and existing under and by virtue of the laws of the State of Illinois and duly authorized to transact business in the State where the following described real estate is located, for and in consideration of the sum of One Dollar and other good and valuable considerations, the receipt of which is hereby acknowledged, and pursuant to authority given by the Board of Directors of said corporation, CONVEYS and WARRANTS to BROMENN HEALTHCARE HOSPITALS, an Illinois Not-for-Profit Corporation, whose address is 1302 Franklin Avenue, Normal, IL 61761.

The following described real estate to-wit:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF;

Parcel No. 15-31-351-001

IN WITNESS WHEREOF, said Grantor has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its name to be signed to these presents by its \_\_\_\_\_ President, and attested by its \_\_\_\_\_ Secretary, this 15<sup>th</sup> day of December, 2009.

FOB DEVELOPMENT, INC.

BY: *John Deen*  
Its President

Attest: *Matthew J. Dineen*  
Secretary



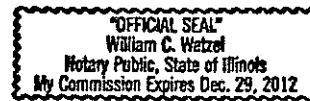
STATE OF ILLINOIS     )  
  )ss  
MCLEAN COUNTY         )

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY THAT John Deneen personally known to me to be the President of the Corporation who is the grantor, and Matthew Deneen personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary they signed and delivered the said instrument as President and Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 15<sup>th</sup> day of December, 2009.

*William C. Wetzel*  
\_\_\_\_\_  
Notary Public

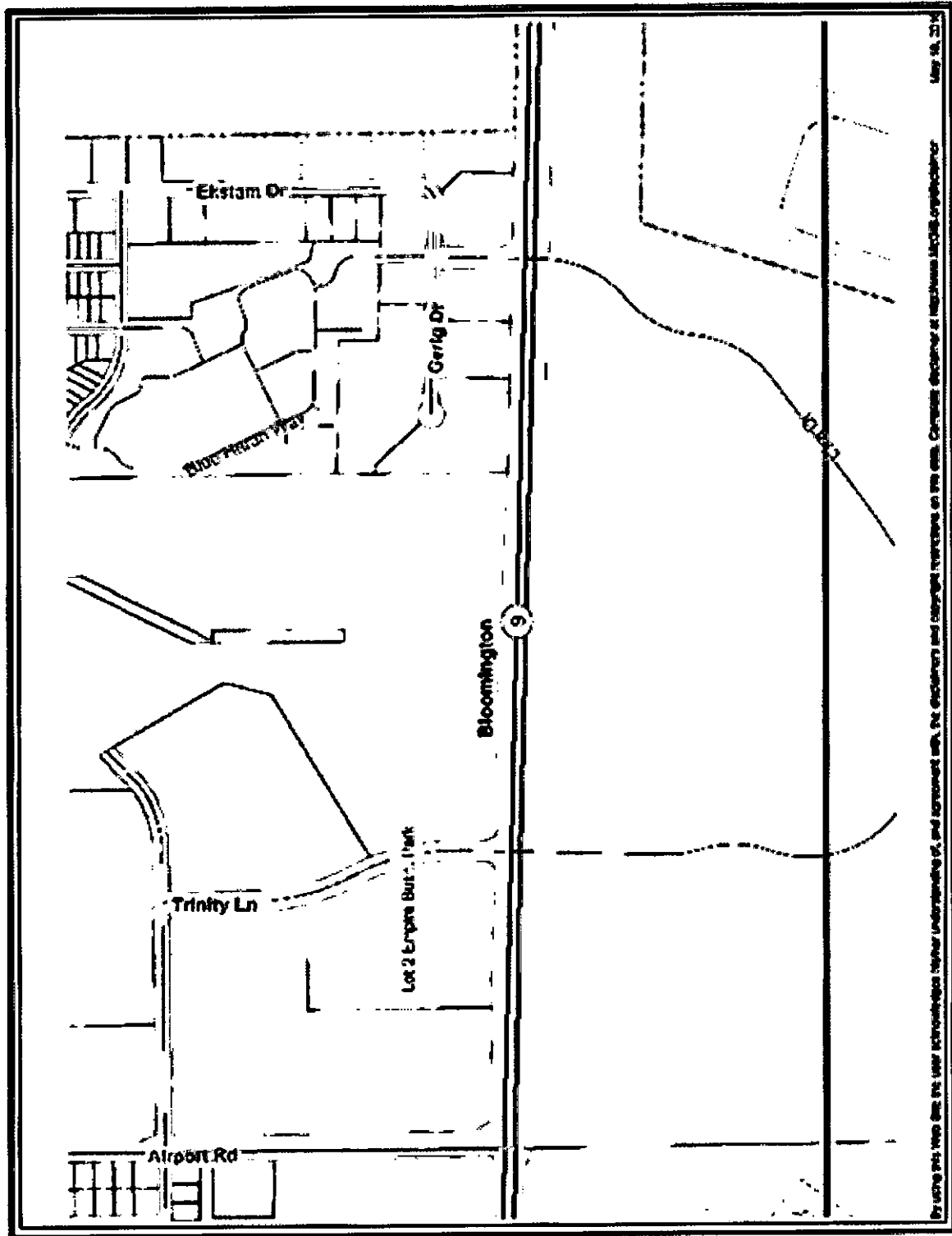
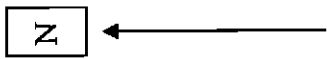
Prepared By:  
William C. Wetzel  
Livingston, Barger, Brandt & Schroeder  
115 W. Jefferson St., Suite 400  
Bloomington, IL 61701



A part of the Southwest 1/4 of Section 31, Township 24 North, Range 3 East of the Third Principal Meridian, McLean County, Illinois, more particularly described as follows: Beginning at the Southwest Corner of Trinity Lane as dedicated per Empire Business Park Subdivision in the City of Bloomington, Illinois, per Plat recorded January 17, 2007 as Document No. 2007-1452 in the McLean County Recorder's Office, said Southwest Corner also being a point on the North Right-of-Way Line of F.A.P. Route 693 (IL Route 9) per plans recorded as Document No. 95-5258 in said Recorder's Office. From said Point of Beginning, thence Northeast 41.97 feet along the West Right-of-Way Line of said Trinity Lane; thence North 128.21 feet along said West Right-of-Way Line which forms an angle to the right of 134 degrees 23 minutes 10 seconds with the last described course to a Point of Curve; thence Northwest 450.52 feet along the arc of said curve, concave to the Southwest with a radius of 855.00 feet and the 445.33 foot chord of said arc forms an angle to the right of 164 degrees 54 minutes 17 seconds with the last described course to a Point of Reverse Curve; thence Northwest 243.16 feet along the arc of said curve concave to the Northeast with a radius of 945.00 feet and the 242.49 foot chord of said arc forms an angle to the right of 172 degrees 16 minutes 35 seconds with the last described chord; thence West 470.55 feet along a line which forms an angle to the right of 110 degrees 46 minutes 40 seconds with the last described chord; thence South 794.75 feet along a line which forms an angle to the right of 90 degrees 00 minutes 00 seconds with the last described course to the North Right-of-Way Line of said F.A.P. Route 693 (IL Route 9); thence East 3.50 feet along said North Right-of-Way Line which forms an angle to the right of 92 degrees 02 minutes 28 seconds with the last described course to a point lying 65 feet left of Centerline Station 150+56.32 on said F.A.P. Route 693; thence East 150.35 feet along said North Right-of-Way Line which forms an angle to the right of 176 degrees 11 minutes 11 seconds with the last described course to a point lying 75 feet of Station 152+08.34 on said Centerline; thence East 468.55 feet along said North Right-of-Way Line which forms an angle to the right of 185 degrees 02 minutes 28 seconds with the last described course to the Point of Beginning;

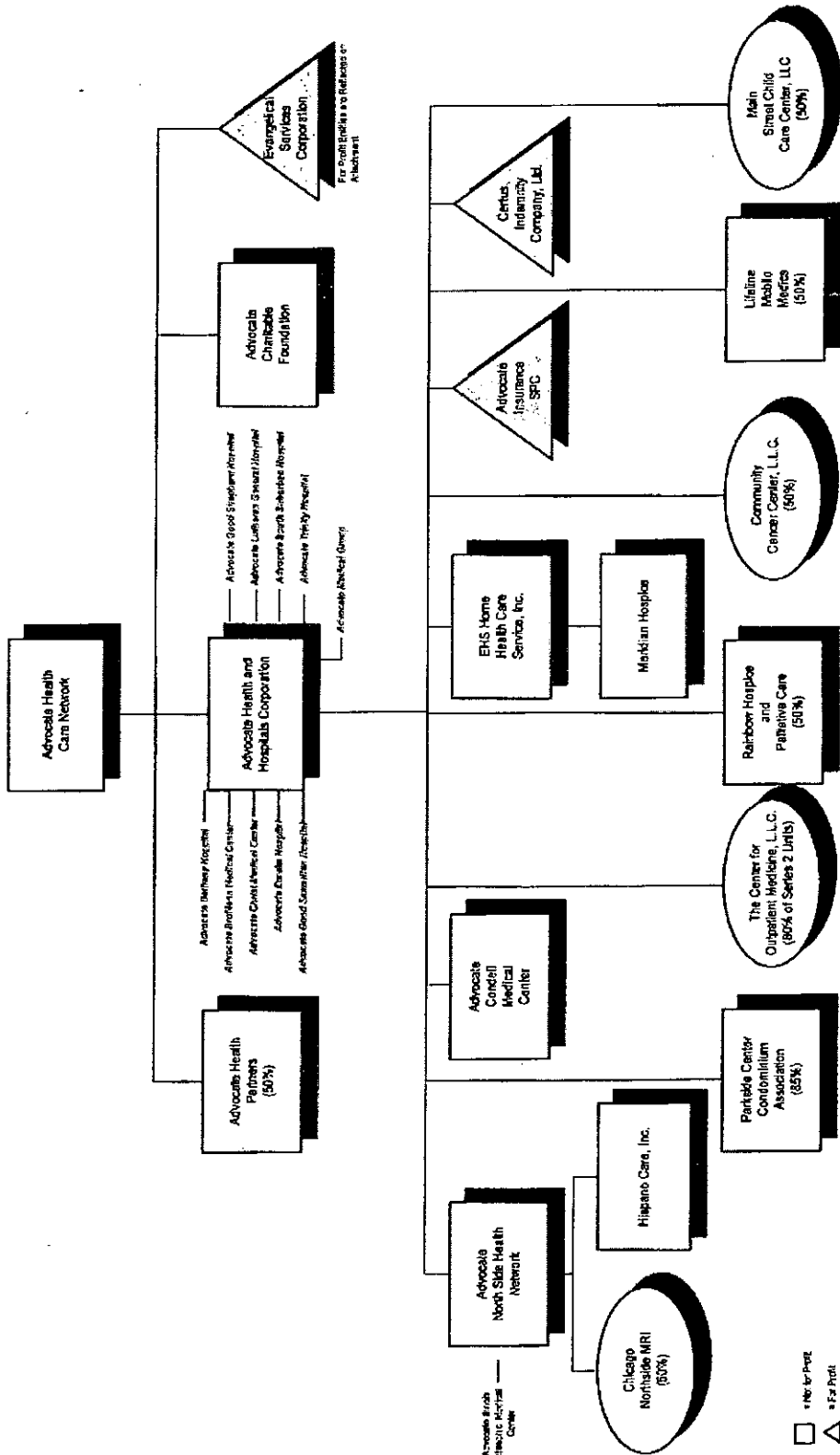
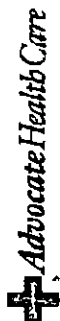
TO BE KNOWN AS:

Lot 2 in Empire Business Park First Addition, being a part of the South West 1/4 of Section 31, Township 24 North, Range 3 East of the Third Principal Meridian, according to the Plat thereof recorded as Document No. \_\_\_\_\_, In McLEAN COUNTY, ILLINOIS.



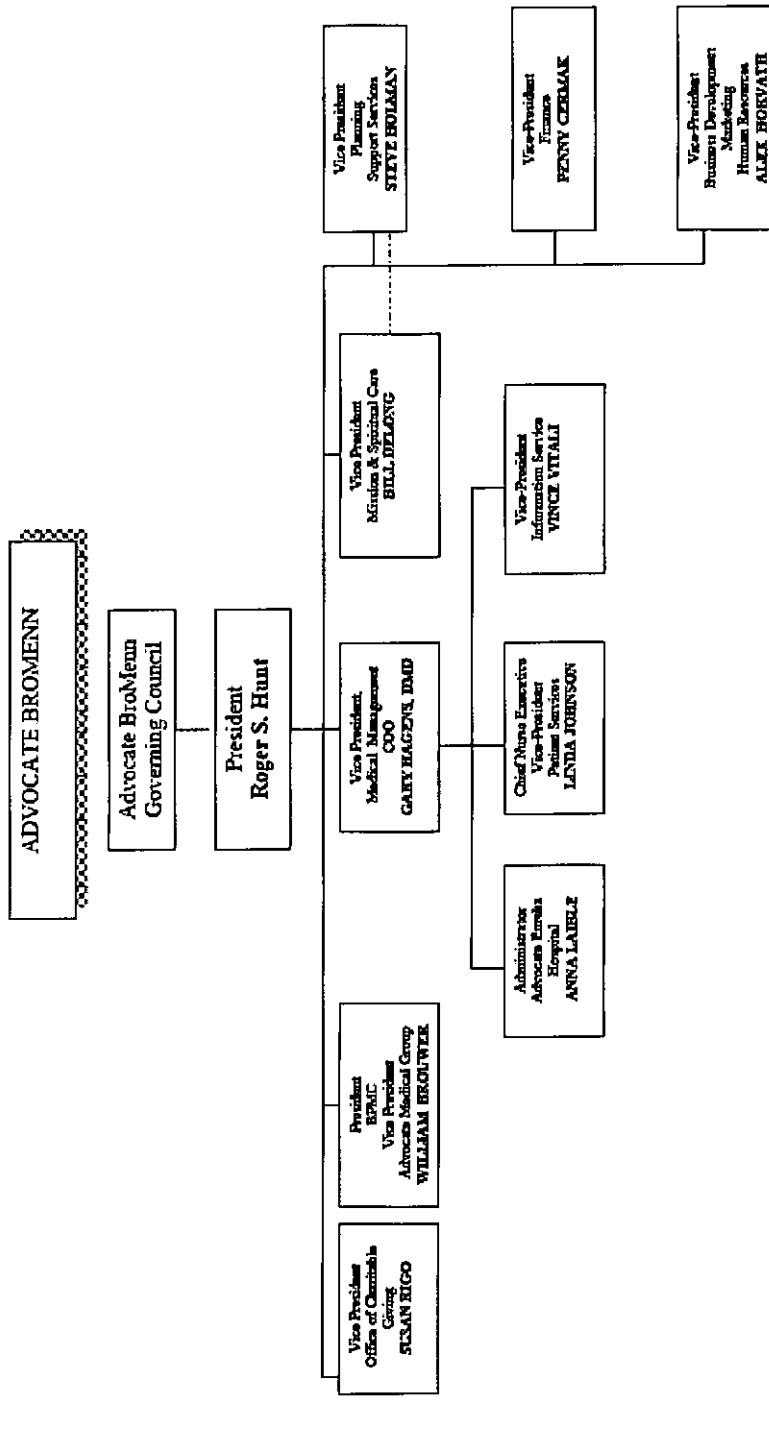
By using this map the user acknowledges their understanding of, and agreement with, the disclaimer and copyright notices on this map. Copyright disclaimer at mapsource.mcgraw-hill.com/mcgraw-hill May 18, 2010

ATTACHMENT 2.4 – Site Ownership



Page 22 of 23

ATTACHMENT 4.1 – Organization Chart



Key:  
**VICE-PRESIDENT**  
 Administration

Last Revision: April 24, 2010  
 File: Advocate BroMenn Executive Team

ATTACHMENT 4.2 – Organization Chart



2709 McGraw Drive  
Bloomington, Illinois 61704  
p 309.663.8435 f 309.663.1571

www.f-w.com | www.greennavigation.com

May 26, 2010

Ms. Janet Hood  
Advocate BroMenn  
1304 Franklin Ave.  
Normal, IL 61761

Subject: East Side Medical Office Building

Dear Janet,

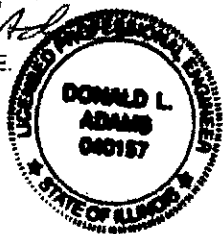
By this letter I certify that the site of the proposed new Advocate BroMenn Medical Office Building to be located at the northwest quadrant of the intersection of Trinity Lane and Empire Street (Illinois Route 9) is not in the 100 year Special Flood Hazard Area as shown on FIRM 17113C0510E effective date July 16, 2008.

Very Truly Yours,

FARNSWORTH GROUP, INC.

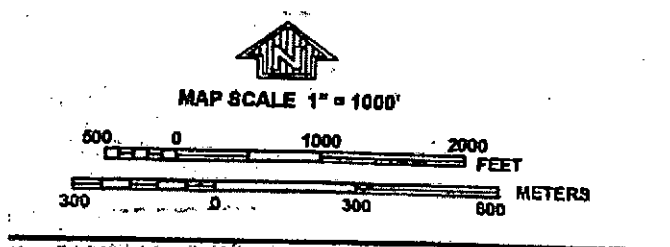
*Donald L. Adams*  
Donald L. Adams, P.E.  
Principal

lms



L: Advocate BroMenn 0091378.00

ENGINEERS | ARCHITECTS | SURVEYORS | SCIENTISTS



NATIONAL FLOOD INSURANCE PROGRAM

**PANEL 0510E**


**FIRM**  
**FLOOD INSURANCE RATE MAP**  
**MCLEAN COUNTY,**  
**ILLINOIS**  
**AND INCORPORATED AREAS**

**PANEL 510 OF 825**  
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
BLOOMINGTON, CITY OF	170490	0510	E
MCLEAN, COUNTY OF	170931	0510	E

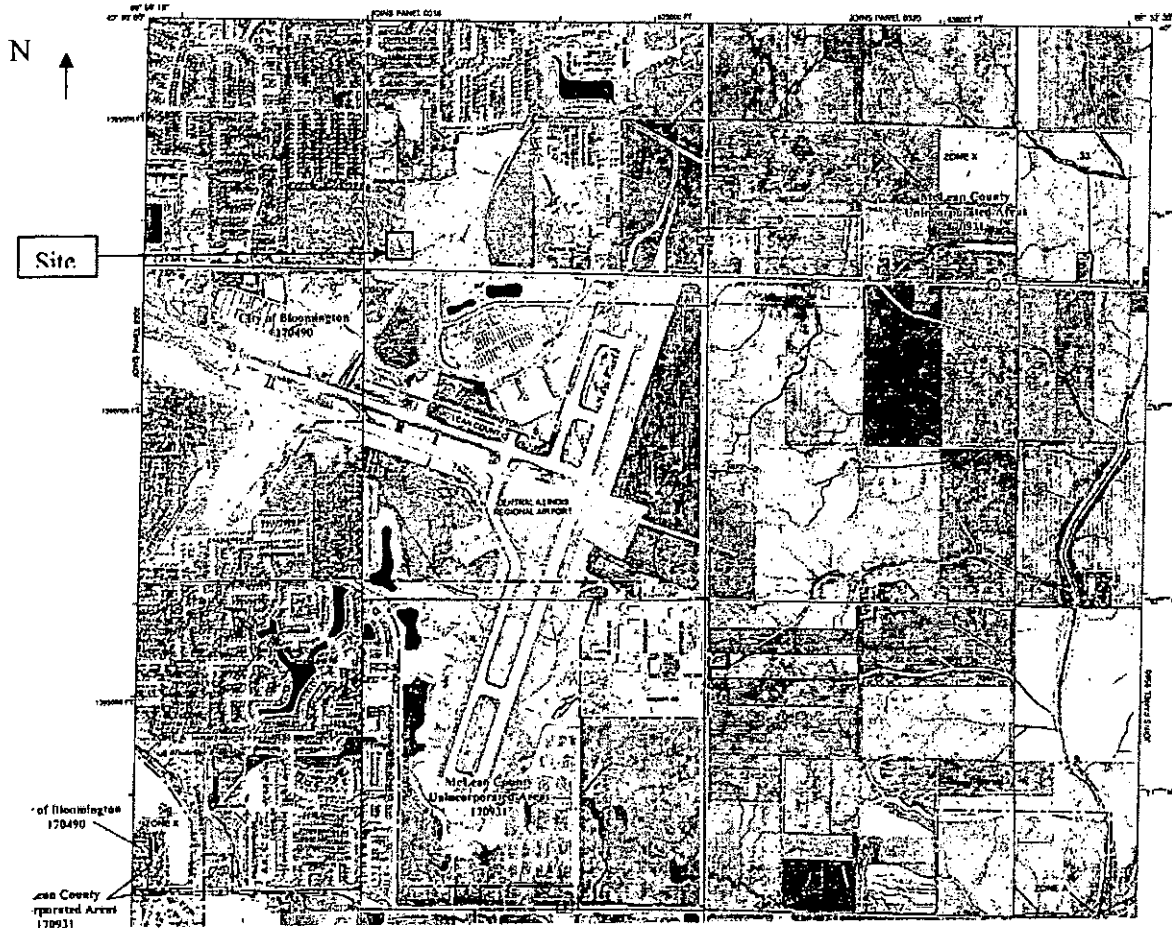
*Notice to User: The Map Number shown below should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject community.*



**MAP NUMBER**  
**17113C0510E**

**MAP REVISED**  
**JULY 16, 2008**

**Federal Emergency Management Agency**



ATTACHMENT 5.3 – Flood Plain Requirements





Illinois Historic  
Preservation Agency

FAX (217) 782-8161

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

McLean County  
Bloomington

11 acres - New Construction, Advocate Bromenn Medical Office Building  
East Empire Street and Trinity Lane, Section: 31-Township: 24N-Range: 3E  
IHPA Log #010040110

April 7, 2010

Jon C. Johnston  
Farnsworth Group  
2709 McGraw Drive  
Bloomington, IL 61704

Dear Mr. Johnston:

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

Our review of the records indicates that no known historic, or historically significant architectural properties exist within the project area. This project area is exempt from archaeological review in accordance with Section 6 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.).

Please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act.

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

Sincerely,

*Anne E. Haaker*

Anne E. Haaker  
Deputy State Historic  
Preservation Officer

AEH

CC OLA  
2012  
4/13/10

A teletypewriter for the speech/hearing impaired is available at 217-524-7128. It is not a voice or fax line.

ATTACHMENT 6 – Historic Preservation Act Requirements

## Project Costs and Sources of Funds

### Itemization

Category	Total Cost	Components of cost
Site Survey and Soil Investigation*	\$ 7,250	Surveying and soil testing fees
Site Preparation*	\$ 970,288	Earthwork and grading, storm sewer placement, sanitary sewer relocation
New Construction Contracts	\$ 15,528,527	Construction contract for the 90,000 GSF building and associated parking lots, permits, landscaping, signage
Contingencies	\$ 824,941	Allowance for unknown conditions and changes
Architectural/Engineering Fees	\$ 610,000	Fees for program development, building and systems design, civil engineering, preparation of documents, facilitate review by IDPH and local authorities.
Consulting and Other Fees	\$ 597,750	Construction testing, CON-related consultant fees, IDPH and local fees, insurance, movers.
Movable or Other Equipment (not in construction contracts)	\$ 3,098,670	Furnishings, fixtures and various other non-fixed equipment
Bond Issuance Expense (project related)	\$ 432,748	All costs associated with the issuance of bonds to finance the project
Net Interest Expense During Construction (project related)	\$ 1,986,316	Difference between interest earned on borrowed funds and interest expensed on construction

#### **\*Site Survey and Site Preparation Costs**

Currently an overland drainage swale runs diagonally through the proposed site. The most advantageous building placement with regards to building visibility and parking accessibility positions the building over this swale. Costs to accommodate rerouting this drainage underground are included in the provided estimates. In addition to this, the soil borings reflect unsuitable soil 50' in each direction from the center line of current swale. The foundation design in the overall cost for the project includes removal and replacement of said soils and provision of oversized spread footings. It is estimated that the cost for these accommodations will elevate the overall Site Survey and Site Preparation costs to 0.98% above the 5% state standard for this work.



# Advocate BroMenn Medical Center

1304 Franklin Avenue || Normal, IL 61761 || T 309.454.1400 || advocatehealth.com  
Mailing Address: P.O. Box 2850 || Bloomington, IL 61702-2850

June 11, 2010

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

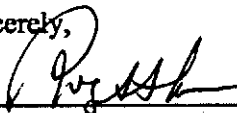
Dear Mr. Galassie:

This letter serves to advise you that Advocate Health and Hospitals Corporation d/b/a Advocate BroMenn Medical Center and P.J. Hoerr (a construction company) intend to enter into a contract for the development of a new medical office building at 3024 E. Empire, Bloomington, IL.

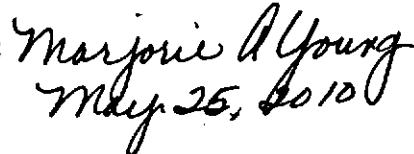
The terms of the contract are still being drafted at the time that a Certificate of Need application is being submitted for review. However, the contract may be made before Advocate BroMenn's application for a Permit is considered by the Illinois Health Facilities and Services Review Board.

This letter is to certify that any development of Clinical Service Areas in the proposed building will be contingent on obtaining a Certificate of Need Permit from the Illinois Health Facilities and Services Review Board.


Sincerely,

  
\_\_\_\_\_  
Roger S. Hunt, President  
Advocate Health and Hospitals Corporation  
d/b/a Advocate BroMenn Medical Center

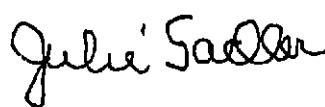
5/25/10  
\_\_\_\_\_  
Date

Notarized:   
May 25, 2010



  
\_\_\_\_\_  
Paul Bright  
Vice President, P.J. Hoerr

5-25-10  
\_\_\_\_\_  
Date

Notarized: 



ATTACHMENT 8 - Obligation Document

## Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. 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	Total Cost	Gross Square Feet		Proposed Total Gross Square Feet that is:			
		Total Existing	Total Proposed	New Const.	Modern-ized	As is	Vacated space
<b>CLINICAL (Reviewable)</b>			DGSF	DGSF			
Diagnostic Radiology	\$ 156,447		539	539			610
Therapies (PT/OT/Sp)	\$ 2,447,135		8,431	8,431			7,862
Laboratory	\$ 132,066		455	455			
Subtotal	\$ 2,735,647	0	9,425	9,425	0	0	8,472
<b>NON CLINICAL (Non Reviewable)</b>			BGSF	BGSF			
Patient/Visitor Support	\$ 966,285		3,646	3,646			
Diagnostic Support	\$ 2,082,480		7,858	7,858			
Staff support	\$ 1,662,520		6,274	6,274			
Leased Physicians Offices	\$ 12,188,715		45,994	45,994			
Administrative Area	\$ 155,957		589	589			
Infrastructure	\$ 4,264,886		16,094	16,094			
Subtotal	\$ 21,320,843	0	80,454	80,454	0	0	0
Total	\$ 24,056,490	0	89,879	89,879	0	0	8,472

### Vacated Space

The vacated Radiology space in the hospital where the screening mammography and bone densitometry units are currently located will be used for exam space for patients needing further diagnostic breast studies and procedures.

The vacated space in the medical office building on the hospital campus which currently houses the Outpatient Therapies will be used for administrative support space and conference rooms.

**Criterion 1110.230(b), Background of Applicant**

<i>Facility</i>	<i>Location</i>	<i>License No.</i>	<i>Joint Commission Accreditation No.</i>
Advocate BroMenn Medical Center	1304 Franklin Ave. Normal, IL	1756947	4482*

Additional hospitals owned and operated as a part of Advocate Health Care Network:

<i>Facility</i>	<i>Location</i>	<i>License No.</i>	<i>Joint Commission Accreditation No.</i>
Advocate Bethany Hospital	3435 W. Van Buren Chicago, IL	1899773	7264
Advocate Christ Medical Center	4440 W. 95 <sup>th</sup> St. Oak Lawn, IL	1899693	7397
Advocate Condell Medical Center	801 S. Milwaukee Ave. Libertyville, IL	1756928	7372
Advocate Eureka Hospital	101 S. Major Eureka, IL	1756949	4482*
Advocate Good Samaritan Hospital	3815 Highland Ave. Downers Grove, IL	1899765	7329
Advocate Good Shepherd Hospital	450 W. Highway, #22 Barrington, IL	1899765	5190
Advocate Illinois Masonic Medical Center	836 W. Wellington Chicago, IL	1895997	4068
Advocate Lutheran General Hospital	1775 Dempster Park Ridge, IL	1899780	7405
Advocate South Suburban Hospital	17800 S. Kedzie Ave Hazel Crest, IL	1899779	7356
Advocate Trinity Hospital	2320 E. 93 <sup>rd</sup> St. Chicago, IL	1927349	7311

\*When last reviewed, Advocate BroMenn Medical Center and Advocate Eureka Hospital were surveyed jointly.

On the following pages are proof of Advocate BroMenn Medical Center's current licensing and accreditation. Also included is certification regarding any adverse actions, and authorization to permit access to information, as required.

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

**1756947**

**State of Illinois**  
**Department of Public Health**  
 LICENSE, PERMIT, CERTIFICATION, REGISTRATION  
**Advocate Bromenn Medical Center**

EXPIRES DATE	CATEGORY	ISSUE NO.
01/05/11	BCBD	0005645

FULL LICENSE  
 GENERAL HOSPITAL

EFFECTIVE: 01/06/10

Advocate Health and Hospitals Corporation  
 d/b/a Advocate Bromenn Medical Center  
 1304 Franklin  
 Normal, IL 61761

FEE RECEIPT NO.

**State of Illinois 1756947**  
**Department of Public Health**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

This license, term 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

EXPIRES DATE	CATEGORY	ISSUE NO.
01/05/11	BCBD	0005645

FULL LICENSE  
 GENERAL HOSPITAL

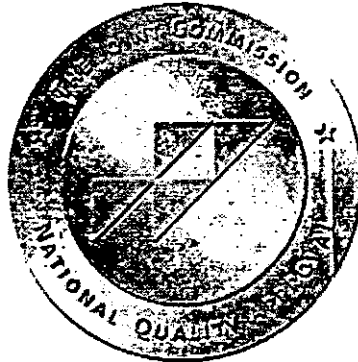
EFFECTIVE: 01/06/10

BUSINESS ADDRESS  
 Advocate Health and Hospitals Corporation  
 d/b/a Advocate Bromenn Medical Center  
 1304 Franklin  
 Normal, IL 61761

The face of this license has a colored background, printed by Authority of the State of Illinois • 4/07 •

# BroMenn Healthcare Hospitals Normal, IL

has been Accredited by



## The Joint Commission

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

November 10, 2007

Accreditation is customarily valid for up to 39 months.

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

4452  
Organization ID #

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

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



ATTACHMENT 11.3 – Background of the Applicant



# Advocate BroMenn Medical Center

1304 Franklin Avenue || Normal, IL 61761 || T 309.454.1400 || [advocatehealth.com](http://advocatehealth.com)  
Mailing Address: P.O. Box 2850 || Bloomington, IL 61702-2850

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June 11, 2010

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

Dear Mr. Galassie:

This letter serves to advise you that no adverse action has been taken against BroMenn Healthcare Hospitals within the preceding three years of filing this application, as defined in the criteria of this application.

I assure you that representatives of Advocate BroMenn Medical Center are fit, willing, and have the necessary qualifications, background and character to continue to provide an excellent standard of care to the communities we serve.

I, Roger S. Hunt, hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

Sincerely,

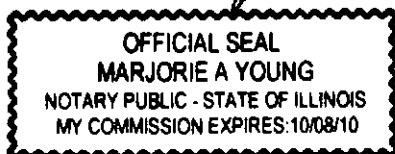
Roger S. Hunt, FACHE  
President

5/25/10

Date

Notarized:

*Marjorie A Young*  
*May 25, 2010*



ATTACHMENT 11.4 – Background of the Applicant





June 11, 2010

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

Dear Mr. Galassie:

This letter serves to advise you that no adverse action has been taken against Advocate Health Care Network within the preceding three years of filing this application, as defined in the criteria of this application.

I assure you that representatives of Advocate Health Care Network are fit, willing, and have the necessary qualifications, background and character to continue to provide an excellent standard of care to the communities we serve.

I hereby authorize the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information that the State Board or Agency finds pertinent to this subsection.

Sincerely,

A handwritten signature in black ink, appearing to read "William Santulli".

William Santulli  
Executive Vice President / Chief Operating Officer

Notarization:

Subscribed and sworn to before me

This 11<sup>th</sup> day of June

Maureen F. Eberlin



ATTACHMENT 11.5 – Background of the Applicant

### Criterion 1110.230 Purpose of the Project

This project will improve the health care and well-being of the area population to be served in multiple ways. The principle use of the building is for a medical office building with key clinical services available. Having a modern facility, arranged in a manner that provides efficient delivery of care and easy access by patients, will be a key factor in attracting and retaining physicians and other health providers to the Bloomington-Normal area.

The planning area, or market area, continues to focus on McLean, Livingston, and Woodford Counties. The growth of Bloomington-Normal, the two principle cities served, continues to be a driver for the demand for medical care. The trends for Bloomington and Normal show that in the eight years from 2000 to 2008, the most recent with published census data, the two cities have grown 66% faster than the rest of the country.

Location	2000	2008	% Change/Year	Bloomington/Normal Growth Compared to US
Bloomington	64,808	73,026	1.59%	
Normal	45,386	52,056	1.84%	
<b>Blm/Nor total</b>	<b>110,194</b>	<b>125,082</b>	<b>1.69%</b>	<b>66% faster</b>
McLean County	150,433	165,298	1.24%	
State of IL	12,419,293	12,842,954	0.43%	
United States	281,421,906	304,374,846	1.02%	

U.S. Census Bureau, as provided by the Economic Development Council of the Bloomington-Normal Area

Improving patient access is another purpose for the project. There are more patients who do not need hospital-based care, but need tests and treatments. They are asking for a more convenient way to get to those services, rather than coming into the hospital main campus. The site chosen for the new medical office building will have ample parking and covered entrances that make it easy for people with mobility issues.

Access for low income patients will be good because the site is along a new Bloomington-Normal Public Transit bus line that opened service about three years ago. The August 9, 2007 issue of The Pantagraph newspaper heralded that with the following:

The recent addition of a bus route to serve the far east side of the Twin Cities, including the Central Illinois Regional Airport, is welcome - and long overdue.

That side of town has been growing explosively in the past decade - both residential growth and, more recently, commercial development. Meanwhile, the lack of public transportation to the airport remained a shortcoming.

Business growth in that area, including restaurants and hotels, is likely to be the biggest factor to support use of the new route. With about 70 employers on or near the new Teal-J route, the bus could be important to helping workers get to their jobs.

The building will be located in a rapidly growing section of Bloomington. In 2006, the Bloomington Planning Commission made a major change in the Comprehensive Plan to allow growth farther east beyond Towanda Barnes Road.

In addition to the current growth, the county is pursuing plans for a new highway along the east side that will make it even more accessible for the rural communities in the eastern side of McLean County to access the proposed medical office building. In a May 6, 2010 White Paper on the East Side Highway, Eric S. Schmitt, P.E., McLean County Engineer, wrote the following.

In 2009 the State of Illinois passed a capital bill which included \$13.6 million for the continuation of the East Side Highway project. This funding requires no local matching dollars. The Consultant Selection process, the first step in the completion of the Phase I Engineering Study, is nearly complete. Once the engineering contract with the consultant is approved, the Environmental/Alignment Study will begin.

Once the Phase I Engineering is complete, the project will then proceed into the development of construction plans, right-of-way acquisition, and construction. As previously discussed this project will likely be built in stages as funding and demand grow. Right-of-way acquisition is expected to take place between 2014-2017, and construction is expected to take place in the next seven to fifteen years.

With Health Reform implementation on the horizon, it is expected that more people will have the opportunity to seek medical care. Key issues were listed by Rich Umbdenstock, American Hospital Association President and CEO in his May 14, 2010 message to hospitals, "Thinking About a Reformed System". The list included patient safety, quality, cost, satisfaction, geographic reach, physician integration, continuum of care, and information exchange capability.

A significant part of the community served by Advocate BroMenn Medical Center is classified by the Health Resources and Services Administration as a *Primary Care Professional Shortage Area*. See the last pages of this attachment. To meet the growing demand for health care, Advocate BroMenn Medical Center is addressing these issues, specifically the supply of physicians. In addition to operating a Family Practice residency, an aggressive physician recruitment effort continues. R. A. Cooper, 2008 "The Coming Era of Too Few Physicians." *Bulletin of the American College of Surgeons* 93 (3): 11-18; and L. A. Runy, 2008, "The Aging Workforce." *Hospitals & Health Networks* 82 (1): 48 explain the situation as follows:

The aging of the U.S. population presents a challenge to American hospitals and health systems. Not only are patients aging, but their care needs are becoming more complex as well. Compounding the problem is that many physicians are reaching retirement age, and their younger contemporaries (those born on or after 1965) tend to have a different approach to medical practice, valuing a work-life balance.

In 2005, approximately 900,000 physicians were practicing, and of this number 36 percent were at least 55 years old and nearly 170,000 were at least 65 years old (Runy 2008). The Office of Inspector General has cited physician scarcities in various specialties, including obstetrics, family practice, general surgery, neurosurgery, orthopedics, urology, otolaryngology, cardiology, gastroenterology, neurology, and oncology. Cooper (2008, 13) predicted a 20 percent physician shortage within the next two decades.

Having a modern work setting, with appropriate clinical services, will help attract and retain physicians. Steps like this to further enhance health care professionals' work-life balance are prudent moves for communities such as Bloomington and Normal.

The goals and evidence of success of the project will be leasing of space in the new medical office building, and addition of physicians to the community as the Health Reform implementation steps become effective.

## ATTACHMENT 12.2 – Purpose of the Project

The specific clinical services that Advocate BroMenn Medical Center proposes to offer have been planned to address some of the most frequently needed outpatient services. A laboratory will offer outpatient specimen collection and rapid testing. A mammography unit and a bone densitometry unit will be relocated from the hospital. The outpatient physical, occupational, and speech therapies will be relocated there from another medical office building on the hospital campus. Further details are found under Attachment 37.1.

Results of HRSA - Find Shortage Areas: HPSA &amp; MUA/P by Address - Version 2.0

Page 1 of 2

[Print](#) [Close](#)**Find Shortage Areas: HPSA & MUA/P by Address**

Reported location: 1304 Franklin Ave, Normal, IL, 61761

<b>In a Primary Care Health Professional Shortage Area: Yes</b>	
Primary Care HPSA Name:	Low Income - Bloomington/Normal
Primary Care HPSA ID:	117999179D
Primary Care HPSA Status:	Designated
Primary Care HPSA Score:	13
Primary Care HPSA Designation Date:	05/11/2007
Primary Care HPSA Designation Last Update Date:	---
<b>In a Mental Health Professional Shortage Area: Yes</b>	
Mental Health HPSA Name:	Mc Lean/Livingston
Mental Health HPSA ID:	7179991748
Mental Health HPSA Status:	Designated
Mental Health HPSA Score:	8
Mental Health HPSA Designation Date:	07/20/2001
Mental Health HPSA Designation Last Update Date:	04/02/2010
<b>In a Dental Care Health Professional Shortage Area: Yes</b>	
Dental Health HPSA Name:	Low Income - Bloomington
Dental Health HPSA ID:	617999170K
Dental Health HPSA Status:	Designated
Dental Health HPSA Score:	10
Dental Health HPSA Designation Date:	09/28/2001
Dental Health HPSA Designation Last Update Date:	04/07/2006
<b>In a Medically Underserved Area/Population: No</b>	
State Name:	Illinois
County Name:	McLean
County Subdivision Name (2000):	Normal township
Census Tract Number (2000):	4
ZIP Code:	61761

<http://datawarehouse.hrsa.gov/geoadvisor/Print.aspx>

5/13/2010

ATTACHMENT 12.4 – Purpose of the Project

Results of HRSA - Find Shortage Areas: HPSA &amp; MUA/P by Address - Version 2.0

Page 2 of 2

Post Office Name:	NORMAL
Congressional District Name:	Illinois District 11
Congressional District Representative Name:	Deborah L. Halvorson

Date of query: 5/13/2010

*Note: The address you entered is geocoded and then compared against the HPSA and MUA data (as of 5/12/2010) in the HRSA Geospatial Data Warehouse. Due to geoprocessing limitations, the designation result provided may be inaccurate and does not constitute an official determination. If you feel the result is in error, please refer to <http://answers.hrsa.gov>.*

**BROMENN**  
PHYSICIANS MANAGEMENT  
CORPORATION

P.O. Box 2451  
Bloomington, Illinois 61702-2451

Telephone: (309) 888-0942  
Fax: (309) 454-1016

June 9, 2010

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

Dear Mr. Galassie:

This letter serves to advise you that BroMenn Physicians Management Corporation intends to lease the physicians' office space in the proposed medical office building. The plan is to relocate several primary care practices to that site from the medical office building on the Advocate BroMenn Medical Center campus. That would open more space on the hospital campus for the specialists located there so they can expand their practices.

BroMenn Physicians Management Corporation will also relocate HealthPoint, an urgent care and occupational medicine practice in Normal, to the proposed new facilities to provide easier access for patients. Their current facilities are very confined and parking is limited. The plan for the new space will markedly improve patient flow, which is so important for a busy walk-in practice.

In addition, BroMenn Physicians Management Corporation is actively recruiting for more physicians to serve this community, in anticipation of population growth and increasing demand due to the impact of Health Reform. The proposed medical office building will offer modern space, easy access, high visibility, and essential clinical services that are important when attracting and establishing new practices.

We urge the Illinois Health Facilities and Services Review Board to grant a permit for this project.

Sincerely,

William Brouwer, President  
BroMenn Physicians Management Corporation

## Criterion 1110.230(c) Alternatives to the Proposed Project

Alternative	Description	Patient Access	Quality	Cost	Financial Benefit, Short Range	Financial Benefit, Long Range	Conclusion
1.	Do nothing	Same	Forgoing opportunity for more space can limit ability to provide newer services	None	No construction outlay.	By deferring relocating the practices or recruiting, will eventually risk losing quality physicians, preferred provider contracts, and threaten long term viability	Rejected
2.	Purchase a building & relocate practices there	Could be improved if the right buildings were on the market, but they are not available	Improved	At least \$22,000,000	No suitable buildings available in the short range.	Could wait a long time for right building to come on the market.	Rejected
3.	Buy or rent smaller offices & disperse practices	More confusing for the patients	Would miss the advantages of sharing key staff and equipment	At least \$20,000,000	May be able to get some practices relocated quickly	Would miss the advantages and efficiencies of sharing staff and equipment	Rejected
4.	Use a developer	Improved	Improved	\$27,000,000	Less cost outlay	Higher rent and less control of building	Rejected
5.	Build new facility on the eastside of the community	Much improved	Improved by bringing together services from the hospital and other medical offices	\$24,056,490	Can get spaces & utilities properly planned from the beginning	Can build on the synergy from having the practices in one location.	Accepted

**Alternative One – Do Nothing**

The possibility of doing nothing was considered and rejected for the following reasons: The number of practices serving the hospital is growing and there is not sufficient space in the current buildings on the hospital campus to accommodate new practices. The practices currently in place are seeing the need for more services in the offices that cannot be provided in the current space. The demand of office space by hospital-oriented specialists is growing without adequate space on campus.

One issue with outpatients is managing the congestion around the hospital campus. By doing nothing and keeping family practitioners at the hospital, the congestion will continue to worsen.

## ATTACHMENT 13.1 – Alternatives to the Project



Advocate BroMenn has a responsibility to provide the community with newer services, medical specialties, and technology that the older buildings with limited space and inadequate configuration will not permit. Failure to provide services can result in patients traveling unreasonable distances to obtain those levels of care. The lack of adequate, state of the art healthcare is a serious issue for economic development of any community. For those reasons, this alternative was rejected

**Cost:** No immediate cost, however significant long term costs from operating inefficiencies could raise the cost of health care without giving patient access to newer technologies and medical specialties.

#### **Alternative Two – Purchase Existing Building**

BroMenn has considered purchasing existing buildings and retrofitting them to accommodate a medical practice. The issue comes with finding a building that is the right size, location, and in good enough condition to be worth the total investment. The options in Bloomington/Normal have been limited. The properties on the market included a 220,000 GSF building that was too large, and has recently had a leaking roof so there was significant damage. Another option was a 150,000 GSF building where the owner was going to occupy the front section for light electronics manufacturing and would condo off the back section for the medical practices. That combination did not seem tenable.

**Cost:** Ranged around \$10,000,000 in up front costs and another \$12,000,000 in retrofitting expense. Patient access was not in the desirable areas for visibility or transportation so this option was rejected.

#### **Alternative Three – Rent or Purchase Condo Offices in Various Locations**

An analysis of this option revealed the inefficiencies that would occur if the practices were divided among various remote sites. By putting the practices in various locations, the physicians would find it harder to confer on challenging cases. They would miss the chance to share staff, support services, equipment, supplies, records, and common public areas. They could not maximize use of specialty staff and testing equipment. It is also harder for patients to remember the location of various buildings rather than sending them to one location.

**Cost:** \$11,000,000 to purchase and \$9,000,000 to retrofit the offices or \$9,000,000 to retrofit rented space and \$1,350,000 in annual rent. In addition there will be a major loss of efficiency by not being in the same building to maximize the staff and services.

#### **Alternative Four – Developer**

Consideration was given to utilizing a medical office developer who would own the building and lease it back to the physicians and hospital. The increased rent to make a profit margin for the developer pushed the comparable cost well over alternative five.

**Cost:** \$27,000,000

#### **Alternative Five – Build a new medical office building for all practices**

This option was selected as it allowed the organization to focus its time, energy, and money on getting the physicians in one setting. That setting would allow for easier access for patients, adequate space for newer treatment modalities, and economies of operations. The location selected is highly visible, and accessible. Furthermore, the development of the community is toward the east side, where this new facility will be located. So it will be more easily accessed by many people.

**Cost:** \$24,056,490

**Criterion 1110.234 a) Size of Project**

The proposed project involves three clinical services areas to be located in the new medical office building. The new building will consist of the three stories, providing 89,879 GSF of space.

The building will have a laboratory on the first floor. The laboratory will have six specimen procurement stations and space for rapid testing in 455 GSF. There are no space standards in Appendix B for laboratories.

Outpatient therapies (physical, occupational, and speech) will also be on the first floor. There will be 8,431 GSF for all the therapies. There are no space standards in Appendix B for therapies. Currently outpatient therapies are in 7,862 GSF in a medical office building on the hospital campus.

The third floor will include the women's center where screening mammography and bone densitometry will be offered in 539 GSF. There are no space standards in Appendix B for bone densitometry.

The only clinical service area with defined space standards is mammography and that unit, along with the bone densitometry unit, does not exceed the state standard.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
MAMMOGRAPHY	539	2000	UNDER	YES

The remainder of the building will be all physicians' offices for various specialties including family practice, pediatrics, and occupational medicine. The building is anticipated to accommodate at least 30 physicians when fully occupied. The offices are designed in modules for four physicians, and each physician will have three exam rooms. That is consistent with design standards from the Medical Group Management Association.

Advocate Brokerm  
ARCHITECTURE INTERIORS  
MEDICAL OFFICE BUILDINGS

**VOA**

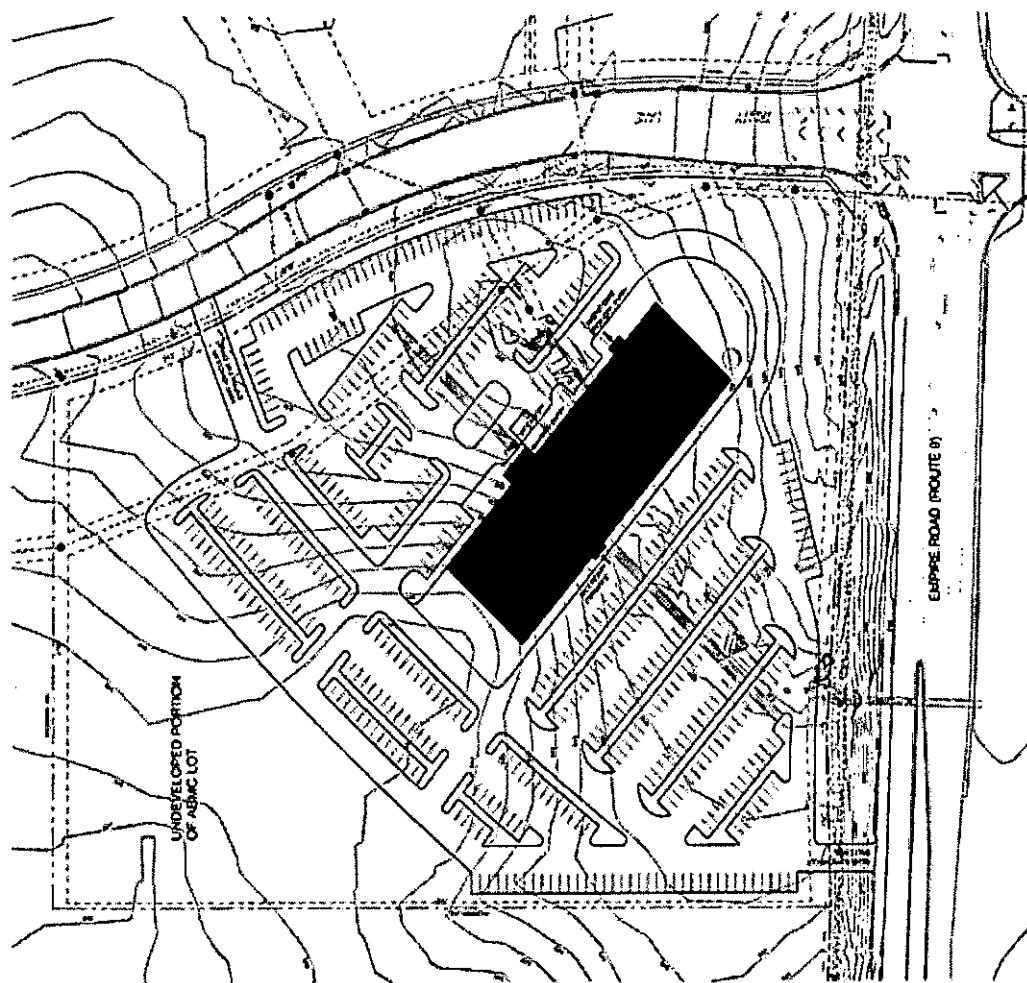
1. Project Name: \_\_\_\_\_  
2. Project Address: \_\_\_\_\_  
3. Project City: \_\_\_\_\_

DATE: \_\_\_\_\_

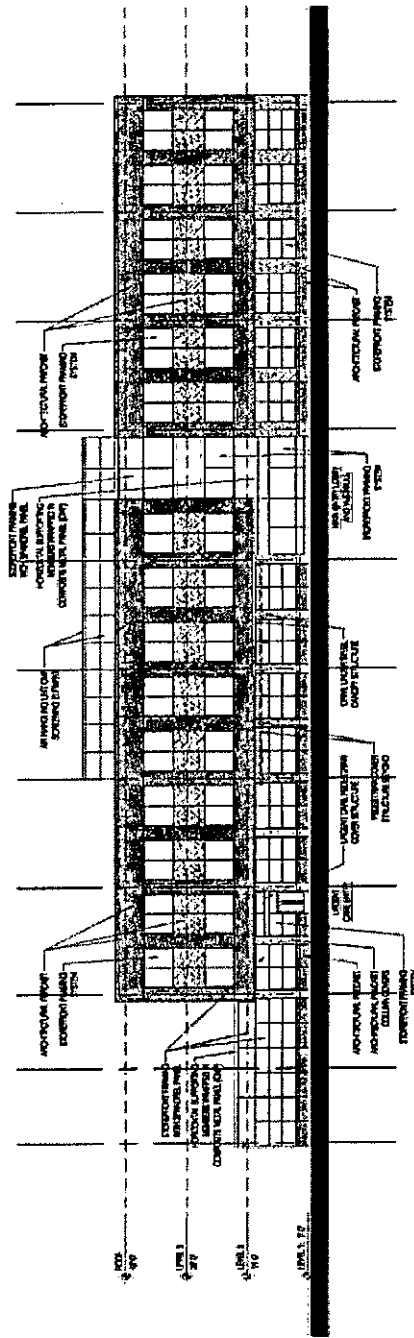
SET IN PROGRESS  
NOT FOR CONSTRUCTION

ARCHITECTURAL SITE PLAN

A-001

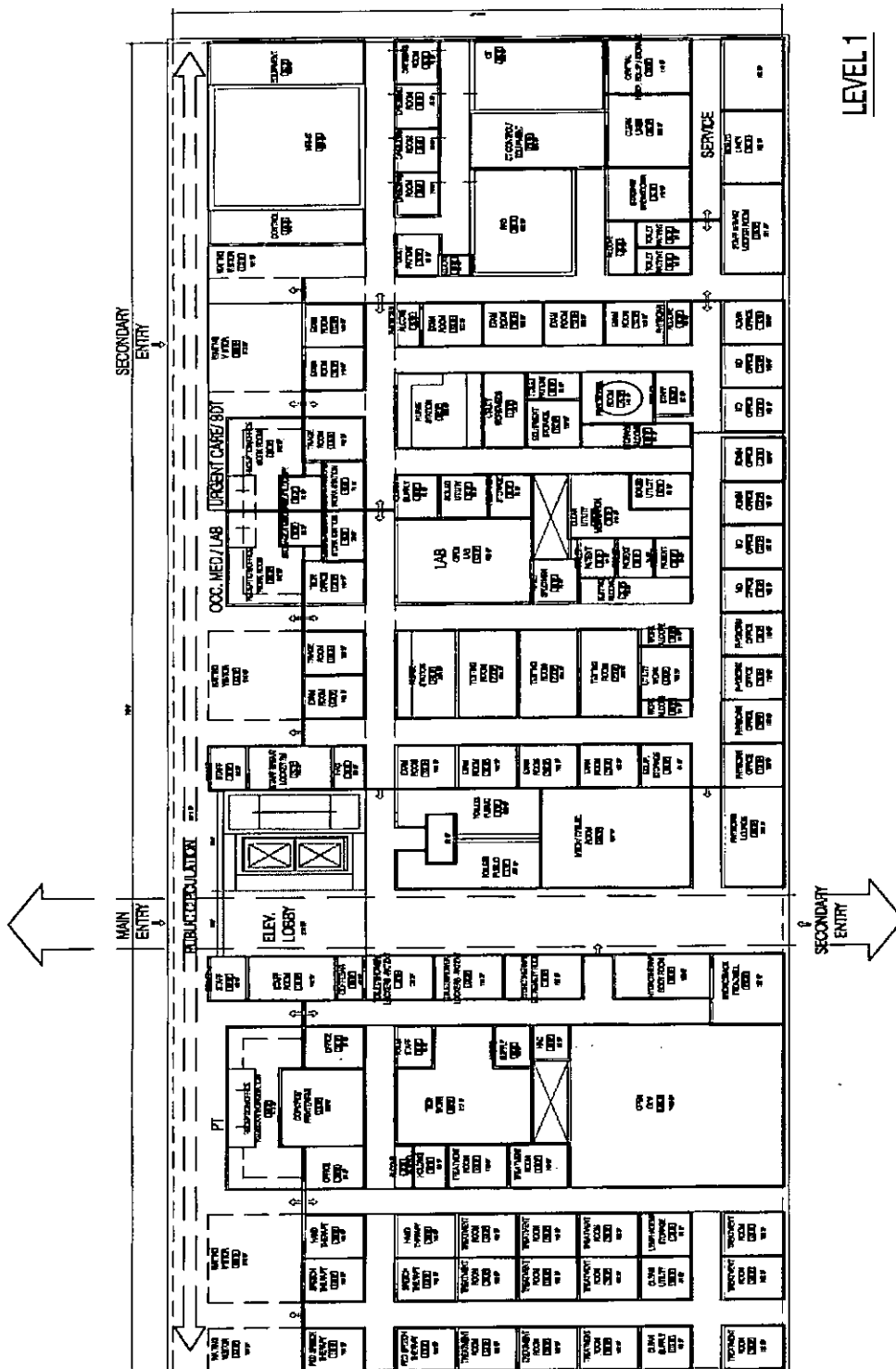


ATTACHMENT 14.2 – Size of the Project



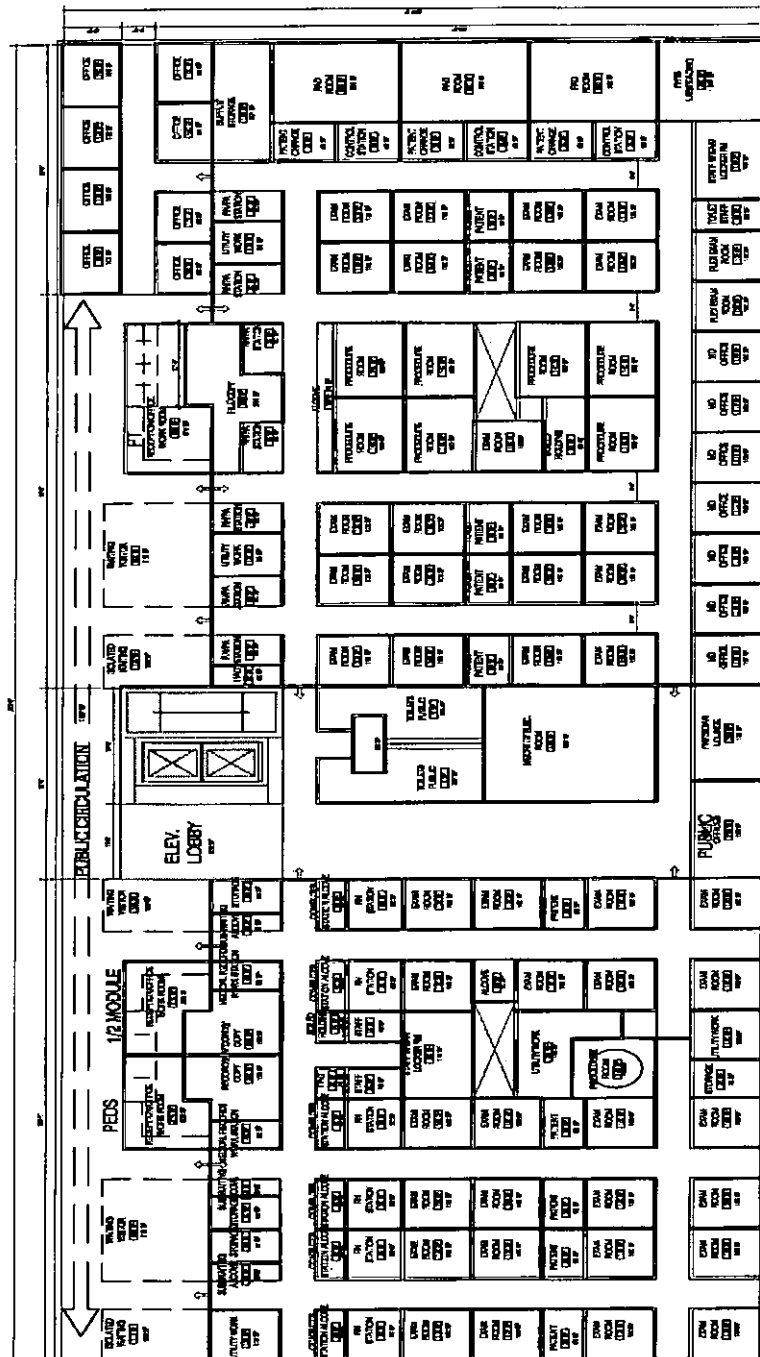
1 NORTH ELEVATION OF MAIN ENTRY  
MAY 20, 2010

ATTACHMENT 14.3 – Size of the Project



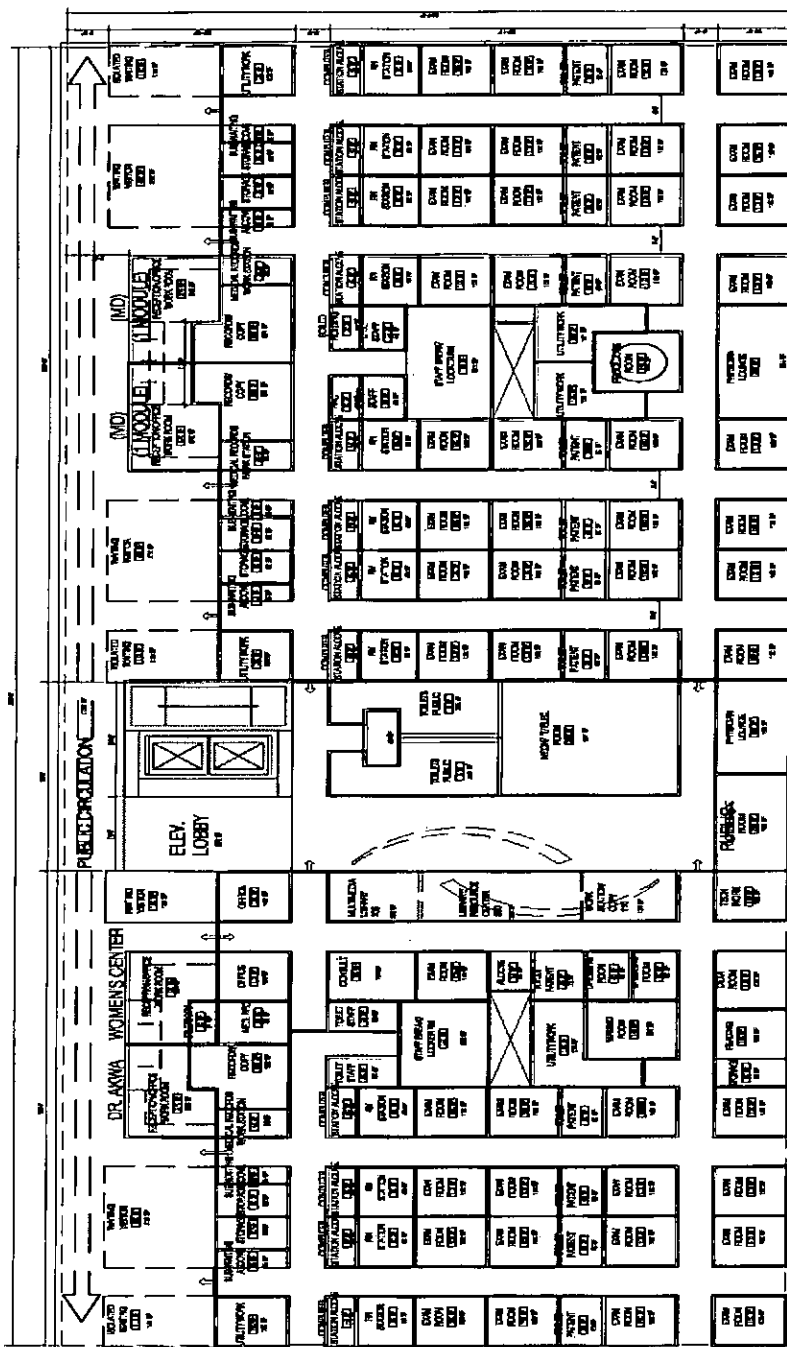
LEVEL 1

ATTACHMENT 14.4 – Size of the Project



LEVEL 2

ATTACHMENT 14.5 – Size of the Project



LEVEL 3

ATTACHMENT 14.6 – Size of the Project

**Criterion 1110.234 b) Project Services Utilization**

The project includes one service for which there is a utilization standard shown in Appendix B: Mammography. Advocate BroMenn Medical Center operates two mammography units at the hospital and proposes to relocate one to the new medical office building. The current volume of work will be divided between the two sites, based on physician orders, availability of units, and patient preference for access.

The following table shows the historical utilization of this service for the two units:

<b>Mammography</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Inpatient	6	4	5
Outpatient	8,468	8,235	8,618
<b>Total</b>	<b>8,474</b>	<b>8,239</b>	<b>8,623</b>

The utilization standard is 5,000/unit. The totals of over 8,000 each year demonstrate there continues to be a demand for two mammography units.

There is only one bone density unit and it will be relocated with the mammography unit. There are no State Standards for bone density utilization. 950 studies have been done annually.

There are no State Standards for utilization of the other Clinical Service Areas. Notwithstanding, utilization of the proposed laboratory is supported by the growth in historical demand for outpatient studies, as shown in the table below.

<b>Lab</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Outpatient	275,185	305,527	316,603

The historical demand for Therapies has also been growing with the following pattern:

<b>Outpatient Therapies</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Occupational Therapy	1,390	1,392	1,920
Physical Therapy	6,948	7,864	8,714
Speech	1,110	1,013	1,208
<b>Total</b>	<b>9,448</b>	<b>10,269</b>	<b>11,842</b>

It is expected that these patterns of utilization will continue to increase, as the community continues to grow.



**Criterion 1110.3030 c) 2) Service Modernization - Necessary Expansion**

The proposed project includes one Clinical Service Area for which the IHFSRB has established a target utilization level: Mammography. Advocate BroMenn Medical Center operates two mammography units at the hospital and proposes to relocate one to the new medical office building. The current volume of work will be divided between the two sites, based on physician orders, availability of units, and patient preference for access.

The following table shows the historical utilization of this service for the two units:

Mammography	2007	2008	2009
Inpatient	6	4	5
Outpatient	8,468	8,235	8,618
Total	8,474	8,239	8,623

The utilization standard is 5,000/unit. The totals of over 8,000 each year demonstrate there continues to be a demand for two mammography units.

In addition to the historical demand, there are other indicators for increasing demand for the clinical services that supports this project as necessary.

**Mammography**

The Community Cancer Center, located in Normal, IL and a joint venture with Advocate BroMenn Medical Center and OSF St. Joseph Medical Center, has studied mammography services in the community of Bloomington and Normal from all sources providing mammography. The specialties of physicians who ordered the procedure in 2009 are as follows:

Physician Specialty	Percentage of Cases
FP	25%
IM	27%
OB/GYN	41%
ONC	3%
PS	0%
S	2%
Other /Unk	2%
Total	100%

FP = Family Practice  
 IM = Internal Medicine  
 OB/GYN = Obstetrics & Gynecology  
 ONC = Medical and Radiation Oncology  
 S = Surgery  
 PS = Plastic Surgery  
 Other/Unk = Other & Unknown

It is important to note the 93% of the orders are from Family Practice, Internal Medicine, and OB/GYN physicians, all of whom will be represented in the proposed medical office building.

The cities of residence of the patients at the time of the procedure were as follows:

Bloomington	54.01%
Normal	24.78%
Other Cities	21.21%
Total	100.00%

The counties of residence of the patients at the time of the procedure were as follows:

County	Percentage of Cases
McLean	84.76%
Woodford	3.26%
Livingston	3.33%
De Witt	2.89%
Tazewell	1.34%
Logan	1.11%
Other Counties	3.31%
<b>Total</b>	<b>100.00%</b>

This supports the position that these tests will be primarily for the patients in the applicant's planning area and primary market area.

Concerns have been raised by the Community Cancer Center about the need to reach the Non-Caucasian population. The following shows the distribution of mammography patients in 2009 by race.

Race	%
Caucasian	96.3%
African-Am	2.5%
Oriental/Asian	0.6%
Hispanic	0.4%
Other	0.2%
<b>Total</b>	<b>100.0%</b>

To address this need, the Community Cancer Center is spearheading major initiatives in the community to increase the number of people getting screening mammograms. The effort with the Hispanics is being implemented by the Multicultural Leadership Program in Bloomington and Normal. Their 2010 inaugural class of twenty-five leaders from various countries and cultures has taken on the task of understanding the reasons why Hispanic women are not getting this exam and then reaching out to them. The list of reasons usually includes fear, denial, time, and access. Sometimes it was because their husbands didn't understand it and weren't supportive. In other cases the women were undocumented and were fearful they would be asked for a social security number. Hispanic women under the age of 35 are at a greater risk\* than non-Hispanics so that is a reason to reach these women when they are younger.

\*Interview with Jolene Clifford, RN, OCN, Breast Health Navigator, Community Cancer Center, Normal, IL

A similar effort is being made by the Illinois Central Chapter of The Links, Inc. an international, non-for-profit organization of professional women of color, who are reaching out to African American women in the community about mammography. The Links has developed a speakers' bureau and is working with the Susan G. Komen for the Cure® Circle of Promise to ensure African American women are empowered with education and tools to take charge of this aspect of their health. The importance of this is made clear by the data from 2001-2005 that showed the likelihood of dying from breast cancer was 37% higher for African American women, than for white women.

<http://www.circleofpromise.org/aboutthecircle.html>

While these and other efforts are underway to increase the likelihood that women, and men, will be checked for breast cancer, Advocate BroMenn Medical Center, is proposing to relocate one of its units and improve through-put of patients to help minimize "time and access" as barriers.

### **Bone Densitometry**

Bone density scanning, also called dual-energy x-ray absorptiometry (Dexa) or bone densitometry, is an enhanced form of x-ray technology that is used to measure bone loss. Dexa is today's established standard for measuring bone mineral density. Dexa is most often performed on the lower spine and hips. In children and some adults, the whole body is sometimes scanned.

Dexa is most often used to diagnose osteoporosis, a condition that often affects women after menopause but may also be found in men. Osteoporosis involves a gradual loss of calcium, as well as structural changes, causing the bones to become thinner, more fragile and more likely to break. Melissa Conrad Stöppler, MD in [www.medicinenet.com/bone\\_density\\_scan/article](http://www.medicinenet.com/bone_density_scan/article) says:

40% of postmenopausal women in the U.S. have osteopenia (low bone density).  
An additional 7% have osteoporosis.

In 1995, osteoporosis-related fractures were associated with over 400,000 hospitalizations, stressing the importance of early detection and appropriate prescription therapy.

Bone density testing is strongly recommended if patients:

- are post-menopausal women and not taking estrogen
- are men with clinical conditions associated with bone loss
- use medications that are known to cause bone loss
- have Type 1 diabetes, liver disease, kidney disease

Advocate BroMenn Medical Center intends to relocate its one bone densitometry unit to the proposed medical office building to make this important service more accessible.

### **Laboratory**

The purpose of this facility is to offer convenient access to outpatient phlebotomy (specimen collection) services and provide rapid testing for patients seen by physicians at the proposed medical office building. Consolidating all laboratory services which were previously housed in separate physician offices will provide consistent quality results and reduce the overall cost of providing medical care.

Advocate BroMenn's Laboratory is implementing the "Lean" methodology of improving quality and efficiency by emulating the successful principles pioneered at Henry Ford Health System, as described in Advance Laboratory, [www.advanceweb.com](http://www.advanceweb.com) April 2010. Those principles empower the workforce to develop work patterns that support standardization, and eliminate in-process variation and waste. One of the projects for the applicant is the outpatient specimen procurement. As is noted in *Laboratory Medicine*, the current standard for wait time following patient registration is 10 minutes. The proposed new specimen collection center provides opportunity for a Lean design that will reduce patient wait times from the current 18 minutes following registration and a range of 5-45 minutes to be drawn, down to 10 minutes from arrival to specimen collection time.

Convenient access to services will improve patient satisfaction. In the hospital, a patient first checks in at the information desk, then waits his turn at patient registration. In the proposed outpatient laboratory, this process would be consolidated to a single step. Wait lines will be essentially eliminated with the one step check in and registration process.

Being more efficient will be critical as Advocate BroMenn laboratory has demonstrated a 19% increase in outpatient testing over the past five years.

Typically, each physician office houses a small laboratory where stat testing is performed and other specimens are collected and sent to a reference laboratory. In the proposed model, rapid testing for all physicians in the medical office building would be performed in a centralized laboratory where the management practice, compliance measures, accreditation, and quality of service would be consistent with hospital standards and protocol. Consolidation eliminates duplication in staffing and supplies and thereby reduces the overall cost/test.

### **Therapies**

Advocate BroMenn Medical Center intends to relocate the outpatient physical, occupational, and speech therapies to the proposed medical office building. Ease of access for the patients and close access to physicians is fostering that plan. The new site would have convenient parking which is so important for patients with mobility issues.

Demand for therapies is expected to grow significantly.

The increasing elderly population will drive growth in the demand for physical and occupational therapy services. The elderly population is particularly vulnerable to chronic and debilitating conditions that require therapeutic services. Also, the baby-boom generation is entering the prime age for heart attacks and strokes, increasing the demand for cardiac and physical rehabilitation. Medical and technological developments will permit a greater percentage of trauma victims and newborns with birth defects to survive, creating additional demand for rehabilitative care. In addition, growth may result from advances in medical technology and the use of evidence-base practices, which could permit the treatment of an increasing number of disabling conditions that were untreatable in the past. US Department of Labor, Bureau of Labor Statistics, Occupational Outlook Handbook, 2010-2011 Edition.

As an example of change, one of the growing areas is with the Bariatric Surgery patient. Helping them regain their mobility and functionality is critical to their long term success. With the rise of obesity within the population including younger people, it is expected more patients with morbid obesity will present in the future, and they will constitute a significant volume of new demand for therapies.

The expectation is increasing across society for recuperation and recovery to maintain an active lifestyle, especially with the baby boomers approaching their senior years. The potential to lower the long range cost of health care is significant when the patient maintains mobility and independence.

**Criterion 1110.3030 c) 3) Service Modernization – Utilization**

The review criterion requires that the Clinical Service Areas to be modernized show two years of historical utilization to support the proposed project.

The proposed project includes only one Clinical Service Area for which the IHFSRB has established a target utilization level: Mammography. Advocate BroMenn Medical Center operates two mammography units at the hospital and proposes to relocate one to the new medical office building. The current volume of work will be divided between the two sites, based on physician orders, availability of units, and patient preference for access.

The following table shows the historical utilization of this service for the two units:

<b>Mammography</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Inpatient	6	4	5
Outpatient	8,468	8,235	8,618
Total	8,474	8,239	8,623

The utilization standard is 5,000/unit. The totals of over 8,000 each year demonstrate there continues to be a demand for two mammography units.

# MOODY'S

## INVESTORS SERVICE

7 World Trade Center  
250 Greenwich Street  
New York, NY 10007  
www.moody's.com

November 25, 2009

Mr. Dominic J. Nakis  
Senior Vice President – Chief Financial Officer  
Advocate Health Care Network  
2025 Windsor Drive  
Oak Brook, IL 60521-0222

Dear Mr. Nakis:

We wish to inform you that Moody's Investors Service has assigned Aa2 ratings to Advocate Health Care Network's Series 2010A,B,C.&D fixed rate bonds to be issued by the Illinois Finance Authority. The rating outlook remains stable. At this time, we are upgrading the ratings on the outstanding debt to Aa2 and Aa2/VMIG1 from Aa3 and Aa3/VMIG1.

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

The ratings 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.

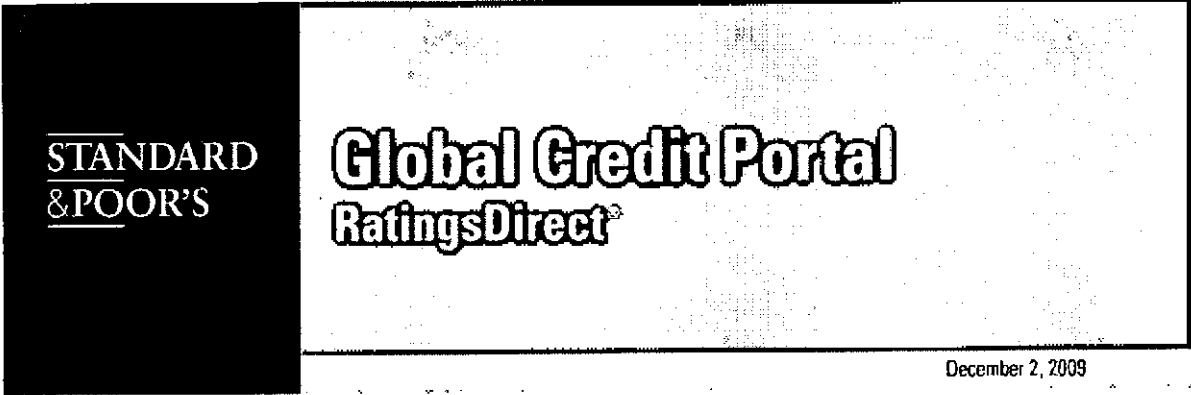
Sincerely,



Lisa Martin  
Senior Vice President  
Phone: 212-553-1423  
Fax: 212-298-7145  
Email: lisa.martin@moody's.com

LM:rl

cc: Mr. Ryan Frecl, Citi  
Mr. James Blake, Kaufman, Hall & Associates, Inc.



December 2, 2009

## Illinois Health Facilities Authority Advocate Health Care Network; System

**Primary Credit Analyst:**

Brian T Williamson, Chicago (1) 312-233-7008; [brian\\_williamson@standardandpoors.com](mailto:brian_williamson@standardandpoors.com)

**Secondary Credit Analyst:**

Kenneth W Rodgers, New York (1) 212-438-2067; [ken\\_rodgers@standardandpoors.com](mailto:ken_rodgers@standardandpoors.com)

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ATTACHMENT 39.2 – Bond Rating

## Illinois Health Facilities Authority Advocate Health Care Network; System

### Credit Profile

US\$237.235 mil hosp rev bnds (Advocate Hlth Care Network) scr 2010A-D

Long Term Rating	AA/Stable	New
Illinois Hlth Fac Auth, Illinois Advocate Hlth Care Network, Illinois Illinois Hlth Fac Auth (Advocate Health Care Network)	AA/Stable	Affirmed

### Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating to the Illinois Health Facilities Authority's \$237.525 million series 2009A-D hospital revenue and refunding bonds issued on behalf of Advocate Health Care Network (AHCN). Also, Standard & Poor's affirmed its 'AA' long-term ratings and, where applicable, 'AA/A-1+' ratings on various series of bonds issued by the authority on behalf of AHCN.

The long-term rating on AHCN reflects its strength as Chicago's largest health system, with total operating revenue of \$3.7 billion in 2008 and a balance sheet with \$4.9 billion of total assets, including \$2 billion of unrestricted liquid assets. Total long-term debt in 2008 was \$964 million. This includes debt classified on the audited financial statements as current liability subject to short-term remarketing agreements, which Standard & Poor's treats as long-term debt for the purpose of our debt-related ratios.

The 'AA' long-term ratings further reflect AHCN's:

- Leading 15% market share through the first six months of 2009 and an admissions total that has increased 7.7% to 116,986 in the first nine months of the year in part due to the acquisition of Advocate Condell Medical Center in Dec. 2008;
- Position as Chicago's largest and most successfully integrated health delivery system, with approximately 3,400 licensed beds and more than 5,200 physicians on the active staff of its hospitals, of which 3,400 are affiliated with Advocate Health Partners, a managed-care contracting affiliate of AHCN;
- Good financial profile, with a 3.4% operating margin for the nine months ended Sept. 30, 2009;
- Solid 6.1x pro forma debt service coverage ratio for the first nine months of 2009; and
- Adequate 33% pro forma long-term debt leverage and liquidity of 199 days' cash on hand (181% cash to pro forma debt) as of Sept. 30, 2009.

AHCN's challenges include very strong competition and incorporating another acquisition into its fold. Advocate has agreed to a merger with BroMenn Health System (A-), located in Normal, Ill. The new debt issuance will be used to refund \$55 million of BroMenn debt and to fund a bed tower project for BroMenn as well as some capital for Advocate. Also, Advocate is advance refunding \$121 million series 2008B bonds with the issuance.

The short-term 'A-1 +' rating assigned to the series 2003A and C bonds reflects the credit strength inherent in the 'AA' long-term rating on AHCN and the sufficiency of AHCN's unrestricted assets in providing liquidity support for

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*Illinois Health Facilities Authority Advocate Health Care Network; System*

the series 2003A and C bonds, which were issued as multimodal bonds with initial put periods occurring in January, March, and July of each year.

Standard & Poor's Fund Ratings and Evaluations Group assesses the liquidity of AHCN's unrestricted investment portfolio to determine the adequacy and availability of these funds to guarantee the timely purchase of the series 2003A and C bonds tendered in the event of a failed remarketing. Standard & Poor's monitors the liquidity and sufficiency of AHCN's investment portfolio on a monthly basis.

AHCN's total operating revenue rose 8.3% to \$2.9 billion for the nine months ended Sept. 30, 2009, compared with the year-earlier period. The strong revenue growth is generally due to the addition of Condell Health Network. Advocate posted an operating margin of 3.4% for the first nine months of 2009, compared with 2.4% in the year-earlier period. Management has focused on expenses and has seen some savings in labor and pension cost. Also, the monies that it receives from the Illinois Provider Tax program were increased. For the nine-month period, AHCN had pro forma maximum annual debt service coverage of 6.1x, which is solid for the rating.

We consider AHCN's balance sheet adequate for the rating. At Sept. 30, 2009, pro forma leverage was 32.9%, cash to pro forma debt was 181%, and liquidity was 199 days.

AHCN entered into multiple floating- to fixed-rate swap agreements that effectively converted the \$226.35 million series 2005 variable-rate auction bonds to fixed rates of 3.19% or 3.2%. AHCN did the same in September 2007, effectively converting the \$348.3 million series 2007B1-3 variable-rate auction bonds to a fixed rate of 3.6%. In April, AHCN refunded all of the series 2005 and 2007 auction-rate securities, totaling \$623.2 million, and rolled forward the swaps in place for those issues to cover the corresponding series 2008 bond issues.

Standard & Poor's issued AHCN a Debt Derivative Profile (DDP) overall score of '1.5' on a four-point scale, with '1' representing the lowest risk. The overall score of '1.5' reflects our belief that these swaps carry very low risk of creating any financial loss due to collateralization or early termination from credit or economic reasons.

## Outlook

The stable outlook reflects AHCN's market leadership, extensive physician network, and solid financial profile. Any consideration of a higher rating would be tied to the realization of stronger patient volumes on a year-over-year basis and a marked improvement in liquidity, alongside minimization of additional debt issuance so that leverage remains below 30%. If patient volumes come under pressure because of increased competition, profitability declines, decreased liquidity, or substantially increased debt leverage, we could lower the rating.

## Bromenn Health System Merger

BroMenn, located in Normal, Ill., operates a 224-staffed-bed hospital and maintains a leading market share. It also operates a 25-bed critical-access hospital in Eureka, Ill. BroMenn's preliminary net patient service revenue for the fiscal year ended June 30, 2009, was \$209.6 million, and total assets were \$287.9 million. BroMenn would represent 6.1% of the combined AHCN's net patient service revenue and 5.7% of total assets.

BroMenn comprises BroMenn Regional Medical Center (BRMC), Eureka Community Hospital, BroMenn Physician Management Corp., BroMenn Provider Network, and BroMenn Foundation (BF). BRMC and ECH's combined

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SP-10-000000

*Illinois Health Facilities Authority Advocate Health Care Network System*

operations are referred to as BroMenn Hospitals (the Hospitals). BPMC employs 47 physicians, seven nurse practitioners, and three physician assistants across 15 care sites.

The merger of BroMenn is expected to offer benefits to AHCN through accretive operating cash flow margins, administrative synergies, and entrance into the competitive central Illinois market. Most notable are BroMenn's unaudited 2009 fiscal year-end (June) operating margin of 5.5%, 183 days' cash on hand, and dominant share of the Bloomington-Normal market.

BroMenn would give AHCN an immediate foothold in the competitive central Illinois market. The Bloomington-Normal metropolitan area is ideally situated amid four other sizable markets in central Illinois. Peoria, Ill., is approximately 40 miles to the northwest and has a population of 114,000. Champaign-Urbana is 50 miles to the southeast and has a total population of 195,000. Springfield, the capital of Illinois, is 50 miles to the southwest and has a population of 116,000. Decatur is 40 miles south and has a population of 82,000. Including Bloomington-Normal, these five metropolitan areas have eleven major hospitals serving a population of 630,000.

Two hospitals exist within the Bloomington-Normal primary service area: BRMC and OSF St. Joseph Medical Center (OSF St. Joseph). OSF St. Joseph operates 157-staffed beds and is a Level II trauma center.

Within the primary service area, BRMC maintains a commanding 47% market share, compared with 29% for OSF St. Joseph. Eight hospitals split the remaining 24%.

## Related Research

- USPF Criteria: "Not-For-Profit Health Care," June 14, 2007
- USPF Criteria: "Self Liquidity," Oct. 16, 2006
- USPF Criteria: "Municipal Swaps," June 27, 2007
- USPF Criteria: "Debt Derivative Profile Scores," March 27, 2006

### Ratings Detail (As Of December 2, 2009)

#### Illinois Fin Auth, Illinois

Advocate Health Care Network, Illinois

Illinois Finance Authority (Advocate Health Care Network)

<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008B-2		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008B-3		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008B-4		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008B-5		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008C-1		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008C-2A		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed

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**ATTACHMENT 39.5 – Bond Rating**

*Illinois Health Facilities Authority Advocate Health Care Network; System***Ratings Detail (As Of December 2, 2009) (cont.)**

Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008C-2B		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008C-3A		
<i>Long Term Rating</i>	AA/A-1/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB ser 2008C-3B		
<i>Long Term Rating</i>	AA/A-2/Stable	Affirmed
Illinois Finance Authority (Advocate Health Care Network) hosp VRDB 2008B-1		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
<b>Illinois Hlth Fac Auth, Illinois</b>		
Advocate Hlth Care Network, Illinois		
Illinois Hlth Fac Auth (Advocate Health Care Network)		
<i>Long Term Rating</i>	AA/A-1+/Stable	Affirmed
Illinois Hlth Fac Auth (Advocate Hlth Care Network) hosp rev bonds ser 2008		
<i>Long Term Rating</i>	AA/Stable	Affirmed

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## Criterion 1120.140 C. Reasonableness of Project and Related Costs



## Advocate BroMenn Medical Center

1304 Franklin Avenue || Normal, IL 61761 || T 309.454.1400 || advocatehealth.com  
Mailing Address: P.O. Box 2850 || Bloomington, IL 61702-2850

---

June 11, 2010

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

Dear Mr. Galassie:

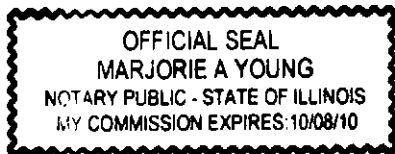
This letter is to attest to the fact that the selected form of debt financing for the proposed Advocate BroMenn Medical Office Building will be at the lowest net cost available or if a more costly form of financing is selected, that form is more advantageous due to such terms as prepayment privileges, no required mortgage, access to addition debt, term financing costs, and other factors.

Sincerely,

Roger S. Hunt, FACHE  
President

Subscribed and sworn before me this 11<sup>th</sup> day of June, 2010

*Marjorie A. Young*  
Notary Public



**Criterion 1120.140 C. Reasonableness of Project and Related Costs**

Dept./Area	A		B		C		D		E		F		G		H		Total Cost	
	Cost/Square Foot		Gross Sq ft.		Gross Sq ft.		Gross Sq ft.		Const.\$		Mod. \$		Total Cost					
	New	Mod	New	Circ.	Mod.	Circ.	A x C	B x E	G + H									
<b>CLINICAL (Reviewable)</b>																		
Diag. Radiology	\$	184.99		539	27%					\$	99,710			\$	99,710		\$	99,710
Therapies (PT/OT/Sp)	\$	184.99		8,431	27%					\$	1,559,655			\$	1,559,655		\$	1,559,655
Laboratory	\$	265.66		455	27%					\$	120,877			\$	120,877		\$	120,877
Subtotal Construction Costs	\$	188.89		9,425						\$	1,780,242			\$	1,780,242		\$	1,780,242
Contingency										\$	94,574			\$	94,574		\$	94,574
Construction + Contingency	\$	198.92								\$	1,874,816			\$	1,874,816		\$	1,874,816
<b>NON CLINICAL (Non Reviewable)</b>																		
Patient/Visitor Support	\$	170.88		3,646	27%					\$	623,088			\$	623,088		\$	623,088
Diagnostic Support	\$	170.88		7,858	27%					\$	1,342,842			\$	1,342,842		\$	1,342,842
Staff support	\$	170.88		6,274	27%					\$	1,072,040			\$	1,072,040		\$	1,072,040
Leased Physicians Offices	\$	170.88		45,994	27%					\$	7,859,629			\$	7,859,629		\$	7,859,629
Administrative Area	\$	170.88		589	27%					\$	100,566			\$	100,566		\$	100,566
Infrastructure	\$	170.88		16,094	27%					\$	2,750,120			\$	2,750,120		\$	2,750,120
Subtotal Construction Costs	\$	170.88		80,454						\$	13,748,285			\$	13,748,285		\$	13,748,285
Contingency										\$	730,367			\$	730,367		\$	730,367
Construction + Contingency	\$	179.96								\$	14,478,652			\$	14,478,652		\$	14,478,652
Total Construction + Contingency	\$	181.95		89,879	27%					\$	16,353,468			\$	16,353,468		\$	16,353,468

**Projected Operating Costs****Year One**

Clinical Service	Salaries/Benefits	Supplies	Total	Units of Service (Visits)	Cost/Unit of Service
Radiology	\$168,600	\$ 20,700	\$ 189,300	6,000	\$32
Laboratory	\$297,200	\$ 89,520	\$ 386,720	15,000	\$26
Therapies	\$599,241	\$ 205,932	\$ 805,173	14,000	\$58

**Projected Capital Costs****Year One**

<b>Capital Cost per Equivalent Patient Day</b>	
Interest	\$ 674,982
Depreciation	\$ 1,325,465
Total	\$ 2,000,447
Per Equivalent Patient Day	\$ 28.71
Equivalent Patient Days	\$ 69,686

### Charity Care Information

The following chart shows the Charity Care provided by BroMenn Regional Medical Center, now known as Advocate Health and Hospitals Corporation, d/b/a Advocate BroMenn Medical Center. In the three years shown below, BroMenn Regional Medical Center (BRMC) and Eureka Community Hospital (ECH) were in one system so the first four rows of the chart reflect the consolidated financial statement.

	2007	2008	2009
Net patient revenue - BRMC and ECH	\$ 174,696,086	\$ 175,646,211	\$ 184,543,767
Amount of Charity Care (Charges) - BRMC and ECH	\$ 4,300,000	\$ 5,453,000	\$ 7,018,000
Cost of Charity Care - BRMC and ECH	\$ 2,044,000	\$ 2,468,000	\$ 3,116,000
Charity Care as % of total net patient revenue	1.2%	1.4%	1.7%
BRMC only Net Patient Revenue	\$ 164,840,030	\$ 164,229,999	\$ 173,350,576
BRMC portion of Cost of Charity Care	\$ 1,950,998	\$ 2,349,536	\$ 3,037,130
BRMC portion as % of net patient revenue	1.2%	1.4%	1.8%

Note: A request to amend the 2007 and 2008 Annual Hospital Questionnaires to reflect the data above is being submitted.



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:

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17	Assurances for Unfinished/Shell Space	-
18	Master Design Project	-
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	<b>Service Specific:</b>	-
20	Medical Surgical Pediatrics, Obstetrics, ICU	-
21	Comprehensive Physical Rehabilitation	-
22	Acute Mental Illness	-
23	Neonatal Intensive Care	-
24	Open Heart Surgery	-
25	Cardiac Catheterization	-
26	In-Center Hemodialysis	-
27	Non-Hospital Based Ambulatory Surgery	-
28	General Long Term Care	-
29	Specialized Long Term Care	-
30	Selected Organ Transplantation	-
31	Kidney Transplantation	-
32	Subacute Care Hospital Model	-
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**ORIGINAL  
APPLICATION**