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ILLINOIS HEALTH FACILITIES & SERVICES REVIEW BOARD

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

10-071

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Adventist Hinsdale Hospital
Street Address: 120 North Oak Street
City and Zip Code: Hinsdale, 60521
County: DuPage Health Service Area: 07 Health Planning Area: A-05

Applicant /Co-Applicant Identification

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

Exact Legal Name: Adventist Hinsdale Hospital
Address: 120 N. Oak Street Hinsdale, Illinois 60521
Name of Registered Agent: Anne Herman
Name of Chief Executive Officer: David L. Crane
CEO Address: 120 N. Oak Street Hinsdale, Illinois 60521
Telephone Number: (630) 856-6001

Type of Ownership of Applicant/Co-Applicant

X	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	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: Cristina Ruiz
Title: Regional Director of Strategic Planning
Company Name: Adventist Midwest Health
Address:120 N. Oak Street Hinsdale, Illinois 60521
Telephone Number: (630) 312-7739
E-mail Address: cristina.ruiz@ahss.org
Fax Number: (630) 312-7940

Additional Contact

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

Name: Michael I. Copelin
Title: President
Company Name: Copelin Healthcare Consulting, Inc.
Address: 42 Birch Lake Drive Sherman, Illinois 62684
Telephone Number: (217) 725-4558
E-mail Address: Micball@aol.com
Fax Number: (217) 496-3097

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: Adventist Hinsdale Hospital
Street Address: 120 North Oak Street
City and Zip Code: Hinsdale, 60521
County: DuPage Health Service Area: 07 Health Planning Area: A-05

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Adventist Health System/ Sunbelt, Inc.
Address: 120 N. Oak Street Hinsdale, Illinois 60521
Name of Registered Agent: Anne Herman
Name of Chief Executive Officer: Donald L. Jernigan, Ph.D.
CEO Address: 111 North Orlando Avenue Winter Park, Florida 32789
Telephone Number: (407) 975-1401

Type of Ownership of Applicant/Co-Applicant

X	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
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E-mail Address: Micball@aol.com
Fax Number: (217) 496-3097

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: Cristina Ruiz
Title: Regional Director of Strategic Planning
Company Name: Adventist Midwest Health
Address:120 N. Oak Street Hinsdale, Illinois 60521
Telephone Number: (630) 312-7739
E-mail Address: cristina.ruiz@ahss.org
Fax Number: (630) 312-7940

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Adventist Hinsdale Hospital
Address of Site Owner: 120 N. Oak Street Hinsdale, Illinois 60521
Street Address or Legal Description of Site: 120 N. Oak Street Hinsdale, Illinois 60521 **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 ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Adventist Hinsdale Hospital

Address: 120 N. Oak Street Hinsdale, Illinois 60521

X	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	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.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, 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** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.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:	Part 1120 Applicability or Classification: [Check one only.]
X Substantive	☐ Part 1120 Not Applicable
☐ Non-substantive	☐ Category A Project
	X 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.

The proposed project is for the completion of shell space previously approved by the Illinois Health Facilities and Services Review Board on January 12, 2010 as a part of Project # 09-047. The shell space approved consisted of a total of 10,916 gsf divided equally on two floors, (2nd and 3rd) of a new wing of the hospital. There are no changes to the original application which specified placing 9 medical-surgical beds on each of those floors.

The proposed project will not result in the increased number of medical surgical beds. Rather, this project would actually reduce the hospital's total approved medical/surgical beds from 143 to 131.The 18 medical-surgical beds proposed for the shell space will be relocated from the 2nd floor north wing unit of the existing hospital and remaining 12 medical-surgical beds on that unit will be discontinued as a part of the project. The 12,117 gsf of vacated space on the 2nd floor of the north wing will be used for administrative and support space.

The total estimated additional project cost for the completion of the shell space is $2,248,347.

The project is classified as substantive because it is considered to be a part of a project which was previously considered to be substantive and because the completion cost of the shell space is considered to be construction cost.

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.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs*	$0	$0	$0
Site Survey and Soil Investigation*	$0	$0	$0
Site Preparation*	$0	$0	$0
Off Site Work*	$0	$0	$0
New Construction Contracts	$1,590,739	$0	$1,590,739
Modernization Contracts	$0	$0	$0
Contingencies	$159,074	$0	$159,074
Architectural/Engineering Fees*	$0	$0	$0
Consulting and Other Fees	$58,534	$0	$58,534
Movable or Other Equipment (not in construction contracts)	$440,000	$0	$440,000
Bond Issuance Expense (project related)	$0	$0	$0
Net Interest Expense During Construction (project related)	$0	$0	$0
Fair Market Value of Leased Space or Equipment	$0	$0	$0
Other Costs To Be Capitalized*	$0	$0	$0
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	$2,248,347	$0	$2,248,347
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$2,248,347	$0	$2,248,347
Pledges	$0	$0	$0
Gifts and Bequests	$0	$0	$0
Bond Issues (project related)	$0	$0	$0
Mortgages	$0	$0	$0
Leases (fair market value)	$0	$0	$0
Governmental Appropriations	$0	$0	$0
Grants	$0	$0	$0
Other Funds and Sources	$0	$0	$0
TOTAL SOURCES OF FUNDS	$2,248,347	$0	$2,248,347
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

**Costs included in previously approved application Project #09-047; Adventist Hinsdale Hospital.*

Related Project Costs

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

Land acquisition is related to project ☐ Yes X No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes X 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 $ N/A.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☐ Schematics X Final Working

Anticipated project completion date (refer to Part 1130.140): December 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
X 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:

X Cancer Registry
X APORS
X All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
X 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.**

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

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: Adventist Hinsdale Hospital		**CITY: Hinsdale**			
REPORTING PERIOD DATES:		**From: 12-01-2009**	**to: 11-30-2010**		
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	143	7,645	32,743	-12	131
Obstetrics	37	108	4,989	0	37
Pediatrics	19	425	1,317	0	19
Intensive Care	45	1,579	6,943	0	45
Comprehensive Physical Rehabilitation	15	316	3,276	0	15
Acute/Chronic Mental Illness	17	794	5,474	0	17
Neonatal Intensive Care	14	281	5,398	0	14
General Long Term Care	0	0	0	0	0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify)	0	0	0	0	0
TOTALS:	290	11,148	60,140	-12	278

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

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

David Crane
SIGNATURE

David Crane
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of December 2010

Mary L. Pirc
Signature of Notary

Seal

OFFICIAL SEAL
MARY L PIRC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:02/03/13

Alan Schneider
SIGNATURE

Alan Schneider
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of December 2010

Mary L. Pirc
Signature of Notary

Seal

OFFICIAL SEAL
MARY L PIRC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:02/03/13

*Insert EXACT legal name of the applicant

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

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

SIGNATURE

David Crane
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of December 2010

Mary L. Pirc
Signature of Notary

Seal OFFICIAL SEAL
MARY L PIRC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:02/03/13

SIGNATURE

THOMAS J. WILLIAMS
PRINTED NAME

Assistant Secretary
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of December 2010

Mary L. Pirc
Signature of Notary

Seal OFFICIAL SEAL
MARY L PIRC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:02/03/13

*Insert EXACT legal name of the applicant

SECTION II. DISCONTINUATION

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

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

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:

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:

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.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

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

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

1. Applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:

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

Category of Service	# Existing Beds	# Proposed Beds
☒ Medical/Surgical	143	131
☐ Obstetric		
☐ Pediatric		
☐ Intensive Care		

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

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

APPLICABLE REVIEW CRITERIA		Establish	Expand	Modernize
1110.530(d)(2) -	Documentation			X
1110.530(d)(3) -	Documentation Related to Cited Problems			X
1110.530(d)(4) -	Occupancy			X
110.530(e) -	Staffing Availability	X	X	
1110.530(f) -	Performance Requirements	X	X	X
1110.530(g) -	Assurances	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-20, 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)**

VIII. - 1120.120 - Availability of Funds

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:**

_____	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 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 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;
_____	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.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	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: 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; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 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.; 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; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	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;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
		TOTAL FUNDS AVAILABLE

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

IX. 1120.130 - Financial Viability

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. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **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**
4. **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.

A. Reasonableness of Financing Arrangements

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:

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

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

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

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.

B. Conditions of Debt Financing

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:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

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;

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.

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* 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

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			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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
Net Patient Revenue			
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.

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

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	25-26
2	Site Ownership	27
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	28
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	29
5	Flood Plain Requirements	30-32
6	Historic Preservation Act Requirements	33
7	Project and Sources of Funds Itemization	34
8	Obligation Document if required	35
9	Cost Space Requirements	36
10	Discontinuation	NA
11	Background of the Applicant	37-48
12	Purpose of the Project	49-50
13	Alternatives to the Project	51-54
14	Size of the Project	55-57
15	Project Service Utilization	58
16	Unfinished or Shell Space	59
17	Assurances for Unfinished/Shell Space	60
18	Master Design Project	NA
19	Mergers, Consolidations and Acquisitions	NA
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	61-62
21	Comprehensive Physical Rehabilitation	NA
22	Acute Mental Illness	NA
23	Neonatal Intensive Care	NA
24	Open Heart Surgery	NA
25	Cardiac Catheterization	NA
26	In-Center Hemodialysis	NA
27	Non-Hospital Based Ambulatory Surgery	NA
28	General Long Term Care	NA
29	Specialized Long Term Care	NA
30	Selected Organ Transplantation	NA
31	Kidney Transplantation	NA
32	Subacute Care Hospital Model	NA
33	Post Surgical Recovery Care Center	NA
34	Children's Community-Based Health Care Center	NA
35	Community-Based Residential Rehabilitation Center	NA
36	Long Term Acute Care Hospital	NA
37	Clinical Service Areas Other than Categories of Service	NA
38	Freestanding Emergency Center Medical Services	NA
	Financial and Economic Feasibility:	
39	Availability of Funds	63-73
40	Financial Waiver	63-73
41	Financial Viability	63-73
42	Economic Feasibility	74
43	Safety Net Impact Statement	75-77
44	Charity Care Information	78

File Number 0940-715-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

ADVENTIST HINSDALE HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 01, 1904, 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* 2ND *day of* DECEMBER *A.D.* 2010 .

Jesse White

SECRETARY OF STATE

Authentication #: 1033603066

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

ATTACHMENT - 1

File Number 5938-879-7

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

ADVENTIST HEALTH SYSTEM/SUNBELT, INC., INCORPORATED IN FLORIDA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 28, 1997, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* 2ND *day of* DECEMBER *A.D.* 2010 .

Jesse White

SECRETARY OF STATE

Authentication #: 1033603098

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

ATTACHMENT - 1

Site Ownership

This project is for the modernization of an existing facility. There is no change to the site or location as part of this project.

File Number 0940-715-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

ADVENTIST HINSDALE HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 01, 1904, 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* 2ND *day of* DECEMBER *A.D.* 2010 .

Jesse White

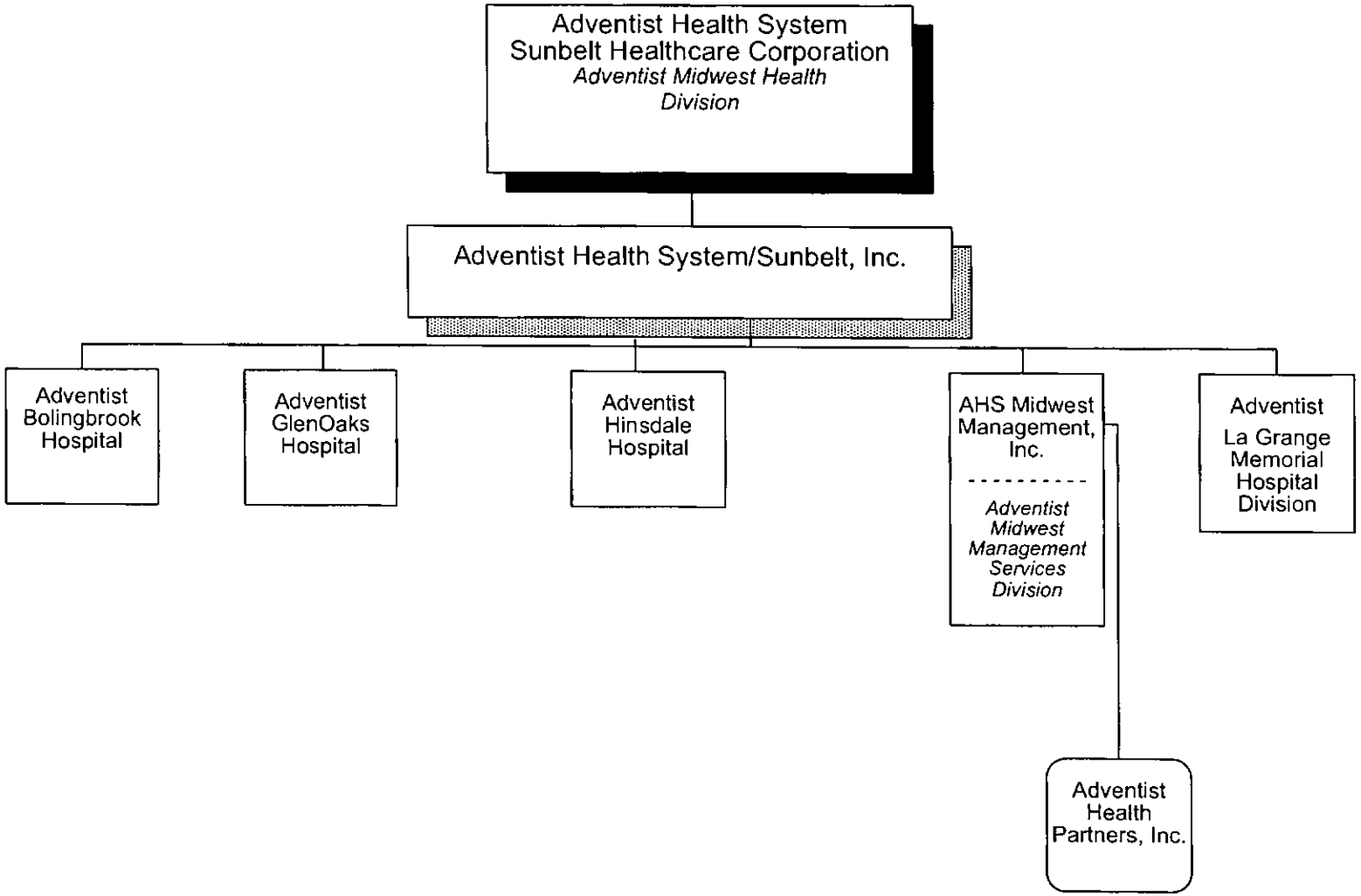
SECRETARY OF STATE

Authentication #: 1033603066

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

ATTACHMENT - 3

Adventist Midwest Health
Organization Chart – December 2010



i:\legal\MWRegion\Docs\MW Org Ct 082406.vsd & .jpg & pdf
Created: 09/02/09; 01/10/10; 12/03/10

ATTACHMENT - 4

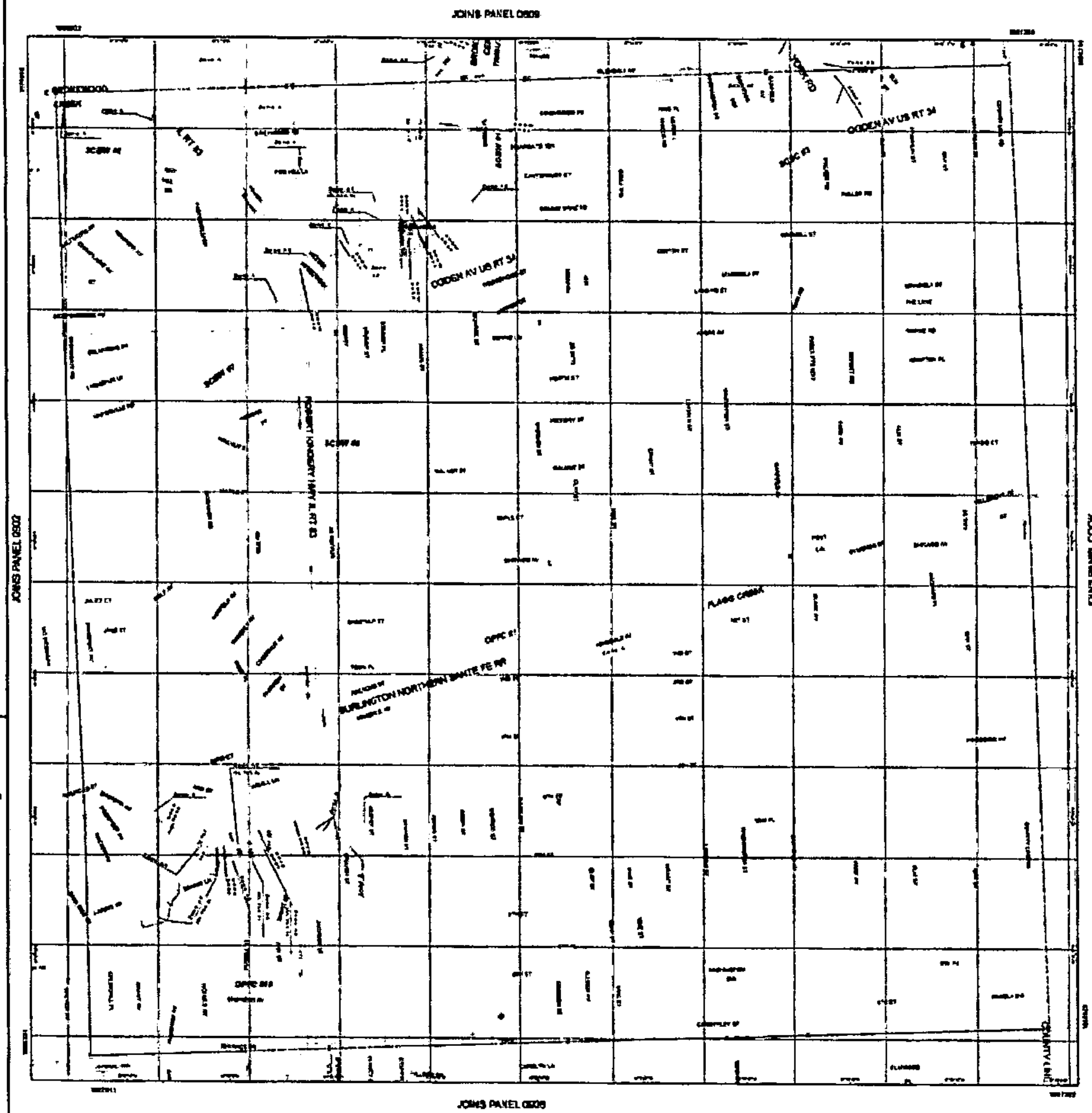
Flood Plain Requirements

The proposed project is for the completion of shell space that was approved as a part of Project # 09-047. The construction of the shell space required the applicant to document that the project was not in a flood plain, and this completion of the shell space does not require any more construction on the exterior of the building, so it does not appear that the project is subject to executive order #2005-5. However, the pages from the original application (09-047) have been included to assure the Board that the project remains in compliance with the flood plain requirements.

ATTACHMENT # 5

NOTES TO USERS

PANEL LOCATION



LEGEND

SPECIAL FLOOD HAZARD AREAS INUNDATED BY THE 1% ANNUAL CHANCE FLOOD EVENTS

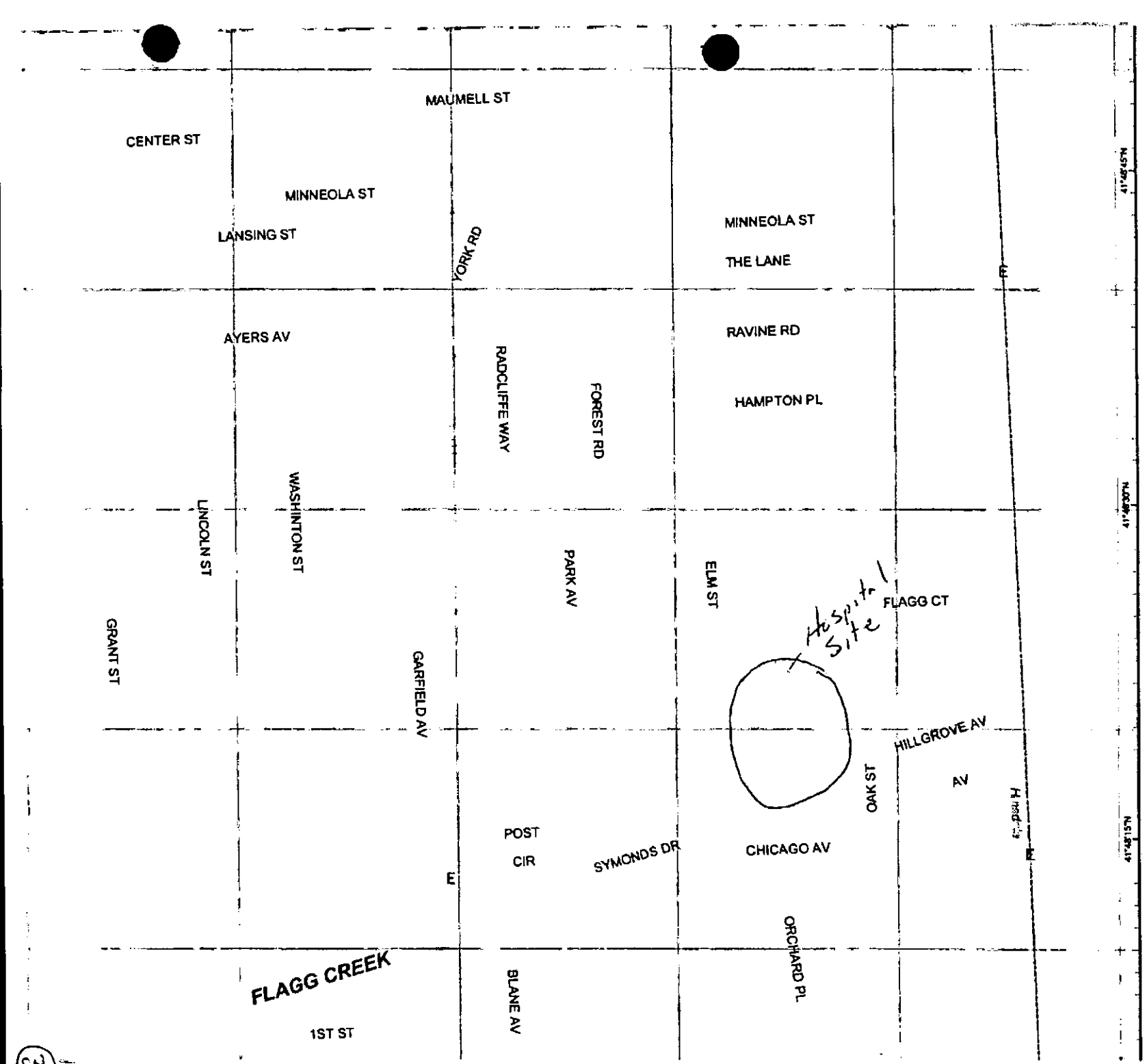
FLOODWAY AREAS

OTHER FLOOD AREAS

OTHER AREAS

RFM

ATTACHMENT - 5



JOINS PANEL COOK

Zone Areas of 1% 1 foot or with protected by 0.2% annual

OTHER

Approximate Structure Ce

Underground Passage Areas over u 1% annual c

KKKK 513 KKKK

(EL 678.9)

WBWF 0012

DuPag 421 N. C

EFFE FLO

DATE(S)

Code	Riverbasin
DPFC	Des Plaines River T
SCBW	Salt Creek
SCSC	Salt Creek

(32)

ATTACHMENT - 5

Illinois Historic
Preservation Agency

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

DuPage County
Hinsdale
CON - New Construction of Patient Care Pavilion Addition, Adventist Hinsdale Hospital
120 N. Oak St.
IHPA Log #018090209

September 18, 2009

Michael Copelin
Copelin Health Care Consulting
42 Birch Lake Dr.
Sherman, IL 62684

Dear Mr. Copelin:

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

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

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

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

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

ATTACHMENT-6

Itemization of Costs

Use of Funds		Cost
New Construction Contract:		
Construction Contract	$	1,590,739
Total New Construction Contract	**$**	**1,590,739**
Consulting and Other Fees:		
Off-site Transportation	$	1,815
Owner Utility Costs	$	10,418
CON Consulting Fees	$	30,000
MEP Commissioning Fees	$	4,356
Transition Planning	$	5,445
CON Application Fees	$	6,500
Consulting and Other Fees Total	**$**	**58,534**
Movable or Other Equipment:		
Medical Equipment	$	128,000
Furniture/Artwork	$	162,000
IT/Telecom	$	150,000
Movable and Other Equipment Total	**$**	**440,000**
Contingency:		
10% of Construction Contract	$	159,074
Contingency Total	**$**	**159,074**
Total Project Cost	**$**	**2,248,347**

Project Expenditures

There is no additional information available for this requirement because obligation will occur after permit issuance.

Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical	$2,248,347	12,117	10,916	10,916	0	0	12,117
Total Clinical	$2,248,347	12,117	10,916	10,916	0	0	12,117
NON REVIEWABLE							
Administrative	0	0	0	0	0	12,117	0
Total Non-Clinical	0	0	0	0	0	12,117	0
TOTAL	**$2,248,347**	**12,117**	**10,916**	**10,916**	**0**	**12,117**	**12,117**

Adventist
Hinsdale Hospital
Keeping you well

December 2, 2010

Mr. Mike Constantino
Director of Project Review
Illinois Department of Public Health
535 West Jefferson Street
Springfield, IL 62761

Dear Mr. Constantino:

Please be advised that neither Adventist Hinsdale Hospital, nor any facility owned or operated by Adventist Hinsdale Hospital has been the recipient of any adverse actions taken by either IDPH or DHHS during the past three years.

Further, the Illinois Health Facilities Planning Board and/or its staff are herein given authorization to review the records of Adventist Hinsdale Hospital and affiliated organizations, or any facility owned or operated by Adventist Midwest Health, as related to licensure and certification.

Sincerely,

David L. Crane

Dave L. Crane
Chief Executive Officer

Notarized: Mary L. Pirc
Notary Public
December 2, 2010

OFFICIAL SEAL
MARY L PIRC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:02/03/13

37

ATTACHMENT - 11

ADVENTIST HEALTH SYSTEM –MIDWEST REGION
FACILITY INFORMATION

Facilities Covered Under This Agreement:*	Address & General Phone Number	Claims Payment Address Phone Number	Facility's Tax ID Number & TIN Name
HINSDALE			
Adventist Hinsdale Hospital	120 N. Oak Street Hinsdale, IL 60521 (630) 856-9000	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-2276984 Adventist Hinsdale Hospital NPI# 1265465439 (GAC) NPI# 1710907175 (Rehab) NPI# 1447270780 (Psych)
ANCILIARIES			
Hinsdale Surgical Center	908 N. Elm Street, Suite 401 Hinsdale, IL 60521 (630) 325-5035	39641 Treasury Center Chicago, IL 60694-9600 (630) 325-5035	36-4264488 Hinsdale Surgical Center LLC NPI# 1841234150

* We have provided information for all licensed health care facilities for which we have an interest.

State of Illinois 1954419
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

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

DAMON T. ARNOLD, M.D.
DIRECTOR

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/10	BGBD	0000976

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/01/10

BUSINESS ADDRESS

HINSDALE HOSPITAL

120 NORTH OAK STREET

HINSDALE IL 60521

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

State of Illinois 1954419
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

HINSDALE HOSPITAL

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/10	BGBD	0000976

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/01/10

The Joint Commission

August 25, 2009

David Crane
President/CEO
Adventist Hinsdale Hospital
120 North Oak Street
Hinsdale, IL 60521

Joint Commission ID #: 7359
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 08/19/2009

Dear Mr. Crane:

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

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

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning March 14, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

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

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

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

Sincerely,

Ann Scott Blouin RN, PhD

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

(40)

ATTACHMENT - 11

State of Illinois 1959870
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
01/31/11	BGBD	0005017

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 02/01/10

BUSINESS ADDRESS

ADVENTIST HEALTH SYSTEM SUNBELT, INC.
D/B/A LA GRANGE MEMORIAL HOSPITAL
5101 SOUTH WILLOW SPRINGS ROAD

LA GRANGE IL 60525

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← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

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State of Illinois 1959870
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ADVENTIST HEALTH SYSTEM SUNBELT, INC.

EXPIRATION DATE	CATEGORY	I.D. NUMBER
01/31/11	BGBD	0005017

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 02/01/10

12/05/09

ADVENTIST HEALTH SYSTEM SUNBELT,
D/B/A LA GRANGE MEMORIAL HOSPITAL

LA GRANGE IL 60525

FEE RECEIPT NO.

ATTACHMENT - 11

41

The Joint Commission

June 3, 2009

Rick Wright, FACHE, FHFMA, MBA
CEO
La Grange Memorial Hospital
5101 South Willow Springs Road
La Grange, IL 60525

Joint Commission ID #: 7370
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 06/03/2009

Dear Mr. Wright:

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

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

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning February 28, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

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

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

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

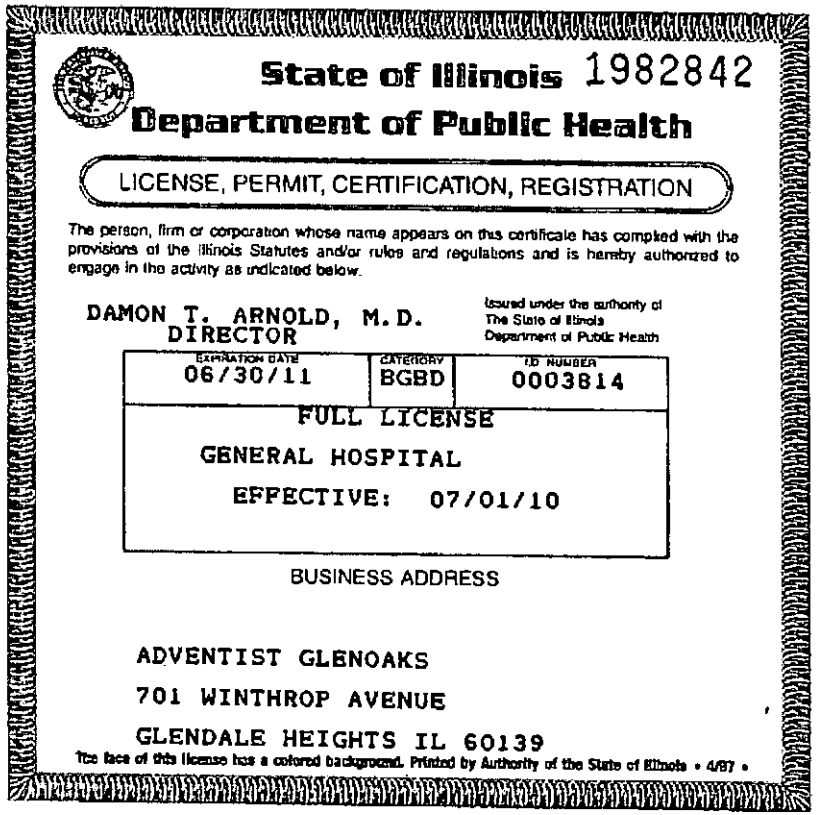
Sincerely,

Ann Scott Blouin RN, PhD

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

42

ATTACHMENT - 11



State of Illinois 1982842

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
06/30/11	BGBD	0003814

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 07/01/10

BUSINESS ADDRESS

ADVENTIST GLENOAKS
701 WINTHROP AVENUE
GLENDALE HEIGHTS IL 60139

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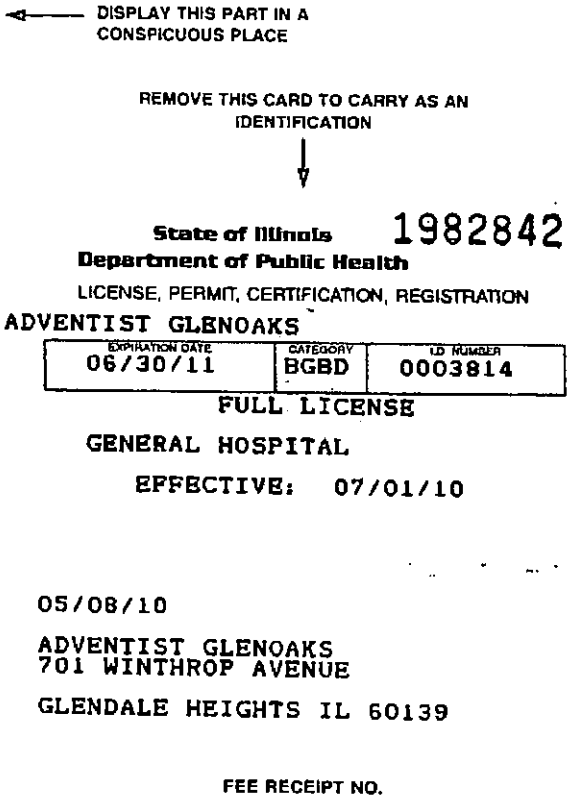

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

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↓

State of Illinois 1982842

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ADVENTIST GLENOAKS

EXPIRATION DATE	CATEGORY	I.D. NUMBER
06/30/11	BGBD	0003814

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 07/01/10

05/08/10

ADVENTIST GLENOAKS
701 WINTHROP AVENUE
GLENDALE HEIGHTS IL 60139

FEE RECEIPT NO.

ATTACHMENT - 11

(43)

The Joint Commission

May 15, 2009

Brinsley Lewis
Chief Executive Officer
Adventist GlenOaks Hospital
701 Winthrop Avenue
Glendale Heights, IL 60139

Joint Commission ID #: 5192
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 05/15/2009

Dear Mr. Lewis:

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

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

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning February 21, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

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

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

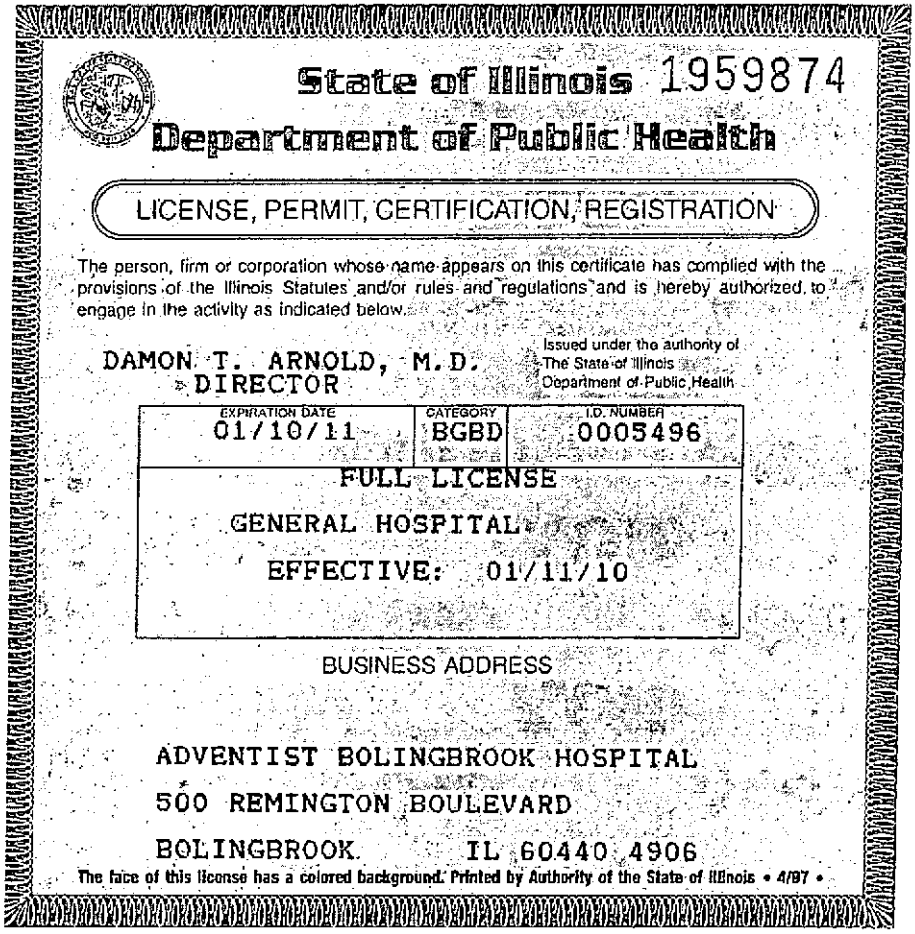
Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization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

Sincerely,

Ann Scott Blouin RN, PhD

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

ATTACHMENT-11



State of Illinois 1959874

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
01/10/11	BGBD	0005496

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/11/10

BUSINESS ADDRESS

ADVENTIST BOLINGBROOK HOSPITAL
500 REMINGTON BOULEVARD
BOLINGBROOK IL 60440 4906

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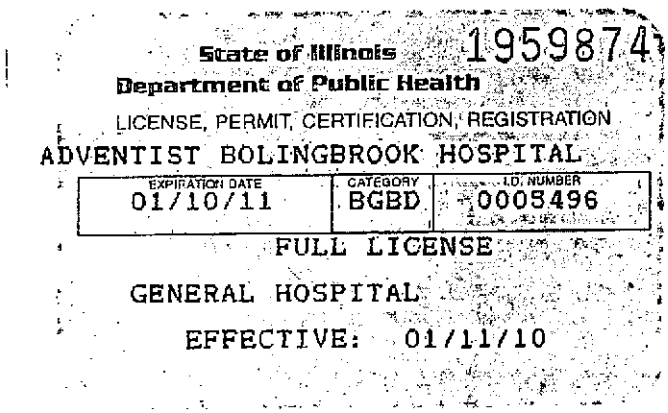


State of Illinois 1959874

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

ADVENTIST BOLINGBROOK HOSPITAL

EXPIRATION DATE	CATEGORY	I.D. NUMBER
01/10/11	BGBD	0005496

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/11/10

12/05/09

ADVENTIST BOLINGBROOK HOSPITAL
500 REMINGTON BOULEVARD
500 REMINGTON BOULEVARD
BOLINGBROOK IL 60440 4906

FEE RECEIPT NO.

The Joint Commission

September 8, 2009

Rick Mace
CEO
Adventist Bolingbrook Hospital
500 Remington Boulevard
Bolingbrook, IL 60440

Joint Commission ID #: 454359
Program: Hospital Accreditation
Accreditation Activity: Random Unannounced Validation
Accreditation Activity Completed: 09/04/2009

Dear Mr. Mace:

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

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

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

Please visit Quality Check® on The Joint Commission wcb site for updated information related to your accreditation decision.

Sincerely,

Ann Scott Blouin RN, PhD

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

(46)

ATTACHMENT - 11

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 1972569

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

HSC TRANSFER, LLC D/B/A

EXPIRATION DATE	CATEGORY	I.D. NUMBER
03/31/11	BGBD	7002314

FULL LICENSE

AMBUL SURGICAL TREAT CNTR

EFFECTIVE: 04/01/10

03/06/10

HINSDALE SURGICAL CENTER, LLC
908 N. ELM STREET
SUITE 401
HINSDALE IL 60521 3638

FEE RECEIPT NO. 47019

The Joint Commission

May 1, 2009

Fernando Gruta, R.N.
Administrator
Hinsdale Surgical Center, LLC
908 North Elm Street Suite 401
Hinsdale, IL 60521

Joint Commission ID #: 131243
Program: Ambulatory Health Care Accreditation
Accreditation Activity: 45-day Evidence of Standards Compliance
Accreditation Activity Completed: 05/01/2009

Dear Mr. Gruta:

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

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

- Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning January 24, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

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

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

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

Sincerely,

Ann Scott Blouin RN, PhD

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

ATTACHMENT-11

Purpose of Project

The purpose of the proposed project is to continue to enhance the care for the residents of Planning Area A-05, DuPage County, and the communities surrounding the hospital by providing a modern, efficient health care facility which meets the health care needs of the patient population of Adventist Hinsdale Hospital.

The project will continue the progress made when the State Board approved Project # 09-047 by completing the shell space which was included in that project.

The shell space will be used to increase the number of private medical-surgical beds available, while reducing the number of underutilized beds in the facility and Planning Area (A-05).

The increase in the number of private beds is important for many reasons which we have listed below in order of priority:

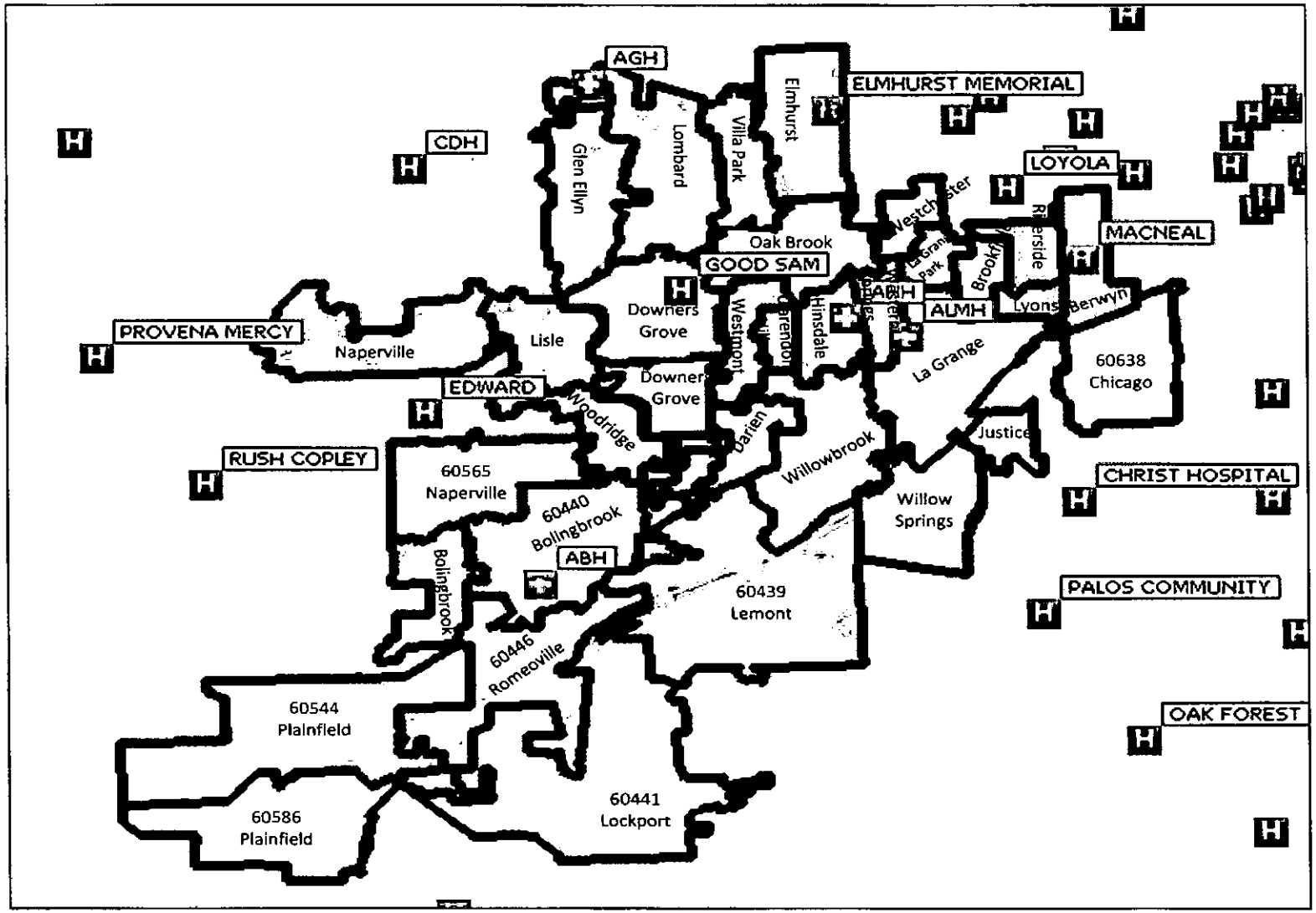
- Privacy – Health care facilities need to provide patients with privacy under HIPAA requirements.
- Infection Control – The use of private beds allows for the isolation of patients more easily and effectively. Due to the increased requirements and increased number of patients with infectious diseases, converting to all private rooms has become a top priority for facilities across the country.
- Patient satisfaction – Patient satisfaction surveys indicate that patients and their families are demanding more privacy which is crucial as the family becomes more involved in patients' care and treatment.

The completion of the shell space will move the applicant much closer to its ultimate goal of 100% private rooms.

The shell space originally approved by the Board is at the end of two medical surgical bed units and it has always been planned to be used to house medical surgical beds.

The goals of the proposed project are to: 1) provide a modern health care facility capable of meeting the needs of the residents of DuPage and Cook Counties well into the future; 2) to have all private medical-surgical beds by 2015; 3) to be in the 90th percentile for patient satisfaction, physician satisfaction, and employee satisfaction by 2012.

A map of the applicant's defined service area is included on the next page.



ATTACHMENT – 12
NUMBER 2

Alternatives

The completion of the shell space allows the hospital to move closer to achieving its ultimate goal of having all private rooms within the hospital while reducing the overall number of medical-surgical beds in the facility. The location of the shell space is ideal for its intended use as medical-surgical beds because of its proximity to the new patient wing. It is also important to note that some of the beds on the 2nd floor of the north wing of the hospital will continue to be needed until the modernization project is completed, the shell space is completed and the beds for other services being modernized within the existing building are completed. The total number of medical-surgical beds will be reduced from 143 to 131.

The proposed project is for the completion of previously approved shell space as part of Project #09-047. The alternatives considered as part of that application are presented below since the shell space was considered within the alternatives section of that application.

The goals for the hospital renovation are 1) to provide private patient rooms, 2) improve patient flow, 3) minimize disruptions to hospital services, 4) improve patient, physician and employee satisfaction, 5) improve nursing efficiency/productivity and quality and 6) the total cost not to exceed $75,000,000. There were also limited locations where a patient pavilion could be added due to the existing space constraints on the campus. Alternatives were considered based on the above criteria and the proposed project was selected.

Preferred Alternative – Proposed Project (Option 7)
The proposed project will: add 13 ICU beds, decrease 54 medical-surgical beds and decrease 11 rehab beds to the Adventist Hinsdale Hospital bed inventory.

The hospital proposes to build a patient pavilion south of the hospital which will connect to the existing hospital's south wing on floors 1-5, providing uninterrupted care and an additional 103,732 gross square feet of patient care space. The hospital is also planning to renovate 42,890 gross square feet of existing space.

A summary of the proposed project details are listed below by floor:

Basement:

- Space will be renovated to house mechanical equipment.

First Floor:

- Due to an increase in the 65 and older demographic, it is imperative that AHH improve patient flow. The following enhancements are being proposed to improve the overall patient experience: a new lobby will be added that will be closer to the existing parking structure; new elevators; relocation of patient registration; and modernization of preadmission testing. The vacated space will be converted to offices/educational space. See option 7 for detailed floor plans.

Second Floor:

- New construction – addition of 26 new medical-surgical beds to be used for oncology patients with shell space for 9 additional beds.
- Existing space – 26 existing medical-surgical beds will be used on the south wing that will connect to the new patient pavilion. The north wing will also have 30

existing medical surgical beds but will be vacated once the shell space is built out. It is imperative to keep these beds in operation in order to keep existing patients away from the noise and traffic associated with construction. The vacated space will be used at a later date to expand laboratory services. A CON application will be submitted in order to build out the shell space and include details for the vacated space at a later date.

Third Floor:

- New construction – 26 medical-surgical beds to be used for telemetry, with shell space for 9 additional beds.
- Existing space – 18 existing medical-surgical telemetry beds will be used on the south wing that will connect to the new patient pavilion. This floor will also maintain the pediatric unit and the pediatric ICU without any additional renovation. This floor will continue to include the existing rehab unit. The unit will decrease by 11 beds in order to make all the rooms private. The vacated space on this floor will be used for offices and educational space. As noted above a CON application will be submitted in order to build out the shell space and include details for the vacated space at a later date.

Fourth Floor:

- New construction – 26 new post partum obstetric beds and 6 new labor and delivery rooms.
- Existing space - 11 existing beds will be used on the east wing for post partum obstetric beds. This floor also will keep 2 existing and 2 renovated labor and delivery rooms, for a total of 10, (6 of which are new). The existing 12 bed level II nursery and existing 14 bed level I nursery will also remain and be used as is. The 14-bed neonatal ICU will remain as is.

Fifth Floor:

- New construction – 35 ICU beds.
- Existing space – will consist of 5 existing ICU beds plus the 35 new ICU beds. Also remaining on this floor is the existing 17 medical-surgical beds that are used as a neuro step-down unit and the 17 bed acute mental illness unit. Neither of these units will be renovated. The beds that were on the north wing will be relocated to the second floor of the patient pavilion and the vacated space on the north wing will house the administrative offices that are currently located on the first level. These offices are being relocated to make room for the new lobby and the needed patient registration space.

Total cost for this option = $74,180,187.

Alternative 1 – Renovate and expand existing North Wing

The existing north wing, which contains 5 floors, was built in 1963 and has a double loaded single corridor on each floor. In order to renovate the space to the preferred race track corridor system, the hospital would have to expand the north wing. To the north, the wing is already up against the 25 foot easement between the property line and the road and cannot be expanded on that end. It also cannot be expanded to the south because it would mean constructing over the existing basement level linear accelerators. The race track corridor system improves nursing

efficiency and quality of care because the utilities and core are at the center, thus reducing time to care for each patient. While this would be less costly than the option selected, it would not meet our goals for improved patient flow and would not contribute to improving our quality of care, employee satisfaction and physician satisfaction.

The cost to update and renovate this wing = approximately $80,000,000

Alternative 2 – Build a replacement hospital

This option was considered as it would allow AHH to privatize all rooms and improve access; however the costs associated with a new hospital are substantial. Adventist Midwest Health recently built a hospital in Bolingbrook and the permit cost for that project was $152,000,000. Factoring in land acquisition costs and the escalation necessary for inflation the project cost would be substantially higher than that for Adventist Bolingbrook Hospital. In a time of recession it is imperative for all hospitals to be good stewards of our limited resources therefore; this was not a viable option at this time due to the high cost.

Approximate cost = approximately $350,000,000.

Alternative 3 – Add the patient pavilion to the west (Option 1)

This option involved adding the patient pavilion directly to the west of the existing hospital. This option did not improve patient flow since it was farther from the parking structure. It also did not address the majority of the patient care issues that AHH is focusing on improving, such as, increasing private rooms, and improving nursing efficiencies. The cost for this option was also substantially higher than adding a patient pavilion to the south. See Option 1.

The cost for this alternative = $89,936,000.

Alternative 4 – Add the patient pavilion to the east and south of the hospital (Option 5)

This option involved adding space to both the east and the south of the existing hospital. This option would have drastically interrupted existing care. It is imperative for AHH to keep construction as far away from the existing patient areas. The cost for this option was also higher than adding the patient pavilion on the southern end of the hospital. See Option 5.

The cost for this alternative = $80,652,000.

The table below summarizes each option based on the criteria AHH lists as priorities:

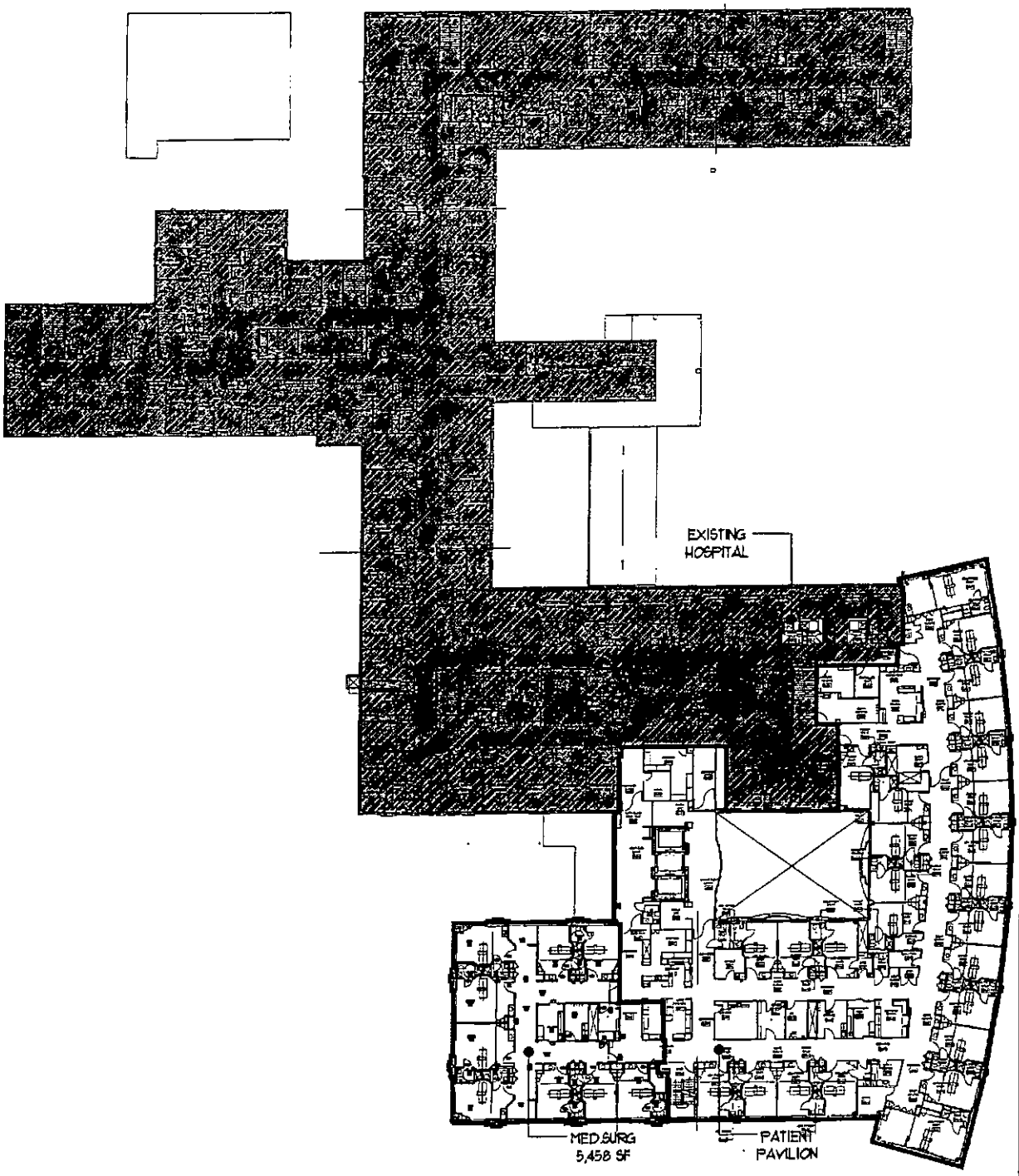
Criteria	Proposed Project	Alt 1	Alt 2	Alt 3	Alt 4
Private rooms	X	X	X		X
Improved patient flow	X	X	X		X
Minimal patient interruption	X		X	X	
Improved patient, physician and employee satisfaction	X		X	X	X
Nursing efficiency/productivity and improved patient care	X		X		X
Total cost ≤ $75,000,000	X	X			

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

The proposed square footage for this department was determined by the need for all private medical-surgical beds. The individual rooms are sized to accommodate all of the equipment which is used in a modern medical surgical unit. The rooms are also designed to have a seating area which can be converted to a bed for a visitor to spend the night with the patient if needed.

The proposed square footage is consistent with the State Agency standards.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Medical Surgical	**10,916**	**9,000 to 11,880**	**-964**	**Yes**

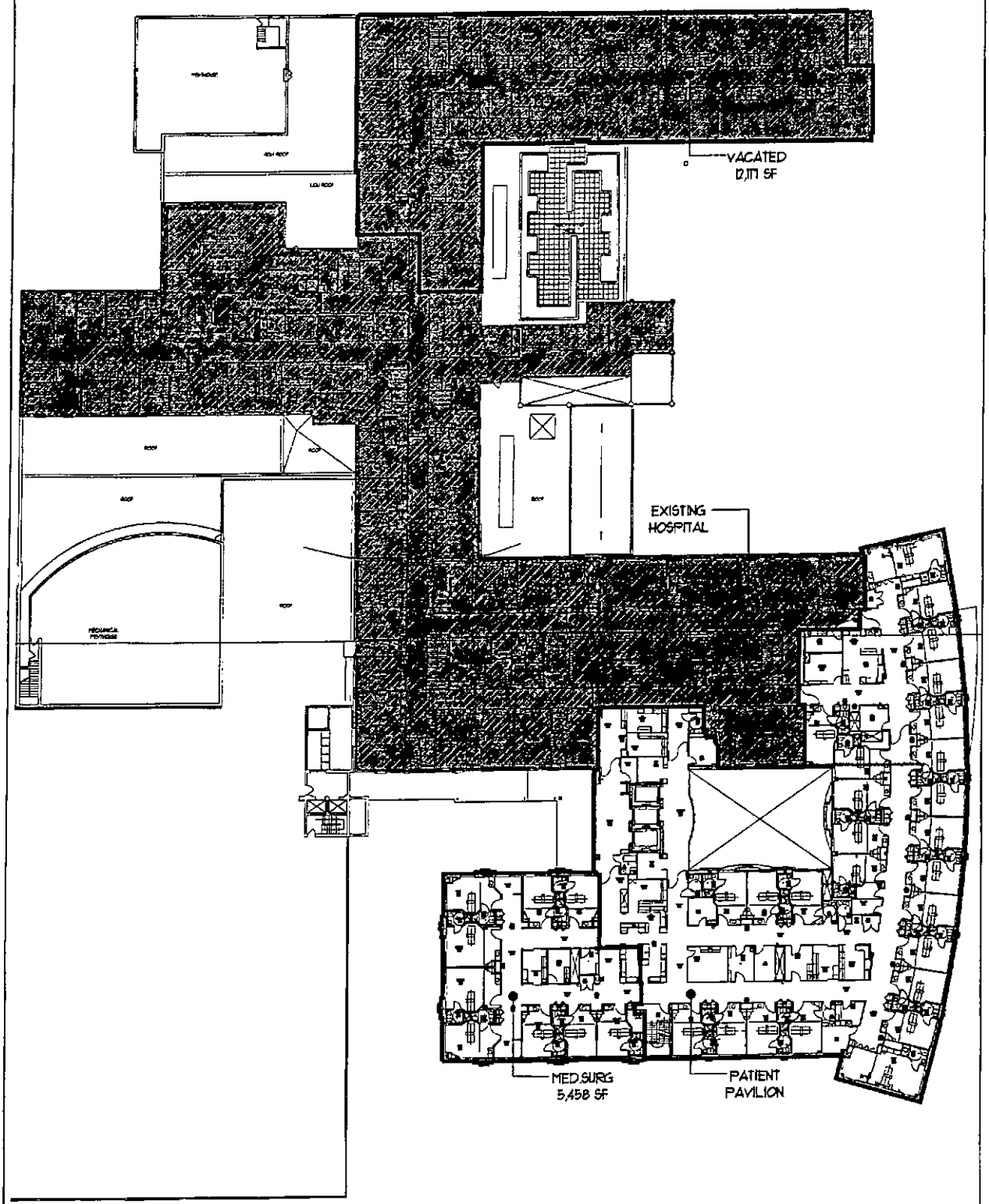


Hinsdale Hospital
A Member of Adventist Health System

Project	ADVENTIST HINSDALE HOSPITAL SOUTH ADDITION				
Title	THIRD FLOOR PLAN			Sketch Number	
Drawn	Checked	Approved	Date	Scale	Job Number	Sheet
IQ/GG	MAM	DEM	12/13/10	NTS	09010.00	of

Anderson Mikos Architects ltd.
"Architecture through Listening".
One Parkview Plaza
17W110 22nd Street, Suite 200
Oakbrook Terrace, Illinois 60181
Tel. 630 - 573 - 5149
Fax 630 - 573 - 5176

ATTACHMENT - 14



Hinsdale Hospital
A Member of Adventist Health System

Project	ADVENTIST HINSDALE HOSPITAL SOUTH ADDITION	
Title	SECOND FLOOR PLAN	Sketch Number

Drawn	Checked	Approved	Date	Scale	Job Number	Sheet
IQ/GG	MAM	DEM	12-13-10	NTS	0901000	of

Anderson Mikos Architects ltd.
"Architecture through Listening"
One Parkview Plaza
17W110 22nd Street, Suite 200
Oakbrook Terrace, Illinois 60181
Tel 630 - 573 - 5149
Fax 630 - 573 - 5176

ATTACHMENT - 14

Project Services Utilization

UTILIZATION					
YEAR	DEPT./ SERVICE	2010 UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
2013	Medical-Surgical	32,469	35,542	85%	No
2014	Medical-Surgical	32,469	36,567	85%	No

The projections listed above do not achieve the 85% occupancy level set by the state. However, the peak census for Adventist Hinsdale Hospital in 2010 was 109 inpatients, plus 7 observation patients, as documented by the midnight census. During the times Adventist Hinsdale Hospital reached its peak census the occupancy percentage was 90%, which more than meets the state standard.

As with most hospitals there are peaks and valleys in the daily census. It is critical for Adventist Hinsdale Hospital to maintain the proposed number of beds to ensure that beds are available when patients need care. Furthermore, the applicant will re-review the occupancy standards upon project completion.

UNFINISHED OR SHELL SPACE

This requirement is not applicable since this project does not contain shell space; but is actually for the completion of shell space previously approved as a part of Project #09-047; Adventist Hinsdale Hospital.

ASSURANCES

This requirement is not applicable since this project does not contain shell space; but is actually for the completion of shell space previously approved as a part of Project #09-047; Adventist Hinsdale Hospital.

Section VII: Category Of Service Modernization; Criterion 1110.530(d)(2)

Changes in the Standards of Care

The applicant proposes to modernize medical surgical beds by moving 18 beds into shell space previously approved by the State Board as a part of Project # 09-047. This modernization is proposed for several reasons:

- The current standard of care in the industry is to provide care in all private beds. This proposal will move the facility closer to that ultimate goal.
- The beds are currently located in an older wing of the hospital which is not conducive to the provision of modern medical surgical care. The existing unit is a 30 bed unit consisting of 15 semi-private rooms. If the applicant were to convert this unit to private beds it would accommodate only 15 beds, which is not an efficient size medical-surgical unit.
- The existing unit is not located in close proximity to the new bed units approved by the State Board as a part of Project #09-047.
- The shell space in which these beds are proposed to be located was designed specifically to accommodate the proposed 18 beds and it is located at the end of two medical surgical units currently under construction (Project #09-047).
- The completion of the shell space at this time is the most cost effective alternative available since the construction company is currently on site and can finish the shell as it completes the previously approved project.

The vacated space will be converted to administrative space at no cost, upon completion of this project. The beds will continue to be utilized in their present location and configuration until the proposed project and Project #09-047 are completed.

Staffing

The proposed project will have no impact upon the availability of staff. The existing staff will continue to treat the patients in the new location.

Occupancy

The peak census for Adventist Hinsdale Hospital in 2010 was 109 inpatients, plus 7 observation patients, as documented by the midnight census. During the times Adventist Hinsdale Hospital reached its peak census the occupancy percentage was 90%, which more than meets the state standard.

As with most hospitals there are peaks and valleys in the daily census, it critical for Adventist Hinsdale Hospital to maintain the proposed number of beds to ensure that beds are available when patients need care. Furthermore, the applicant may re-review the occupancy standards upon project completion.

Performance Requirements – Bed Capacity Minimum

The project proposes 131 medical-surgical beds which is well above the state minimum of 100 beds.

Adventist
Hinsdale Hospital
Keeping you well

December 2, 2010

Mr. Mike Constantino
Director of Project Review
Illinois Department of Public Health
535 West Jefferson Street
Springfield, IL 62761

Dear Mr. Constantino:

I hereby attest that we understand the utilization/occupancy standards and fully expect that by the second year of operation after project completion, Adventist Hinsdale Hospital will achieve the occupancy/utilization standards specified in 77 ILL. Adm. Code 1100 for each category of service involved in the proposed project.

The category of services involved: medical surgical.

Sincerely,

Dave L. Crane
Chief Executive Officer

(62)

ATTACHMENT-20

STANDARD &POOR'S

PUBLIC FINANCE

Adventist Health System/Sunbelt Obligated Group, Florida

Primary Credit Analyst:
Stephen Infranco
New York
(1) 212-438-2025
stephen_infranco@
standardandpoors.com

Secondary Credit Analyst:
Martin D Arrick
New York
(1) 212-438-7963
martin_arrick@
standardandpoors.com

Self-Liquidity Analyst: Ruth Shaw
New York
(1) 212-438-1410
ruth_shaw@
standardandpoors.com

RatingsDirect
Publication Date
Jan. 22, 2010

Credit Profile		
Colorado Hlth Fac Auth, Colorado		
Adventist Hlth Sys/Sunbelt Obligated Grp, Florida		
Colorado Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group)		
Long Term Rating	AA-/Stable	Upgraded
Colorado Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) (BHAC) (SEC MKT)		
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Colorado Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) (SEC MKT)		
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Highlands Cnty Hlth Fac Auth, Florida		
Adventist Hlth Sys/Sunbelt Obligated Grp, Florida		
adventist Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group)		
Long Term Rating	AA-/A-1+/Stable	Upgraded

Ratings Detail

Rationale

Standard & Poor's Ratings Services raised its long-term ratings and underlying ratings (SPUR) to 'AA-'from 'A+' on multiple series of debt, issued by various issuers on behalf of Adventist Health System/Sunbelt Obligated Group (AHS) Fla. The outlook is stable. At the same time, Standard & Poor's raised its rating on series 2007A, 2005I (maturing 2027 and 2029), and 2003C bonds to 'AA-/A-1+' from 'A+/A-1' based on our assessment of AHS's own liquidity. Standard & Poor's also affirmed its 'AAA/A-2' rating on bonds backed by various letters of credit (LOCs) from Sun Trust Bank Inc. and AHS, based on our joint-rating criteria.

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In 2009, AHS issued series 2009 fixed-rate bonds to refund the series 1996A, 1997A bonds (multiple series issued through various issuing authorities), and 2003A, and 2008B-2 bonds, all of which were variable-rate demand bonds (VRDBs) backed by letters of credit (LOCs). With the series 2009 issuance, AHS reduced its variable-rate exposure to approximately 42% of its $3.2 billion of total debt (including short-term debt). In addition, AHS substituted many existing SunTrust LOCs in late 2009 with LOCs from various banks, as part of a broader debt restructuring program. Standard & Poor's views the reduction in variable-rate exposure, coupled with the continued diversification to multiple LOC provider banks from predominately SunTrust bank, as a positive credit factor.

The upgrade to 'AA-' reflects a continuation of what we regard as solid operating performance and cash flow, including during the nine-month interim period ended Sept. 30, 2009, strong operating and financial dispersion, and maintenance of what we consider a strong balance sheet, highlighted by a conservative investment allocation and growing liquidity, despite the significant investment market volatility that affected many rated health care organizations over the past two years. The ability to navigate the turbulent investment cycle successfully reflects, in our opinion, the system's strong management team, the benefits of conservative investment strategies, and sound financial planning. AHS's operating performance in fiscal 2008 and year to date was better than budget and prior year levels, and the five-year operating record has been, in our view, solid. While the excess margin declined by more than $100 million (but was still positive) in fiscal 2008 due to weaker investment returns, coverage of maximum annual debt service (MADS) was in our view still sound at more than 3x. Given AHS's solid profile, we do not believe a higher rating is warranted at this time. The upgrade also reflects the likelihood, in our opinion, that AHS will sustain its record of strong operations and balance sheet improvement, with management keeping liquidity levels above the 200-day mark and bringing leverage down closer to 45% or lower, while successfully managing capital expenses. Standard & Poor's includes debt classified in the audit as short-term financings as long-term debt in this analysis.

More specifically, the current 'AA-' rating reflects our view of AHS's:

- Broad geographic and financial dispersion, with many facilities located in high-growth markets, which augments its strong financial profile;
- Robust operating results for fiscal 2008 and for the nine months ended Sept. 30, 2009, highlighting strong operating cash flow, coupled with historically strong EBIDA margins;
- Strong revenue growth for many years, reflecting AHS's presence in a wide variety of growth markets and, in fiscal 2008, a combination of price increases, modest admissions growth, and outpatient volume increases;
- Sustained liquidity growth for many years due to a conservative investment policy that is heavily weighted toward fixed-income investments and minimizes exposure to equity and alternative assets;
- Low average age of plant, resulting from significant investments in property, plant, and equipment well in excess of depreciation;
- Excellent ongoing performance and demographics in its core central-Florida marketplace even as AHS's historical dependence on Florida has steadily declined over time as other regions have performed well, although the current economy could hurt this metric over time;
- Generally solid performance in its many regional markets; and

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- Advantage of having a defined contribution pension plan, versus a defined benefit plan, especially given the volatile investment environment that has resulted in large unfunded pension liabilities for many with defined benefit plans.

Offsetting credit factors include AHS's debt levels, which remain high for the rating in our opinion, and several capital or expansion projects underway or nearing completion that we believe could cause some short-term disruption or pressure on operations if they are slow to ramp up. Also of concern is the general slowdown in the economy, which we believe could put some pressure on business volume or lead to higher bad debt and charity care levels, and the uncertainty that accompanies potential national health care reform.

The rating also reflects what we consider a disciplined capital spending process with clear and manageable spending targets. The overall pace of capital spending remains in our view both robust and within the system's capital model of limiting spending to 70% of EBIDA, down from the historical 75% (since 2003), although some year-to-year variation is allowed as unspent capital dollars can be carried forward to future years.

The raised 'A-1+' short-term rating on the Highlands County Health Facilities Authority, Fla.'s $114.445 million series 2007A bonds, $125 million series 2005I bonds (maturing 2027 and 2029), and $68.095 million series 2003C bonds reflects what we view as the ample liquidity, sufficiency of AHS's liquid investment assets, and the detailed procedures articulated through AHS's self-liquidity program. Standard & Poor's monitors this program monthly. Securing the bonds is a pledge of the obligated group's gross revenues. For full fiscal year 2008, the obligated group represented 97% of the system's long-term debt, 95% of its operating revenues, and 85% of its net income. Although the obligated group revenue pledge secures the bonds, Standard & Poor's analyzes and reports on the system as a whole, unless otherwise noted.

Standard & Poor's assigned AHS a Debt Derivative Profile (DDP) overall score of '1.5' on a scale of '1' to '4', with '1' representing the lowest risk. The overall score of '1.5' reflects what we consider a neutral credit risk. We consider AHS's swap program large, with a total notional amount of approximately $1.9 billion, but down from roughly $2.6 billion. The weighted average life of AHS's swap program as of Dec. 31, 2008, was 5.6 years.

Outlook

The stable outlook reflects AHS's performance record, which in our view has been strong and robust for many years, as reflected in the current rating. Furthermore, we believe that AHS benefits from broad geographic and financial dispersion and is guided by an experienced management team. While future excess surpluses may be below historical levels, we expect that AHS should be able to generate above-average returns, which should allow it to maintain a balance sheet, particularly liquidity and leverage, that is commensurate with the 'AA-' rating. Management's stated intention of maintaining capital spending within its capital allocation model also supports the rating and outlook. It is Standard & Poor's opinion that potential for a higher rating is beyond the two-year outlook horizon. However, we believe that deterioration in operations or finances could put the current rating or outlook at risk.

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Solid Operating Performance

AHS operates 38 acute-care facilities, 34 of which are members of the obligated group, spread over 10 Southern, Midwestern, and Mountain states. Many of the facilities are located in high-growth markets. AHS's Orlando-based Florida Hospital and the broader Florida region remain at the heart of the system. Florida Hospital's seven campuses operate as a single entity with one hospital license. In fiscal 2008, the Florida Hospital region accounted for roughly 35% of the system's net patient service revenues. Over time, this percent has decreased as AHS has diversified its overall portfolio of facilities, most recently with the construction and successful opening of a 138-bed facility in Bolingbrook, Ill. in early 2008. More importantly, AHS's dependence on Florida and Florida Hospital for profitability and cash flow lessened significantly during the past five years due to strong growth outside of Florida Hospital. However, Florida Hospital's own financial and operating profile has continued to improve. In our opinion, the system's growing revenue and geographic diversity is largely the result of strong improvements in its non-Florida subsidiaries, coupled with sound acquisitions and the divestiture of underperforming subsidiaries.

Inpatient admissions for the system increased slightly to 300,204 in 2008 from 295,468 in 2007. In addition, year-over-year admissions volume for the 10-month period in fiscal 2009 indicates continued growth, up 2.4% to 256,770; while outpatient volume, both surgeries and outpatient registrations, were both up a solid 7.2% and 10.8%, respectively, through October 2009. In 2008, the maintenance of overall revenue growth was largely due to rate increases. In fiscal 2008, revenue growth of roughly 8% was due to roughly one-third inpatient and outpatient volume increases with two-thirds price increases. For the 10-month period ended October 2009, revenue growth is up 11%, with half coming from rate increases and half from volume growth. The overall payor mix of the obligated group (fiscal 2009 third quarter) has been generally stable with health maintenance organizations, preferred provider organizations, and indemnity payors representing a combined 35% of gross patient revenues. Medicare represents a routine 42% of overall gross patient revenues and Medicaid is manageable, in our opinion, but up slightly at roughly 11.5%, from 10.2% in 2008. Self-pay has remained fairly stable at approximately 7.7% of gross patient revenues. Given the level of self-pay and larger copayments, AHS has made what we consider solid efforts to improve point-of-service collection. Although overall bad-debt expense has dropped from historical levels, it reflects increased classification of cases to charity (AHS has a comprehensive self-pay discount policy that allows for a sliding payment scale for people with income up to 400% of the federal poverty guidelines) and doesn't reflect a drop in AHS's treatment of uninsured patients. In our view, AHS is managing this financial load, wherever classified, within the current context of strong cash flow and margins.

During the past several years, strategic acquisitions and building projects have both added to the size of AHS's Florida region and created a major region for AHS in Colorado. AHS has also added a new hospital in Kansas. On Jan. 21, 2008, AHS opened its Adventist Bolingbrook Hospital in Bolingbrook, Ill. While this project had been slower to ramp up than management initially forecast, management indicated it is encouraged that recent performance is more in line with its expectations. Bolingbrook lost approximately $17 million in 2008 and management projects break-even operations in its third year. In addition, AHS completed in the past year, or will complete soon, major projects at Florida Hospital, such as a new facility at Florida Hospital Ormond, which opened in July 2009. Shawnee

Mission Medical Center in Kansas has a new patient tower that opened in February 2009. Other important near-term projects center on the Florida Hospital region, where it addressed capacity constraints with the recently opened patient tower at Florida Hospital's main campus in Orlando. According to management, while AHS remains committed to its capital-spending model, it is entering a period during which its focus will be more on solidifying the gains stemming from its significant construction boom with a resultant focus on market share growth, which management believes is essential to maintaining and enhancing current performance. Furthermore, given the current economic conditions, weaker excess cash flow levels, and management's commitment to maintaining or achieving certain key financial metrics, the capital spending model has been reduced to 70% from the 75% level used since 2003.

AHS has entered into several new joint ventures that will need monitoring over time, including one in Tampa with University Community Hospital to construct a new facility in a growing Tampa suburb. AHS received final uncontested certificate-of-need (CON) approval in January 2009 to build a new 80-bed facility in Wesley Chapel, a northern suburb of Tampa. The CON requires commencement of construction by July 2010, and we understand that management is currently reviewing various financing alternatives. Other new joint ventures include a 2007 agreement with Wellmont Health System in Tennessee, and a recent venture in Texas with Scott and White Health System ('A+') where AHS sold Scott & White 32% membership interest in its Metroplex and Rollins Brook facilities located in Kileen and Lampasas, Texas, respectively. AHS has successfully worked in joint ventures for many years, notably with Catholic Health Initiatives in Denver through Centura Health. Management has also continued its long-term strategy of disposing of nonstrategic assets from time to time, the last of which occurred in March 2006, as AHS sold the two campuses of Tennessee Christian Medical Center to Healthtrust Inc. for $23 million.

Positive Financial Trends

Operating income continued to be in our view solid at AHS in 2008 at $215.8 million (3.94%) versus a comparable $202 million (4%) in 2007. In addition, current operating income through nine months ended Sept. 30, 2009, is ahead of the previous year's results at $226 million compared with $178 million, respectively, for the period. Operations exclude $10.6 million, $28.6 million, and $9.8 million of unrestricted contributions in fiscals 2008, 2007, and the nine months ended Sept. 30, 2009, respectively, which are included in the AHS statements as other income. Excess income, which includes the contributions, has historically been solid, but declined in fiscal 2008 due mainly to declining investment income. While AHS's investment results were generally better than most benchmarks, total excess income still declined to $248.4 million (4.5%) in 2008 versus $370.1 million (7.1%) in 2007. Results for the third quarter of 2009 are above fiscal 2008 results, with excess income at $328.2 million ($190.1 million in September 2008) due to a combination of what we consider continued strong operations as noted above and much improved nonoperating income of $107 million. Standard & Poor's captures nonoperating and unrealized losses in net asset changes but not excess income. AHS has in our view a conservative portfolio that is currently 75% invested in fixed-income securities, up from 65% in 2008, with a weighted average duration of five years or less (1.6-year option adjusted duration as of Dec. 31, 2008). In our opinion, because of the conservative and disciplined investment

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approach, AHS's nonoperating income has avoided the large realized and unrealized investment losses that many providers experienced in fiscal 2008.

We believe that operating results for the current year are very encouraging, highlighted by continued revenue growth and reflecting a combination of sound volume and price growth. Given the improved investment returns, AHS's EBIDA margin rebounded to nearly 15% as of Sept. 30, 2009, compared with a slightly weaker, but still strong 13% in fiscal 2008. The 15% EBIDA margin is more in line with historical results and similar to the levels generated in fiscal 2007. Before fiscal 2008, AHS was generating improved EBIDA margins that ranged from 12.5% in 2000 to greater than 15% in 2007. The historical consistency and cash flow growth over many years through fiscal 2007—still generating 13% EBIDA (fiscal 2008) in a difficult environment—is an accomplishment in Standard & Poor's opinion, given the double-digit annual growth rate in revenues (not same-store) demonstrated since the end of fiscal 2001.

Debt service coverage of 3.1x for fiscal 2008, while slightly below the 3.4x historical pro forma coverage for 2007, is still sound in our opinion. Coverage for the nine-month 2009 period improved to a strong 4.0x due to the continued strong operating results and improved nonoperating income generation. Overall, we believe that profitability improvement generally reflects effective revenue-cycle management, solid managed-care contracting, cost-control efforts, successful integration of new acquisitions, and the divestiture of unprofitable subsidiaries. In general, management has moved from a strategy of system growth to one of operational improvement and integration, although it will continue to evaluate new business opportunities as they arise. Management has indicated there is an increase in interest from certain organizations in becoming part of AHS.

AHS's bottom-line performance has also benefited in our view from management's investment strategies, which we regard as conservative, and which we believe allowed AHS to dodge the weak investment markets in the earlier part of the decade and in 2008 and the earlier part of 2009. For example, AHS modified its investment policy to produce a more predictable investment income: The system shifted to 10% equity investments from 70% during the second quarter of 2000, and the share of equities and alternative investments is down to 25% in 2009, from 35% in 2008, while the fixed-income allocation is up to 75% from 65%. We believe the lower level of equities during the past few years has allowed AHS to avoid large unrealized gains or losses on its investment portfolio.

Strong Balance Sheet And Growing Liquidity

Unrestricted liquidity totaled $3.2 billion as of Sept. 30, 2009, equal to what we consider a sound 218 days' cash on hand, up from nearly $2.9 billion at fiscal year-end 2008. Over the past several years, overall liquidity improved steadily from slightly less than $700 million and just 110 days' cash on hand at the end of fiscal 2000. This is in our view a solid achievement as AHS's overall revenue growth has been robust, with revenues increasing to more than $5 billion in 2008 from $2.9 billion in 2001. However, unrestricted cash and investments of $3.2 billion are only 99% of total debt, but up from 89% in 2008 and 86% in 2007. Standard & Poor's has reclassified short-term financings in AHS's audit to long-term debt for the purpose of its ratio calculations.

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The system's capital allocation plan calls for a reduced spending target of 70% of EBIDA, with individual facilities retaining the ability to carry forward unspent amounts. Capital spending in 2008 was in our view robust at $596 million and almost 1.9x depreciation. Year-to-date capital spending is lower than expected given the shift to a 70% target, with $322 million spent as of September 2009, compared with $465 million at September 2008. At the current spending levels, management says it has a goal of continuing to increase days' cash on hand to a minimum of 225 days, while raising cash to long-term debt to 110% and lowering long-term debt to capitalization to less than 45%. Even though a specified target level has driven capital spending, which has dropped compared to past levels, AHS has averaged what we consider strong capital spending of 180% of depreciation during the past five years. AHS's average age of plant is quite low at 7.9 years and net plant, property, and equipment has increased by 48% since the end of fiscal 2004.

Overall leverage is in our view moderately high for the rating at 47%. Although we understand that AHS expects to continue to borrow for portions of routine capital expenditures, management has indicated that its goal during the next five years is to reduce debt to below 45% of capitalization. In our opinion, debt service as a percent of revenues is also high for the rating at 3.8%, but this level is down from previous years. AHS's balance sheet also shows goodwill of $144 million at the end of 2008, largely due to acquisitions. Although in our view this is somewhat large, management indicates that there is no current reason to expect any large goodwill write-offs.

Debt Derivative Profile: Neutral Credit Risk

Adventist Health System/Sunbelt Obligated Group is a party to 13 floating-to-fixed swaps with a total notional of $1.88 billion and 10 total return swaps with a total notional amount of $240.6 million, as follows:

- Three floating-to-fixed swaps with Ambac Financial Services L.P. (A/Negative), Bear Stearns Capital Markets Inc. (AA-/Negative), and Calyon (AA-/Stable), with notional amounts of $20.3 million, $241.3 million, and $150.0 million, respectively;
- Two floating-to-fixed swaps with Deutsche Bank AG (A+/Stable) with a total notional amount of $327.2 million;
- Six floating-to-fixed swaps with SunTrust Bank (A-/Negative) and Morgan Stanley Capital Services Inc. (A/Negative) with a total notional amount of $689.4 million and $284.2 million, respectively; and
- Two floating-to-fixed swaps with Merrill Lynch Capital Services Inc. (A/Stable) with a total notional amount of $175.0 million.

Two of the total return swaps are with Wells Fargo Bank, N.A. (AA+/Watch Neg), with a total notional amount of $53.6 million, and the last eight total return swaps are with Merrill Lynch Capital Services Inc. (A/Stable) with a total notional amount of $187.0 million.

The purpose of these swaps is to minimize interest rate risk associated with the debt portfolio.

Standard & Poor's assigned Adventist Health System/Sunbelt Obligated Group a Debt Derivative Profile (DDP) overall score of '1.5' on a scale of '1' to '4', with '1' representing the lowest risk and '4'

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the highest. Given the negative mark-to-market value on the total swap portfolio, AHS was required to post collateral totaling approximately $53 million as of Dec. 31, 2008. However, in our view AHS has ample liquid resources to cover the collateral requirements. The overall score of '1.5' reflects Standard & Poor's view that AHS's swaps are a very low credit risk at this time.

Specifically, the factors affecting the DDP score include:

- A modest degree of termination risk, in our opinion, given the spread between AHS's 'AA-' rating and the collateral and termination triggers outlined in each counterparty agreement;
- A diverse mix of moderately rated swap counterparties, with collateral triggers mitigating AHS's risk;
- Average economic viability of the swap portfolio over stressful economic cycles; and
- Solid management practices, in our view, with formal debt and swap management policies under active development, although current management monitoring practices are sound.

Short-Term Debt Rating

The 'A-1+' short-term rating on the series 2007A and the 2003C bonds reflects our assessment of the ample liquidity and sufficiency of AHS's unrestricted investment assets. AHS has several available sources of funds to guarantee the full and timely purchase of any bonds tendered upon the event of a failed remarketing. These funds consist of its internally managed fixed-income portfolio, which has assets of about $1.83 billion in short-duration, high-quality, fixed-income securities as of Dec. 31, 2008. Management has established detailed procedures to meet liquidity demands on a timely basis.

Standard & Poor's will monitor the credit quality, liquidity, and sufficiency of the assets pledged by AHS. The credit quality profile is in our view high and reflects AHS's high credit policy standards, which call for all fixed-income securities in the internally managed fixed-income portfolio to be rated 'AA' or better.

Related Research

- USPF Criteria: Not-For-Profit Health Care, June 14, 2007
- USPF Criteria: Debt Derivative Profile Scores, March 27, 2006
- USPF Criteria: Commercial Paper, VRDO, And Self-Liquidity, July 3, 2007

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Ratings Detail (As Of 22-Jan-2010)

Gordon Cnty Hosp Auth, Georgia

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Gordon Cnty Hosp Auth (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1996A

Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Gordon Cnty Hosp Auth (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1997A

Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Hays Mem Hlth Fac Dev Corp, Texas

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Hays Mem Hlth Fac Dev Corp (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1990A

Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Highlands Cnty Hlth Fac Auth, Florida

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group)

Long Term Rating	AA-/Stable	Upgraded

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group)

Long Term Rating	AA-/A-1+/Stable	Upgraded

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1995A

Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1997A

Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 2003A

Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) (LASERS)

Long Term Rating	AA-/Stable	Upgraded

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group)

Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Highlands Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) hosp VRDB ser 2005A

Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Long Term Rating	AAA/A-1/Negative	Affirmed

Illinois Educl Fac Auth, Illinois

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Illinois Educational Facilities Authority (Adventist Health System/Sunbelt Obligated Group) (MBIA) (National)

Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Illinois Fin Auth (Adventist Health System/Sunbelt Obligated Group)

Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Kansas Dev Fin Auth, Kansas

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

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Ratings Detail (As Of 22-Jan-2010) (cont'd)		
Kansas Dev Fin Auth (Adventist Health System/Sunbelt Obligated Group)		
Long Term Rating	AA-/Stable	Upgraded
Kentucky Econ Dev Fin Auth, Kentucky		
Adventist Hlth Sys/Sunbelt Obligated Grp, Florida		
Kentucky Econ Dev Fin Auth (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1997A		
Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Nashville & Davidson Cnty Metro Govt Hlth & Ed Fac Brd, Tennessee		
Adventist Hlth Sys/Sunbelt Obligated Grp, Florida		
Nashville & Davidson Cnty Metro Govt Hlth & Ed Fac Brd (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1996A		
Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Nashville & Davidson Cnty Metro Govt Hlth & Ed Fac Brd (Adventist Health System/Sunbelt Obligated Group) hosp VRDO ser 1997A		
Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Orange Cnty Hlth Fac Auth, Florida		
Adventist Hlth Sys/Sunbelt Obligated Grp, Florida		
Orange Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) (AMBAC)		
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Orange Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group) (FSA)		
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Tarrant Cnty Hlth Facs Dev Corp, Texas		
Adventist Hlth Sys/Sunbelt Obligated Grp, Florida		
Tarrant Cnty Hlth Fac Dev Corp (Adventist Health System/Sunbelt Obligated Group) hosp VROO ser 1996A		
Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded
Tarrant Cnty Hlth Fac Dev Corp (Adventist Health System/Sunbelt Obligated Group) hosp VROO ser 1997A		
Long Term Rating	AAA/A-2	Affirmed
Unenhanced Rating	AA-(SPUR)/Stable	Upgraded

Many issues are enhanced by bond insurance.

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Economic Feasibility

A. Reasonableness of Financing Arrangements – Not applicable since this is a cash project.

B. Conditions of Debt Financing – Not applicable because debt is not being used to finance this project.

C. Reasonableness of Project and Related Costs:

The only clinical department involved in the proposed project is the medical surgical beds.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Medical-Surgical	$145.73		10,916	19%					$1,590,739
Contingency	$14.73								$159,074
TOTALS			10,916	19%					$1,749,813
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs – 2013: $2,463 per patient day

E. Total Effect of the Project on Capital Costs – 2013: $336 per patient day

Safety Net Impact Statement

Safety Net Services in the Community

The proposed project is not designed to, nor to our knowledge, will have any impact on essential safety net services in the community.

Safety Net Services at other area hospitals and health care providers

Other area hospitals provide safety net services in the community. The proposed project is not designed to, nor to our knowledge, will impair their ability to subsidize their safety net services.

Discontinuation of Safety Net Services

There is no discontinuation of a category of service or a facility included in the proposed project; as a result this section does not apply.

Safety Net Information per PA 96-0031

CHARITY CARE

Charity (# of patients)	2007	2008	2009
Inpatient	428	318	348
Outpatient	11,518	1,577	1,809
Total	11,946	1,895	2,157

Charity (cost in dollars)	2007	2008	2009
Inpatient	$1,914,142	$1,509,487	$1,558,294
Outpatient	$4,511,138	$1,872,265	$1,760,143
Total	$6,425,280	$3,381,752	$3,318,437

MEDICAID

Medicaid (# of patients)	2007	2008	2009
Inpatient	1,351	916	973
Outpatient	46,114	37,224	42,139
Total	47,465	38,140	43,112

Medicaid (revenue)	2007	2008	2009
Inpatient	$9,612,990	$15,563,779	$8,057,910
Outpatient	$5,930,527	$9,471,041	$7,181,156
Total	$15,543,517	$25,034,820	$15,239,066

Form AG-CBP-I
2/05

LISA MADIGAN
ATTORNEY GENERAL

Annual Non Profit Hospital Community Benefits Plan Report

Hospital or Hospital System: Adventist Midwest Health

Mailing Address: 120 N. Oak Street (Street Address/P.O. Box) Hinsdale, IL 60521 (City, State, Zip)

Physical Address (if different than mailing address):

_____ (Street Address/P.O. Box) _____ (City, State, Zip)

Reporting Period: 01 / 01 / 09 (Month / Day / Year) through 12 / 31 / 09 (Month / Day / Year) **Taxpayer Number:** 59-217002

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

Hospital Name	Address	FEIN #
Adventist Bolingbrook Hospital	500 Remington Blvd. Bolingbrook IL 60440	65-121-9504
Adventist GlenOaks Hospital	701 Winthrop Ave. Glendale Heights IL 60139	36-320-8390
Adventist Hinsdale Hospital	120 N. Oak St. Hinsdale IL 60521	36-227-6984
Adventist La Grange Memorial Hospital	5101 S. Willow Springs Rd La Grange IL	36-425-7550

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

2. **ATTACH Community Benefits Plan:**
The reporting entity must provide it's most recent Community Benefits Plan and specify the date it was adopted. The plan should be an operational plan for serving health care needs of the community. The plan must:
   1. Set out goals and objectives for providing community benefits including charity care and government-sponsored indigent health care.
   2. Identify the populations and communities served by the hospital.
   3. Disclose health care needs that were considered in developing the plan.

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

Charity Care..... $11,835,460

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

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

Community Benefit Type

Language Assistant Services	$ 220,382
Government Sponsored Indigent Health Care	$ 57,733,225
Donations	$ 1,083,021
Volunteer Services	
a) Employee Volunteer Services	$ ~~0~~
b) Non-Employee Volunteer Services	$ 412,798
c) Total (add lines a and b)	$ 412,798
Education	$ 8,671,031
Government-sponsored program services	$ ~~0~~
Research	$ 483,128
Subsidized health services	$ 974,436
Bad debts	$ 3,220,200
Other Community Benefits	$ 2,409,014

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

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

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

Elizabeth Lively Assoc. Vice President Name / Title (Please Print)	630-312-7504 Phone: Area Code / Telephone No.
Elizabeth Lively Signature	6-24-2010 Date.
Elizabeth Lively Name of Person Completing Form	630-312-7504 Phone: Area Code / Telephone No.
elizabeth.lively@ahss.org Electronic / Internet Mail Address	630-312-7945 FAX: Area Code / FAX No.

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ADVENTIST MIDWEST HEALTH
Charity Trend
FYE 2007 - 2009

Adventist Hinsdale	2007	2008	2009
Net Patient Revenue	280,807,004	287,250,520	286,681,356
Amount of Charity Care (charges)	23,900,667	12,297,279	13,544,638
Cost of Charity Care	6,425,280	3,381,752	3,318,437

Adventist La Grange Memorial	2007	2008	2009
Net Patient Revenue	140,254,179	152,666,126	165,717,499
Amount of Charity Care (charges)	8,016,011	9,285,465	11,058,633
Cost of Charity Care	2,348,732	2,618,501	2,731,483

Adventist GlenOaks	2007	2008	2009
Net Patient Revenue	64,564,941	69,364,311	82,429,354
Amount of Charity Care (charges)	6,891,963	6,770,651	10,584,463
Cost of Charity Care	1,925,926	2,044,737	3,154,170

Adventist Bolingbrook	2007*	2008	2009
Net Patient Revenue	n/a	91,966,696	113,074,768
Amount of Charity Care (charges)	n/a	14,298,573	18,352,741
Cost of Charity Care	n/a	4,032,198	4,679,949

*Adventist Boingbrook Hospital was not completed until 2008

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