

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

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

This Section must be completed for all projects.

NOV 23 2011

Facility/Project Identification

Facility Name:	Northwestern Memorial Hospital Outpatient Care Pavilion		
Street Address:	259 East Erie Street		
City and Zip Code:	Chicago, Illinois 60611		
County:	Cook	Health Service Area	6
		Health Planning Area:	A-01

HEALTH FACILITIES &
SERVICES REVIEW BOARD**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	Northwestern Memorial HealthCare
Address:	251 East Huron Street, Chicago, Illinois 60611
Name of Registered Agent:	Carol M. Lind
Name of Chief Executive Officer:	Dean Harrison
CEO Address:	251 East Huron Street, Chicago, Illinois 60611
Telephone Number:	312-926-3007

Type of Ownership of Applicant/Co-Applicant

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

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

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

Primary Contact

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

Name:	Ralph Weber
Title:	Director, Regulatory Facility Planning
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario Street Room 11-1104
Telephone Number:	312-926-2296
E-mail Address:	rweber@nmh.org
Fax Number:	312-926-4545

Additional Contact

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

Name:	Bridget Orth
Title:	Manager, Regulatory Facility Planning
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario Street Room 11-1103
Telephone Number:	312-926-8650
E-mail Address:	borth@nmh.org
Fax Number:	312-926-4545

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Facility/Project Identification

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Name of Chief Executive Officer:	Dean Harrison
CEO Address:	251 East Huron Street, Chicago, Illinois 60611
Telephone Number:	312-926-3007

Type of Ownership of Applicant/Co-Applicant

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

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- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

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

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Fax Number:	312-926-4545

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:	Bridget Orth
Title:	Manager, Regulatory Facility Planning
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario Street Room 11-1103
Telephone Number:	312-926-8650
E-mail Address:	borth@nmh.org
Fax Number:	312-926-4545

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Northwestern Memorial Hospital
Address of Site Owner:	251 East Huron Street, Chicago, IL 60611
Street Address or Legal Description of Site:	Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS 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:	Northwestern Memorial Hospital		
Address:	251 East Huron Street, Chicago, IL 60611		
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o 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:

- Substantive
 Non-substantive

Part 1120 Applicability or Classification:

[Check one only.]

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

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Northwestern Memorial Hospital (NMH) proposes to construct a 25-story medical office building with outpatient clinical services on the site immediately across from the Feinberg Pavilion between Erie and Ontario Streets at Fairbanks Court. The address of the new building will be 259 East Erie Street.

The Northwestern Memorial Hospital Outpatient Care Pavilion (OCP) will primarily house physician medical office and exam suites. It will also have two floors of hospital clinical services: diagnostic and treatment space and outpatient surgery. The OCP is anticipated to be 25 stories including a parking garage at its base and will be connected across East Erie Street to the Feinberg Pavilion by bridge at Level 2 and tunnel at the Lower Concourse (LC) level. It will also be connected by bridge across Fairbanks Court to the current parking structure at the southeast corner of Erie and Fairbanks Court.

There will be an off-street entry drive-through at-grade level, lobby/retail space on Floors 1 and 2 and 575 parking spaces on Floors 3 - 9. There will be mechanical floors on Floors 10 and 25. Loading docks and other support services will be located in the lower concourse level.

The OCP will provide 362,696 square feet of rentable space for physician office suites accommodating 195 to 250 physicians. There will be physician office space on Floors 11, 13 - 16, and 18 - 24.

Hospital-based Outpatient Surgical Services will be on Floor 12 for ambulatory cases discharged within a 23-hour period of their procedure. This project proposes 8 operating rooms and associated recovery space which will accommodate a wide range of intraoperative care for outpatients including but not limited to orthopedics, sports medicine, neuro surgery, and general surgery. Central Sterile Supply will also be located on this floor.

Outpatient Diagnostic and Therapeutic Services will be located on Floor 17. The Outpatient Diagnostic Clinic will consist of 1 CT, 2 MRIs, 2 General X-ray machines and 1 Ultrasound machine (relocated from Feinberg). The Outpatient Diagnostic Clinic will also contain exam rooms for diagnostic testing and pre-operative assessments which will provide full surgical evaluations, phlebotomy and EKG services for pre-surgical patients.

The project is classified as non-substantive because it is entirely limited to outpatient clinical service areas and non-clinical space and does not establish a new category of service.

Total project cost is \$322,826,935. The project close-out will be by March 30, 2015.

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			
Site Survey and Soil Investigation	\$ 21,309	\$ 331,476	\$ 352,785
Site Preparation	\$ 173,054	\$ 2,691,966	\$ 2,865,020
Off Site Work	\$ 106,564	\$ 1,657,671	\$ 1,764,235
New Construction Contracts	\$ 25,324,749	\$ 193,792,404	\$ 219,117,153
Modernization Contracts			
Contingencies	\$ 2,532,475	\$ 19,379,240	\$ 21,911,715
Architectural/Engineering Fees	\$ 1,609,824	\$ 6,700,605	\$ 8,310,429
Consulting and Other Fees	\$ 1,600,903	\$ 14,720,774	\$ 16,321,677
Movable or Other Equipment (not in construction contracts)	\$ 20,383,342	\$ 5,544,758	\$ 25,928,100
Bond Issuance Expense (project related)	\$ 925,090	\$ 2,100,910	\$ 3,026,000
Net Interest Expense During Construction (project related)	\$ 2,228,959	\$ 5,062,041	\$ 7,291,000
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	\$ 1,327,170	\$ 14,611,649	\$ 15,938,819
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$ 56,226,780	\$ 266,600,155	\$ 322,826,935
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$ 8,455,328	\$ 158,109,607	\$ 166,564,935
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$ 47,771,452	\$ 108,490,548	\$ 156,262,000
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$ 56,226,780	\$ 266,600,155	\$ 322,826,935
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

<p>Land acquisition is related to project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Purchase Price: \$ _____</p> <p>Fair Market Value: \$ _____</p>
<p>The project involves the establishment of a new facility or a new category of service</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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.</p> <p>Estimated start-up costs and operating deficit cost is \$ _____ N/A _____.</p>

Project Status and Completion Schedules

<p>Indicate the stage of the project's architectural drawings:</p> <p style="text-align: center;"><input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary</p> <p style="text-align: center;"><input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working</p>
<p>Anticipated project completion date (refer to Part 1130.140): <u>March 30, 2015</u></p>
<p>Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):</p> <p><input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.</p> <p><input checked="" type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies</p> <p><input type="checkbox"/> Project obligation will occur after permit issuance.</p>
<p>APPEND DOCUMENTATION AS <u>ATTACHMENT-8</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>

State Agency Submittals

<p>Are the following submittals up to date as applicable:</p> <p><input checked="" type="checkbox"/> Cancer Registry</p> <p><input checked="" type="checkbox"/> APORS</p> <p><input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted</p> <p><input checked="" type="checkbox"/> All reports regarding outstanding permits</p> <p>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</p>

Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
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: Northwestern Memorial Hospital		CITY: Chicago			
REPORTING PERIOD DATES: CY10 From: 1/1/10 to: 12/31/10					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	530	30,849	149,306	0	530
Obstetrics	134	12,329	36,208	0	134
Pediatrics	0	0	0	0	0
Intensive Care	115	5,035	27,279	0	115
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	29	1,634	13,119	0	29
Neonatal Intensive Care	86	1,135	10,099	0	86
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:	894	50,982	236,011	0	894

CERTIFICATION

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

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

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

Dean M. Harrison
 SIGNATURE

Dean M. Harrison
 PRINTED NAME

President and Chief Executive Officer, NMHC
 PRINTED TITLE

Dennis M. Murphy
 SIGNATURE

Dennis M. Murphy
 PRINTED NAME

Executive Vice President and Chief Operating Officer
 PRINTED TITLE

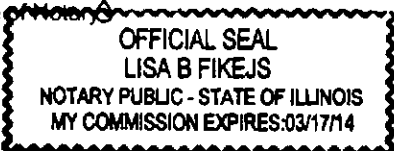
Notarization:
 Subscribed and sworn to before me
 this 25 day of NOVEMBER

Notarization:
 Subscribed and sworn to before me
 this 25 day of NOVEMBER

Lisa B. Fikejs
 Signature of Notary

Lisa B. Fikejs
 Signature of Notary

Seal 

Seal 

*Insert EXACT legal name of the applicant

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

This Application for Permit is filed on the behalf of Northwestern Memorial 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.

Dean M. Harrison

SIGNATURE

Dean M. Harrison
PRINTED NAME

President and Chief Executive Officer, NMHC
PRINTED TITLE

Dennis M. Murphy

SIGNATURE

Dennis M. Murphy
PRINTED NAME

Executive Vice President and Chief Operating Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 25 day of NOVEMBER

Lisa B. Fikejs
 Signature of Notary OFFICIAL SEAL
 LISA B FIKEJS
 Seal NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES:03/17/14

Notarization:
Subscribed and sworn to before me
this 25 day of NOVEMBER

Lisa B. Fikejs
 Signature of Notary OFFICIAL SEAL
 Seal LISA B FIKEJS
 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES:03/17/14

*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
 - 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

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

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

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

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

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

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

UNFINISHED OR SHELL SPACE:

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 to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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.

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

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

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

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities
		and/or
	(c)(2) -	Necessary Expansion
		PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility
<p>APPEND DOCUMENTATION AS <u>ATTACHMENT-37</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>		

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

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	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

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)	Year	Year	Year
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	22-23
2	Site Ownership	24-29
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	N/A
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	30
5	Flood Plain Requirements	31-32
6	Historic Preservation Act Requirements	33-34
7	Project and Sources of Funds Itemization	35-39
8	Obligation Document if required	40-71
9	Cost Space Requirements	72
10	Discontinuation	N/A
11	Background of the Applicant	73-74
12	Purpose of the Project	75-76
13	Alternatives to the Project	77-87
14	Size of the Project	88-115
15	Project Service Utilization	116-125
16	Unfinished or Shell Space	N/A
17	Assurances for Unfinished/Shell Space	N/A
18	Master Design Project	N/A
19	Mergers, Consolidations and Acquisitions	N/A
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	N/A
21	Comprehensive Physical Rehabilitation	N/A
22	Acute Mental Illness	N/A
23	Neonatal Intensive Care	N/A
24	Open Heart Surgery	N/A
25	Cardiac Catheterization	N/A
26	In-Center Hemodialysis	N/A
27	Non-Hospital Based Ambulatory Surgery	N/A
28	General Long Term Care	N/A
29	Specialized Long Term Care	N/A
30	Selected Organ Transplantation	N/A
31	Kidney Transplantation	N/A
32	Subacute Care Hospital Model	N/A
33	Post Surgical Recovery Care Center	N/A
34	Children's Community-Based Health Care Center	N/A
35	Community-Based Residential Rehabilitation Center	N/A
36	Long Term Acute Care Hospital	N/A
37	Clinical Service Areas Other than Categories of Service	126-132
38	Freestanding Emergency Center Medical Services	N/A
	Financial and Economic Feasibility:	
39	Availability of Funds	133-139
40	Financial Waiver	134-139
41	Financial Viability	134-139
42	Economic Feasibility	140-142
43	Safety Net Impact Statement	143
44	Charity Care Information	144-146



To all to whom these Presents Shall Come, Greeting:

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

NORTHWESTERN MEMORIAL HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 30, 1981, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1121401830

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 2ND day of AUGUST A.D. 2011

Jesse White

SECRETARY OF STATE

ATTACHMENT-1



To all to whom these Presents Shall Come, Greeting:

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

NORTHWESTERN MEMORIAL HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 01, 1972, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1121401816

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 2ND day of AUGUST A.D. 2011 .

Jesse White

SECRETARY OF STATE

ATTACHMENT-1

**Owner/Lessee
Attorney Verification Form**

**Cook County
Board of Review**

2101

2008 Complaint No.: _____
P.I.N.: 17-10-203-022; 17-10-203-023;

Address: 240 E. Ontario


City: CHICAGO State: IL Zip: _____ Township: NORTH

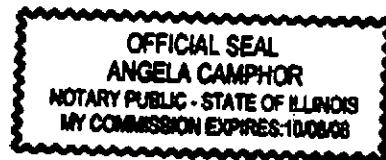
I, Peter J. McCanna, being first duly sworn on oath state that:

1. I am _____ an Owner, Executor or Trust Beneficiary (check one) of this property; or
_____ a Lessee (tenant) liable for real estate tax of the property; or
_____ a former owner liable for real estate tax; or
 X a duly authorized Officer of the Northwestern Memorial Hospital corporation, partnership or LLC which owns the property described above.

2. I have personal knowledge that the above - described property
 X has not been purchased within the last 3 years; or
_____ has been purchased on or after January 1, 2005
Purchase Price: \$ _____ Date of Purchase _____

3. For assessment year 2008, I have explicitly authorized the following Attorney/Law Firm: **EDWARD M. BURKE OF KLAFTER AND BURKE** to represent me before the Cook County Board of Review.


Affiant Owner/Lessee



[SEAL]

Subscribed and sworn to before me,
this 10 day of October, 2006.


Notary Public or Board Deputy

My commission expires: 10/08/08

I certify that I have entered into the attorney - client relationship with the affiant, and I have read the accompanying assessed valuation complaint, have personal knowledge of the contents thereof, and the same is true in substance and in fact, and further I so certify all under the penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure.

Date

Attorney

B.O.R. Attorney Code

NORTH 2101



James M. Houlihan
Cook County Assessor

Cook County Assessor's Office
118 North Clark Street Chicago, IL 60602
Phone: 312.443.7550
Website: www.cookcountyassessor.com

6912432153



Owner / Lessee Verification Affidavit

Tax Year

2 0 0 6

Subject Property Permanent Index Number(s)

1 7 - 1 0 - 2 0 3 - 0 2 2 - [] [] [] []

1 7 - 1 0 - 2 0 3 - 0 2 3 - [] [] [] []

[] [] - [] [] - [] [] [] [] - [] [] [] []

[] [] - [] [] - [] [] [] [] - [] [] [] []

[] [] - [] [] - [] [] [] [] - [] [] [] []

[] [] - [] [] - [] [] [] [] - [] [] [] []

(Attach separate sheet for additional PINs)

Owner / Taxpayer

N O R T H W E S T E R N M E M O R I A L H O S P I T A L [] [] [] []

Owner's Street Address

2 4 0 E O N T A R I O [] [] [] [] [] [] [] []

Daytime Phone Number

(3 1 2) 9 2 6 - 2 9 0 0

City

C H I C A G O [] [] [] [] [] [] [] []

State

I L

Zip

6 0 6 1 1 - [] [] [] []

Property Street Address

2 4 0 E A S T O N T A R I O S T [] [] [] [] [] [] [] []

Township

N O R T H [] [] [] [] [] [] [] []

City

C H I C A G O [] [] [] [] [] [] [] []

State

I L

Zip

6 0 6 1 1 - [] [] [] []

First Name

I, P E T E R [] [] [] [] [] [] [] []

MI

J

Last Name

M C C A N N A [] [] [] [] [] [] [] []

being first duly sworn on oath state:

- 1. That I am the (please check one)
 - An Owner of the property described above
 - A Lessee of the property described above
 - A Tax buyer of the property described above [years(s) purchased] _____
 - A Duly authorized Officer/Agent of the Northwestern Memorial Hospital corporation/partnership which owns the property described above

2. I have sufficient knowledge of the operations of the above property to execute this affidavit

- 3. I have personal knowledge that the above property
 - has not been purchased within the last 5 years;
 - has been purchased within the last 5 years;

If sold: Purchase Price [] [] [] [] [] [] [] [] , [] [] [] [] [] [] [] [] , [] [] [] [] [] [] [] [] Date of Purchase [] [] [] [] / [] [] [] [] / [] [] [] []

Form 51

For optimum accuracy, please print in black ink in capital letters only and avoid contact with the edge of the box.

North 2101



James M. Houlihan
Cook County Assessor

Cook County Assessor's Office
118 North Clark Street Chicago, IL 60602
Phone: 312.443.7550
Website: www.cookcountyassessor.com

9730432154



Owner / Lessee Verification Affidavit

4. that for the assessment year I have authorized

whose name appears on the appeal form to represent me before the Assessor relative to the assessment of the property listed.

5. that any income and expense information provided by me, either directly or through my representative, accurately reflects the result of the operations.

Signature of Affiant

Peter M...

Affiant's Street Address

Daytime Phone Number

() -

City

State

Zip

-

Subscribed and sworn before me this day of

October, 2006.

Signature of Notary Public

Angela Camphor

OFFICIAL SEAL
ANGELA CAMPHOR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/08/08

Notary Stamp

As appointed representative for the owner/lessee of the property described above, I affirm that I have read the Cook County Assessor's Rules for Filing Appeals.

Signature of Representative

Date

/ /

First Name

MI

Last Name

Representative Code

Street Address

Daytime Phone Number

() -

City

State

Zip

-

Form 51

For optimum accuracy, please print in black ink in capital letters only and avoid contact with the edge of the box.

**Owner/Lessee
Attorney Verification Form**

**Cook County
Board of Review**

2107

2007 Complaint No.:

P.I.N.: 17-10-203-020; 17-10-203-021;

Address: 259 E. Erie

City: CHICAGO

State: IL Zip:

Township: NORTH

I, Peter J. McCanna, being first duly sworn on oath state that:

1. I am

 an Owner, Executor or Trust Beneficiary (check one) of this property; or

 a Lessee (tenant) liable for real estate tax of the property; or

 a former owner liable for real estate tax; or

 X a duly authorized Officer of the Northwestern Memorial Hospital corporation, partnership or LLC which owns the property described above.

2. I have personal knowledge that the above - described property

 X has not been purchased within the last 3 years; or

 X has been purchased on or after January 1, 2004

Purchase Price: \$ Date of Purchase

3. For assessment year 2007, I have explicitly authorized the following Attorney/Law Firm: **EDWARD M. BURKE OF KLAFTER AND BURKE** to represent me before the Cook County Board of Review.

Peter J. McCanna
Affiant Owner/Lessee



Subscribed and sworn to before me,
this 10 day of October, 2006.

Angela Camphor
Notary Public or Board Deputy

My commission expires: 10/08/08

I certify that I have entered into the attorney - client relationship with the affiant, and I have read the accompanying assessed valuation complaint, have personal knowledge of the contents thereof, and the same is true in substance and in fact, and further I so certify all under the penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure.

Date

Attorney

B.O.R. Attorney Code

NORTH 2107



James M. Houlihan
Cook County Assessor

Cook County Assessor's Office
118 North Clark Street Chicago, IL 60602
Phone: 312.443.7550
Website: www.cookcountyassessor.com

6912432153



Owner / Lessee Verification Affidavit

Tax Year

2 0 0 6

Subject Property Permanent Index Number(s)

1 7 - 1 0 - 2 0 3 - 0 2 0 - [] [] [] []

1 7 - 1 0 - 2 0 3 - 0 2 1 - [] [] [] []

[] - [] - [] - [] - [] [] [] []

[] - [] - [] - [] - [] [] [] []

[] - [] - [] - [] - [] [] [] []

[] - [] - [] - [] - [] [] [] []

(Attach separate sheet for additional PINs)

Owner / Taxpayer

N O R T H W E S T E R N M E M O R I A L H O S P I T A L

Owner's Street Address

2 4 0 E O N T A R I O

Daytime Phone Number

(3 1 2) 9 2 6 - 2 9 0 0

City

C H I C A G O

State

I L

Zip

6 0 6 1 1 - [] []

Property Street Address

2 5 9 E A S T E R I E

Township

N O R T H

City

C H I C A G O

State

I L

Zip

6 0 6 1 1 - [] []

First Name

I, P E T E R

MI

J

Last Name

M C C A N N A

being first duly sworn on oath state:

- 1. That I am the (please check one)
 - An **Owner** of the property described above
 - A **Lessee** of the property described above
 - A **Tax buyer** of the property described above [years(s) purchased] _____
 - A Duly authorized **Officer/Agent** of the Northwestern Memorial Hospital corporation/partnership which owns the property described above

2. I have sufficient knowledge of the operations of the above property to execute this affidavit

- 3. I have personal knowledge that the above property
 - has not been purchased within the last 5 years;
 - has been purchased within the last 5 years;

If sold: Purchase Price [] [] [] [] [] [] [] [] [] [] Date of Purchase [] [] / [] [] / [] [] [] []

Form 51

For optimum accuracy, please print in black ink in capital letters only and avoid contact with the edge of the box.

North 2107



James M. Houlihan
Cook County Assessor

Cook County Assessor's Office
118 North Clark Street Chicago, IL 60602
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9730432154



Owner / Lessee Verification Affidavit

4. that for the assessment year I have authorized

whose name appears on the appeal form to represent me before the Assessor relative to the assessment of the property listed.

5. that any income and expense information provided by me, either directly or through my representative, accurately reflects the result of the operations.

Signature of Affiant

[Handwritten Signature]

Affiant's Street Address

City

State

Zip

Daytime Phone Number

() -

Subscribed and sworn before me this day of

OCTOBER, 2006

[Handwritten Signature]
Signature of Notary Public

OFFICIAL SEAL
ANGELA CAMPHOR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/09/08
Notary Stamp

As appointed representative for the owner/lessee of the property described above, I affirm that I have read the Cook County Assessor's Rules for Filing Appeals.

Signature of Representative

Date

First Name

MI

Last Name

Representative Code

Street Address

City

State

Zip

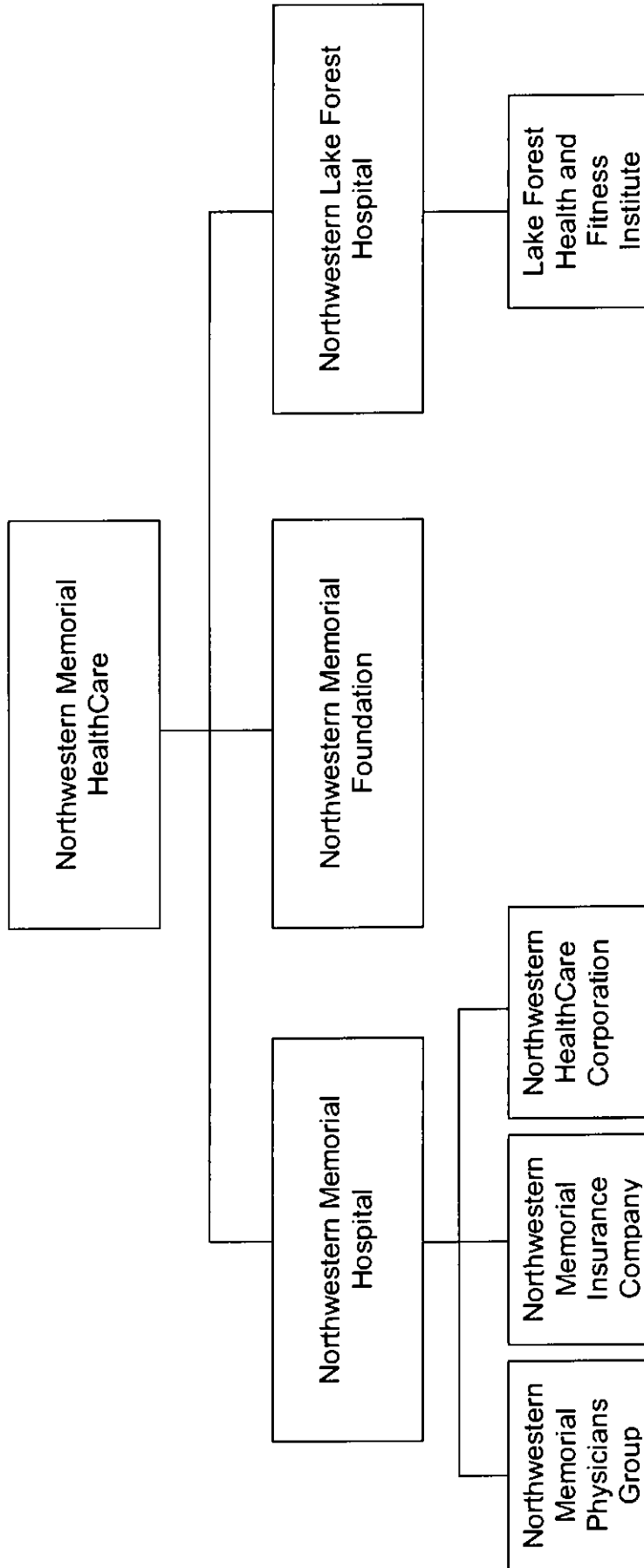
Daytime Phone Number

() -

Form 51

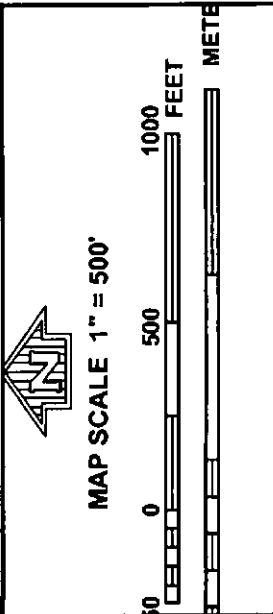
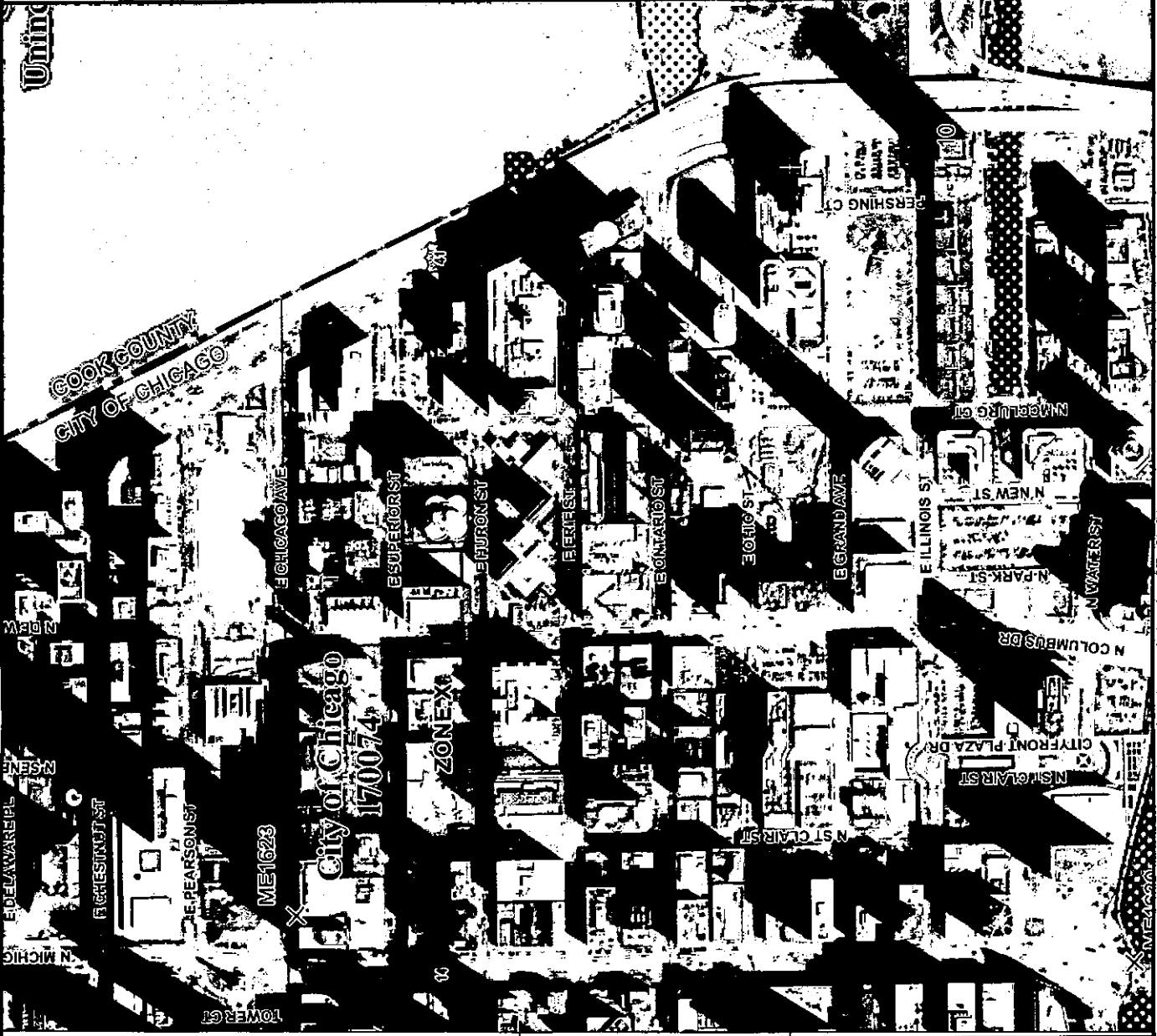
For optimum accuracy, please print in black ink in capital letters only and avoid contact with the edge of the box.

NMHC Organizational Chart



Flood Plain Requirements

The location for the proposed Outpatient Care Pavilion (OCP) project is 259 East Erie Street, between Erie Street and Ontario Street at Fairbanks Court. As shown on the map on the following page, the project will not be located in a special flood hazard area and therefore complies with the requirements of Illinois Executive Order #2005-5.



NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0438J

FIRM
FLOOD INSURANCE RATE MAP
COOK COUNTY,
ILLINOIS
AND INCORPORATED AREAS

PANEL 438 OF 832
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINER	NUMBER	PANEL	SUFFIX
COMMUNITY	170074	0438	J
CITY OF	170054	0438	J
COUNTY			

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

MAP NUMBER
17031C0438J
MAP REVISED
AUGUST 19, 2008

Federal Emergency Management Agency



This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

Historic Resources Preservation Act Requirements

The location for the proposed Outpatient Care Pavilion (OCP) project is 259 East Erie Street, the site formerly occupied by buildings at addresses 259 East Erie Street and 240 East Ontario Street. The attached letter from the Illinois Historic Preservation Agency indicates that the project area is not considered a historic, architectural or archaeological site.



**Illinois Historic
Preservation Agency**

FAX (217) 782-8161

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

Cook County
Chicago

CON - Demolition and New Construction of Outpatient Care Pavilion
259 E. Erie St., 240 E. Ontario St.
IHPA Log #008062711

October 27, 2011

Ralph Weber
Northwestern Memorial Hospital
251 E. Huron St.
Chicago, IL 60611-2908

Dear Mr. Weber:

This letter is to inform you that we have reviewed the additional 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

Project Costs and Sources of Funds

The line item costs attributed to clinical components were calculated as a percentage of clinical square footage or clinical cost to the total project when actual break-outs were not available.

Itemization of each line item:

Line 2 – Site Survey and Soil Investigation – (\$352,786) – this includes:

- Soil testing
- Survey work
- Environmental/archeological site assessments
- Hazardous soils materials testing

Of the total amount, \$21,179 is the clinical Site Survey and Soil Investigation cost.

Line 3 – Site Preparation – (\$2,865,021) – this includes:

- Excavation and backfill

Of the total amount, \$171,999 is the clinical Site Preparation cost which is 0.6% of the clinical construction and contingencies cost.

Line 4 – Off Site Work – (\$1,764,235) – this includes:

- Removal of existing sidewalks, planters, lighting, and signage outside of the property line
- Allowance for the replacement of the ComEd sidewalk vault top slab in the sidewalk
- Realignment and widening of Fairbanks Street
- New sidewalks, curbs, planters, landscaping, street lighting and site furniture per campus standards outside of the property line
- Two pedestrian campus directories
- Plumbing and electrical connections to utilities in the street starting from the property line

Of the total amount, \$105,914 is the clinical Off Site Work cost.

Line 5 – New Construction Contracts – (\$219,117,153) – this includes:

- All construction contracts/costs to complete the project (excluding those costs that are considered an expense of operation such as demolition). Includes Group I fixed equipment and contractor's markups, overhead, and profit. Costs are escalated to the mid-point of construction (FY13).
- Tenant improvement allowances are included in this line item. An escrow account for tenant build-outs remaining after project close-out will be established.

Of the total amount, \$25,328,547 is the clinical Construction cost. There will be 59,978 BGSF of clinical space in the proposed project, resulting in a clinical cost/sf of \$422.30.

Line 7 – Contingencies - (\$21,911,715) – this includes:

- Allowance for unforeseen new construction costs

Of the total amount, \$2,532,855 is the clinical Contingency cost which is 10% of the clinical construction cost.

Line 8 – Architectural / Engineering Fees – (\$8,310,429) – this includes:

- Schematic Design:
 - Develop diagrammatic plans and documentation to describe the size and character of the space in a way that meets all programmatic and functional objectives, as well as accounting for all existing structure, shafts, elevators and stairs, communications and electrical closets, and all other pre-existing design constraints.
 - Evaluate the capacity of all building systems (such as electrical, mechanical, plumbing, fire protection, pneumatic tube and vertical transportation) as well as support functions (such as materials management) to determine modifications necessary for the new uses proposed on the floors.
- Design Development
 - Develop detailed drawings and documentation to describe the size and character of the space. Includes room layouts, structural, mechanical, electrical, and plumbing.
 - The equipment and furniture consultants will prepare room-by-room FF&E requirements lists. The requirements lists identify room name, item description, product specification, and total quantity required. The product specifications include installation requirements that will be provided to the architect/engineer to ensure that spaces and building systems are planned to appropriately accommodate the equipment.
- Construction Documents:
 - Provide proposed Reconciled Statement of Probable Construction Cost
 - Provide drawings and specifications
 - Prepare documentation for alternate bids
 - Assist in filing Construction Documents for approval by City and State agencies
 - Signage and Way Finding expertise
- Bidding and Negotiation Phase Services:
 - Revise Construction Documents as necessary in accordance with Reconciled Statement of Probable Construction Cost

Of the total amount, \$1,609,824 is the clinical Architectural / Engineering Fee which is 5.78% of the clinical construction and contingencies cost.

Line 9 – Consulting and Other Fees – (\$16,321,677) – this includes:

- Charges for the services of various types of consulting and professional experts including:
 - Testing and Inspection
 - Commissioning Consultant
 - Legal and Accounting Services
 - Architectural Consulting and Model Development
 - Art Consultants
 - Universal Code Searches
 - Development Manager Fees
 - Building Information Modeling ("BIM") Services
 - Permit Expeditors
 - Pre-Construction Services
 - Third Party Cost Estimating
 - Traffic Consultant
 - Equipment Planning Consultant

- Telecommunications Consultant
- Code Consultant
- LEED/Sustainable Design Consultant
- Activation/Transition Planning Consultant
- Functional Programming Consultant
- Vibration Consultant
- Materials Management Consultant
- Retail Consultant
- Exterior Wall Consultant

Specific budgets by consultant type have not been set at this stage.

Of the total amount, \$1,595,225 is the clinical Consultant and Other Fees cost.

Line 10 – Movable Capital Equipment – (\$25,928,100) – this includes:

- All furniture, furnishings, and equipment for the Shell and Core, Parking Garage, Surgery Floor and Outpatient Diagnostic Center. Group I (fixed) equipment is included in the new construction line item above. Group II and III medical equipment is included herein. The equipment cost is a budget yet to be finalized.

At this stage, the itemized list of equipment to be purchased is not complete. The aggregate equipment budget, however, is considered appropriate, as it is based on input from consultants and NMH personnel with experience on previous projects on campus.

The medical equipment consultant, and other furnishings consultants such as the art consultant and signage consultant, will be retained to provide specific expertise during equipment and furnishing procurement and specification, and to assist the hospital in ensuring effective use of available funding. The cost of these consultants is included in Line 9 – Consulting and Other Fees. Equipment and furnishing planning will be closely coordinated with architectural design. Furniture procurement will be managed by the hospital with support from outside consultants.

Total acquisition costs will be evaluated during market assessment and contract award, including purchase, installation, training, and maintenance. The approval process during contract award will be consistent with existing Hospital financial procedures.

Consultant services related herein may include: development of bid and contract documents, preparation of requests for proposal, analysis of bids and contract award, placement of purchase orders, delivery scheduling, expediting, warehousing, receiving, acceptance, and approval for payment.

Product standards will facilitate detailed equipment planning and appropriate building design, maximize the effectiveness of competitive bidding, and minimize costs for training and long-term maintenance.

A major assumption within the cost estimate is that current prices have been escalated to 2014 prices.

The following list identifies types of equipment in the estimate:

Surgical Services

- Dual-Head LED Lights with Equipment Booms

- Anesthesia Boom and Video Display Arms
- Anesthesia Machine with Physiological Monitoring
- Portable Ultrasounds
- Fluid Waste System
- Electrosurgical Unit
- Endoscopy Equipment
- PACS Review Station
- Neuro Microscopes
- Mobile Radiographic Unit
- CR Reader
- Flash Sterilizers
- Scope Washers
- Fluid Waste Dockers
- Physiological Monitoring
- Headwalls
- Surgical Tables
- Scrub Dispensers
- Automatic Tourniquet System
- Patient Stretchers
- Suction Regulator
- Flowmeters
- Furniture: Lobby Seating, Patient Chairs, Staff Seating and Workstations, Files
- Refrigerators, Dishwashers, Ice Makers, Coffee Dispensers
- Telephones, Copiers, Printers, PCs, Televisions
- Miscellaneous Items: Glove Dispensers, Sharps Receptacles, Hampers, Waste Containers
- Housekeeping Equipment

Central Sterile Supply

- Ultrasonic Cleaner
- Washer Disinfector
- Prep and Pack Workstations
- Cart Washer
- Steam Sterilizers
- Water Softener and Deionized Water System
- Low Temperature Sterilizers
- Instrument Tracking System
- Wrapping Tables
- Tray Transfer System for Washer Disinfectors

Outpatient Diagnostic Clinic

- (1) CT Scanner
- (2) MRI, 3T
- (2) EKG Cardiographs
- (2) Digital Radiographic Systems
- (1) Disinfector, Ultrasound Transducer
- (1) Cytocentrifuge
- (1) Pump Infusion, Single Channel

- (2) Defibrillator/Monitor
- (3) Vital Signs Monitors
- (4) Glucose Analyzers
- (18) LED Exam Lights
- (2) Hovermatt Patient Transfer Systems
- (3) Patient Lifts
- (7) Patient Stretchers
- (7) Treatment Recliners
- (2) CD Bumers
- Refrigerators, Dishwashers, Ice Makers, Coffee Dispensers
- Furniture: Lobby Seating, Patient Chairs, Staff Seating and Workstations, Files
- Carts: Blood Draw, Crash, Exchange, Linen, MRI Compatible, Procedure, Utility, Wire
- Telephones, Copiers, Printers, PCs, Televisions
- Miscellaneous Items: Glove Dispensers, Sharps Receptacles, Hampers, Waste Containers

Of the total amount, \$20,383,342 is the clinical component of the Moveable Capital Equipment cost.

Line 11 – Bond Issuance Expense – (\$3,026,000) – this includes:

All costs associated with the issuance of the \$156,262,000 bond issue, including issuer's fees, bond counsel's fee, printing costs, underwriters' discount, etc.

Of the total amount, \$925,090 is the clinical component of the Bond Issuance Expense.

Line 12 – Net Interest Expense During Construction – (\$7,291,000) – this represents:

The difference between the interest earned on the bond funds and the interest expense on the bonds.

Of the total amount, \$2,228,959 is the clinical component of the Net Interest Expense During Construction.

Line 14 – Other Costs To Be Capitalized – (\$15,938,819) – this includes:

- In-House Staff (Contracted Project Managers)
- Permits and Fees
- Printing Costs
- Insurance (professional liability, builder's risk, excess general liability and worker's compensation)
- Project Web-Cam
- Project Office Build-Out Costs
- Architect Construction Administration Work

Of the total amount, \$1,323,846 is the clinical component of the Other Costs to be Capitalized.

Project Status and Completion Schedules

Stage of the project's architectural drawings: Schematics

Floor plans for each floor of the proposed project are included following this page.

Anticipated project construction start date: June, 2012

Anticipated midpoint of construction date: August, 2013

Anticipated project construction substantial completion date: September, 2014

Anticipated project completion date: March 30, 2015. An escrow account will be established for tenant improvement allowances for physician office build-outs after March, 2015.

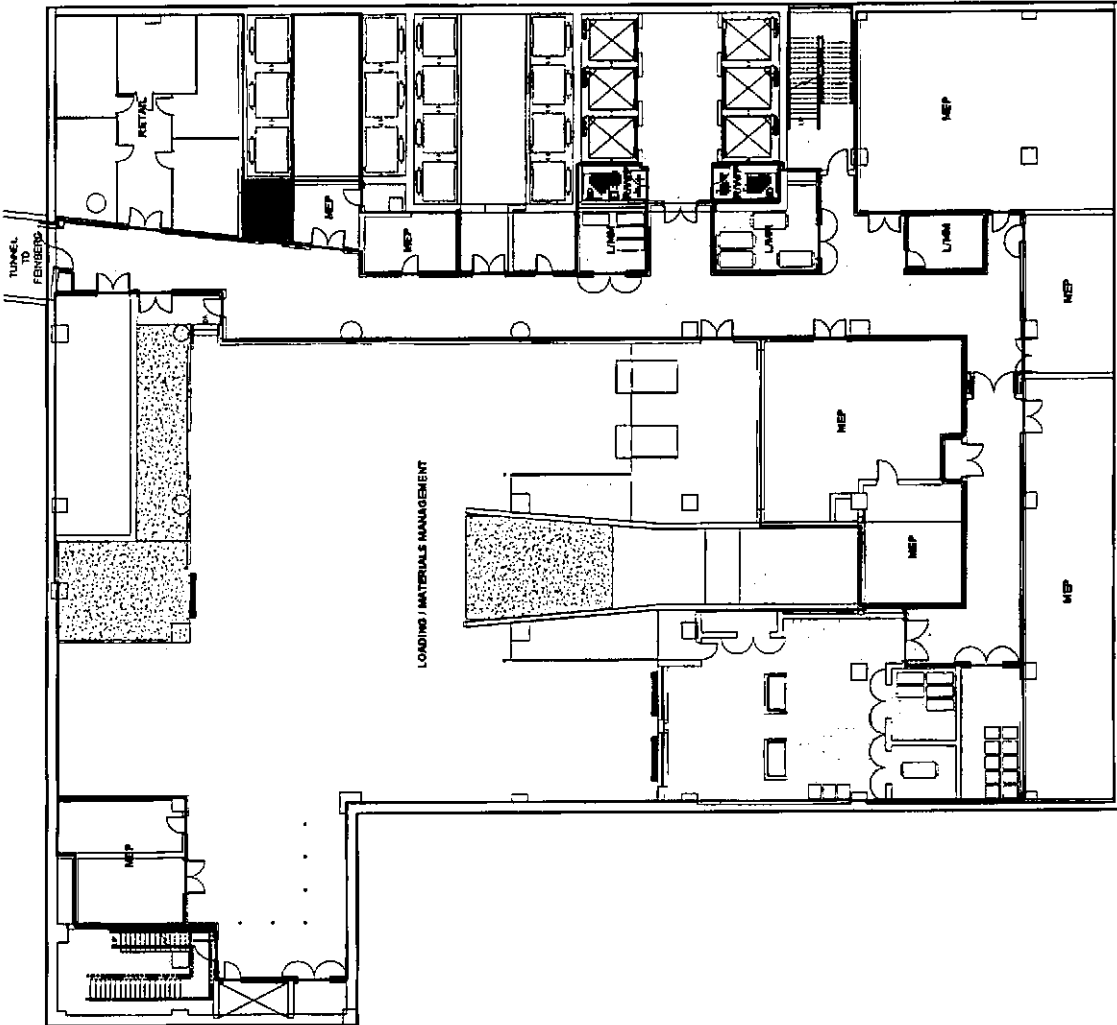
Project obligation is contingent upon permit issuance. NMH plans to sign the contract (GMAX Amendment) with the general construction contractor in December, 2011, that will be subject to CON approval. This contract will obligate the project.

A sample of the contract is included following the floor plans in this section.



Outpatient Care Pavilion
255 East Erie Street, Chicago IL 60611

Certificate of Need



DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	102 SF
L/M/M	14670 SF
R/W/RE	194 SF
RTL	1347 SF
MEP	5996 SF
MEP	9447 SF
TOTAL FLOOR AREA	31756 SF
TUNNELS	1194 SF



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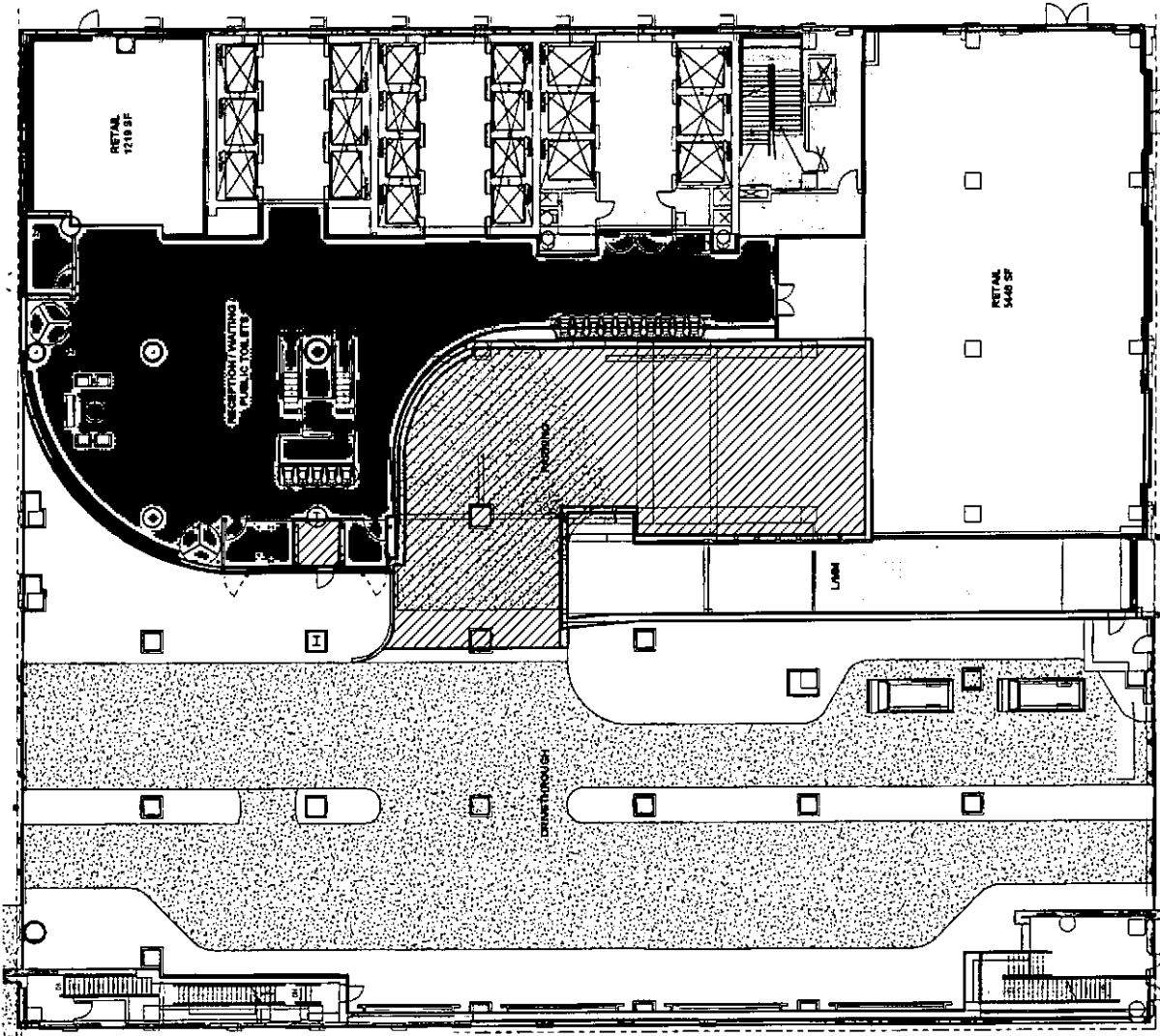
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 Outpatient Care Pavilion
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Certificate of Need

DEPARTMENT NAME	DGSF
L/MM	1611 SF
LOADING / MATERIALS MANAGEMENT	
PARKING	3745 SF
R/W/RT	5526 SF
RECEPTION / WAITING / PUBLIC TOILETS	
RTL	6659 SF
RETAIL	
FLOOR GROSS	7015 SF
TOTAL FLOOR AREA	24556 SF
DRIVETHROUGH	16230 SF



LEVEL 01 
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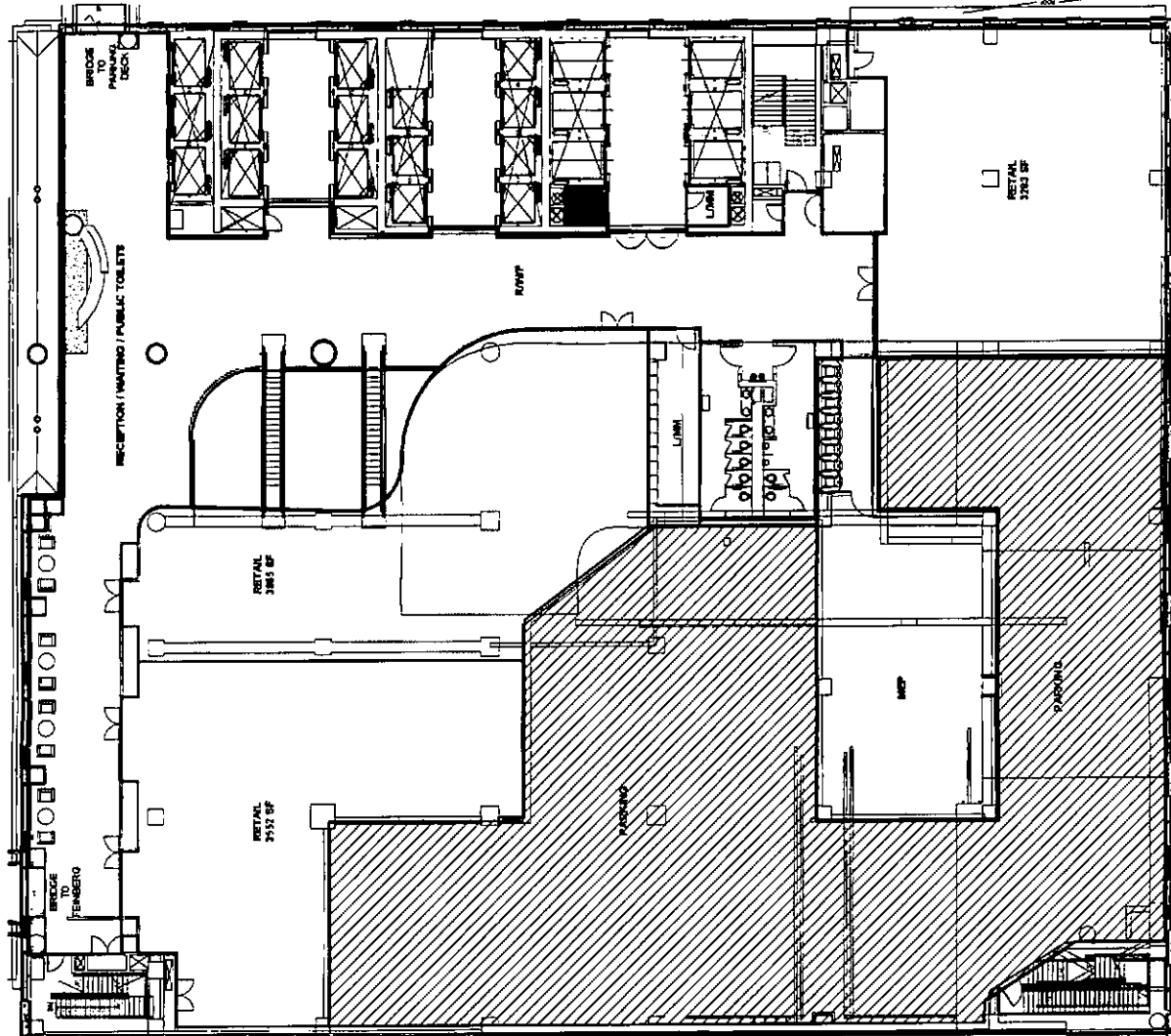
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
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Certificate of Need

DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	58 SF
LOADING / MATERIALS MANAGEMENT	421 SF
PARKING	12265 SF
R/W/P RECEPTION / WAITING / PUBLIC TOILETS	7330 SF
R/L	10700 SF
MEP	2273 SF
FLOOR GROSS	6834 SF
TOTAL FLOOR AREA	39881 SF
BRG	2648 SF



LEVEL 02 
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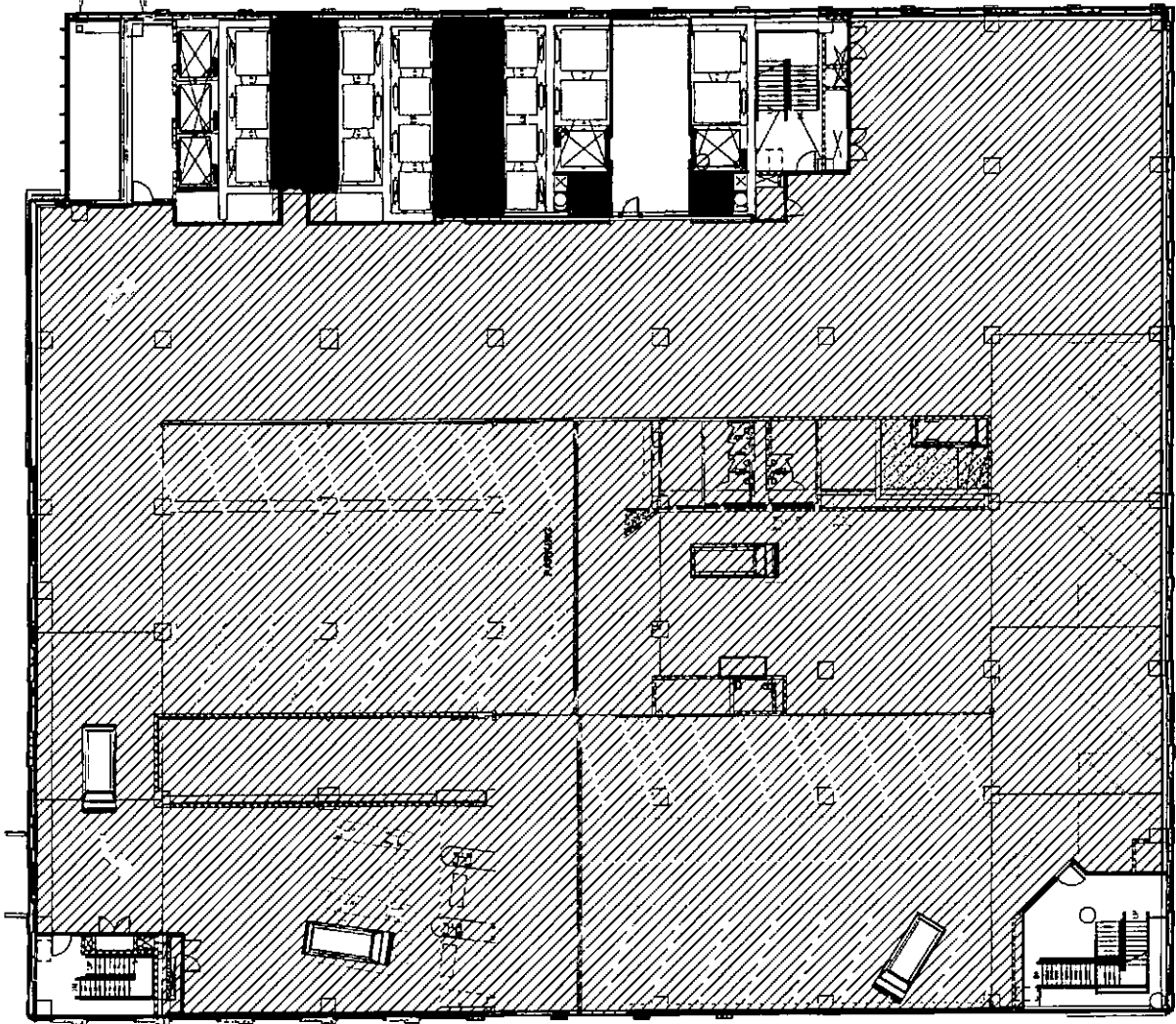
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Certificate of Need

DEPARTMENT NAME	DGSF
PARKING	33213 SF
STORAGE	992 SF
FLOOR GROSS	6168 SF
TOTAL FLOOR AREA	40373 SF



LEVEL 03
SCALE: 1/32" = 1'-0"

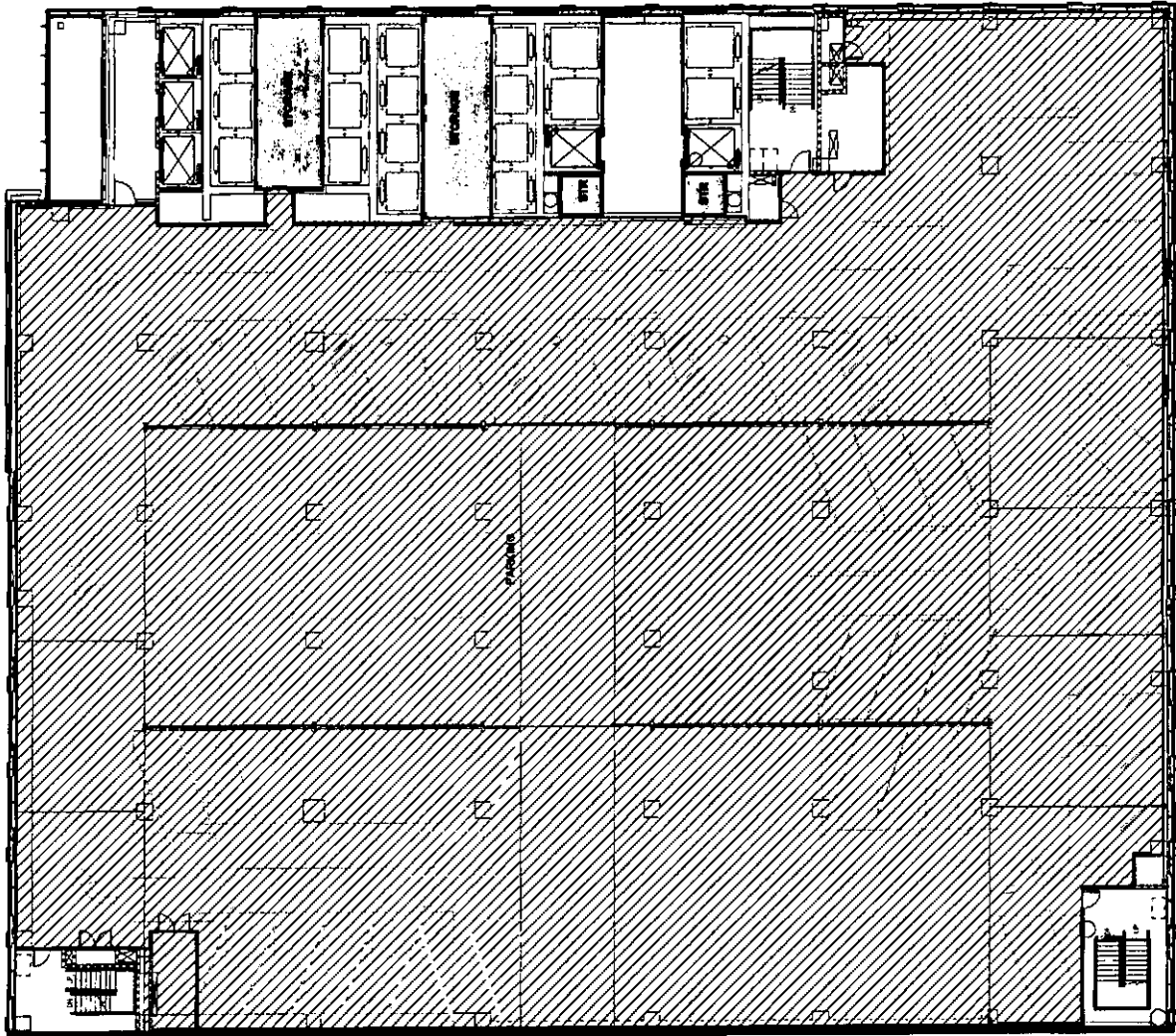
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Certificate of Need

DEPARTMENT NAME	DGSF
PARKING	33219 SF
STORAGE	992 SF
FLOOR GROSS	6162 SF
TOTAL FLOOR AREA	40373 SF



LEVEL 04
SCALE: 1/32" = 1'-0"

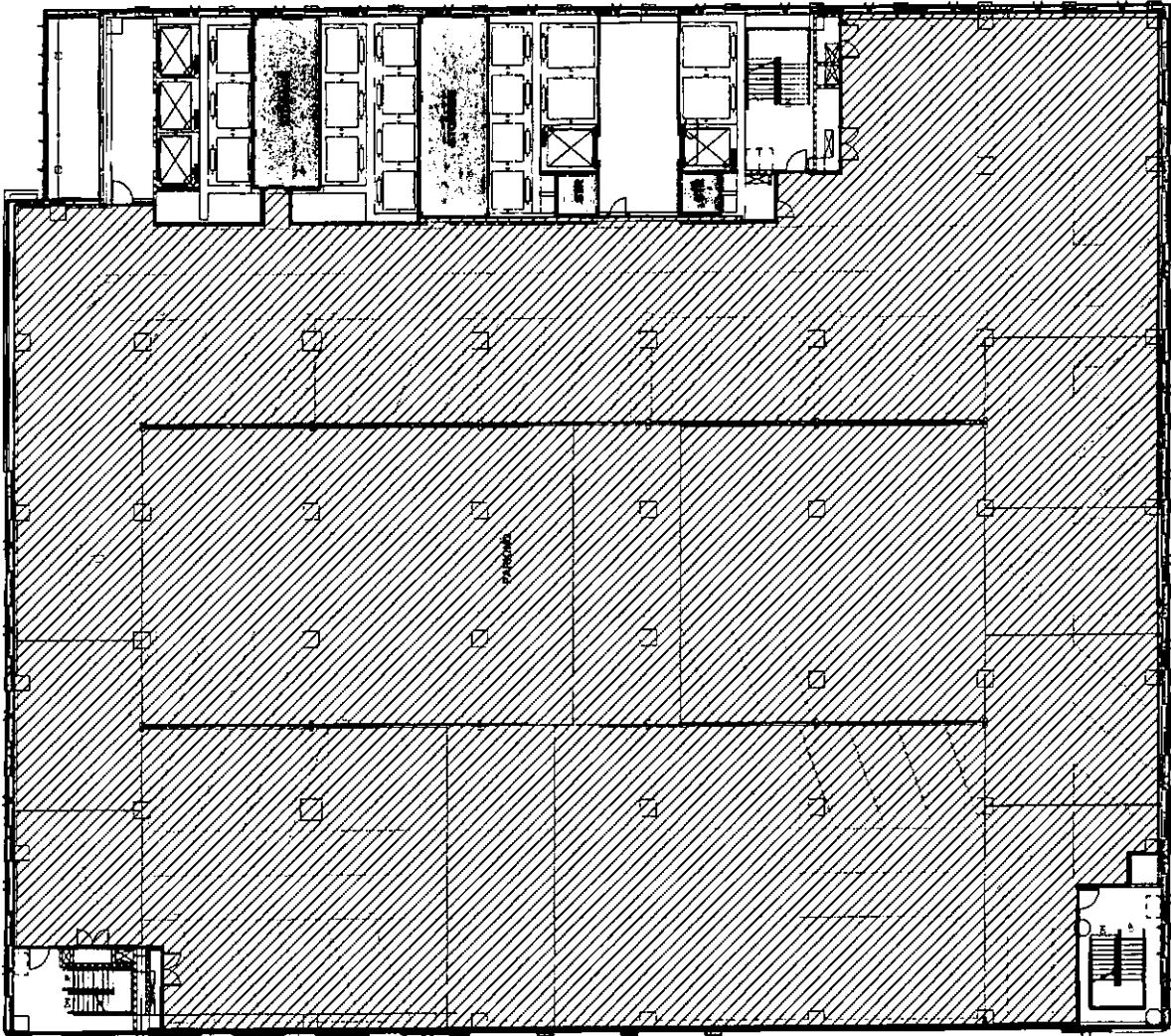
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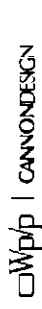
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Certificate of Need

DEPARTMENT NAME	DGSF
PARKING	33481 SF
STORAGE	992 SF
FLOOR GROSS	5900 SF
TOTAL FLOOR AREA	40373 SF



LEVEL 05 
SCALE: 1/32" = 1'-0"

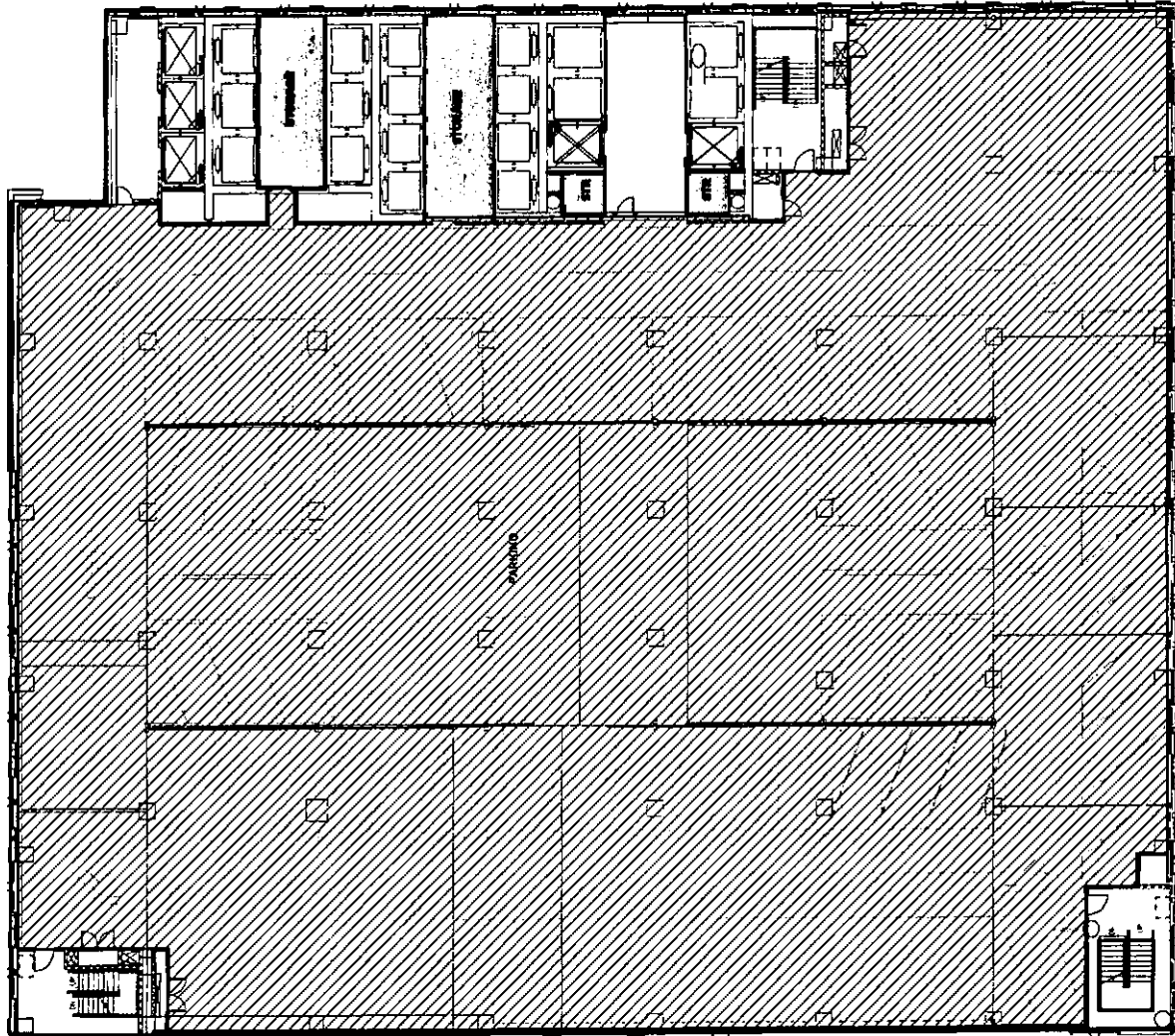
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Northwestern Memorial*
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DEPARTMENT NAME	DGSF
PARKING	33481 SF
STORAGE	992 SF
FLOOR GROSS	5866 SF
TOTAL FLOOR AREA	40339 SF



LEVEL 06 
SCALE: 1/32" = 1'-0"

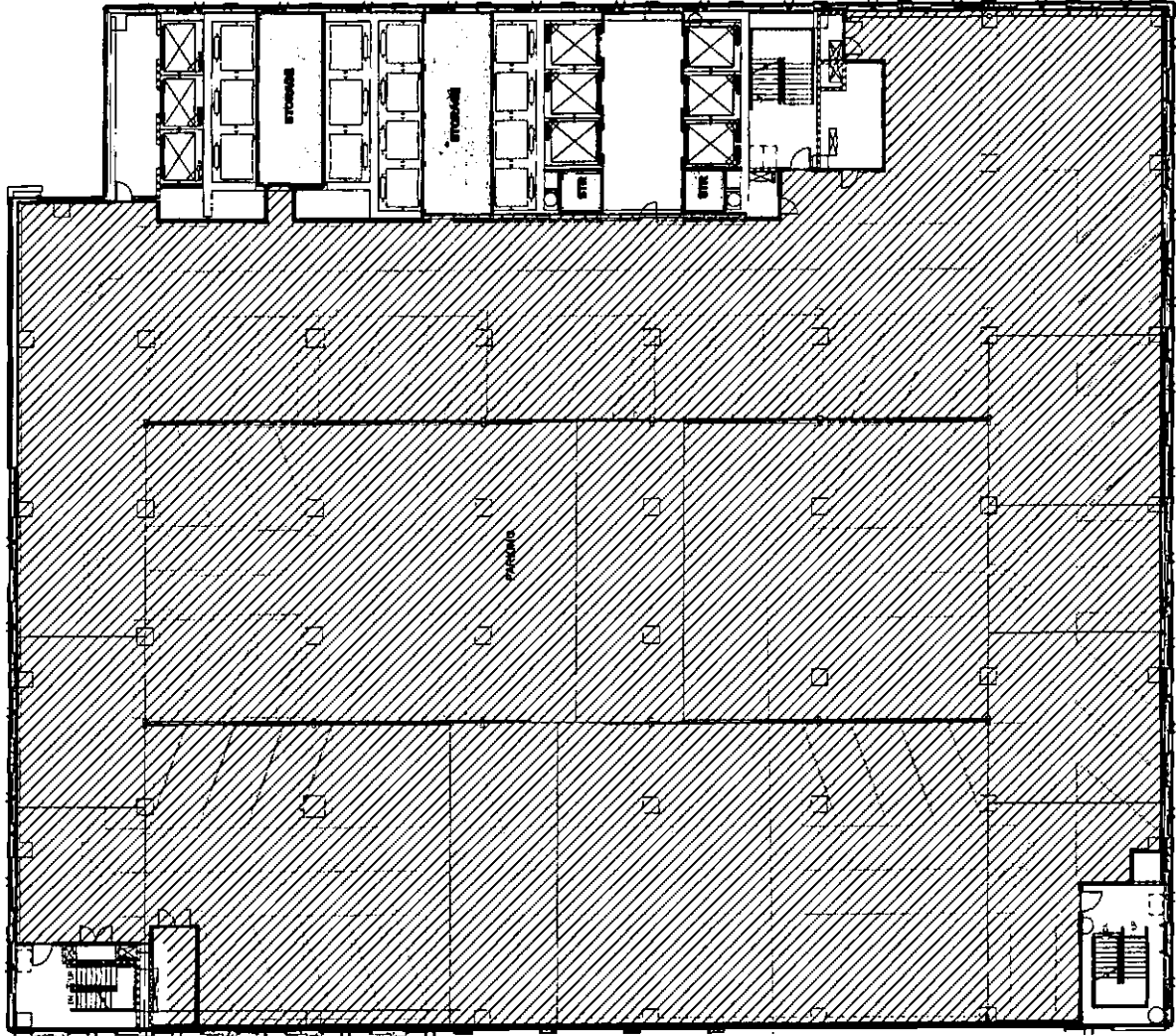
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Certificate of Need

DEPARTMENT NAME	DGSF
PARKING	33219 SF
STR STORAGE	992 SF
FLOOR GROSS	6128 SF
TOTAL FLOOR AREA	40339 SF



LEVEL 07 
SCALE: 1/32" = 1'-0"

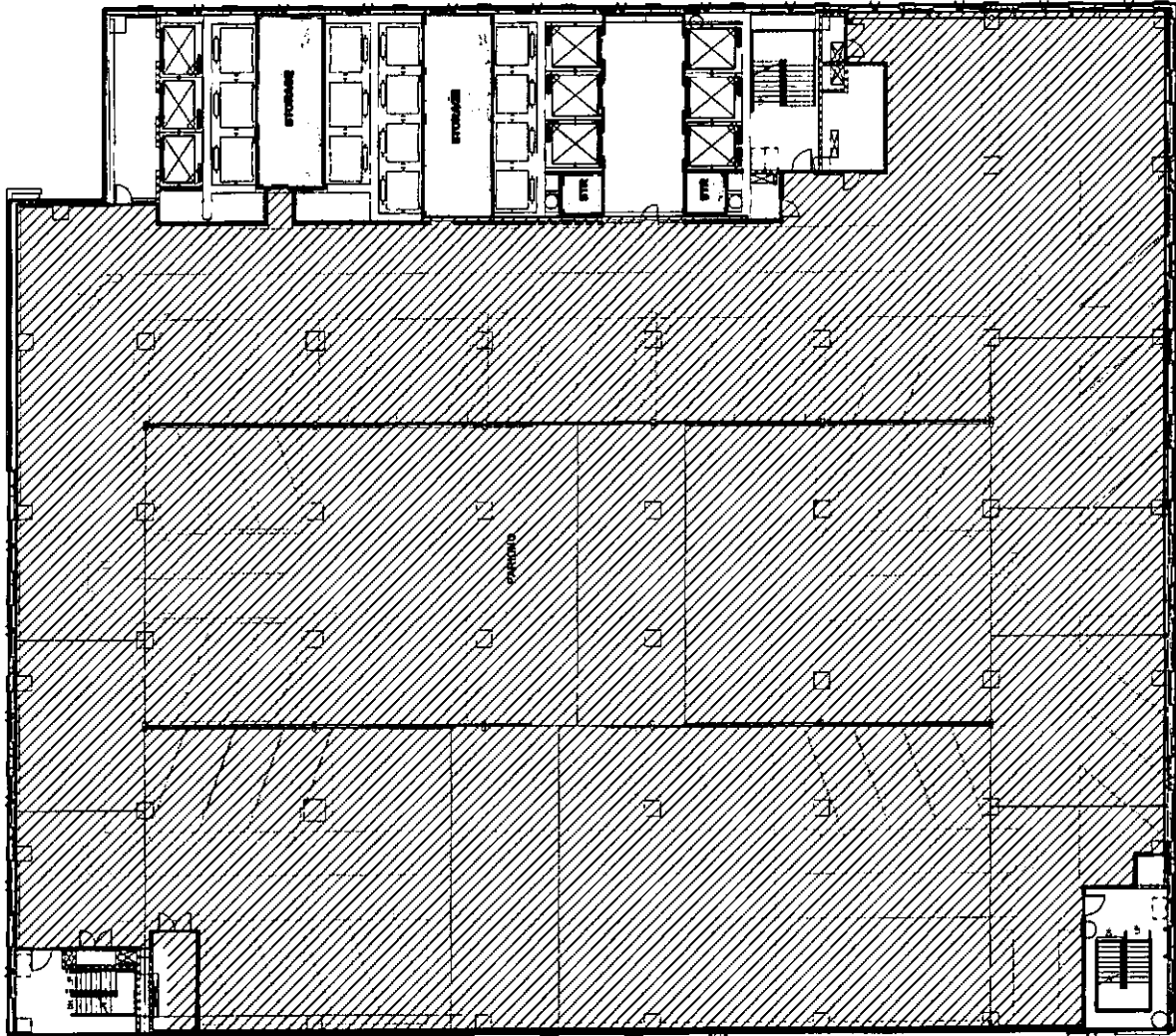
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DEPARTMENT NAME	DGSF
PARKING	33219 SF
STORAGE	992 SF
FLOOR GROSS	6128 SF
TOTAL FLOOR AREA	40339 SF



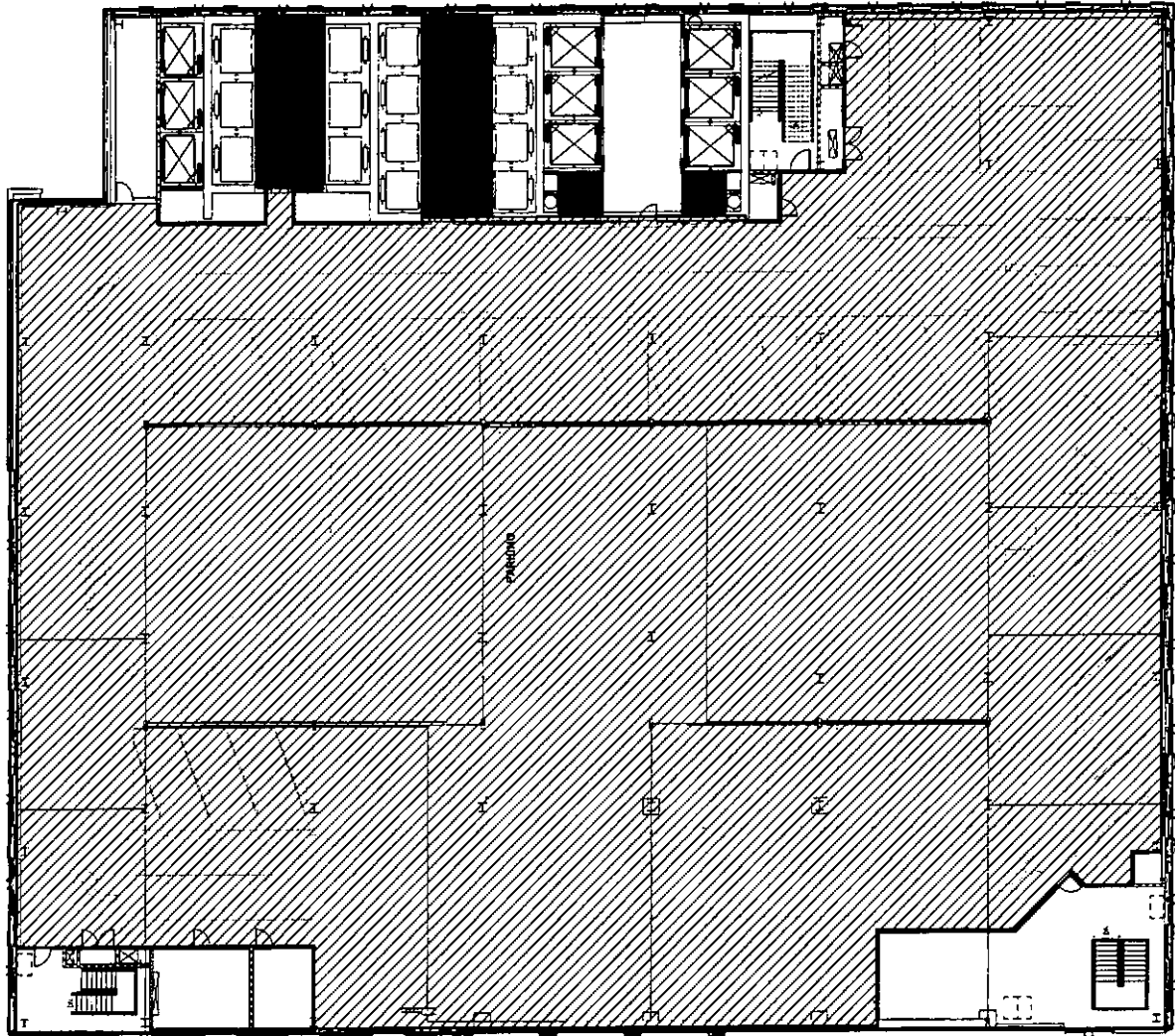
LEVEL 08 
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DEPARTMENT NAME	DGSF
PARKING	32334 SF
STORAGE	992 SF
FLOOR GROSS	7013 SF
TOTAL FLOOR AREA	40339 SF

LEVEL 09 
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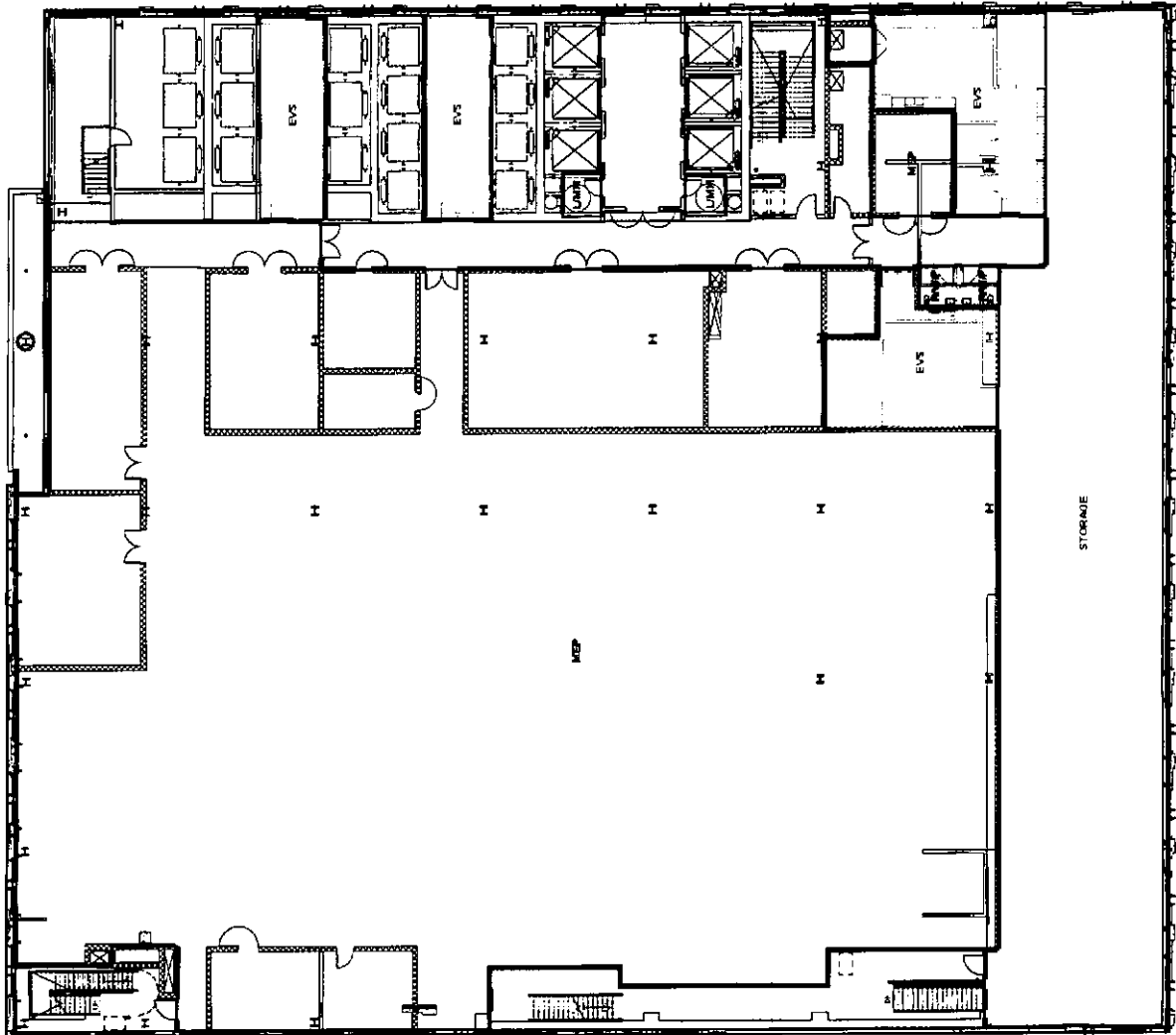
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Outpatient Care Pavilion
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DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	2587 SF
LOADING / MATERIALS MANAGEMENT	112 SF
RECEPTION / WAITING / PUBLIC TOILETS	117 SF
STORAGE	5377 SF
MEP SYSTEMS	23978 SF
FLOOR GROSS	8299 SF
TOTAL FLOOR AREA	40470 SF



LEVEL 10
 SCALE: 1/32" = 1'-0"

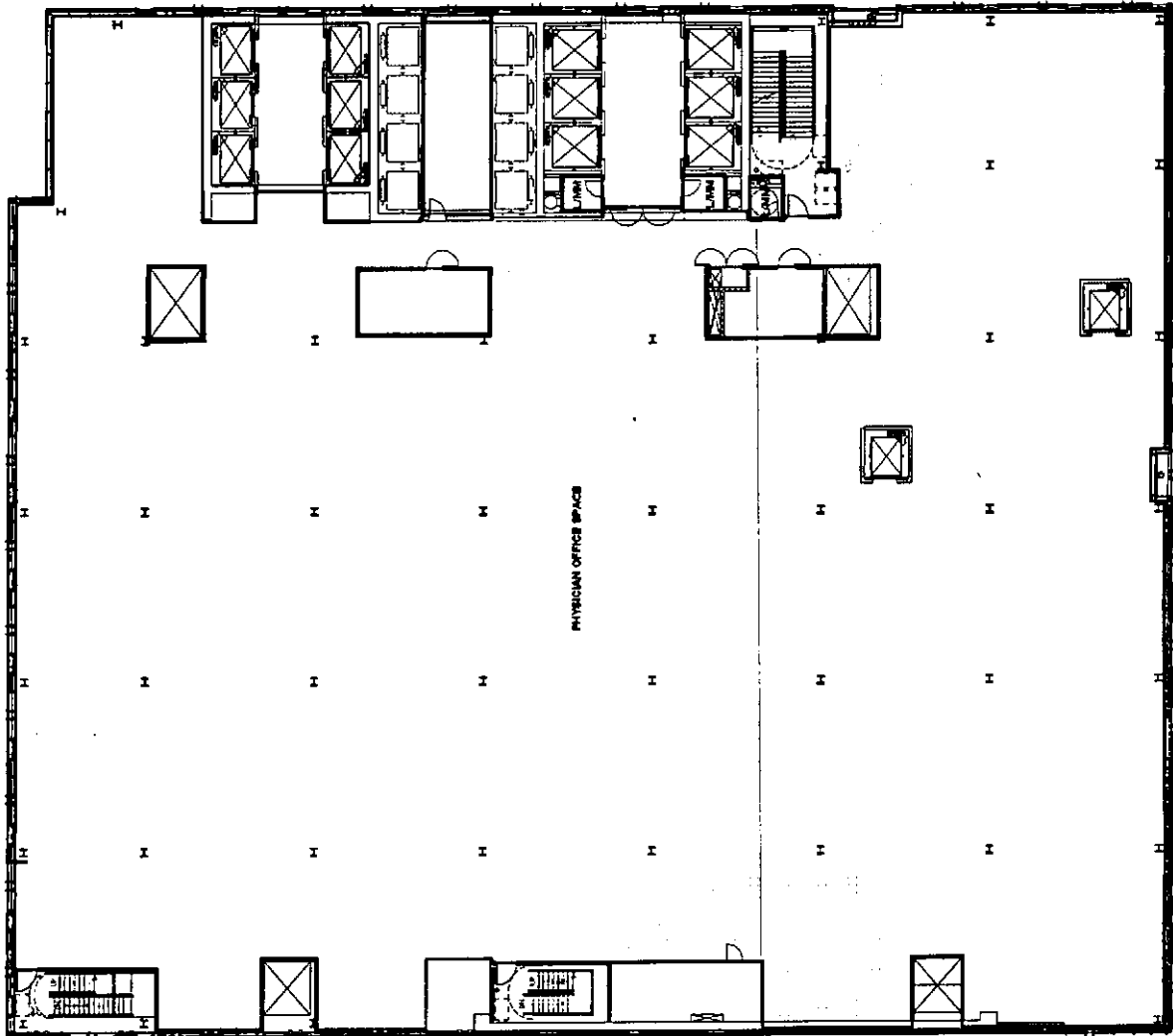
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Certificate of Need

DEPARTMENT NAME	DGSF
L/MMM LOADING / MATERIALS MANAGEMENT	159 SF
POS PHYSICIAN OFFICE SPACE	33643 SF
FLOOR GROSS	6855 SF
TOTAL FLOOR AREA	40657 SF



LEVEL 11
 SCALE: 1/32" = 1'-0"

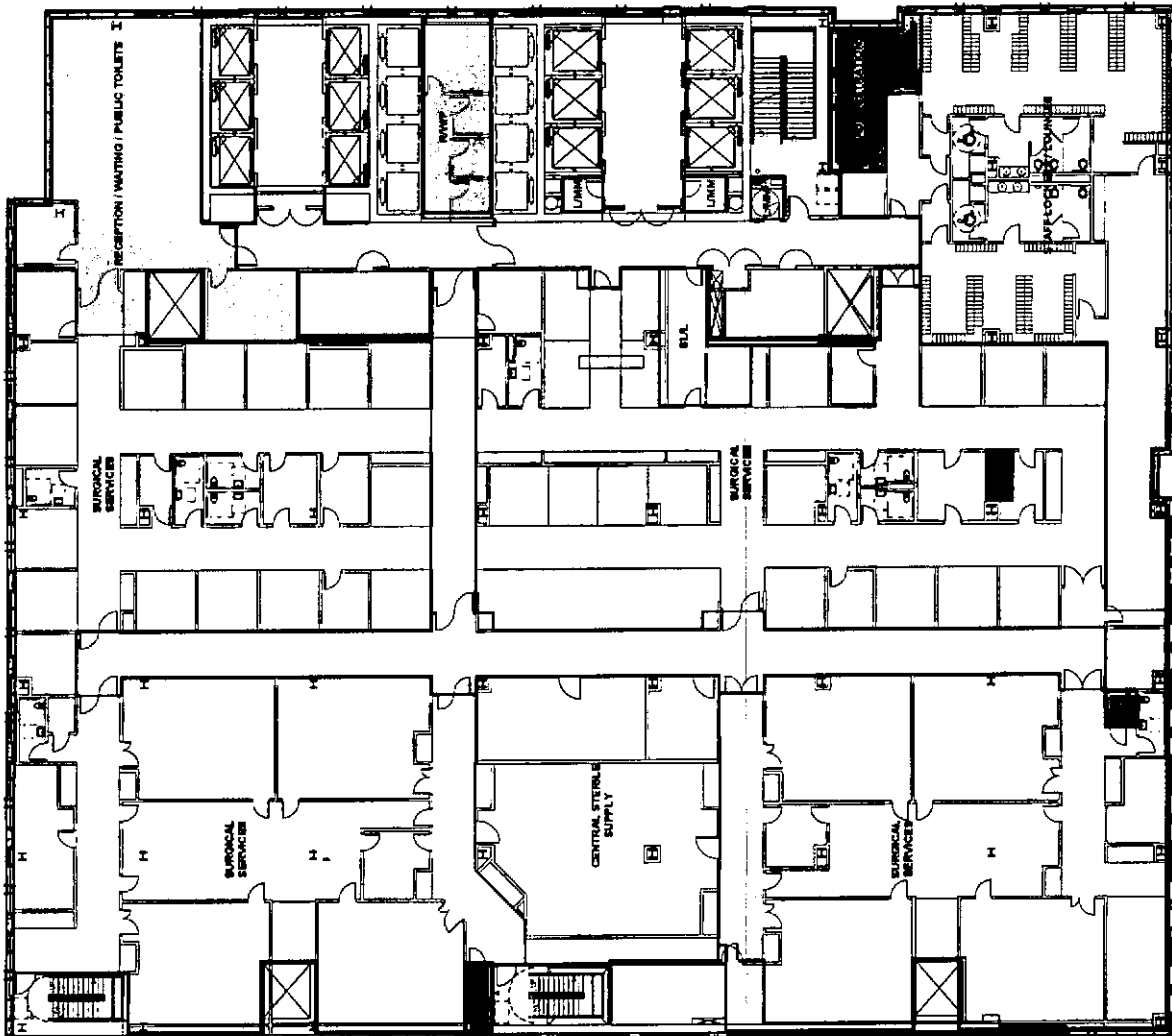
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DEPARTMENT NAME	DGSF
ADMINISTRATION	356 SF
CENTRAL STERILE SUPPLY	2235 SF
ENVIRONMENTAL SERVICES	156 SF
LOADING / MATERIALS MANAGEMENT	159 SF
STAFF LOCKERS / LOUNGE	3810 SF
SURGICAL SERVICES	23833 SF
RECEPTION / WAITING / PUBLIC TOILETS	2283 SF
FLOOR GROSS	7825 SF
TOTAL FLOOR AREA	40657 SF



LEVEL 12
 SCALE: 1/32" = 1'-0"

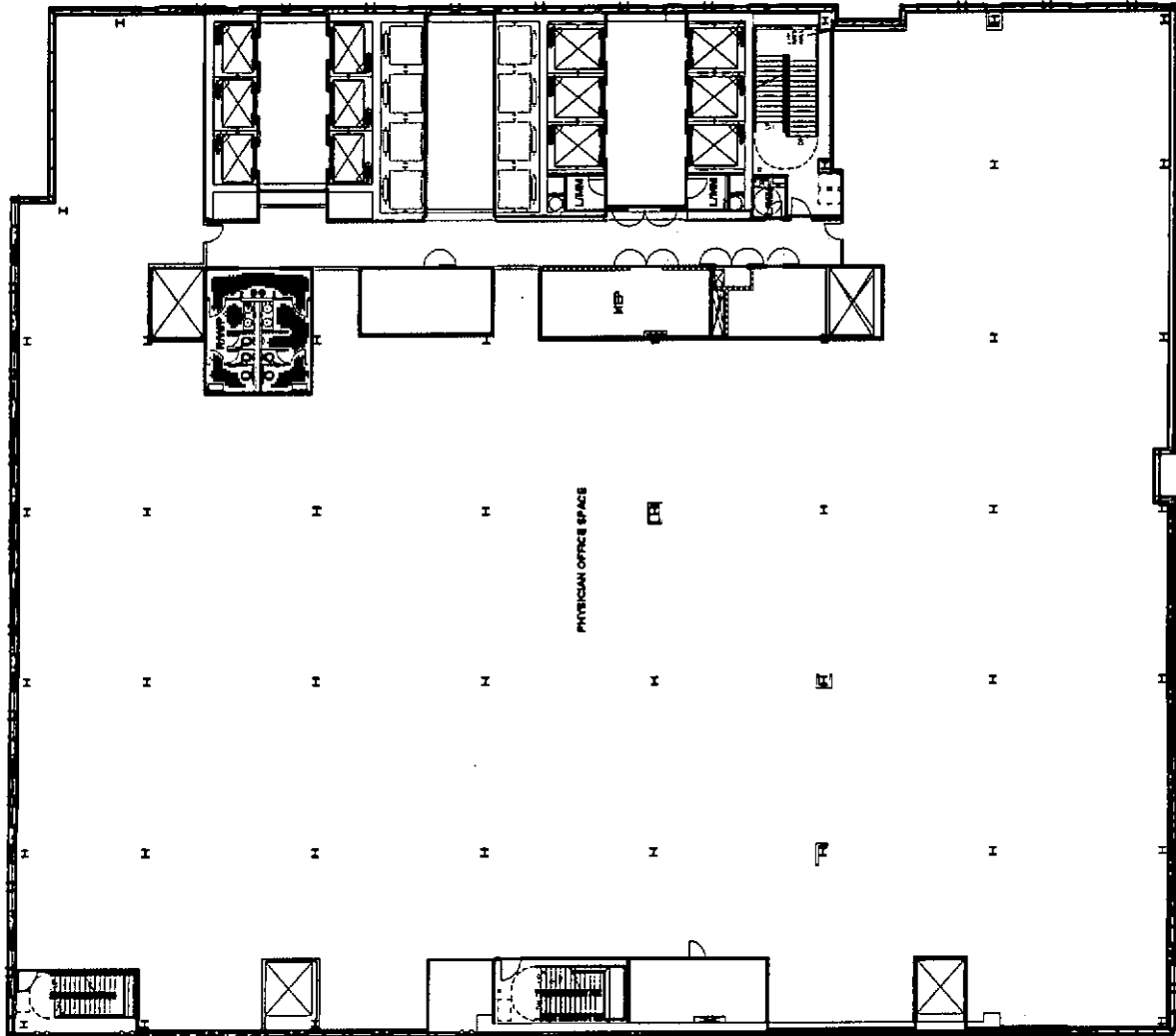
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DEPARTMENT NAME	DGSF
L/AMM LOADING / MATERIALS MANAGEMENT	159 SF
POS PHYSICIAN OFFICE SPACE	32900 SF
R/W/PH RECEPTION / WAITING / PUBLIC TOILETS	449 SF
MEP MEP SYSTEMS	410 SF
FLOOR GROSS	6739 SF
TOTAL FLOOR AREA	40657 SF



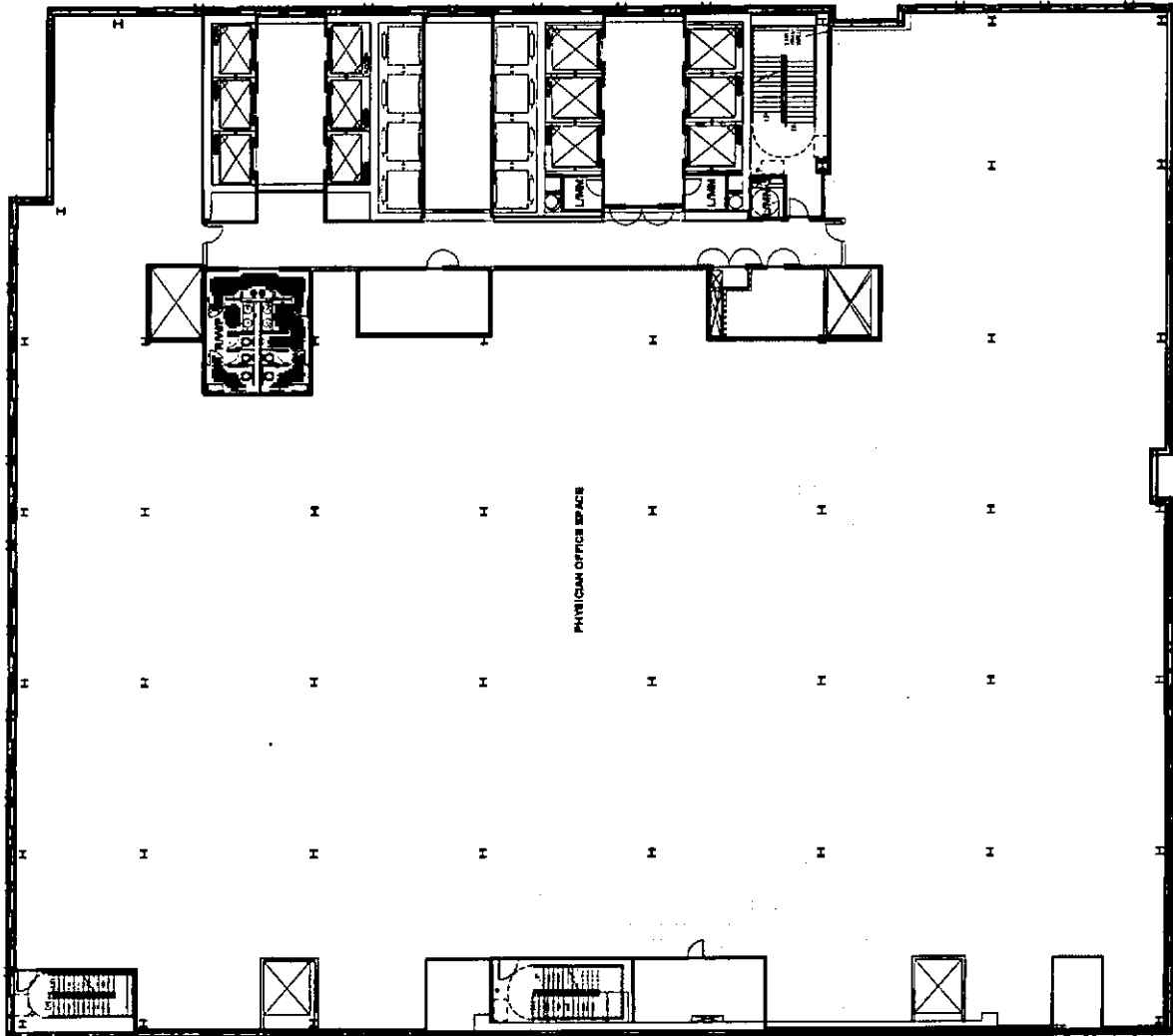
LEVEL 13
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	DEPARTMENT NAME	DGSF
L/MM	LOADING / MATERIALS MANAGEMENT	159 SF
POS	PHYSICIAN OFFICE SPACE	33334 SF
R/W/T	RECEPTION / WAITING / PUBLIC TOILETS	449 SF
	FLOOR GROSS	6715 SF
	TOTAL FLOOR AREA	40657 SF

LEVEL 14
SCALE: 1/32" = 1'-0"

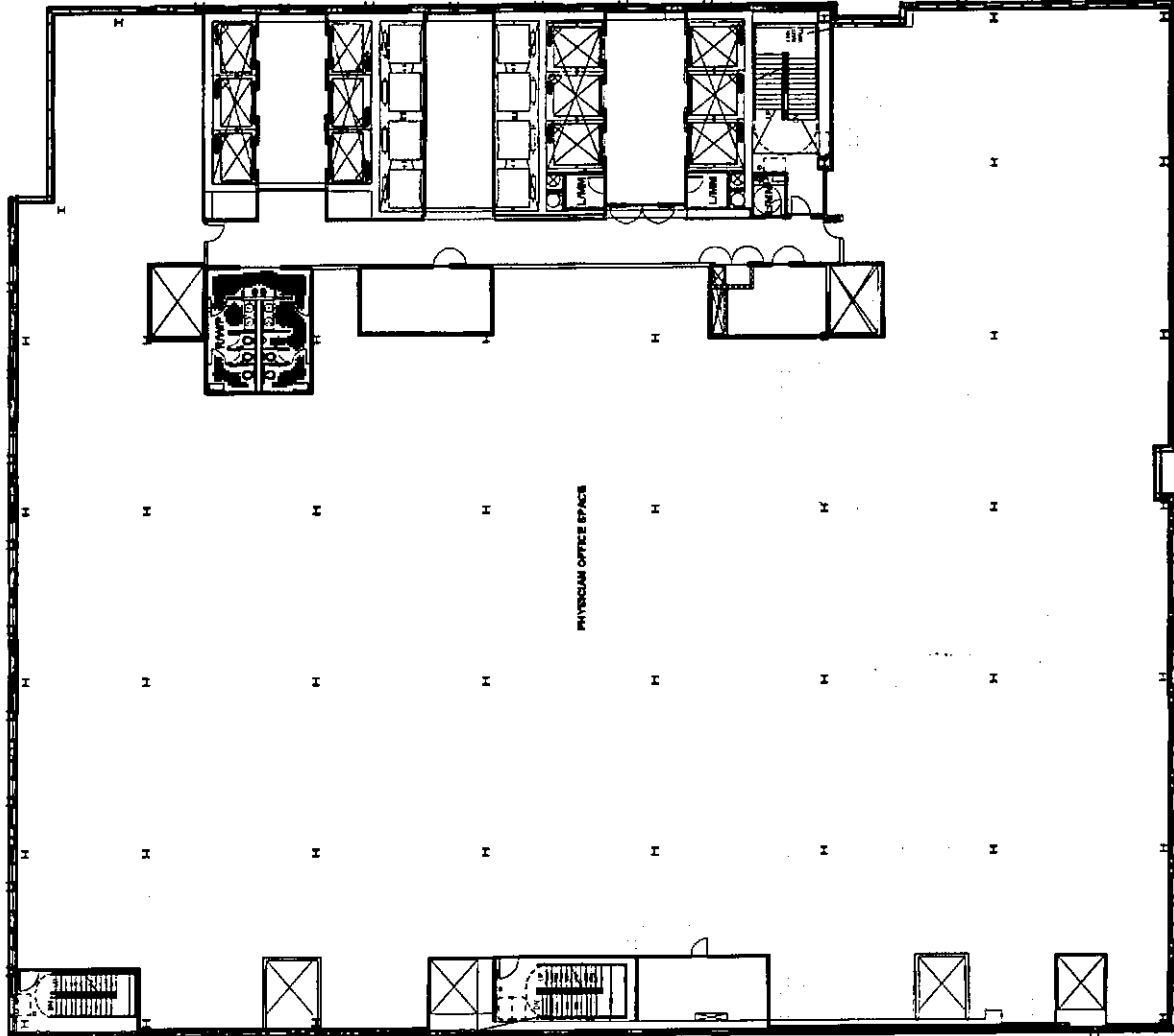
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DEPARTMENT NAME	DGSF
L/M/M	159 SF
LOADING / MATERIALS MANAGEMENT	33334 SF
PHYSICIAN OFFICE SPACE	449 SF
RECEPTION / WAITING / PUBLIC TOILETS	6715 SF
FLOOR GROSS	40657 SF
TOTAL FLOOR AREA	



LEVEL 15
SCALE: 1/32" = 1'-0"

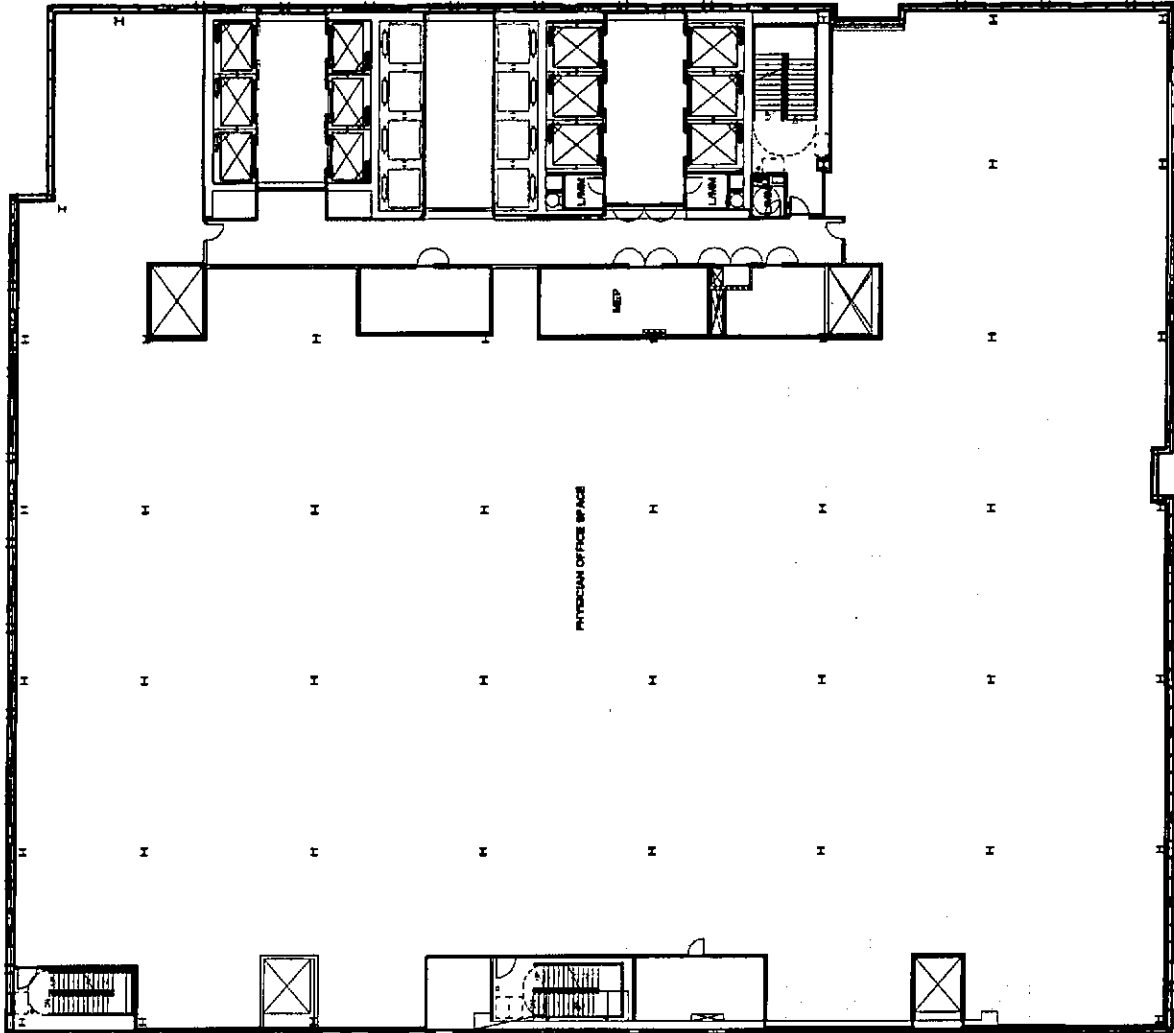
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DEPARTMENT NAME	DGSF
L/MM	159 SF
LOADING / MATERIALS MANAGEMENT	33370 SF
PHYSICIAN OFFICE SPACE	410 SF
MEP	6718 SF
MEP SYSTEMS	
FLOOR GROSS	
TOTAL FLOOR AREA	40657 SF



LEVEL 16
SCALE: 1/32" = 1'-0"

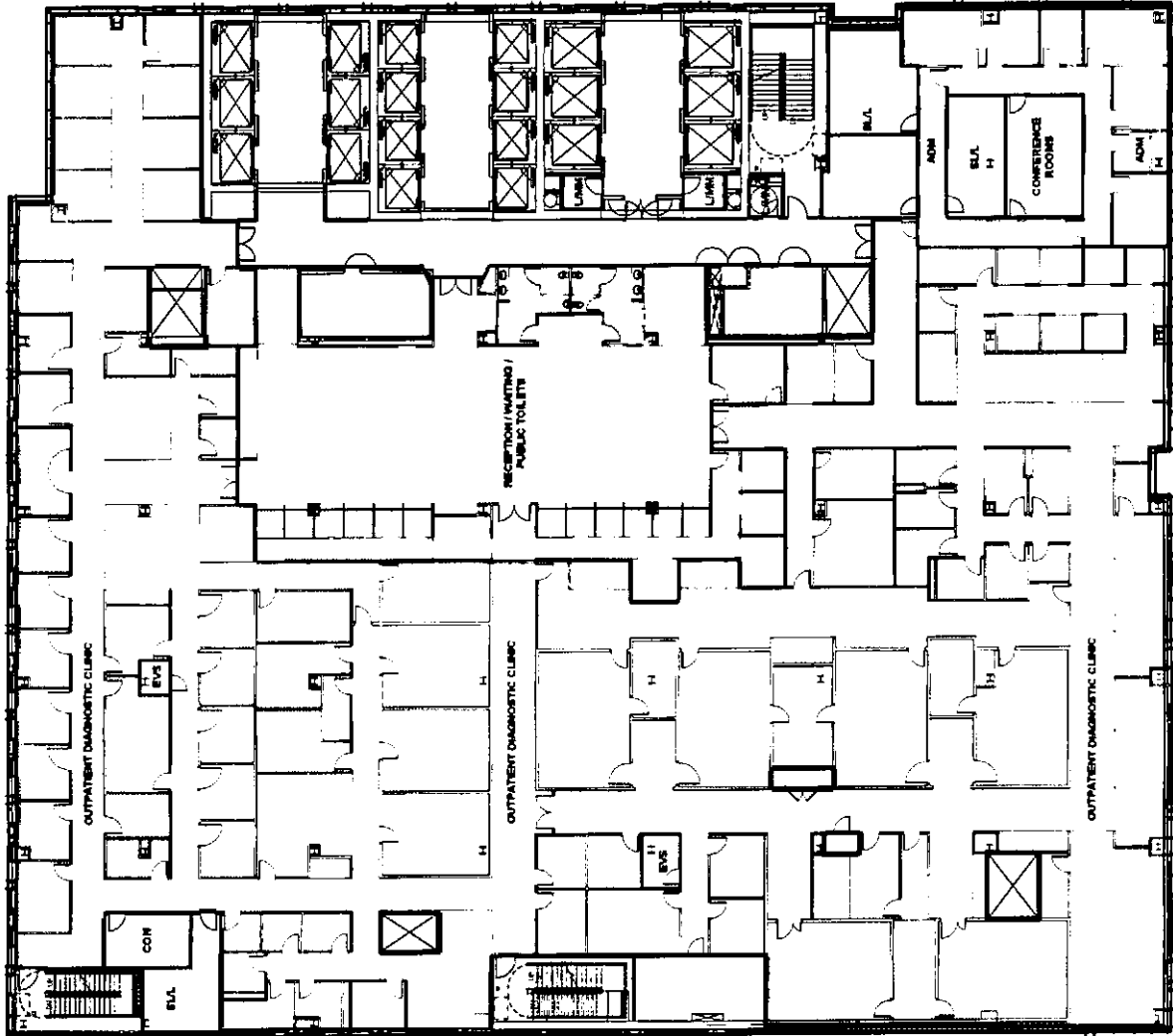
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Certificate of Need

	DEPARTMENT NAME	DGSF
ADM	ADMINISTRATION	1498 SF
CON	CONFERENCE ROOMS	481 SF
LVS	ENVIRONMENTAL SERVICES	108 SF
L/MM	LOADING / MATERIALS MANAGEMENT	159 SF
ODC	OUTPATIENT DIAGNOSTIC CLINIC	24299 SF
RAW/P	RECEPTION / WAITING / PUBLIC LOILETS	4843 SF
SL/L	STAFF LOCKERS / LOUNGE	1040 SF
	FLOOR GROSS	8229 SF
	TOTAL FLOOR AREA	40657 SF



LEVEL 17
 SCALE: 1/32" = 1'-0"

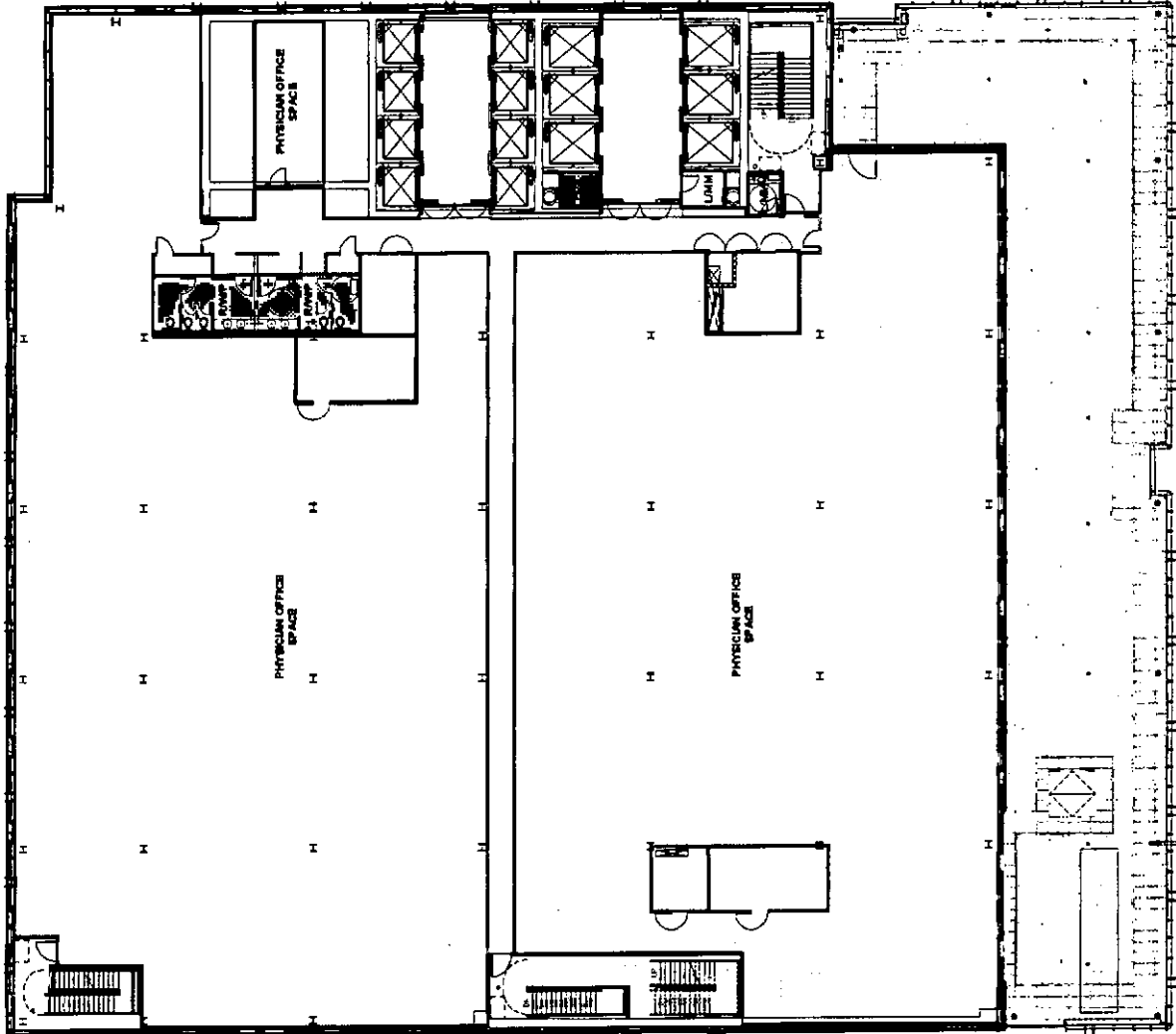
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DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
L/WM LOADING / MATERIALS MANAGEMENT	100 SF
POS PHYSICIAN OFFICE SPACE	27380 SF
R/W/PI RECEPTION / WAITING / PUBLIC TOILETS	416 SF
FLOOR GROSS	6115 SF
TOTAL FLOOR AREA	34070 SF



LEVEL 18
SCALE: 1/32" = 1'-0"

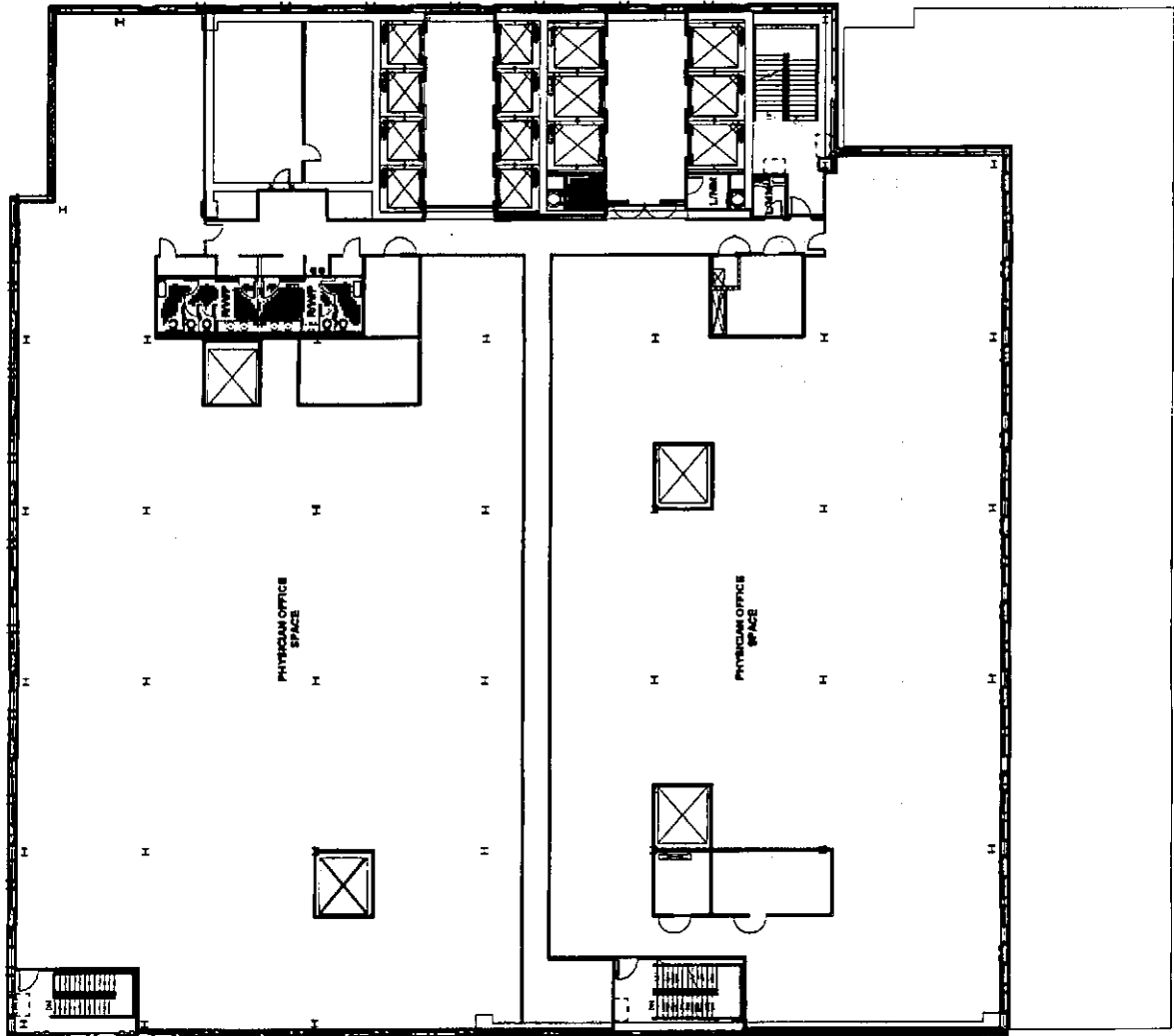
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DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
L/AMM LOADING / MATERIALS MANAGEMENT	100 SF
PHYSICIAN OFFICE SPACE	26838 SF
R/W/P[R] RECEPTION / WAITING / PUBLIC TOILETS	416 SF
FLOOR GROSS	6657 SF
TOTAL FLOOR AREA	34070 SF



LEVEL 19
SCALE: 1/32" = 1'-0"



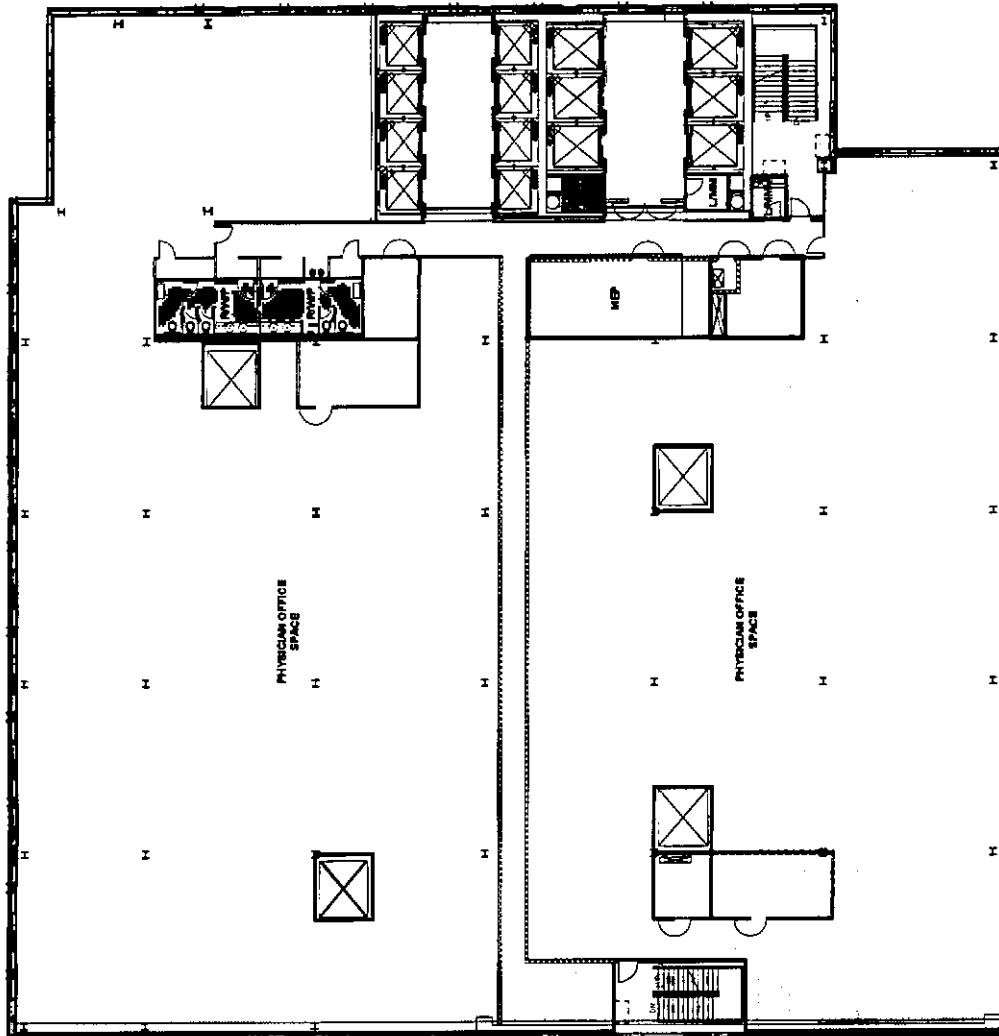
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DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
L/MM LOADING / MATERIALS MANAGEMENT	100 SF
PHYSICIAN OFFICE SPACE	27721 SF
R/W/RECEPTION / WAITING / PUBLIC TOILETS	416 SF
MEP	498 SF
FLOOR GROSS	5276 SF
TOTAL FLOOR AREA	34070 SF



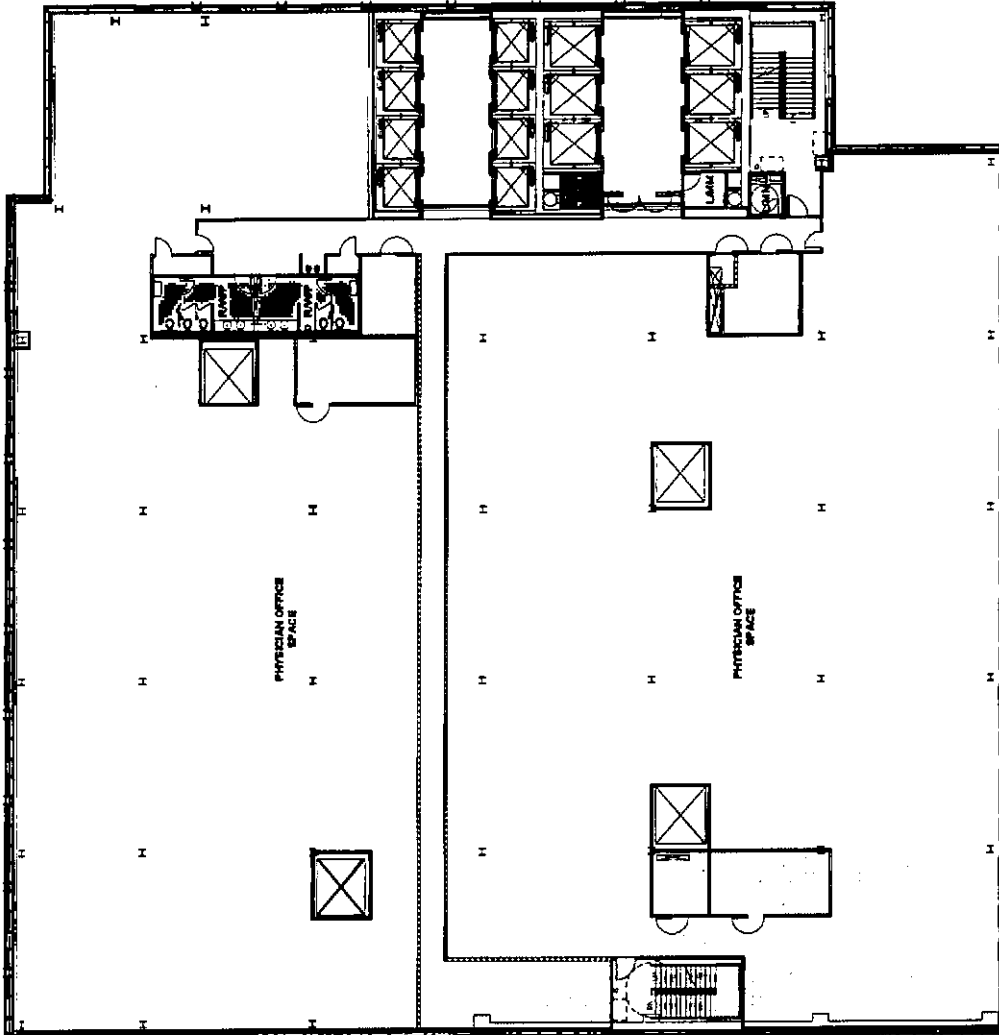
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DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
L/MM LOADING / MATERIALS MANAGEMENT	100 SF
POS PHYSICIAN OFFICE SPACE	28232 SF
R/W/P/ RECEPTION / WAITING / PUBLIC TOILETS	416 SF
FLOOR GROSS	5263 SF
TOTAL FLOOR AREA	34070 SF

LEVEL 21 
SCALE: 1/32" = 1'-0"

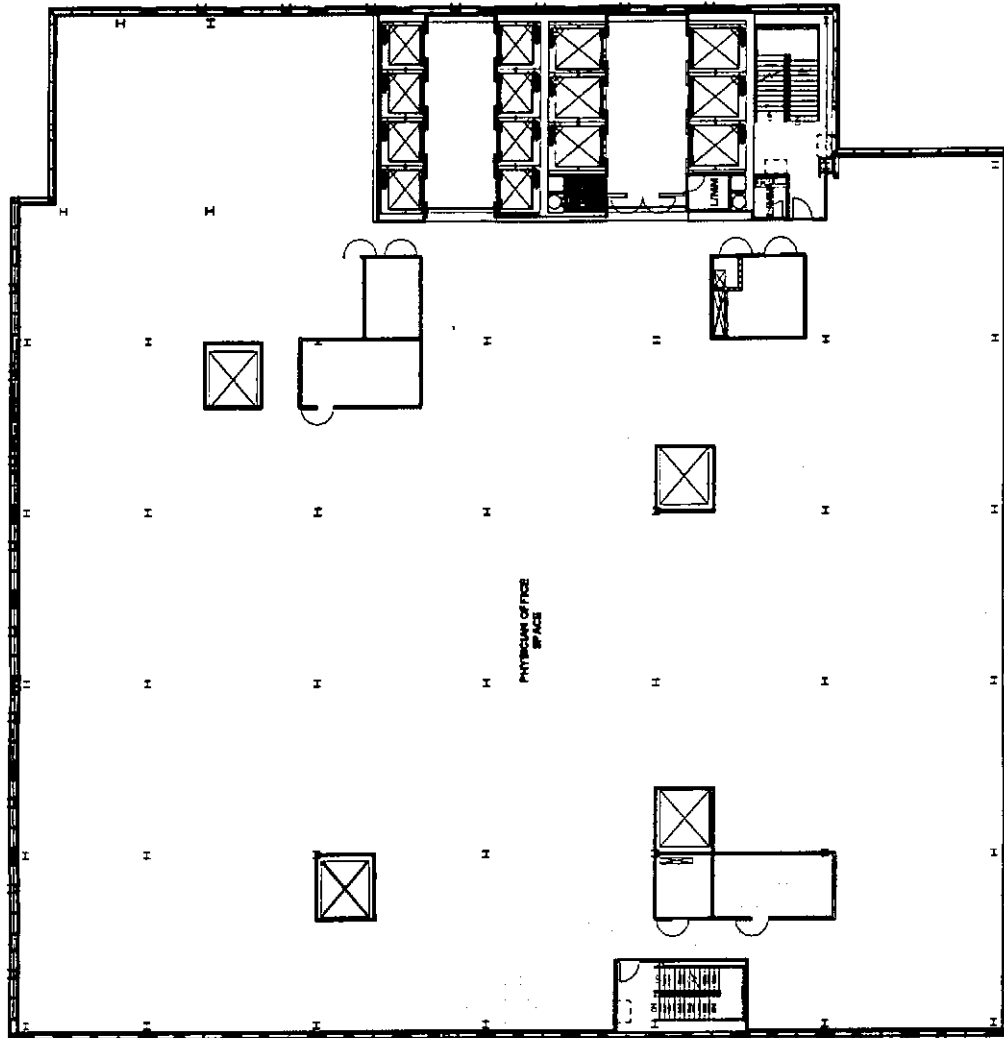
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DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
L/AMM LOADING / MATERIALS MANAGEMENT	100 SF
POS PHYSICIAN OFFICE SPACE	28648 SF
FLOOR GROSS	5263 SF
TOTAL FLOOR AREA	34070 SF



LEVEL 22
SCALE: 1/32" = 1'-0"

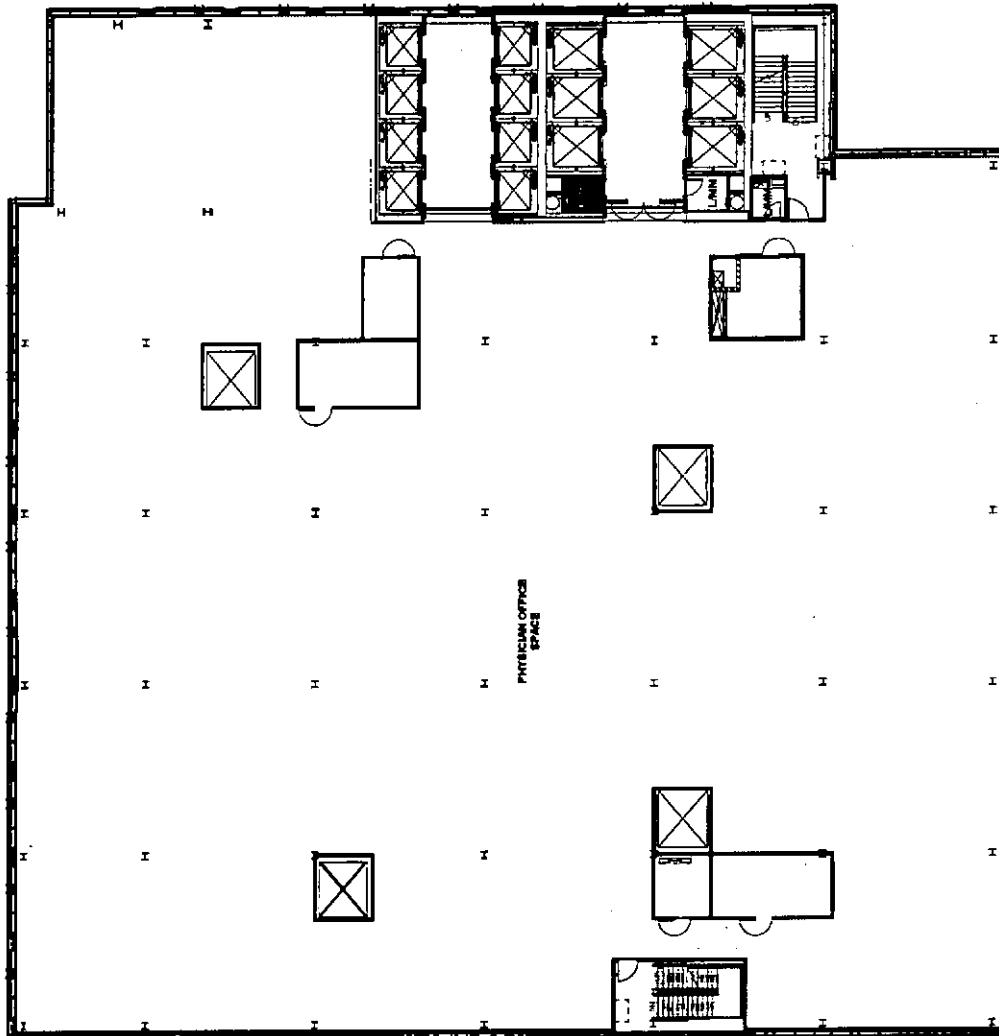
Wp/p | CANNONDESIGN
111 West Washington Street, Suite 2100
Chicago, Illinois 60602-2714



Northwestern Memorial Hospital
 Outpatient Care Pavilion
 255 East Erie Street, Chicago IL 60611

Certificate of Need

DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
L/M/M LOADING / MATERIALS MANAGEMENT	100 SF
PHYSICIAN OFFICE SPACE	28648 SF
FLOOR GROSS	5263 SF
TOTAL FLOOR AREA	34070 SF



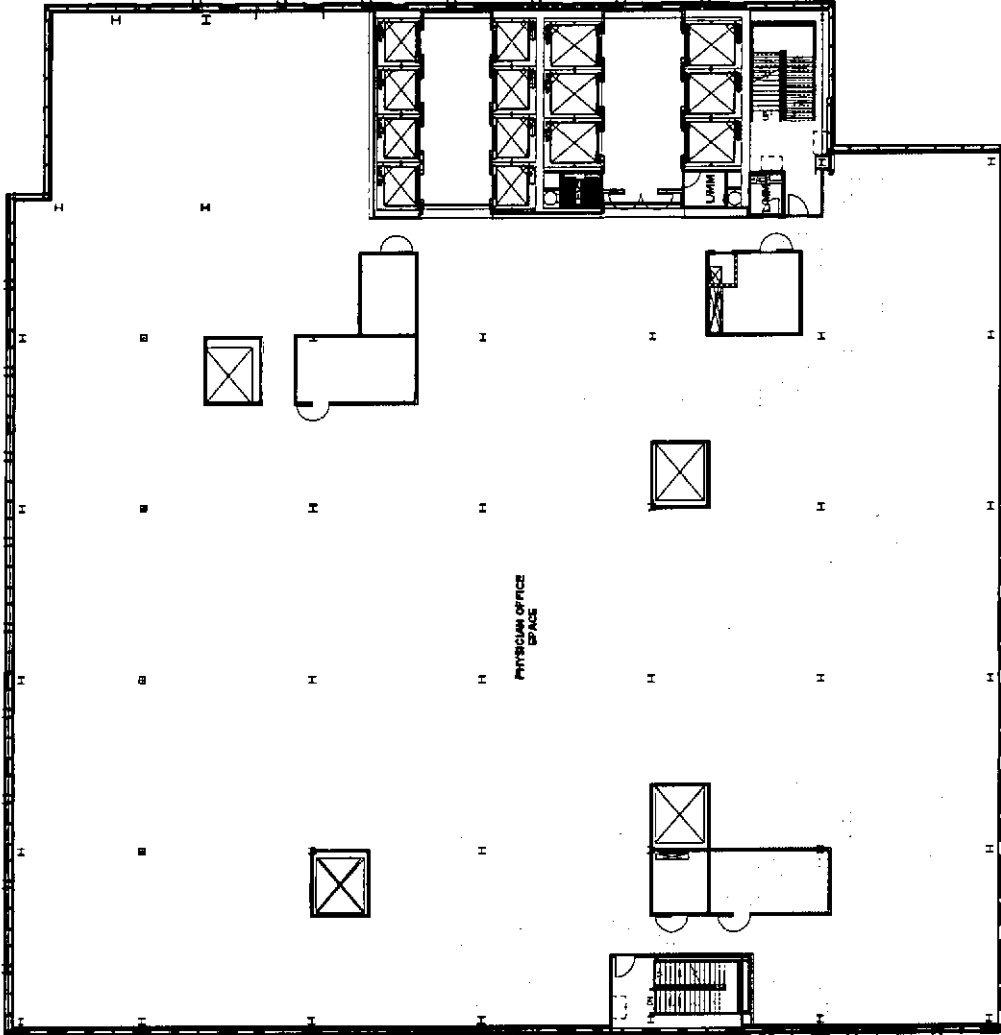
LEVEL 23
 SCALE: 1/32" = 1'-0"

W/p/p | CANNONDESIGN
 111 West Washington Street, Suite 2100
 Chicago, Illinois 60602-2714




Northwestern Memorial Hospital
 Outpatient Care Pavilion
 255 East Erie Street, Chicago IL 60611

Certificate of Need



DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
L/MM	100 SF
LOADING / MATERIALS MANAGEMENT	28648 SF
PHYSICIAN OFFICE SPACE	5263 SF
FLOOR GROSS	
TOTAL FLOOR AREA	34070 SF

LEVEL 24 
 SCALE: 1/32" = 1'-0"

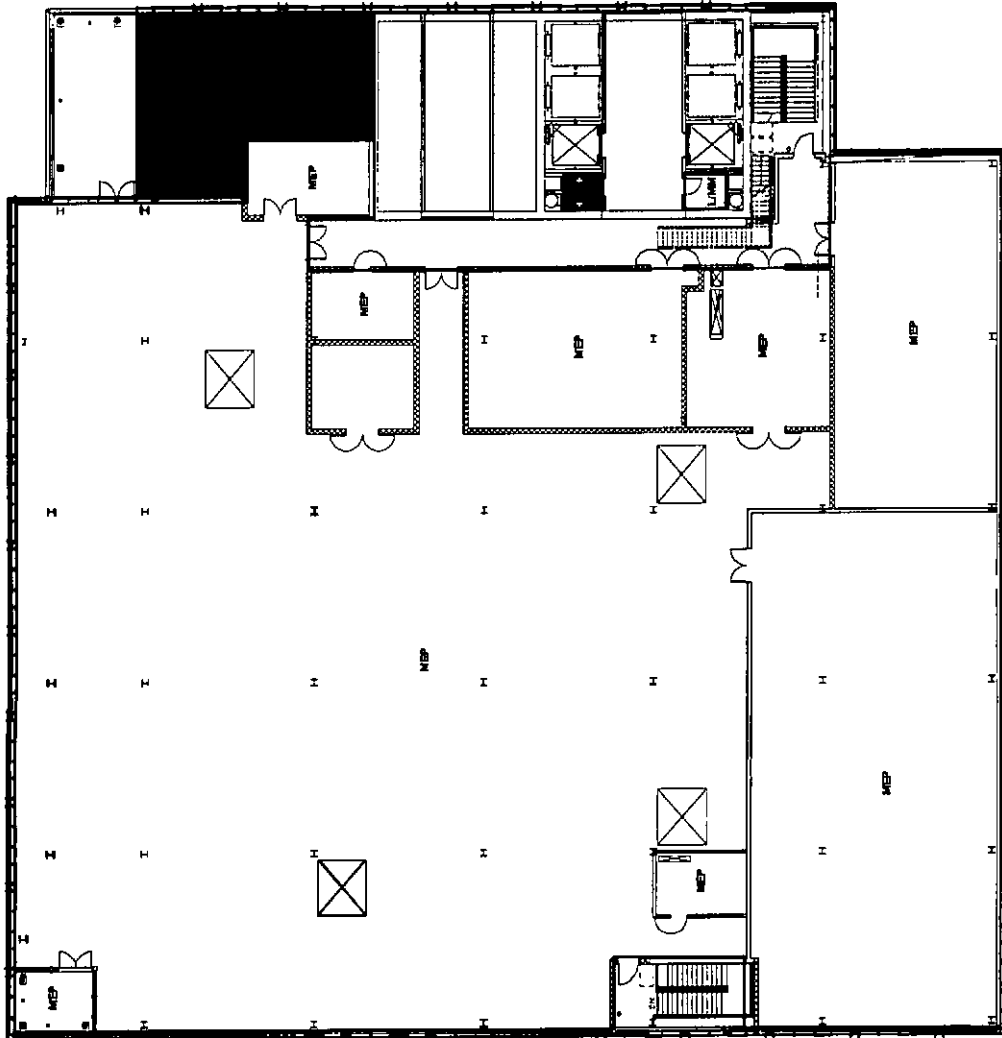
Wpp · CANNONDESIGN
 111 West Washington Street, Suite 2100
 Chicago, Illinois 60602-2714



Outpatient Care Pavilion
255 East Erie Street, Chicago IL 60611

Certificate of Need

DEPARTMENT NAME	DGSF
ENVIRONMENTAL SERVICES	59 SF
FACILITIES MANAGEMENT	1213 SF
L/MMI LOADING / MATERIALS MANAGEMENT	52 SF
MEP	26909 SF
FLOOR GROSS	5239 SF
TOTAL FLOOR AREA	33472 SF



LEVEL 25
SCALE: 1/32" = 1'-0"

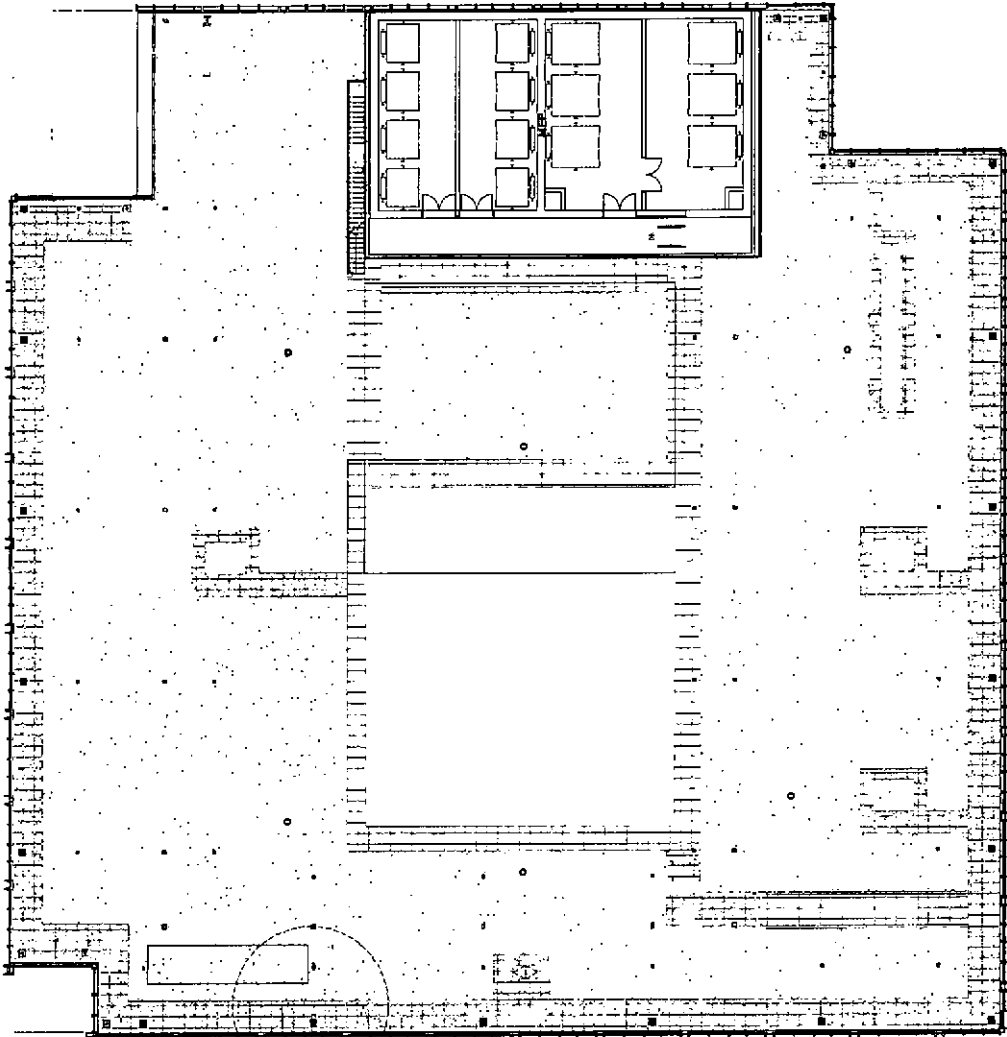


Wp/p | CANNONDESIGN
111 West Washington Street, Suite 2100
Chicago, Illinois 60602-2714





Northwestern Memorial*
Hospital
Outpatient Care Pavilion
255 East Erie Street, Chicago IL 60611

Certificate of Need



DEPARTMENT NAME	DGSF
MEP	MEP SYSTEMS
	3296 SF
TOTAL FLOOR AREA	3296 SF

LEVEL 26 
SCALE: 1/32" = 1'-0"

 **W/p | CANNON DESIGN**
111 West Washington Street, Suite 2100
Chicago, Illinois 60602-2714

GMAX Amendment

This GMAX Amendment is made and entered into this ___ day of _____, _____, by and between _____ ("Owner") and _____ ("Construction manager").

Recitals

- (i) Owner and Construction Manager have entered into the GMAX Agreement ("Agreement") dated _____ for the Project;
- (ii) Owner and Construction Manager have agreed on the terms of the GMP and the Work Schedule; and
- (iii) Owner and Construction Manager desire to amend the Agreement to set forth the parties' agreement on the GMP and Work Schedule and other items.
- (iv) Owner and Construction Manager further acknowledge that this GMAX Amendment to the Agreement is subject to Certificate of Need and other regulatory agency approvals.

NOW, THEREFORE, in consideration of the mutual terms and conditions and covenants set forth herein, Owner and Construction Manager agree as follows:

1. Terms and Conditions. This GMAX Amendment modifies the terms and conditions of the Agreement only to the extent expressly set forth herein. Unless expressly modified herein, all other terms and conditions of the Agreement shall remain in full force and effect. All capitalized terms used herein and not specifically defined herein shall have the meanings set forth in the Agreement.
2. GMP and Work Schedule. Pursuant to Article 5 of the Agreement, Owner and Construction Manager agree as follows:
 - a. Notwithstanding any other amount or figure stated in the exhibits or documents incorporated by reference into this GMAX Amendment, the GMP shall be _____ (\$ _____), inclusive of the Allowance Log, Clarifications and Qualifications, General Conditions, and VA Log set forth and attached hereto as Exhibits _____ and _____, respectfully.
 - b. The Contractor's GMAX Proposal, which is accepted by the Owner, is attached hereto as Exhibit _____.
 - c. The Work Schedule, which is accepted by the Owner, is attached hereto as Exhibit _____. The date of Substantial Completion is _____, _____ and the date of Final Completion is _____, _____.
 - d. The list of Drawings and Specifications upon which the GMP is based is included in Exhibits _____ and _____.

3. Time limits stated herein are of the "Time is of the essence." By executing this Amendment the Construction Manager confirms that the Contract Time is a reasonable period for performing the Work. The Contractor further acknowledges and understands that the failure by the Contractor to achieve Substantial Completion of the Work (or portion thereof) in accordance with the Project Schedule and the Contract Documents will cause the Owner to suffer substantial, direct, incidental and consequential damages, the cost of holdovers in other facilities from which Owner intends to relocate its employees into the Project, including, without limitation, additional construction and financing costs, lost rental income, prospective tenant holdover charges and other amounts by which tenants are damaged and for which Owner is or may be liable under the terms of existing leases. Consistent with the terms of this Agreement, such damages shall be the responsibility of the Contractor. The Owner and Contractor also agree that in such an event, the Owner's actual damage will be difficult to determine with certainty. Therefore, the Owner and Contractor hereby agree that in satisfaction of the Owner's actual damages, if (1) the Contractor has not achieved Substantial Completion of the Work by the applicable dates set forth herein or as provided in the approved Project Schedule (as the same may be extended pursuant to the provisions of the Contract Documents), the Contractor shall pay to the Owner, as liquidated damages, an amount computed as follows:

For the Tenant Improvement Work, any amount per day equal to 1/30th of the Fee for such Tenant Improvement Work (see Exhibit L).

For the Core & Shell Work:

Number of Days	Amount Per Day
0-29	\$25,000
30+	\$50,000

per calendar day for each and every calendar day between (1) the applicable date for Substantial Completion set forth in this Amendment (as the same may be extended pursuant to the provisions of the Contract) and the date on which Substantial Completion of the Work (or applicable portion) is actually achieved. In the case of both the Core & Shell Work and the Tenant Improvement Work, any liquidated damages assessed against the Contractor shall be limited to the amount of the Fee, respectively, for each such portion of the Work.

4. Exhibits. All exhibits to this GMAX Amendment are incorporated herein. The exhibits attached hereto and incorporated here are as follows:

Exhibit _ - _____

Exhibit _ - _____

Exhibit _ - _____

Exhibit _ - _____

Exhibit _ - _____

Exhibit _ - _____

Exhibit _ - _____

Exhibit _ - _____

4. Counterparts. This GMAX Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Owner and Construction Manager have respectively executed this GMAX Amendment in multiple identical counterparts, effective as of the day and year stated on the cover page hereof.

OWNER:

CONSTRUCTION MANAGER:

By: _____

By: _____

Its: _____

Its: _____

Cost Space Requirements

Department	Cost	Departmental Gross Square Feet		Building Gross Square Feet		Amount of Proposed Total Building Gross Square Feet That Is:			
		Existing DGSF	Proposed DGSF	Floor Gross Factor	Proposed BGSF	New Const.	Modernized	As Is	Vacated Space
CLINICAL									
Surgical Services	\$ 13,808,503	*	23,833	1.2383	29,513	29,513			
Outpatient Diagnostic Clinic	\$ 11,520,044	*	24,299	1.2538	30,465	30,465			
Clinical Subtotal =	\$ 25,328,547		48,132		59,978	59,978			
NON-CLINICAL									
Physician Office Space	\$ 98,550,291	*	362,696	1.1974	434,296	434,296			
Central Sterile Supply	\$ 949,991	*	2,235	1.2385	2,768	2,768			
Retail	\$ 5,872,107	*	18,706	1.2911	24,152	24,152			
Parking	\$ 27,010,786	*	248,176	1.1859	294,315	294,315			
Conference Rooms/Classrooms	\$ 152,069	*	481	1.2536	603	603			
Administration	\$ 624,033	*	1,854	1.2508	2,319	2,319			
Staff Lockers/Lounges	\$ 1,640,853	*	4,850	1.2416	6,022	6,022			
Reception/Waiting/Public Toilets	\$ 11,517,473	*	23,304	1.2670	29,526	29,526			
Loading/Materials Mgmt	\$ 7,015,429	*	18,679	1.3938	26,035	26,035			
Environmental Services	\$ 873,485	*	3,483	1.2524	4,362	4,362			
Storage	\$ 2,233,136	*	12,321	1.2148	14,968	14,968			
Facilities Mgmt	\$ 242,647	*	1,213	1.1855	1,438	1,438			
MEP Systems	\$ 29,554,078	*	63,770	1.2265	78,212	78,212			
Bridges	\$ 2,524,416	*	2,648	1.0000	2,648	2,648			
Tunnel	\$ 2,034,307	*	1,194	1.0000	1,194	1,194			
Drive Through	\$ 2,993,505	*	16,230	1.0000	16,230	16,230			
Non-Clinical Subtotal =	\$ 193,788,606		781,840		939,088	939,088			
TOTAL =	\$ 219,117,153		829,972		999,066	999,066			
OTHER									
Preplanning Costs									
Site Survey & Soil Investigation Fees	\$ 352,786								
Site Preparation	\$ 2,865,021								
Off-Site Work	\$ 1,764,235								
Contingencies	\$ 21,911,715								
A/E Fees	\$ 8,310,429								
Consulting & Other Fees	\$ 16,321,677								
Movable or other Equipment	\$ 25,928,100								
Bond Issuance Expense	\$ 3,026,000								
Net Interest Expense During Construction	\$ 7,291,000								
Other Costs To Be Capitalized	\$ 15,938,819								
Other Subtotal =	\$ 103,709,782								
GRAND TOTAL =	\$ 322,826,935								

* The proposed project is new construction and therefore does not have any existing departments.

BACKGROUND OF APPLICANT

Northwestern Memorial Hospital's licensing, certification and accreditation identification information:

IDPH License, Permit, Certification, Registration I.D. Number: 0003251

Medicare Provider Number: 140281

Medicaid Provider Number: 37 096 0170-001

The Joint Commission Organization I.D. Number: 7267

City of Chicago Hospital License Number: 1118921

Northwestern Memorial HealthCare is the parent corporation of Northwestern Memorial Hospital.

November 14, 2011

Mr. Dale Galassie
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street – Second Floor
Springfield, Illinois 62751

Dear Mr. Galassie:

As President and CEO of Northwestern Memorial HealthCare, I hereby certify that no adverse action has been taken against Northwestern Memorial Hospital, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize HFPB and DPH to access any documentation which it finds necessary to verify any information submitted, including, but not limited to: official records of DPH or other State agencies and the records of nationally recognized accreditation organizations.

If you have questions or need additional information, please contact Ralph Weber at (312) 926-2296.

Sincerely,



Dean M. Harrison
President and Chief Executive Officer

PURPOSE OF PROJECT

This project responds to the growing need for quality healthcare in Chicago and the surrounding regions. It is intended to provide much needed space for both physician offices and hospital surgical and diagnostic and therapeutic (D&T) functions on the campus of Northwestern Memorial Hospital. The project will improve health care for residents of the City of Chicago (the Planning Area), Cook County, and the region by enhancing access to health care services at Northwestern Memorial Hospital. The project will provide office space for approximately 195-250 physicians as well as increase NMH's surgical capacity by 8 operating rooms. It will also expand NMH's D&T services by 1 CT, 2 MRIs, and 2 general X-ray machines. An ultrasound machine will be relocated from the Feinberg Pavilion.

As defined in NMH's past CON applications, NMH's market area is the City of Chicago, the source of 65% of NMH admissions. NMH is one of the largest providers of inpatient service and outpatient care in Chicago. NMH serves the entire Chicago Metropolitan area and beyond.

As early as 2007, a significant shortage of physician and clinical office space in Streeterville was identified. On campus, this is due in part to NMH adding inpatient medical/surgical capacity to keep up with increased service demand for the past ten years. Due to space constraints in NMH's buildings, physician office space has been converted to make space on campus for inpatient capacity. Examples: 1) 2 floors of physician office space was removed from the plan for the Prentice Women's Hospital and replaced with 72 medical/surgical (hematology/oncology) beds (CON #05-062); 2) 3 floors of physician office space were converted to ICU, medical/surgical and acute mental illness beds in the Galter Pavilion (CON #09-039); and 3) initial planning has begun for the conversion of two additional floors in the Galter pavilion from physician office space to medical/surgical beds (likely CON application in 2012 or 2013).

Additionally, the physician office vacancy rate in NMH's Arkes Pavilion, located across from the Galter Pavilion on Saint Clair Street, is 2%. In March 2011, NMH commissioned the John Buck Company to survey the immediate campus area (nine high-rise office buildings) to determine the availability of space for physician offices. The findings showed that these buildings do not have sufficient space to accommodate the 362,696 rentable square feet of physician offices that will be provided in the proposed project.

The broad goal of this project is to provide greater coordination throughout a continuum of care. The two floors of clinical services will strive for a coordinated and seamless patient/family experience. To do this, services such as convenient parking, expedited discharge flow, and robust communications systems to inform families throughout the care experience will be provided. The project will also allow for increased operational efficiencies that will improve turnaround times, minimize wait time, minimize travel distances and consolidate work areas.

Based on data collected by the NMH Physician Services department, average wait times for physician office appointments range from 20 days for internal medicine physicians to 51 days for neurology physicians. Patients have expressed frustration with the length of time to the next available appointment for both physician offices and certain diagnostic tests. This project will accommodate the projected continued average annual growth rate for new physicians of 3.8%. This increase in medical staff at NMH will allow for quicker access for referral appointments.

This project is expected to improve health of the population, based on research presented in a recent analysis quantifying the health benefits of physician supply. That study found that each increase of one primary care physician per 10,000 population is associated with a reduction in

the average mortality by 5.3% (Macinko J, Starfield B, Shi L. Is primary care effective? Quantifying the health benefits of primary care physician supply in the United States. *Intl J Health Serv.* 2007; 37:111-126.)

Therefore the measurable objective of this goal is to decrease the wait time for the next available physician appointment to an average of 14 days.

ALTERNATIVES

Proposed Project

The proposed Outpatient Care Pavilion (OCP) project addresses the need to provide office space on campus for approximately 195-250 physicians, and clinical space for hospital outpatient diagnostic and treatment services. NMH will own the building and lease space to physician practices, including the potential for physicians who are part of a large specialty disciplines such as the Musculoskeletal Institute now being formed. Clinical services in this building will include hospital-based outpatient surgery (8 ORs and 32 prep/recovery stations – 8 Phase I and 24 Phase II), an Outpatient Diagnostic Clinic including 2 MRI units, 1 CT unit, 2 general x-ray machines, 1 ultrasound machine, diagnostic testing and pre-operative assessments.

Non-clinical functions include parking for approximately 575 cars, below-grade loading docks, retail space on the first and second floors, central sterile supply, and mechanical space.

The building is located on the west side of Fairbanks Court between Erie Street and Ontario Street at 259 East Erie Street. It is immediately south of the Feinberg Pavilion, NMH's largest inpatient care pavilion. It will be connected by bridge and tunnel to the Feinberg Pavilion and by bridge to the Northwestern University parking garage on the east side of Fairbanks Court. Two existing vacant buildings will be demolished on the site to make way for the OCP.

A map of the campus showing this site is included on the next page of this application.

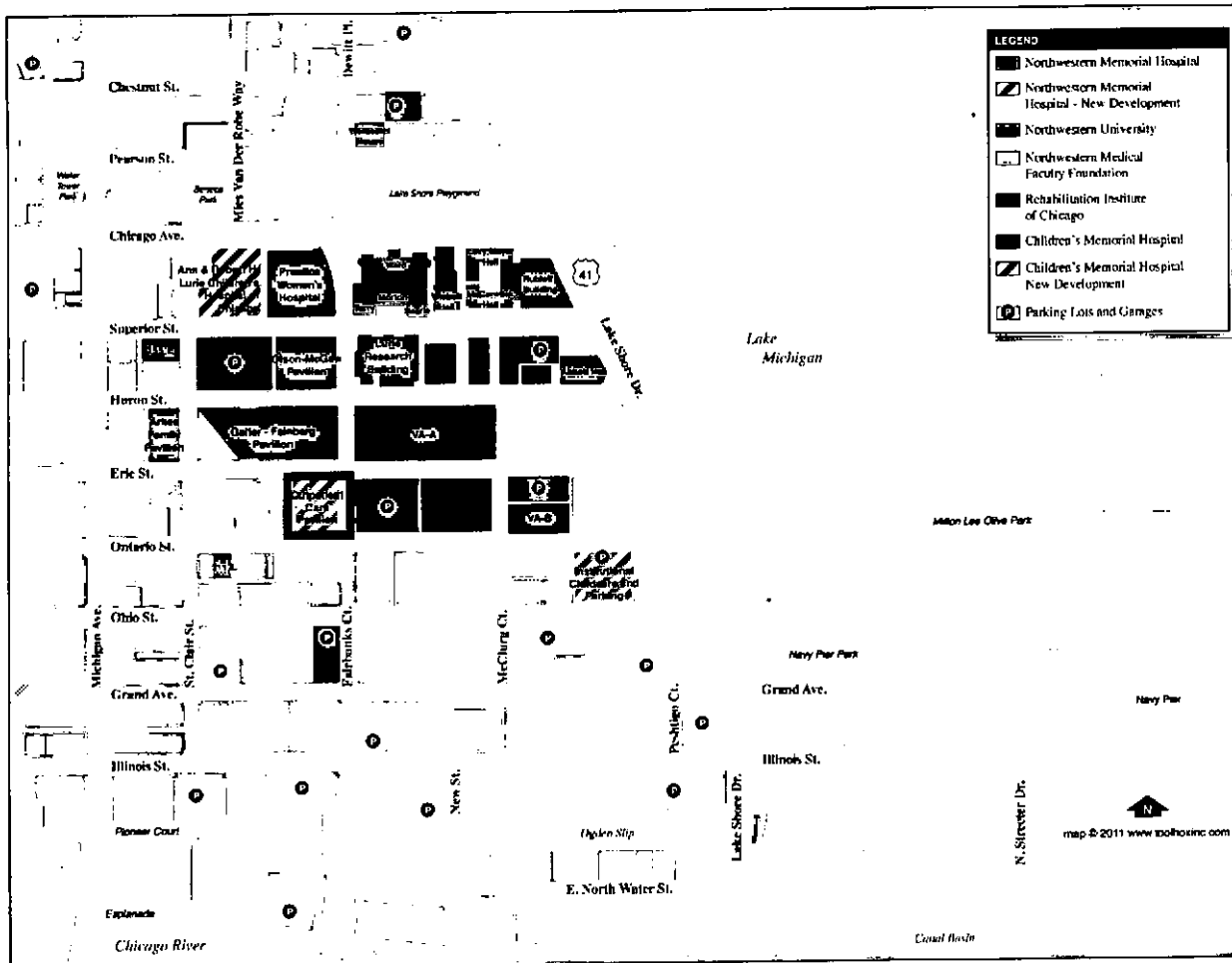
The proposed project is the least expensive of the realistic options for providing both medical office space and clinical service expansion space. It is also the most practical in both the short- and long-term and is therefore the preferred alternative.

This section presents the following alternatives considered:

1. Medical Office Building without hospital based-outpatient services;
2. Hospital Outpatient Services Pavilion;
3. Developer-owned Outpatient Care Pavilion;
4. Leased or purchased space in other area commercial buildings;
5. Conversion of space in other hospital buildings;
6. Shared project between Northwestern Memorial Hospital and Northwestern Medical Faculty Foundation (large multi-specialty physician group practice)

As additional context for this project, an update of the Overview of the NMH Campus Plan (timeframe 2020) is included following the presentation of the 6 alternatives.

NORTHWESTERN DOWNTOWN CAMPUS



 = proposed project site

Alternative 1: Medical Office Building

Description

This alternative accommodates the need for physician offices on campus, without providing space for the hospital clinical services (outpatient surgery, imaging, etc.) in the building. The consolidation of physician offices in a medical office building on campus allows for efficiencies in building design and operations, with the concentration of central lobby, patient parking, loading docks for supply delivery and waste removal, and other functions. A medical office building in close proximity to the main hospital (Feinberg/Galter Pavilion) allows physicians to see patients in their offices and also be available to cover their hospitalized patients as well as to teach at the medical school on campus.

This alternative was not pursued because it does not address the need for expansion space for NMH clinical outpatient services.

Advantages

- In many ways, a limited medical office building would be an easier project, focused on office visit functions and patient visitor flow patterns.
- Uniform floor plates, based on office layouts, do not vary greatly by floor elevation in the building. The universal grid for physician offices does not work for floors accommodating more intensive outpatient clinical programs. Trusses required to support the clinical office floors add cost.
- A medical office building without hospital-based clinical service involves less regulatory process.

Disadvantages

- A medical office building without clinical space does not address current and projected capacity constraints for imaging, outpatient surgery and other clinical services experiencing growth on the campus. Outpatient surgery and imaging facilities would need to be developed in other campus locations. For comparative purposes, the costs of those projects would have to be added to the medical office building cost.
- Patients needing diagnostic tests would have to go to other locations on campus for imaging, instead of having the convenience of the same building as their doctor's office.
- No other space on campus is available to accommodate the 81,314 square feet of outpatient clinical space with associated support space required, unless costly relocations of existing programs and tenants is included.
- Building a smaller building than allowed under City Zoning would not maximize the use of the site, and would not capture the value of the underlying land.

Cost

The cost of a medical office building for 195-250 physicians, with associated parking, retail, loading/unloading and non-clinical support is estimated at \$245,000,000.

This estimate does not include the cost of constructing clinical space in the program (outpatient surgery and imaging). This space would have to be constructed elsewhere on campus. There is no space available to accommodate the programmatic and functional requirements of the clinical space. To make such space available would require the relocation of existing tenants. The costs of constructing space for relocated people and functions, the relocation costs, and conversion of the vacated space to clinical would exceed the cost of providing this space in the proposed medical office building.

Timetable

The occupancy of a new medical office building would be approximately the same as the planned OCP, November 2014. The time to construct new clinical space in existing space on campus after current occupants of that space were relocated would extend the project into late 2015.

This alternative was rejected because it does not meet the program need for clinical expansion space.

Alternative 2: Hospital Outpatient Services Pavilion

Description

This alternative provides for the construction of outpatient surgery and imaging in a dedicated outpatient building on the site of the proposed OCP. This project includes 8 ORs and 32 prep/recovery stations (8 Phase I and 24 Phase II), outpatient imaging (CT, MRI, general x-ray, ultrasound), and an outpatient diagnostic clinic with associated support space. Total square footage is 81,314. Parking for 200 cars and a reduced loading dock function would support the clinical services in the building.

Advantages

- Meets the need for space to accommodate growing patient volumes in outpatient surgery and imaging.
- Reduces traffic at the site, due to lack of medical offices at this location.

Disadvantages

- Underutilizes a prime development site, adjacent to the 2 million square foot Feinberg/Galter Pavilion. The value wasted due to underutilizing this land would likely exceed the additional costs associate with building out the physician office floors.
- Does not provide needed physicians' offices on campus. For comparative purposes, medical office space would need to be developed in other locations on or near campus, and the costs of those projects added to the cost of the outpatient services pavilion. The incremental costs of locating offices scattered in numerous other non-adjacent locations would likely exceed the cost of having the physician's offices located as planned with the outpatient clinical services in this building.

Cost

Not computed, due to inability to define a comparable project that incorporates the scope of physician practices accommodated in this project.

Timetable

The occupancy of the outpatient services pavilion is May, 2014, about 6 months earlier than the proposed project.

This alternative was rejected because it does not meet the program need for medical office space on campus.

Alternative 3: Developer-owned Outpatient Care Pavilion

Description

In the early stages of project planning, NMH sought proposals from medical office building developers to plan, construct, and own the OCP. NMH would then lease space in the building for the clinical departments. Requests for proposals were sent to area developers with appropriate experience; 18 responded. This approach was different than NMH historically pursued, in that NMH owns its clinical facilities and other buildings on campus with medical offices. NMH pursued proper due diligence in evaluating this option and concluded that ownership by NMH was preferred.

Advantages

- NMH does not have the expenditure of capital; preserving funds/credit for other priorities that are continually competing for NMH resources.
- Developer bears the risk of the majority of leasing/occupancy of the building.

Disadvantages

- NMH does not maintain control over building.
- NMH loses a building that would become a long range asset, convertible to other clinical/non-clinical functions as health care reform evolves.
- A developer would have a higher cost of financing which would result in higher rents. Rents over the lifetime of the building would exceed the one time development cost for NMH.
- Developer would require NMH to assume a lease of 20-30% of the space to cover the cost of their up-front debt. This is more space than NMH would want to commit. In the proposed OCP, the two floors of NMH clinical space with associated support space accounts for 81,314 square feet, or 8% of the building.
- NMH is more familiar than most developers with the high intensity uses in the building, and their demands on support functions (example: elevator capacity, separation of patients and staff, etc.).

Cost

Over the life of a 50 year building, owning is less expensive than leasing.

Timetable

Estimated to be approximately the same as the preferred option; occupancy in November 2014.

This alternative was rejected because of the lack of control over future rent schedules and the higher cost of renting for an estimated 50 year timeframe compared to constructing and owning.

Alternative 4: Lease or Purchase Space in Other Area Commercial Buildings

Description

The Northwestern campus is located in the Streeterville/North Michigan Avenue area north of downtown Chicago. NMH has experience with the purchase and conversion of buildings adjacent to campus. In 2002, NMH purchased a 22-story office building at 676 St Clair Street, now called the Arkes Pavilion. Over the past 6 years, NMH has converted the building to physicians' offices after relocating NMH administrative offices there to leased space at 541

Fairbanks Court. The vacancy rate in the Arkes Pavilion is now 2%. NMH has also purchased 211 Ontario Street, an 180,000 square foot office building which has administrative and physicians' offices and a Veterans Administration clinic. The vacancy rate of the 211 Ontario Building is 8% with the largest contiguous block of space of 7,000 sq ft.

In March 2011, NMH commissioned the John Buck Company to survey nine high-rise office buildings closest to the campus to determine the availability of space for physician offices. The findings showed that these buildings do not have sufficient space to accommodate the 362,696 rentable square feet needed for physicians' offices. The available space in contiguous blocks of space rentable for physician offices ranged in individual sizes from 3,694 sq ft to 31,064 sq ft. Two additional buildings (not included in the nine) have 90,207 and 101,075 sq ft, but will not rent to physicians' practices. The NMH clinical space layouts demand floor plates of a minimum 30,000 sq ft; the area market does not have sufficient space of this size.

If floor plate size were not a factor, it would take more than 25 non-contiguous areas in nine buildings to assemble the 362,696 rentable square feet for offices programmed in the OCP. This dispersion of offices is not conducive to promoting the interaction of physicians and staff in integrated clinical practice and educational settings.

No one block of space in the nine buildings is of sufficient size to accommodate the 81,314 square feet of clinical space of this project (outpatient surgery and imaging).

Advantages

- NMH could preserve capital by not constructing a new building.

Disadvantages

- Physicians' offices would be distributed throughout the area, and not convenient for patients needing hospital-based diagnostic testing.
- There would not be sufficient building infrastructure (elevators, plumbing, etc.) in existing buildings to support medical office use.
- There may not be sufficient I.S. infrastructure in existing buildings to support necessary patient care systems that tie into the hospital's systems.

Timetable

If space for offices were available, build-outs could be completed well within 2 years; however sufficient space is not available.

This alternative was rejected because it does not meet the program need physicians' offices or clinical services. Cost estimates were not developed for this option since it is not realistic for the project.

Alternative 5: Conversion of Space in Other Hospital Buildings

Description

NMH's clinical facilities occupy approximately 5 million square feet on the Streeterville campus, including the 2.0 million square foot Feinberg/Galter Pavilion, opened in 1999 and the 940,000 square foot Prentice Women's Hospital, opened in 2007. All of NMH's facilities are at capacity. To respond to pressure to add beds, NMH modified the original plans for the new Prentice Women's Hospital that included two floors for physicians' offices to provide, instead, two floors of hematology/oncology beds (CON #05-062). Similarly, a current project for the conversion of

three floors in the Galter Pavilion from physicians' offices to ICU, Medical/Surgical and AMI beds was recently completed and is pending close-out under CON (CON #09-039).

There are no available NMH facilities able to accommodate the 362,696 rentable square feet needed for physicians' offices and 81,314 bgsf for NMH clinical services and associated support space.

In September 2011, NMH vacated the Stone Pavilion upon relocation of the inpatient AMI unit to the Galter Pavilion as mentioned above. Northwestern University owns the Stone site, which is the future location for expanded medical research facilities. The Stone Pavilion site is not available for use by NMH after September 2011, nor is it as proximate to the Feinberg/Galter Pavilion as the site selected for the OCP.

There are three other undeveloped parcels on and adjacent to campus, including two vacant sites of the former Veterans Affairs Lakeside Medical Center which total 3-acres. The main site is larger than is needed for the OCP, and is reserved for future clinical program expansion, subject to future planning by NMH and regulatory approvals by the State of Illinois and other agencies. The other site is a surface parking lot on the southwest corner of Ohio Street and Fairbanks Court which is too far removed from the main hospital.

Advantages

- Because there is no available space in existing buildings to accommodate the medical offices and clinical services, no advantages are cited.

Disadvantages

- If space was available in NMH-owned buildings, construction of the medical offices and clinical space would be disruptive to ongoing patient care activities.

This alternative was rejected because it does not meet the program need for physicians' offices or clinical services. Cost and Timetable estimates were not developed for this option since it is not realistic for the project.

Alternative 6: Shared project with Northwestern Medical Faculty Foundation

During the planning process, there has been consideration given to how national health care reform and the evolution of Accountable Care Organizations will influence the delivery of health care in an ambulatory care setting such as the Outpatient Care Pavilion. ACOs anticipate hospitals and physician groups combining into shared delivery systems. At the time of this application, no significant change in delivery has been modeled as a guide to how this building could operate. What is important is the need to accommodate flexibility for the future.

In our planning, we have considered different partnership approaches between NMH and physician groups, such as the 600+ member Northwestern Medical Faculty Foundation (NMFF) or a major clinical department that would have major space in the building. This could entail having NMH owning equipment in the physician practice, some shared operational and business relationship in providing surgery and diagnostic services, and other arrangements that are structured to deliver efficient and effective care to patients.

This concept is presented as an alternative without definition. It is possible that a shared or partner relationship with physicians may evolve, in the year or two after start of construction.

This would imply the need for review with the HFSRB and potentially an alteration of the permit. No cost or timeline can be suggested at this time for this undefined alternative.

Summary

The following table provides a summary cost benefit analysis of the preferred project and the alternatives:

Location/Alternative	Meets functional program?	Total Cost	Availability
Outpatient Care Pavilion – 259 East Erie Street (preferred option)	Yes	\$322.8 million	November, 2014
Medical Office Building	No	\$245 million	November, 2014
Hospital Outpatient Services Pavilion	No	N/A	May, 2014
Developer-owned Outpatient Care Pavilion	Yes	In excess of \$322.8 million	November, 2014
Space in other existing Commercial Buildings	No	N/A	Early 2014
Space in other NMH buildings	No	N/A	N/A
Shared project between NMH and Northwestern Medical Faculty Foundation	Yes	N/A	N/A

Construction of a new Outpatient Care Pavilion at 255 East Erie Street is the preferred option. The approximately 1-acre site is owned by NMH and has a sufficient floor plate to accommodate clinical delivery care patterns as well as physician's offices, parking, loading docks, and other support services. The plan for campus development has reserved this site for this type of function.

OVERVIEW OF THE NORTHWESTERN MEMORIAL HOSPITAL CAMPUS PLAN

(timeframe: 2020)

Statement Update from previous version included in CON #06-080

Northwestern Memorial Hospital is pursuing a capital building program in support of its mission – to be an academic medical center where the patient comes first. Our building plans respond to the Civic Committee of the Commercial Club's 1984 challenge to Chicago academic medical centers to invest in improving health care for residents of the region and beyond. The commitment to improve health care for our community is the driving force behind NMH's investment in clinical care programs and facilities. Northwestern University, through its Feinberg School of Medicine, has also accepted the challenge, opening two new research facilities adjacent to the hospital on the Chicago campus since the mid-1980s. Together, NMH and NU share a common vision, to become one of the top ten medical centers in the US by year 2020. This vision and the joint planning supporting it establish a framework for further campus development.

Over the past two decades, there have been several objectives that have directed our building program. The opening of the 2-million square foot Feinberg/Galter Pavilion in 1999 was the final step in consolidating Wesley Memorial Hospital and Passavant Memorial Hospital, two prominent teaching hospitals located on the Northwestern campus in Streeterville, which merged in 1972. With over 500 beds and offices for 600 physicians, the Feinberg/Galter Pavilion was designed to be a model for patient care delivery in a state of the art health care facility. Twelve years after opening it remains a national model for patient care. The new building enabled NMH to consolidate its inpatient medical/surgical and ICU services, expand outpatient and ambulatory care services, and support both inpatient and outpatient functions with extensive diagnostic and treatment services. The Feinberg/Galter Pavilion fully supports the delivery of specialty services in an academic medical center context. But with occupancies exceeding 90% for most of the past 7 years, additional bed construction projects have been necessary to add capacity. (Our focus on bed capacity over the past decade, however, has not addressed the ongoing need for expanded outpatient clinical service space and physician offices.)

The NMH building and development plans also respond to the dramatic and ongoing residential renaissance in downtown Chicago. The resident population of the Chicago Central Area doubled from 83,000 in the mid-1990s to 165,000 in 2007. In addition to fueling the demand for medical/surgical services at NMH, this growth has contributed to an increased demand for women's health services at NMH over the past 10 years. NMH's new Prentice Women's Hospital, opened in the fall of 2007, responds to the increasing demand for inpatient care, and offers a broad array of health services for women at all life stages. The building has also played a key role in accommodating medical/surgical bed expansion, with two full floors dedicated to meeting the increased demand for hematology/oncology services.

Beyond the Feinberg/Galter Pavilion and the Prentice Women's Hospital pavilion, a third project anchors the NMH campus development plan. This is the construction of the new Outpatient Care Pavilion (subject of this CON permit application) that will accommodate 195 – 250 physicians in their office practices, and add diagnostic and treatment facilities (primarily surgery and imaging) to augment the ongoing growth of inpatient bed services on the campus.

The plan also anticipates a fourth project -- the development of new inpatient and diagnostic and treatment capacity on the site of the Chicago Veterans Affairs Medical Center – Lakeside Campus. NMH purchased this facility in 2004-2005. Planning for the development of the site

will be guided by joint strategic planning by NMH and Northwestern University. Development of this site is not expected until after 2020.

Other significant projects are underway on campus: 1) The Ann and Robert H. Lurie Children's Hospital of Chicago is under construction immediately west of the Prentice Women's Hospital pavilion. It is scheduled to open in 2012. This project will accomplish the relocation of most of Children's Memorial Hospital (a separate institution from NMH) from its current location in Lincoln Park. 2) Another institution on campus is the Rehabilitation Institute of Chicago, also a separate institution from Northwestern Memorial Hospital. It is planning to replace its 1974 building with a new/modern rehabilitation center on McClurg Ct between Erie and Ontario Streets later this decade. 3) Further expansion of medical research is anticipated by Northwestern University.

In the meantime, numerous smaller capital expansion projects play a critical role by adding incremental capacity within NMH to accommodate growing demand for services. Examples of these projects are: conversion of administrative support space in Feinberg to 16 medical/surgical beds, year 2003; opening a ten-room outpatient surgery unit on the 6th floor of Olson Pavilion, year 2004; the previously mentioned addition of 72 Hematology/Oncology beds on the 15th and 16th floors of the Prentice Women's Hospital, year 2007; a new outpatient imaging center expanding diagnostic capacity at 676 St. Clair, NMH's Arkes Family Pavilion, year 2010; and conversion of two floors in the Galter Pavilion from physician offices to inpatient beds: 23 ICU beds on Galter 9th floor, and 24 medical/surgical beds on Galter 10th floor. These kinds of incremental projects will be ongoing, subject to necessary regulatory approvals, throughout the campus buildings to meet patient care growth demands.

These incremental projects "buy time" and defer capital spending on the newly acquired VA site. With the opening of the Feinberg/Galter Pavilion in 1999 and the new Prentice Women's Hospital in 2007, NMH has added 3 million bgsf and replaced most of its aging inpatient beds within an 8-year period. The opportunity to defer the development of another inpatient bed building on the VA site until the next decade lets NMH contemplate its next investment in context of national health care reform, community needs, and strategic planning with the Northwestern University's Feinberg School of Medicine.

The solution to accommodating increased demand for services lies not only in building more space. Operational improvements for capacity management continue to increase the efficient use of our facilities and include: OR block scheduling of surgery cases, resulting in a uniform and predictable use of inpatient surgery beds, creating a capacity equivalent to ten beds; flexible nurse staffing, to assure that all available beds are staffed, increasing operational capacity to the full authorized bed complement; and several measures that have reduced length of stay, such as recruitment of a fleet of care coordinators and formalizing relationships for transfers to area nursing homes.

Recognizing that there will be a limit to growth on the campus in Streeterville, NMH has begun to extend services in other locations in and beyond the City of Chicago. In 2010, NMH formalized a relationship with Lake Forest Hospital, and received a Certificate of Exemption from HFSRB. Northwestern Lake Forest Hospital will provide an alternative location for some services for residents in the north suburbs. Discussions are ongoing with other hospitals in metropolitan Chicago. In addition, NMH acquired an 11-acre site in suburban Glenview in 2007, anticipating the need for satellite facilities to serve patients in the suburbs and relieve some of the development pressure on the downtown Chicago campus. Other sites are also under consideration for outpatient service development.

The proposed project to develop the Outpatient Care Pavilion on land at 259 East Erie/240 East Ontario Streets, directly across the street from the Feinberg Pavilion, is not an isolated project, but is part of a comprehensive master facilities plan responding to ongoing growth in demand for health care services, both medical offices and the expansion of outpatient clinical services for the community. The delivery of outpatient care in an efficient setting, coordinated with inpatient service delivery, is consistent with patient expectations for effective high quality care and the evolving elements of national health care reform.

SIZE OF PROJECT

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive.

The size of the project is driven by the amount of space needed to accommodate physician office demand on campus, and outpatient clinical services including surgery, imaging and other diagnostic testing. Additional space in the building is required for patient parking, retail and other support functions such as loading docks and building systems. The City of Chicago's zoning/Floor Area Ratio regulations also influence the building size. These drivers of size are separately addressed in this section.

The clinical components of the project are below the State's Guidelines for square footage.

There are no State Guidelines for the non-clinical components of this project. In determining their sizes, NMH's planning team members, architects and consultants utilized existing functional standards and incorporated experience from other developments on the campus during the past two decades.

Outpatient Care Pavilion Stacking Diagram

Floor 25	MEP Systems
Floor 24	Physician Offices
Floor 23	Physician Offices
Floor 22	Physician Offices
Floor 21	Physician Offices
Floor 20	Physician Offices
Floor 19	Physician Offices
Floor 18	Physician Offices
Floor 17	Outpatient Diagnostic Clinic
Floor 16	Physician Offices
Floor 15	Physician Offices
Floor 14	Physician Offices
Floor 13	Physician Offices
Floor 12	Surgical Services
Floor 11	Physician Offices
Floor 10	MEP Systems / Storage
Floor 9	Parking
Floor 8	Parking
Floor 7	Parking
Floor 6	Parking
Floor 5	Parking
Floor 4	Parking
Floor 3	Parking
Floor 2	Retail / Reception
Floor 1	Retail / Reception
Lower Concourse	Loading Dock / Materials Management

Clinical Components of the Project

The clinical programs included in the proposed project are: outpatient surgery and the outpatient diagnostic clinic.

For both the surgery area and the diagnostic testing area, functional programmers/space planners translated volume projections, utilization standards, and operating input from Physician User Groups to define the clinical programs and uses to be located on the two clinical floors. In determining square footage and layouts, the User Groups and architects used AIA and State and City codes and standards, which were adapted based on practices observed during site visits to other leading programs in the U.S. and on "lessons learned" from operations in NMH's other campus buildings.

For example, NMH has an outpatient surgery area in the Olson Pavilion that has 10-operating rooms and related support space. The operating rooms in that location are built in a racetrack design. Physicians in the User Group sessions identified that design as a potentially less efficient layout. Physicians in that design spend time walking to/from the recovery areas, nursing station and consult rooms. Because of this "lesson learned", the OCP surgery area will have a pod design with four operating rooms per pod. The pre- and post-operative areas will be spread out across the floor so that each pod of operating rooms is close to half of the pre- and post-operative areas.

Surgical Services

The proposed project includes hospital-based outpatient surgery on Floor 12. This surgery service will be one of four surgery areas on campus. The other three surgery services are located as follows: 32 ORs in the Feinberg/Galter Pavilion (inpatient and outpatient), 10 ORs in the Olson Pavilion (outpatient), 10 ORs in the Prentice Women's Hospital (inpatient and outpatient).

Included on Floor 12 of the OCP will be 8 Class C standardized operating rooms with sub-sterile/scrub sinks between every two rooms. The operating rooms will accommodate a wide range of intraoperative care for outpatients.

As mentioned above, the operating rooms will be arranged in two pods of four operating rooms each to increase the efficiency of the surgeons.

There will also be 8 Phase I recovery bays for post-anesthesia care where a patient will stay until they are cognizant of his/her surroundings. The Phase I bays will be open cubicle bays equally divided and located on the north and south sides of the floor. There will be 20 Phase II recovery bays with three sided walls and a discharge lounge with an additional 4 Phase II recovery bays. Phase II recovery bays will be used by patients who received local anesthesia and don't need as much observation after surgery.

The surgery suite will also have one main control station located between the two operating room pods. It will contain pharmacy space that will be used to process IV additives, narcotics, antibiotics, etc., preparing and dispensing medications on a "per case" basis.

The suite contains a nourishment room equipped with a large refrigerator, microwave oven, and ice machine for patients who may require dietary support consisting of light meals, beverages, and snacks.

There will also be an area for biomedical equipment storage and repair.

Central Sterile Supply space will also be located on this floor. The description of that area is included later in this attachment, in the Non-Clinical Components section.

Additionally, there will be two physician consult rooms for post-operative consults with the patient's family/friends.

The Surgical Services area of the proposed project totals 23,833 DGSF. (See below for the comparison to State Standards).

Outpatient Diagnostic Clinic

To maximize efficiencies and improve patient access to services, the OCP will have an Outpatient Diagnostic Clinic on Floor 17. A patient coming to the clinic will have access to imaging services, phlebotomy and EKG services, and full surgical evaluations for pre-surgical patients.

The imaging services will consist of: 2 MRIs, 1 CT, 2 X-Ray machines, and 1 Ultrasound machine (that will be relocated from the Feinberg Pavilion). The diagnostic testing/pre-operative assessment services will consist of 23 exam rooms that will be universal rooms for blood draws, EKG, etc.

These D&T functions will support the OCP tenants as well as physicians elsewhere on the campus. It will be the expectation that approximately 50-60% of all NMH outpatient surgery patients will come to this floor for a pre-operative assessment prior to surgery at NMH.

The proposed D&T floor will be zoned into public, clinical, and staff support/administrative areas. The department was configured to maintain separation of patient and staff/materials traffic, while optimizing opportunities to share staff, equipment, and support space to the greatest extent possible. For example, there will be one combined IV prep area for both MRI and CT.

There will be a single point of entry for an expected 800 patients per day on this floor. It is anticipated that most of the patients coming to the unit for blood draws, urine analyses and EKG services will be walk-in and unregistered. Semi-private registration booths will support the check-in process.

The Outpatient Diagnostic Clinic in the proposed project totals 24,299 DGSF. (See below for the comparison to State Standards).

Non-Clinical Components of the Project

The following non-clinical programs are also included in the proposed project:

Physician Office Space

There are 1,687 physicians now on the NMH medical staff. They are officed in the Galter Pavilion (the physicians' office tower connected to the new hospital/Feinberg Pavilion), the Arkes Pavilion (the medical office building connected to the Galter Pavilion via bridge over St. Clair Street), in other commercial buildings adjacent to the campus, or in downtown Chicago and outlying locations in Chicago and the suburbs locations. Over 200 physicians have joined the medical staff since FY06. This is an average annual growth of 3.8%, equivalent to a projected additional 321 physicians by 2015.

There are 4 components of demand for leased space: 1) Physicians now on staff and in nearby commercial buildings or in space in the Galter Pavilion that may be converted to inpatient beds when needed in the future; 2) Practices that are expanding and need space; 3) new start-up practices, and 4) recruitment/transfers of existing practices.

The demand for physician office space on campus is very high. The Galter Pavilion opened in 1999, with physicians' offices on Floors 9 to 21. The leased office space was fully occupied (600 physicians) within two years of its 1999 opening, an early indication that more physicians' offices were needed on campus.

This increasing demand for physician office space over the past 15 years has been competing with growing pressures to add space for inpatient beds on campus. When NMH began designing the new Women's Hospital in 1999, two floors of physicians' office space were included in the original plan of the building. Letters of interest from approximately 100 physicians were included in CON application #02-073 approved in January, 2003. However, after that approval, NMH continued to experience increasing inpatient volumes and realized that the most logical place for inpatient growth was in the new Women's Hospital. NMH submitted an Alteration Request to remove the two floors of planned physicians' office space and submitted a subsequent application for the addition of 72 hematology/oncology beds in that space. The alteration request and bed expansion application both received State approval.

In 2002, NMH purchased a commercial office building across St. Clair Street from the Galter Pavilion. Now known as the Arkes Pavilion, it has been converted from commercial and administrative offices and now primarily houses physicians' offices. It has a vacancy rate of 2%.

More recently, physicians' offices on three floors of the 12 year old Galter Pavilion were relocated to create more inpatient bed capacity for the Galter Pavilion 9th, 10th and 13th floors inpatient Bed Expansion project and relocation of inpatient psychiatry (CON #09-039), approved by HFSRB in January, 2010. That bed project opened in September, 2011. As inpatient volumes continue to grow beyond the capacity of that project, additional floors in the Galter Pavilion may be converted from offices to inpatient bed use in the future, with further relocations of physicians.

The Outpatient Care Pavilion project includes 12 floors of physician office space with floor gross totaling 434,297 bgsf. This equates to 362,696 rentable square feet for physicians' offices. This amount will provide space for approximately 195 - 250 physicians. Physicians leasing space will be able to designate suite sizes based on the number of physicians in their practices.

Locating physicians on campus has advantages for both patients and physicians. For patients, visits to physicians' offices can be coordinated with outpatient testing and other hospital services. For physicians who have active practices, it is beneficial to be located in a building connected to the hospital to increase their availability for inpatients. Additionally, all physicians on staff at NMH are on the faculty of the Feinberg School of Medicine at Northwestern University, and have teaching and/or research responsibilities. The proximity of office space to the medical school and NU's Tarry or Lurie research buildings increases the amount of productive time for physicians. Locating physicians on campus also increases their interaction with Graduate Medical Education residents based in the hospital and university's education buildings.

NMH has received letters of interest from 15 physicians' practices with 138 physicians (the letters are included at the end of this section). These practices anticipate having 161 physicians in Year 2014. Additionally, NMH has received one letter of interest from a renal dialysis group currently located in a building on campus co-owned by NMH and Northwestern University.

The following table presents information on the physicians' practices that have confirmed their interest in leasing space in writing:

Physician Group	Current Location	# of current physicians	# of anticipated physicians 2014	Avg. Sq. Ft. per physician ⁽¹⁾	Projected 2014 Square Footage
Northwestern Internists	676 N. St. Clair #415	11	13	1,876	24,388
Northwestern Nasal and Sinus Associates	676 N. St. Clair #1575	2	4	2,712	10,848
Dr. Zugerman/Dr. Caro	676 N. St. Clair #1840	2	2	1,125	2,250
Chicago Lake Shore Medical Associates	676 N. St. Clair #2300 & #2010	47	50	1,876	93,800
Internal Medicine Associates	201 E. Huron #12-205	7	8	1,876	15,008
Female Healthcare	201 E. Huron #12-240	2	2	2,060	4,120
NMPG Internal Medicine	201 E. Huron #12-105	12	15	1,876	28,140
Northwestern Dental Center	201 E. Huron #2-246	12	12	1,125	13,500
Chicagoland Retinal Consultants	1 E. Wacker Dr. #3150	3	5	2,782	13,910
Chicago Hand	737 N. Michigan #700	5	5	2,587	12,935
Dr. Calvin T. Meinke	1100 Lake Street Oak Park	1	4	1,427	5,708
Dr. Jerome M. Garden	150 E. Huron #1200	3	3	1,125	3,375
The Northwestern Children's Practice	680 N. Lake Shore Dr. #123	8	8	1,876	15,008

NMPG OB/Gyn	680 N. Lake Shore Dr. #810 & #815	15	20	2,060	41,200
Michigan Avenue Internists	200 S. Michigan #805	8	10	1,876	18,760
SUB-TOTAL		138	161		302,950
Fresenius Medical Care					18,000
TOTAL					320,950

(1) Medical Group Management Association (MGMA) *Cost Survey for Single-Specialty Practices 2010 Report Based on 2009 Data* is the source for the square footage metrics used to estimate projected square footages for each practice.

The Physicians' Office space of the proposed project totals 362,696 DGSF. NMH has received letters of interest for 320,950 DGSF, over 88% of the available space.

Central Sterile Supply

Central Sterile Supply (CSS) will provide the following services for Outpatient Surgical Services in the OCP:

- Gross Washing
- Decontamination
- Prep/pack, and terminal sterilization of surgical packs and procedural instruments
- Scope processing
- Washing surgical case carts

In addition, CSS will be responsible for inspecting and replacing damaged operating room instruments, stocking of case carts for surgery, and restocking and storage of emergency resuscitation carts. It will also handle the processing of instruments for the Outpatient Diagnostic Clinic on Floor 17.

The Central Sterile Supply area of the proposed project is 2,235 DGSF.

Retail

The OCP project will include some retail spaces on Floors 1 and 2. NMH will seek retailers that can provide key services to patients, visitors, and tenants. Likely options include food, coffee, and conveniences.

The Retail areas of the proposed project total 18,706 DGSF.

Parking

There will be 575 parking spaces provided on 7 floors for patients and visitors. A detailed parking and traffic analysis was performed for the NMH campus by Traffic Analysis & Design, Inc. They determined that there would be an increase in the peak parking demand from now until 2014 of approximately 500 spaces. Patients/visitors will also have access to the parking garage across Fairbanks Court via a bridge for the years beyond 2014 when the demand for peak parking is expected to be even higher.

The Parking areas of the proposed project total 248,176 DGSF.

Conference Rooms / Classrooms

Classrooms and conference rooms are required to support the many clinical teams associated with providing outpatient diagnostic services on Floor 17. In concert with the Northwestern University School of Medicine, the needs for proper teaching, lecturing and teleconferencing facilities are required. The separation from the other diagnostic areas on campus results in the need for an electronic connection to activities on a real-time basis and with audio-visual capabilities.

The Classrooms/Conference rooms of the proposed project total 481 DGSF.

Administration

Administrative office space is provided on the two clinical floors for medical directors, managers, and technical coordinators.

The Administration area of the proposed project totals 1,854 DGSF.

Staff Lockers / Lounges

The space allocated for Staff Lockers / Lounge will be shared by all staff located on both the Surgical Services unit on Floor 12 and the Outpatient Diagnostic Unit on Floor 17. Each full-time employee will be assigned their own locker with enough space to hang a coat and store other personal belongs. The locker room on the Surgical Services floor will have a one-way flow to the restricted/staff only corridor as required by IDPH.

The Staff Locker/Lounge areas of the proposed project total 4,850 DGSF.

Reception / Waiting / Public Toilets

There will be reception/waiting space on the first two floors of the building. The second floor will have pedestrian bridge connectors to Northwestern University's existing parking garage and to the Feinberg Pavilion. The physicians' office floors that have multiple tenants will have public toilets. The floors that are full tenants will have toilets within their suites.

There will also be reception/waiting spaces on the two clinical floors. The reception/waiting space on Floor 17 will serve the entire Outpatient Diagnostic Clinic.

The Waiting and Public Toilets areas of the proposed project total 23,304 DGSF.

Loading / Materials Management

The loading dock and main materials management space will be located on the lower level. There will be 4 underground bays that will be accessible from a ramp on Ontario Street.

There will be trash/linen chutes on each floor of the building.

The Loading / Materials Management areas of the proposed project total 18,679 DGSF.

Environmental Services

There will be at least one EVS closet on each floor of the OCP with multiple closets on the two clinical floors. The closets will have a mop sink and cleaning supplies.

The Environment Services areas of the proposed project total 3,483 DGSF.

Storage

There are storage areas on each of the parking floors (Floors 3 – 9) and also on Floor 10 with the MEP systems. The storage on the parking floors will be used for building/tenant storage. The larger space on Floor 10 will be used initially as a staging/construction storage for the physician office space buildouts as they continue through 2017 and beyond. After that time, it will likely be used as more tenant storage.

The storage areas of the proposed project total 12,321 DGSF.

Facilities Management

There is Facilities Management space on Floor 25 that will be used for offices for building engineers and plan storage of the OCP.

The Facilities Management space of the proposed project totals 1,213 DGSF.

Mechanical/Electric/Plumbing (MEP) Systems

There are three floors with major MEP equipment in the building. Floor 2 has a mechanical room with air handlers for the lower level and Floors 1 and 2. Floor 10 has air handlers for Floors 11-17 as well as medical gas equipment for the building, pumps, electrical rooms, main communication rooms. Floor 25 has air handlers for Floors 18-24, chillers, hot water heaters, pumps, electrical rooms and communication rooms. There is a ComEd vault on every third floor.

The MEP spaces of the proposed project total 63,770 DGSF.

Bridges and Tunnel

There are two single story, horizontal pedestrian bridge connectors included in the proposed project. One will connect the OCP on Floor 2 to the Feinberg Pavilion (across Erie Street) and the other will connect the OCP project to the existing parking garage, owned by Northwestern University (across Fairbanks Court). The connector is needed for access and ease of staff and visitor circulation through the campus.

A tunnel from the OCP to the Feinberg Pavilion is also included. This is for NMH materials delivery and utility service connections from the campus.

The bridges total 2,648 DGSF and the tunnel is 1,194 DGSF.

Drive Through

In order to accommodate the arrival of more than 4,000 patients and visitors per day, many of whom will be arriving by cab or private car, a vehicular drive-through is planned to connect Erie Street on the north and Ontario Street on the south. This provides a weather-protected entry and departure for patients and visitors, and benefits the community by avoiding drop-offs and pick-ups on perimeter streets. The design is similar to the at-grade drive through between the Feinberg Pavilion and Galter Pavilion.

The drive through totals 16,230 DGSF.

Floor Gross Factor

As in NMH's previous CON applications, floor gross elements that are not part of the "usable floor area" were not included in the departmental square footage (DGSF) determination. These elements include:

- Elevator cores and lobbies
- Stairs
- Shafts including mechanical, plumbing, ComEd, and Life Safety
- Electrical rooms
- Communication rooms
- Non-departmental circulation

The building gross takes the departmental square footage and adds the floor gross as well as the skin of the building, resulting in a building gross square footage (BGSF).

Zoning and Floor Area Ratio as determinant of building sizing

The Northwestern Campus is located in a dense, urban area, 1 block east of the North Michigan Avenue shopping district. The approximately 1 million square foot OCP project will be constructed on a 46,094 square foot parcel, approximately one acre. The site size forces the development of a high-rise structure, compared to medical office buildings located in the city farther from the central business district or in the suburbs where land is more available. The

site zoning anticipates a tall structure, with a Floor Area Ratio of 12. High land values in the area also mandate tall buildings.

Accordingly, the amount of square footage for the building was determined to a large measure by how much space could be committed within the maximum building size consistent with the City's Floor Area Ratio for this site.

LEED Certification

The goal of the project is to achieve LEED Silver certification. LEED addresses design issues such as:

- Site design features
- Water consumption
- Energy efficiency
- Envelope design
- Natural and electrical lighting approach
- Material and finish selection
- Healthy environment

The project will reference LEED for Core & Shell 2009 (LEED-CS). LEED-CS evaluates the scope of work that is under the control of NMH, which includes the two clinical floors. Work related to interior tenant build-out is not part of the LEED-CS certification. However, a 'Tenant Design and Construction Guidelines' document will be produced to inform tenants about the sustainable attributes of the building, standard 'green' design and construction practices, and information on pursuit of LEED-CI certification for their spaces.

2. Comparison of clinical components to GSF standards in Section 1110. Appendix B.

Surgical Services

The proposed square footage for the Surgical Services unit is 23,833 DGSF.

Components and Space Standards used are as follows:

OCP Surgical Services unit, as designed	23,833 DGSF
8 Class C operating rooms	
8 Phase I recovery bays	
24 Phase II recovery bays	
State Standard for Surgical Operating unit	33,040 DGSF
Class C Surgical Operating Suite: 2,750 dgsf/operating room x 8 = 22,000	
Post-Anesthesia Recovery Phase I: 180 dgsf/recovery station x 8 = 1,440	
Post-Anesthesia Recovery Phase II: 400 dgsf/recovery station x 24 = 9,600	
Amount of difference	(9,207)

The proposed Surgical Services unit is within the State Guidelines for Square Footage.

Outpatient Diagnostic Clinic

The proposed square footage for the Outpatient Diagnostic Clinic is 24,299 DGSF.

Components and Space Standards used are as follows:

OCP Outpatient Diagnostic Clinic, as designed	24,299 DGSF
23 exam rooms	
2 MRI rooms	
1 CT room	
2 General X-ray rooms	
1 Ultrasound room	
State Standards for Diagnostic Radiology and Ambulatory Care	27,300 DGSF
Ambulatory Care rooms: 800 dgsf/room x 23 exam rooms = 18,400	
MRI: 1,800 dgsf/unit x 2 MRIs = 3,600	
CT Scan: 1,800 dgsf/unit x 1 CT = 1,800	
General Radiography: 1,300 dgsf/unit x 2 General X-rays = 2,600	
Ultra-Sound: 900 dgsf/unit x 1 Ultrasounds = 900	
Amount of difference	(3,001)

The proposed Outpatient Diagnostic Clinic is within the State Guidelines for Square Footage.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Surgical Services	23,833	33,040	(9,207)	Yes
Outpatient Diagnostic Clinic	24,299	27,300	(3,001)	Yes

NORTHWESTERN INTERNISTS

November 5, 2010

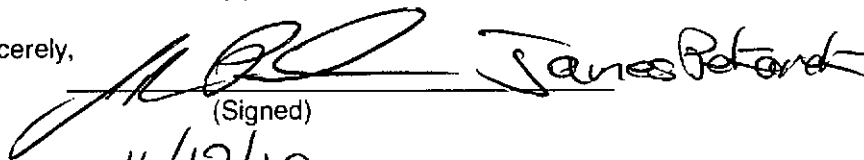
To: Gina Weldy
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: Interest in Leasing Physician Office Space

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,


(Signed)

Date: 11/12/10

Current Office Location: 676 N. St. Clair, Suite 915
(Building/Suite)
Chicago, 60611
(Address)

of Physicians in My Practice Now: 11

Projected # of Physicians in My Practice in 2014: 13

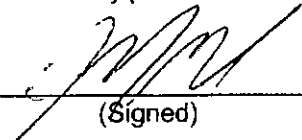
NORTHWESTERN NASAL AND SINUS ASSOCIATES

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Northwestern Memorial Hospital
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Sincerely, 

(Signed)

Date: 11-30-10

Current Office Location: 676 N. ST. CLAIR
(Building/Suite)

1575. CHICAGO, IL 60611
(Address)

of Physicians in My Practice Now: 2

Projected # of Physicians in My Practice in 2014: 4

DR. CHARLES ZUGERMAN / DR. WILLIAM CARO

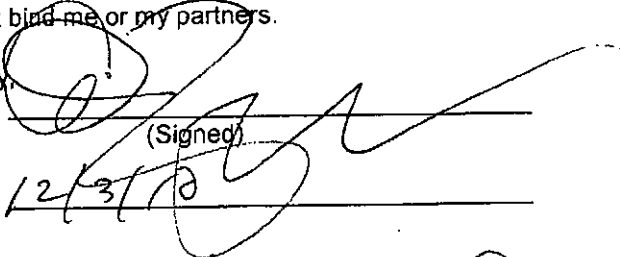
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My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,



(Signed)

Date: 12/3/10

Current Office Location: 626 N. St. Clair
(Building/Suite)

Chicago
(Address)

of Physicians in My Practice Now: 2

Projected # of Physicians in My Practice in 2014: 2

CHICAGO LAKE SHORE MEDICAL ASSOCIATES

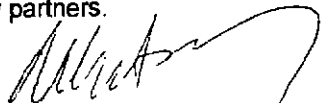
To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Physician Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,



(Signed)

Date:

7/8/11

Current Office Location:

SUITE 2000+2300

(Building/Suite)

676 BLDG

(Address)

of Physicians in My Practice Now:

47

Projected # of Physicians in My Practice in 2014:

150

INTERNAL MEDICINE ASSOCIATES

November 19, 2010

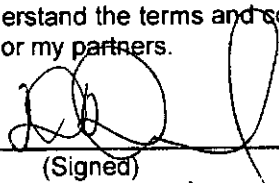
To: Gina Weldy
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: Interest in Leasing Physician Office Space

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My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,



(Signed)

Date: 11/22/10

Current Office Location: Galter #12-205
(Building/Suite)
201 E. Huron Chicago, IL 60611
(Address)

of Physicians in My Practice Now: 7

Projected # of Physicians in My Practice in 2014: 7-8

FEMALE HEALTHCARE

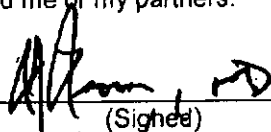
To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Physician Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,



(Signed)

Date:

12/19/2010

Current Office Location:

GALTER SUITE 12-240
(Building/Suite)

(Address)

of Physicians in My Practice Now:

2

Projected # of Physicians in My Practice in 2014:

2

NMPG INTERNAL MEDICINE

To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Physician Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,

Cynthia Knoll
(Signed)

Date: June 21 2011

Current Office Location: Salter 12
(Building/Suite)

12-105
(Address)

of Physicians in My Practice Now: 12

Projected # of Physicians in My Practice in 2014: 15 + Psych and Derm.

NORTHWESTERN DENTAL CENTER

To: Gina Weldy
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: Interest in Leasing Physician Office Space

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,

Robert Taylor

(Signed)

Date:

Dec 18th 2010.

Current Office Location:

GALUFR

(Building/Suite)

2ND FLOOR 246

(Address)

of Physicians in My Practice Now:

~ 12

Projected # of Physicians in My Practice in 2014:

~ 12


CHICAGOLAND RETINAL CONSULTANTS

To: Gina Weldy
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: Interest in Leasing Physician Office Space

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely, 
(Signed)

Date: 12/2/10

Current Office Location: 1 E. Wacker Dr.
(Building/Suite)
Ste 3150
(Address)

of Physicians in My Practice Now: 3

Projected # of Physicians in My Practice in 2014: 4-5

CHICAGO HAND

To: Gina Weldy
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: Interest in Leasing Physician Office Space

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,



(Signed)

Date:

7/7/11

Current Office Location:

737 N. MICHIGAN

(Building/Suite)

700

(Address)

of Physicians in My Practice Now:

5

Projected # of Physicians in My Practice in 2014:

5

DR. CALVIN T. MEINKE

To: Gina Weldy
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: Interest in Leasing Physician Office Space

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,

Calvin T. Meinke
(Signed)

Date: 12/15/10

Current Office Location: 1100 LAKE STREET SUITE 125
(Building/Suite)

1100 LAKE STREET
(Address)

of Physicians in My Practice Now: 1

Projected # of Physicians in My Practice in 2014: 2-4

DR. JEROME M. GARDEN

To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Physician Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,



(Signed)

Date:

1-5-11

Current Office Location:

150 E. Hurst
(Building/Suite)

(Address)

of Physicians in My Practice Now:

3

Projected # of Physicians in My Practice in 2014:

3


THE NORTHWESTERN CHILDREN'S PRACTICE

To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Physician Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely, 
(Signed)

Date: 2/28/11

Current Office Location: 680 N. Lake Shore Dr.
(Building/Suite)

(Address)

of Physicians in My Practice Now: 8 + 5 PND

Projected # of Physicians in My Practice in 2014: ?

To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Physician Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,

Cyndie Knoll
(Signed)

Date:

June 21 2011

Current Office Location:

1680 N. Lake Shore Drive
(Building/Suite)

Suite 810 + 815
(Address)

of Physicians in My Practice Now:

8 MDs, 7 midlevel, 3 P.T.

Projected # of Physicians in My Practice in 2014:

10 MD, 10 midlevel, 6 P.T.

MICHIGAN AVENUE INTERNISTS


To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Physician Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

My partners and I are interested in leasing office space in the Outpatient Care Pavillion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my partners.

Sincerely,



(Signed)

Date:

4-12-11

Current Office Location:

200 S Michigan Ave #805

(Building/Suite)

(Address)

of Physicians in My Practice Now:

8

Projected # of Physicians in My Practice in 2014:

9 + 1 Phys. Asst.

FRESENIUS MEDICAL CARE

To: **Gina Weldy**
Director of Finance and Real Estate
Northwestern Memorial Hospital
541 N. Fairbanks Court, Suite 1675
Chicago, IL. 60611-1303

Re: **Interest in Leasing Office Space**

I am aware that Northwestern Memorial Hospital is planning to construct medical offices in the new Outpatient Care Pavilion that will be located between Erie and Ontario on Fairbanks Court. The new building will open in 2014.

We are interested in leasing office space in the Outpatient Care Pavilion upon its completion. I understand the terms and conditions are yet to be developed, and that this letter of interest does not bind me or my company. I also understand that I must comply with all necessary regulatory approvals (including but not limited to Certificate of Need).

Sincerely,



(Signed)

Company: Fresenius Medical Care

Date: 7/11/11

Current Office Location: OLSON PAVILION, # 4-200
(Building/Suite)

710 N. FAIRBANKS CT., CHICAGO, IL 60611
(Address)

Current approximate square footage: _____

Anticipated square footage needed in 2014: _____

PROJECT SERVICES UTILIZATION

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.

Surgical Services

Currently, NMH has a total of 52 operating rooms in three locations on campus.

LOCATION	# of OPERATING ROOMS	TYPE
Feinberg Pavilion	32	Inpatient and Outpatient
Prentice Women's Hospital	10	Inpatient and Outpatient
Olson Pavilion	10	Outpatient
TOTAL	52	

Additionally, there is a project currently underway to expand the surgery capacity in the Feinberg Pavilion that will add 2 operating rooms in FY12. A CON Assessment for Applicability Checklist was submitted for that project and because the project cost is below the CON capital expenditure threshold, a CON application was not needed.

The proposed project includes 8 operating rooms for hospital-based outpatient surgery on Floor 12. This surgery service will be the fourth surgery location on campus. With the addition of the 2 operating rooms in the Feinberg Pavilion and the 8 operating rooms in the proposed OCP project, **NMH will have a total of 62 operating rooms in FY15.**

LOCATION	# of OPERATING ROOMS	TYPE
Feinberg Pavilion	34	Inpatient and Outpatient
Prentice Women's Hospital	10	Inpatient and Outpatient
Olson Pavilion	10	Outpatient
Outpatient Care Pavilion	8	Outpatient
TOTAL	62	

Like other clinical services at NMH, surgery volume has experienced tremendous growth since the opening of the Feinberg/Galter Pavilion in 1999. The number of surgical cases increased 25% from FY98 – FY02 which prompted the need for the 10 additional operating rooms in the Olson Pavilion (CON #02-089). NMH added four additional operating rooms with the opening of the new Prentice Women's Hospital in 2007 (CON #02-073) which increased from 6 operating rooms in the old location to 10 operating rooms in the new location.

From FY04 – FY10, the total number of surgical cases at NMH increased 14.1%, an average annual growth of 2.3%. The total number of surgery hours (including time for set-up and clean-up of the operating room) over the same period increased 30.5%, an average of 5.1% per year. (See data tables on the following page).

The average utilization of the 52 operating rooms on campus for FY10 was 1,866 hours per operating room. The state standard for operating rooms is 1,500 hours per operating room. Using this standard, NMH can currently justify an additional 13 operating rooms beyond the present 52.

Assuming a continued average growth of 2.2% per year for surgical cases and 5% per year for surgical hours, NMH anticipates 36,682 total cases and 130,814 total hours in FY17 (two years after project completion). This justifies 87 operating rooms, 25 more than NMH will have in FY15 when the OCP project opens.

ACTUALS

	FY04		FY05		FY06		FY07		FY08		FY09		FY10	
	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours
Inpatient	10,454	30,503	8,995	31,955	10,651	35,119	10,800	35,794	11,087	40,479	11,577	42,506	12,147	45,029
Outpatient	17,367	43,879	16,409	43,447	18,444	45,956	18,880	48,816	19,627	50,498	19,729	51,815	19,595	52,015
Total	27,821	74,382	25,404	75,402	29,095	81,075	29,680	84,610	30,714	90,977	31,306	94,321	31,742	97,044
# of ORs	48		48		48		48		52		52		52	
Hours/OR	1,550		1,571		1,689		1,763		1,750		1,814		1,866	
# of ORs justified	50		50		54		56		61		63		65	

PROJECTIONS

	FY11		FY12		FY13		FY14		FY15		FY16		FY17	
	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours
Inpatient	12,439	47,731	12,737	50,595	13,043	53,630	13,356	56,848	13,676	60,259	14,005	63,874	14,341	67,707
Outpatient	19,967	53,471	20,345	54,969	20,729	56,508	21,121	58,090	21,520	59,716	21,927	61,389	22,341	63,107
Total	32,406	101,202	33,082	105,563	33,772	110,138	34,477	114,938	35,196	119,975	35,931	125,263	36,682	130,814
# of ORs	52		54		54		54		54		62		62	
Hours/OR	1,946		1,955		2,040		2,128		2,222		2,020		2,110	
# of ORs justified	67		70		73		77		80		84		87	

Outpatient Diagnostic Clinic

MRI

Currently, NMH has 11 MRIs on campus and 1 at an off-campus site for a total of 12 MRIs. The proposed project includes 2 MRIs on Floor 17. With the addition of the 2 MRIs in the proposed OCP project, **NMH will have a total of 14 MRIs in FY15.**

LOCATION	Current # of MRIs	Proposed # of MRIs
Feinberg Pavilion	5	5
Prentice Women's Hospital	1	1
Arkes Pavilion	5	5
Bucktown Radiology	1	1
Outpatient Care Pavilion	-	2
TOTAL	12	14

As stated in NMH's Outpatient Radiology Expansion project in 2006 (CON #06-080), approved by HFSRB in May, 2007, NMH has experienced dramatic growth in diagnostic radiology services since the opening of the Feinberg/Galter Pavilions. From FY04 – FY10, the total number of MRI procedures at NMH increased 17.3%, an average annual growth of 2.9%.

The average utilization of the 11 MRIs in FY10 was 4,497 procedures per MRI. The state standard for MRI is 2,500 procedures per MRI. Using this standard, NMH can currently justify an additional 9 MRIs.

Assuming a continued average growth of 2.9% per year for MRI procedures, NMH anticipates 59,661 total MRI procedures in FY17 (two years after project completion). This justifies 24 MRIs; 10 more than NMH will have in FY15 when the OCP project opens.

MRI PROCEDURES - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	9,027	10,355	10,366	10,107	9,900	10,223	9,572
Outpatient	33,133	36,500	35,338	36,535	38,154	39,952	39,894
Total	42,160	46,855	45,704	46,642	48,054	50,175	49,466
# of MRIs	10	10	10	10	10	11	11
Procedures/MRI	4,216	4,686	4,570	4,664	4,805	4,561	4,497
State Standard	2,500	2,500	2,500	2,500	2,500	2,500	2,500
# of MRIs justified	17	19	18	19	19	20	20

MRI PROCEDURES - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	9,668	9,764	9,862	9,961	10,060	10,161	10,262
Outpatient	41,131	42,406	43,720	45,076	46,473	47,914	49,399
Total	50,799	52,170	53,582	55,037	56,533	58,075	59,661
# of MRIs	12	12	12	12	14	14	14
Procedures/MRI	4,233	4,348	4,465	4,586	4,038	4,148	4,262
State Standard	2,500	2,500	2,500	2,500	2,500	2,500	2,500
# of MRIs justified	20	21	21	22	23	23	24

CT

Currently, NMH has a total of 9 CTs on campus. The proposed project includes 1 CT on Floor 17. With the addition of 1 CT in the proposed OCP project, NMH will have a total of 10 CTs in FY15.

LOCATION	Current # of CTs	Proposed # of CTs
Feinberg Pavilion	6	6
Prentice Women's Hospital	1	1
Arkes Pavilion	2	2
Outpatient Care Pavilion	-	1
TOTAL	9	10

From FY04 – FY10, the total number of CT visits at NMH increased 31.8%, an average annual growth of 5.3%.

The average utilization of the 9 CTs in FY10 was 6,865 visits per CT. The state standard for CT is 7,000 visits per CT. Using this standard, NMH can currently justify the current 9 CTs.

Assuming a continued average growth of 5.3% per year for CT visits, NMH anticipates 84,783 total CT visits in FY17 (two years after project completion). This justifies 12 CTs; 2 more than NMH will have in FY15 when the OCP project opens.

CT VISITS - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	17,535	18,281	19,573	21,325	22,108	22,733	21,588
Outpatient	29,327	32,632	35,016	38,032	41,342	42,965	40,195
Total	46,862	50,913	54,589	59,357	63,450	65,698	61,783
# of CTs	9	9	9	9	9	9	9
Visits/CT	5,207	5,657	6,065	6,595	7,050	7,300	6,865
State Standard	7,000	7,000	7,000	7,000	7,000	7,000	7,000
# of CTs justified	7	7	8	8	9	9	9

CT VISITS - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	22,344	23,126	23,935	24,773	25,640	26,537	27,466
Outpatient	42,285	44,484	46,797	49,231	51,791	54,484	57,317
Total	64,629	67,610	70,732	74,004	77,431	81,021	84,783
# of CTs	9	9	9	9	10	10	10
Visits/CT	7,181	7,512	7,859	8,223	7,743	8,102	8,478
State Standard	7,000	7,000	7,000	7,000	7,000	7,000	7,000
# of CTs justified	9	10	10	11	11	12	12

X-RAY

Currently, NMH has 13 fixed x-ray machines on campus and 1 at an off-campus site for a total of 14 fixed x-ray machines. The proposed project includes 2 x-ray machines on Floor 17. With the addition of the 2 x-ray machines in the proposed OCP project, NMH will have a total of 16 fixed x-ray machines in FY15.

LOCATION	Current # of X-Rays	Proposed # of X-Rays
Feinberg Pavilion	10	10
Prentice Women's Hospital	1	1
Arkes Pavilion	2	2
Bucktown Radiology	1	1
Outpatient Care Pavilion	-	2
TOTAL	14	16

From FY04 – FY10, the total number of x-ray procedures at NMH increased 18.6%, an average annual growth of 3.1%.

The average utilization of the 14 fixed x-ray machines in FY10 was 12,792 procedures per fixed x-ray machine. The state standard for general radiography is 8,000 procedures per x-ray machine. Using this standard, NMH can **currently** justify an additional 9 x-ray machines.

Assuming a continued average growth of 3.1% per year for x-ray procedures, NMH anticipates 218,412 total x-ray procedures in FY17 (two years after project completion). This justifies 27 x-ray machines; 11 more than NMH will have in FY15 when the OCP project opens.

X-RAY PROCEDURES - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	79,213	86,194	92,353	90,826	91,261	94,607	94,434
Outpatient	71,734	76,996	76,833	79,339	82,744	84,034	84,654
Total	150,947	163,190	169,186	170,165	174,005	178,641	179,088
# of Fixed X-Rays	13	13	13	13	14	14	14
Procedures/X-Ray	11,611	12,553	13,014	13,090	12,429	12,760	12,792
State Standard	8,000	8,000	8,000	8,000	8,000	8,000	8,000
# of X-Rays justified	19	20	21	21	22	22	22

X-RAY PROCEDURES - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	97,173	99,991	102,890	105,874	108,944	112,104	115,355
Outpatient	87,067	89,548	92,100	94,725	97,425	100,201	103,057
Total	184,240	189,539	194,990	200,599	206,369	212,305	218,412
# of Fixed X-Rays	14	14	14	14	16	16	16
Procedures/X-Ray	13,160	13,539	13,928	14,329	12,898	13,269	13,651
State Standard	8,000	8,000	8,000	8,000	8,000	8,000	8,000
# of X-Rays justified	23	24	24	25	26	27	27

DIAGNOSTIC ULTRASOUND

Currently, NMH has a total of 11 diagnostic ultrasound rooms on campus. The proposed project includes the relocation of 1 diagnostic ultrasound from the Feinberg Pavilion to Floor 17 of the OCP project. With the relocation of 1 diagnostic ultrasound in the proposed OCP project, **NMH will have a total of 11 diagnostic ultrasounds in FY15.**

LOCATION	Current # of U/S	Proposed # of U/S
Feinberg Pavilion	4	3
Prentice Women's Hospital	1	1
Arkes Pavilion	6	6
Outpatient Care Pavilion	-	1
TOTAL	11	11

From FY04 – FY10, the total number of diagnostic ultrasounds at NMH increased 52.6%, an average annual growth of 8.8%.

The average utilization of the 11 diagnostic ultrasound rooms in FY10 was 1,832 visits per diagnostic ultrasound. The state standard for ultrasound is 3,100 visits per ultrasound. Using this standard, NMH can currently justify 7 diagnostic ultrasounds.

Assuming a continued average growth of 8.8% per year for diagnostic ultrasound visits, **NMH anticipates 32,575 total diagnostic ultrasound visits in FY17 (two years after project completion).** **This justifies 11 diagnostic ultrasound rooms; exactly what NMH will have in FY15 when the OCP project opens.**

DIAGNOSTIC ULTRASOUND VISITS - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	4,058	4,200	4,672	4,770	4,809	5,018	5,321
Outpatient	9,150	10,017	11,040	12,572	13,672	14,148	14,830
Total	13,208	14,217	15,712	17,342	18,481	19,166	20,151
# of U/S	10	10	10	10	11	11	11
Visits/U/S	1,321	1,422	1,571	1,734	1,680	1,742	1,832
State Standard	3,100	3,100	3,100	3,100	3,100	3,100	3,100
# of U/S justified	4	5	5	6	6	6	7

DIAGNOSTIC ULTRASOUND VISITS - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	5,560	5,811	6,072	6,345	6,631	6,929	7,241
Outpatient	16,009	17,282	18,656	20,139	21,740	23,468	25,334
Total	21,569	23,093	24,728	26,484	28,371	30,397	32,575
# of U/S	11	11	11	11	11	11	11
Visits/U/S	1,961	2,099	2,248	2,408	2,579	2,763	2,961
State Standard	3,100	3,100	3,100	3,100	3,100	3,100	3,100
# of U/S justified	7	7	8	9	9	10	11

DIAGNOSTIC TESTING CENTER (DTC) & PRE-OPERATIVE ASSESSMENT (POA)

Currently, the Diagnostic Testing Center is located in the Arkes Pavilion and has 13 exam rooms. The Prentice Women's Hospital also has 6 exam rooms for diagnostic testing. The Pre-Operative Assessment clinic is located in the Olson Pavilion and has 13 exam rooms. This project includes the relocation of these 13 rooms from the Olson Pavilion to the OCP project.

The proposed project includes 23 universal rooms for Diagnostic Testing and Pre-Operative Assessment. With the relocation of the Pre-Operative Assessment area in the Olson Pavilion and the addition of 10 rooms in the proposed project, **NMH will have a total of 42 rooms for diagnostic testing and pre-operative assessment in FY15.**

LOCATION	Current # of DTC/POA	Proposed # of DTC/POA
Prentice Women's Hospital	6	6
Arkes Pavilion	13	13
Olson Pavilion	13	0
Outpatient Care Pavilion	-	23
TOTAL	32	42

From FY04 – FY10, the total number of visits to the Diagnostic Testing Center at NMH increased 42.7%, an average annual growth of 7.1%. The Pre-Operative Assessment clinic began in FY09 and experienced a 12.0% increase in visits from FY09 – FY10. In FY10, 25% of all surgery patients were seen in the Pre-Operative Assessment clinic. The goal in the proposed clinic is to see 50-60% of all patients in the Pre-Operative Assessment clinic prior to surgery.

The average utilization of the 32 DTC/POA rooms FY10 was 2,164 visits per room. The state standard for ambulatory care is 2,000 visits per room. Using this standard, NMH can currently justify 35 rooms.

Assuming a combined growth rate of 10.0% per year for DTC/POA visits, NMH anticipates 117,769 visits in FY17 (two years after project completion). This justifies 59 rooms, 17 more than NMH will have in FY15 when the OCP project opens.

DIAGNOSTIC TESTING AND PRE-OPERATIVE ASSESSMENT VISITS - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	2,771	2,570	2,655	2,869	3,085	4,584	4,550
Outpatient	40,245	43,905	45,151	46,312	51,305	59,299	64,692
Total	43,016	46,475	47,806	49,181	54,390	63,883	69,242
# of exam rooms	13	13	13	13	19	32	32
Visits/room	3,309	3,575	3,677	3,783	2,863	1,996	2,164
State Standard	2,000	2,000	2,000	2,000	2,000	2,000	2,000
# of rooms justified	22	23	24	25	27	32	35

DIAGNOSTIC TESTING AND PRE-OPERATIVE ASSESSMENT VISITS - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	4,837	5,143	5,471	5,821	6,195	6,595	7,022
Outpatient	69,718	75,061	81,005	87,485	94,557	102,287	110,747
Total	74,555	80,204	86,476	93,306	100,752	108,882	117,769
# of exam rooms	32	32	32	32	42	42	42
Visits/room	2,330	2,506	2,702	2,916	2,399	2,592	2,804
State Standard	2,000	2,000	2,000	2,000	2,000	2,000	2,000
# of rooms justified	37	40	43	47	50	54	59

Utilization Tables

SURGERY

UTILIZATION					
	SERVICE	HISTORICAL UTILIZATION FY10 OR Hours	PROJECTED UTILIZATION FY16 & FY17 OR Hours	STATE STANDARD 1,500 hours per OR for 62 ORs	MET STANDARD?
YEAR 1 – FY16	Surgery	97,044	125,263	93,000	Yes
YEAR 2 – FY17	Surgery		130,814	93,000	Yes

MRI

UTILIZATION					
	SERVICE	HISTORICAL UTILIZATION FY10 MRI Procedures	PROJECTED UTILIZATION FY16 & FY17 MRI Procedures	STATE STANDARD 2,500 procedures per MRI for 14 MRIs	MET STANDARD?
YEAR 1 – FY16	MRI	49,466	58,075	35,000	Yes
YEAR 2 – FY17	MRI		59,661	35,000	Yes

CT

UTILIZATION					
	SERVICE	HISTORICAL UTILIZATION FY10 CT Visits	PROJECTED UTILIZATION FY16 & FY17 CT Visits	STATE STANDARD 7,000 visits per CT for 10 CTs	MET STANDARD?
YEAR 1 – FY16	CT	61,783	81,021	70,000	Yes
YEAR 2 – FY17	CT		84,783	70,000	Yes

GENERAL RADIOGRAPHY

UTILIZATION					
	SERVICE	HISTORICAL UTILIZATION FY10 X-Ray Procedures	PROJECTED UTILIZATION FY16 & FY17 X-Ray Procedures	STATE STANDARD 8,000 procedures per X-Ray for 16 X-Rays	MET STANDARD?
YEAR 1 – FY16	General Radiography	179,088	212,305	128,000	Yes
YEAR 2 – FY17	General Radiography		218,412	128,000	Yes

ULTRASOUND

UTILIZATION	SERVICE	HISTORICAL UTILIZATION FY10 <i>Diagnostic U/S Visits</i>	PROJECTED UTILIZATION FY16 & FY17 <i>Diagnostic U/S Visits</i>	STATE STANDARD 3,100 visits per U/S for 11 U/S	MET STANDARD?
YEAR 1 – FY16	Ultrasound	20,151	30,397	34,100	Yes
YEAR 2 – FY17	Ultrasound		32,575	34,100	Yes

AMBULATORY CARE

UTILIZATION	SERVICE	HISTORICAL UTILIZATION FY10 <i>DTC/POA Visits</i>	PROJECTED UTILIZATION FY16 & FY17 <i>DTC/POA Visits</i>	STATE STANDARD 2,000 visits per room for 42 rooms	MET STANDARD?
YEAR 1 – FY16	DTC/POA	69,242	108,882	84,000	Yes
YEAR 2 – FY17	DTC/POA		117,769	84,000	Yes

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

Indicate changes by Service:

Service	# of Existing Key Rooms	# of Proposed Key rooms
Surgery	52	62
MRI	12	14
CT	9	10
General Radiography	14	16
Diagnostic Ultrasound	11	11
Diagnostic Testing/Pre-Op Assessment	32	42

c) 2) Necessary Expansion and c) 3) A) Utilization – Service

As stated in the Project Services Utilization section (Attachment-15), demand for surgical and diagnostic treatment services has continued to increase since the opening of the Feinberg/Galter Pavilion in 1999. Additional operating rooms, imaging equipment, and exam rooms are needed to accommodate the current volume as well as the projected volume.

Surgical Services

Currently, NMH has a total of 52 operating rooms in three locations on campus. There is a project currently underway to expand the surgery capacity in the Feinberg Pavilion that will add 2 operating rooms in FY12. A CON Assessment for Applicability Checklist was submitted for that project and because the project cost is below the CON capital expenditure threshold, a CON application was not needed.

The proposed project includes 8 operating rooms for hospital-based outpatient surgery on Floor 12. This surgery service will be the fourth surgery location on campus. With the addition of the 2 operating rooms in the Feinberg Pavilion and the 8 operating rooms in the proposed OCP project, **NMH will have a total of 62 operating rooms in FY15.**

Like other clinical services at NMH, surgery volume has experienced tremendous growth since the opening of the Feinberg/Galter Pavilion in 1999. The number of surgical cases increased 25% from FY98 – FY02 which prompted the need for the 10 additional operating rooms in the Olson Pavilion (CON #02-089). NMH added four additional operating rooms with the opening of the new Prentice Women's Hospital in 2007 (CON #02-073) which went from 6 operating rooms in the old location to 10 operating rooms in the new location.

From FY04 – FY10, the total number of surgical cases at NMH increased 14.1%, an average annual growth of 2.3%. The total number of surgery hours (including time for set-up and clean-up of the operating room) over the same period increased 30.5%, an average of 5.1% per year.

The average utilization of the 52 operating rooms on campus for FY10 was 1,866 hours per operating room. The state standard for operating rooms is 1,500 hours per operating room. Using this standard, NMH can currently justify an additional 13 operating rooms.

Assuming a continued average growth of 2.2% per year for surgical cases and 5% per year for surgical hours, NMH anticipates 36,682 total cases and 130,814 total hours in FY17 (two years after project completion). This justifies 87 operating rooms, 25 more than NMH will have in FY15 when the OCP project opens.

ACTUALS

	FY04		FY05		FY06		FY07		FY08		FY09		FY10	
	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours
Inpatient	10,454	30,503	8,995	31,955	10,651	35,119	10,800	35,794	11,087	40,479	11,577	42,506	12,147	45,029
Outpatient	17,367	43,879	16,409	43,447	18,444	45,956	18,880	48,816	19,627	50,498	19,729	51,815	19,595	52,015
Total	27,821	74,382	25,404	75,402	29,095	81,075	29,680	84,610	30,714	90,977	31,306	94,321	31,742	97,044
# of ORs	48		48		48		48		52		52		52	
Hours/OR	1,550		1,571		1,689		1,763		1,750		1,814		1,866	
# of ORs justified	50		50		54		56		61		63		65	

PROJECTIONS

	FY11		FY12		FY13		FY14		FY15		FY16		FY17	
	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours	Cases	Hours
Inpatient	12,439	47,731	12,737	50,595	13,043	53,630	13,356	56,848	13,676	60,259	14,005	63,874	14,341	67,707
Outpatient	19,967	53,471	20,345	54,969	20,729	56,508	21,121	58,090	21,520	59,716	21,927	61,389	22,341	63,107
Total	32,406	101,202	33,082	105,563	33,772	110,138	34,477	114,938	35,196	119,975	35,931	125,263	36,682	130,814
# of ORs	52		54		54		54		54		62		62	
Hours/OR	1,946		1,955		2,040		2,128		2,222		2,020		2,110	
# of ORs justified	67		70		73		77		80		84		87	

Outpatient Diagnostic Clinic

MRI

Currently, NMH has 11 MRIs on campus and 1 at an off-campus site for a total of 12 MRIs. The proposed project includes 2 MRIs on Floor 17. With the addition of the 2 MRIs in the proposed OCP project, **NMH will have a total of 14 MRIs in FY15.**

As stated in NMH's Outpatient Radiology Expansion project in 2006 (CON #06-080), approved by HFSRB in May, 2007, NMH has experienced dramatic growth in diagnostic radiology services since the opening of the Feinberg/Galter Pavilions. From FY04 – FY10, the total number of MRI procedures at NMH increased 17.3%, an average annual growth of 2.9%.

The average utilization of the 11 MRIs in FY10 was 4,497 procedures per MRI. The state standard for MRI is 2,500 procedures per MRI. Using this standard, **NMH can currently justify an additional 9 MRIs.**

Assuming a continued average growth of 2.9% per year for MRI procedures, NMH anticipates 59,661 total MRI procedures in FY17 (two years after project completion). This justifies 24 MRIs; 10 more than NMH will have in FY15 when the OCP project opens.

MRI PROCEDURES - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	9,027	10,355	10,366	10,107	9,900	10,223	9,572
Outpatient	33,133	36,500	35,338	36,535	38,154	39,952	39,894
Total	42,160	46,855	45,704	46,642	48,054	50,175	49,466
# of MRIs	10	10	10	10	10	11	11
Procedures/MRI	4,216	4,686	4,570	4,664	4,805	4,561	4,497
State Standard	2,500	2,500	2,500	2,500	2,500	2,500	2,500
# of MRIs justified	17	19	18	19	19	20	20

MRI PROCEDURES - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	9,668	9,764	9,862	9,961	10,060	10,161	10,262
Outpatient	41,131	42,406	43,720	45,076	46,473	47,914	49,399
Total	50,799	52,170	53,582	55,037	56,533	58,075	59,661
# of MRIs	12	12	12	12	14	14	14
Procedures/MRI	4,233	4,348	4,465	4,586	4,038	4,148	4,262
State Standard	2,500	2,500	2,500	2,500	2,500	2,500	2,500
# of MRIs justified	20	21	21	22	23	23	24

CT

Currently, NMH has a total of 9 CTs on campus. The proposed project includes 1 CT on Floor 17. With the addition of 1 CT in the proposed OCP project, **NMH will have a total of 10 CTs in FY15.**

From FY04 – FY10, the total number of CT visits at NMH increased 31.8%, an average annual growth of 5.3%.

The average utilization of the 9 CTs in FY10 was 6,865 visits per CT. The state standard for CT is 7,000 visits per CT. Using this standard, NMH can currently justify the current 9 CTs.

Assuming a continued average growth of 5.3% per year for CT visits, **NMH anticipates 84,783 total CT visits in FY17 (two years after project completion). This justifies 12 CTs; 2 more than NMH will have in FY15 when the OCP project opens.**

CT VISITS - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	17,535	18,281	19,573	21,325	22,108	22,733	21,588
Outpatient	29,327	32,632	35,016	38,032	41,342	42,965	40,195
Total	46,862	50,913	54,589	59,357	63,450	65,698	61,783
# of CTs	9	9	9	9	9	9	9
Visits/CT	5,207	5,657	6,065	6,595	7,050	7,300	6,865
State Standard	7,000	7,000	7,000	7,000	7,000	7,000	7,000
# of CTs justified	7	7	8	8	9	9	9

CT VISITS - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	22,344	23,126	23,935	24,773	25,640	26,537	27,466
Outpatient	42,285	44,484	46,797	49,231	51,791	54,484	57,317
Total	64,629	67,610	70,732	74,004	77,431	81,021	84,783
# of CTs	9	9	9	9	10	10	10
Visits/CT	7,181	7,512	7,859	8,223	7,743	8,102	8,478
State Standard	7,000	7,000	7,000	7,000	7,000	7,000	7,000
# of CTs justified	9	10	10	11	11	12	12

X-RAY

Currently, NMH has 13 fixed x-ray machines on campus and 1 at an off-campus site for a total of 14 fixed x-ray machines. The proposed project includes 2 x-ray machines on Floor 17. With the addition of the 2 x-ray machines in the proposed OCP project, **NMH will have a total of 16 fixed x-ray machines in FY15.**

From FY04 – FY10, the total number of x-ray procedures at NMH increased 18.6%, an average annual growth of 3.1%.

The average utilization of the 14 fixed x-ray machines in FY10 was 12,792 procedures per fixed x-ray machine. The state standard for general radiography is 8,000 procedures per x-ray machine. Using this standard, NMH can currently justify an additional 9 x-ray machines.

Assuming a continued average growth of 3.1% per year for x-ray procedures, NMH anticipates 218,412 total x-ray procedures in FY17 (two years after project completion). This justifies 27 x-ray machines; 11 more than NMH will have in FY15 when the OCP project opens.

X-RAY PROCEDURES - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	79,213	86,194	92,353	90,826	91,261	94,607	94,434
Outpatient	71,734	76,996	76,833	79,339	82,744	84,034	84,654
Total	150,947	163,190	169,186	170,165	174,005	178,641	179,088
# of Fixed X-Rays	13	13	13	13	14	14	14
Procedures/X-Ray	11,611	12,553	13,014	13,090	12,429	12,760	12,792
State Standard	8,000	8,000	8,000	8,000	8,000	8,000	8,000
# of X-Rays justified	19	20	21	21	22	22	22

X-RAY PROCEDURES - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	97,173	99,991	102,890	105,874	108,944	112,104	115,355
Outpatient	87,067	89,548	92,100	94,725	97,425	100,201	103,057
Total	184,240	189,539	194,990	200,599	206,369	212,305	218,412
# of Fixed X-Rays	14	14	14	14	16	16	16
Procedures/X-Ray	13,160	13,539	13,928	14,329	12,898	13,269	13,651
State Standard	8,000	8,000	8,000	8,000	8,000	8,000	8,000
# of X-Rays justified	23	24	24	25	26	27	27

DIAGNOSTIC ULTRASOUND

Currently, NMH has a total of 11 diagnostic ultrasound rooms on campus. The proposed project includes the relocation of 1 diagnostic ultrasound from the Feinberg Pavilion to Floor 17 of the OCP project. With the relocation of 1 diagnostic ultrasound in the proposed OCP project, **NMH will have a total of 11 diagnostic ultrasounds in FY15.**

From FY04 – FY10, the total number of diagnostic ultrasounds at NMH increased 52.6%, an average annual growth of 8.8%.

The average utilization of the 11 diagnostic ultrasound rooms in FY10 was 1,832 visits per diagnostic ultrasound. The state standard for ultrasound is 3,100 visits per ultrasound. Using this standard, NMH can currently justify 7 diagnostic ultrasounds.

Assuming a continued average growth of 8.8% per year for diagnostic ultrasound visits, **NMH anticipates 32,575 total diagnostic ultrasound visits in FY17 (two years after project completion). This justifies 11 diagnostic ultrasound rooms; exactly what NMH will have in FY15 when the OCP project opens.**

DIAGNOSTIC ULTRASOUND VISITS - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	4,058	4,200	4,672	4,770	4,809	5,018	5,321
Outpatient	9,150	10,017	11,040	12,572	13,672	14,148	14,830
Total	13,208	14,217	15,712	17,342	18,481	19,166	20,151
# of U/S	10	10	10	10	11	11	11
Visits/U/S	1,321	1,422	1,571	1,734	1,680	1,742	1,832
State Standard	3,100	3,100	3,100	3,100	3,100	3,100	3,100
# of U/S justified	4	5	5	6	6	6	7

DIAGNOSTIC ULTRASOUND VISITS - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	5,560	5,811	6,072	6,345	6,631	6,929	7,241
Outpatient	16,009	17,282	18,656	20,139	21,740	23,468	25,334
Total	21,569	23,093	24,728	26,484	28,371	30,397	32,575
# of U/S	11	11	11	11	11	11	11
Visits/U/S	1,961	2,099	2,248	2,408	2,579	2,763	2,961
State Standard	3,100	3,100	3,100	3,100	3,100	3,100	3,100
# of U/S justified	7	7	8	9	9	10	11

DIAGNOSTIC TESTING CENTER & PRE-OPERATIVE ASSESSMENT

Currently, the Diagnostic Testing Center is located in the Arkes Pavilion and has 13 exam rooms. The Prentice Women's Hospital also has 6 exam rooms for diagnostic testing. The Pre-Operative Assessment clinic is located in the Olson Pavilion and has 13 exam rooms.

The proposed project includes 23 universal rooms for Diagnostic Testing and Pre-Operative Assessment. With the relocation of the Pre-Operative Assessment area in the Olson Pavilion and the addition of 10 rooms in the proposed project, **NMH will have a total of 42 rooms for diagnostic testing and pre-operative assessment in FY15.**

From FY04 – FY10, the total number of visits to the Diagnostic Testing Center at NMH increased 42.7%, an average annual growth of 7.1%. The Pre-Operative Assessment clinic began in FY09 and experienced a 12.0% increase in visits from FY09 – FY10. In FY10, 25% of all surgery patients were seen in the Pre-Operative Assessment clinic. The goal in the proposed clinic is to see 50-60% of all patients in the Pre-Operative Assessment clinic prior to surgery.

The average utilization of the 32 DTC/POA rooms FY10 was 2,164 visits per room. The state standard for ambulatory care is 2,000 visits per room. Using this standard, NMH can currently justify 35 rooms.

Assuming a continued average growth of 10.0% per year for DTC/POA visits, NMH anticipates 117,769 visits in FY17 (two years after project completion). This justifies 59 rooms, 17 more than NMH will have in FY15 when the OCP project opens.

DIAGNOSTIC TESTING AND PRE-OPERATIVE ASSESSMENT VISITS - ACTUALS

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Inpatient	2,771	2,570	2,655	2,869	3,085	4,584	4,550
Outpatient	40,245	43,905	45,151	46,312	51,305	59,299	64,692
Total	43,016	46,475	47,806	49,181	54,390	63,883	69,242
# of exam rooms	13	13	13	13	19	32	32
Visits/room	3,309	3,575	3,677	3,783	2,863	1,996	2,164
State Standard	2,000	2,000	2,000	2,000	2,000	2,000	2,000
# of rooms justified	22	23	24	25	27	32	35

DIAGNOSTIC TESTING AND PRE-OPERATIVE ASSESSMENT VISITS - PROJECTIONS

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Inpatient	4,837	5,143	5,471	5,821	6,195	6,595	7,022
Outpatient	69,718	75,061	81,005	87,485	94,557	102,287	110,747
Total	74,555	80,204	86,476	93,306	100,752	108,882	117,769
# of exam rooms	32	32	32	32	42	42	42
Visits/room	2,330	2,506	2,702	2,916	2,399	2,592	2,804
State Standard	2,000	2,000	2,000	2,000	2,000	2,000	2,000
# of rooms justified	37	40	43	47	50	54	59

VIII. 1120.120 – Availability of Funds

Not Applicable – see attached proof of bond rating.

IX. 1120.130 – Financial Viability

Not Applicable – see attached proof of bond rating for Northwestern Memorial Hospital.

Northwestern Memorial Hospital has sole responsibility for funding the project.

Moody's

INVESTORS SERVICE

Rating Update: MOODY'S AFFIRMS Aa2 AND Aa2/VMIG1 RATINGS ON NORTHWESTERN
MEMORIAL HOSPITAL'S OUTSTANDING BONDS; OUTLOOK IS STABLE

Global Credit Research - 17 Jun 2011

RATING ACTION AFFECTS APPROXIMATELY \$854 MILLION OF OUTSTANDING DEBT

Illinois Finance Authority
Health Care-Hospital
IL

Opinion

NEW YORK, Jun 17, 2011 – Moody's Investors Service has affirmed the Aa2 and Aa2/VMIG 1 ratings on Northwestern Memorial Hospital's (IL) (NMH) outstanding bonds, affecting approximately \$854 million in rated debt as listed at the conclusion of this report. The rating outlook is stable.

SUMMARY RATINGS RATIONALE:

The Aa2 long-term rating is based on Northwestern's prominent and growing market position in the greater Chicagoland area with strong patient demand and volumes, an excellent investment position providing good coverage of debt, significant improvement in operating margins to strong levels, and manageable debt structure risks. The Aa2 rating also reflects challenges related to a somewhat high leverage position, increasing competition in a recently consolidating market, comparatively moderate liquidity with a relatively high allocation to alternative investments, and sizable grants to the Feinberg School of Medicine and Northwestern Medical Faculty Foundation reflecting greater integration with these entities.

STRENGTHS

*Growing market position, favorable location, and strong patient demand, evidenced by very good volume growth; same-facility admissions increased 3% each of fiscal years 2009 and 2010 and are up over 5% in the 6-month interim period of fiscal year 2011, which is particularly impressive given volume declines other hospitals regionally and nationally are experiencing as a result of economic pressures

*Excellent and growing liquidity position of \$1.6 billion (407 days of cash on hand) as of February 28, 2011, providing a very good 188% coverage of debt; additionally, Northwestern's pension plan is fully funded

*Significant improvement in operating margins driven by cost controls and volume growth following NMH's opening of new facilities; operating and operating cashflow margins have averaged a very strong 5.5% and 17%, respectively, in fiscal years 2009 and 2010 as well as through the interim period of fiscal year 2011

*Relationships with strong affiliates including Northwestern University and Northwestern Medical Faculty Foundation

*Good location in a growing area of Chicago with limited exposure to proposed cuts in Medicaid funding

*Moderate capital needs over the next couple of years that can be funded with cashflow; no new debt is anticipated at this time

*Manageable debt structure risks with over 400% total cash-to-demand debt and 288% monthly cash-to-demand debt; bank agreements supporting variable rate debt are diversified among three banks

*Excellent management team with a track record of completing large capital projects successfully and meeting budgets

CHALLENGES

*System is leveraged relative to its size with a high 54% debt-to-revenue; other debt measures are good with a favorably low 2.4 times debt-to-cashflow and a strong 7 times peak debt service coverage, highlighting the need to operate at strong margins to support the debt load

*Closer strategic integration with the school of medicine and faculty practice plan, which we view positive strategically but has resulted in increased ongoing transfers from NMH to the school and faculty to support programmatic initiatives

*An increasingly competitive market with several large academic medical centers in the market, competitors expanding facilities, recent announcements of several large mergers or new entrants into the market and increasing competition for physicians

*High asset allocation to alternative investments, resulting in a moderate 59% of investments which can be liquidated on a monthly basis, indicating comparatively less liquidity than other health systems in the Aa rating category; mitigating factors to this risk are the system's large investment portfolio and manageable liquidity needs (debt structure, capital, swap collateral, pension)

DETAILED CREDIT DISCUSSION

LEGAL SECURITY: The bonds are an unsecured general obligation of the NMH obligated group. NMH and Northwestern Lake Forest Hospital (NLFH) are the sole members of the obligated group. The Northwestern Memorial Foundation is not obligated on the bonds and holds substantial unrestricted investments; however, we believe these assets would be available to support the obligated group because of the Foundation's close relationship and we have included these assets in our assessment. The Foundation is controlled by the system, the Foundation's sole purpose is to support the hospitals, and overlapping board members ensure a coordinated purpose. The indentures do not provide limitations on additional indebtedness.

INTEREST RATE DERIVATIVES: NMH has entered into a number of interest rate swaps with three counterparties related to all of its

outstanding variable rate debt. All of the swaps convert variable rate bonds to synthetic fixed rate bonds. NMH has a \$35 million threshold at the current rating category for posting collateral to each swap counterparty. NMH has no collateral outstanding and has not posted collateral since October 2010.

RECENT DEVELOPMENTS/RESULTS

While Chicago remains a competitive healthcare market and a number of other large academic medical centers have been expanding, Northwestern continues to have excellent patient demand in its prime location in an attractive and growing area of Chicago and has been primarily constrained by capacity issues. With strategies to expand capacity over the last several years, volume growth has been very strong and is particularly impressive given weaker volumes regionally and nationally. On a same facility basis (excluding the recent affiliation with NLFH), admissions grew 2.5% in fiscal year 2010 and are up 5.5% through the six months of fiscal year 2011. Outpatient surgeries were down over 6% in the interim period along with some declines in outpatient visits, in part reflecting lower discretionary cases. Overall growth is primarily the result of the opening of Prentice Women's Hospital in late 2007 and the addition of medical/surgical beds. NMH will be further converting existing space to inpatient beds to accommodate demand and will be considering a new ambulatory facility.

While Chicagoland had remained relatively fragmented, over the last year there have been several large mergers or acquisitions announced, including some by large systems outside of the market. Pending transactions include Baa1-rated Resurrection Health Care and Baa1-rated Provena, Aa1-rated Ascension Health and A3-rated Alexian Brothers, and Aa2-rated Trinity Health and Baa3-rated Loyola Health. Additionally, there has been increasing physician alignment and acquisition activity. We expect the pace of consolidation will likely continue. In February, 2010 NMH affiliated with Lake Forest Hospital whereby Lake Forest became a wholly owned subsidiary of Northwestern Memorial HealthCare (sole corporate member of NMH).

NMH continues evolving its relationship with Northwestern University's Feinberg School of Medicine and Northwestern Medical Faculty Foundation through a joint planning process. Northwestern Medicine was created as a governance oversight structure and serves as the coordinating body for the school, faculty and hospitals. Strategically, we believe closer integration is positive in advancing the strong brand of Northwestern and building on clinical capabilities. Financially, the closer integration has resulted in more recurring transfers from the hospital to the school and faculty; total grants awarded in fiscal years 2009 and 2010 were over \$50 million, most of which were to support programmatic development at the school and faculty.

Following a transition period of suppressed margins in 2007 and 2008 (as discussed in our last report), the system's operating performance significantly improved in fiscal years 2009 and 2010 as well as through the six months of fiscal year 2011. Operating income in fiscal year 2010 was \$101 million (6.3%), compared with \$60 million (4.4%) in fiscal year 2009 and closer to breakeven performance in 2007 and 2008. Likewise, operating cashflow improved to \$283 million (an exceptional 17.8%) in fiscal year 2010, compared with \$226 million (16.5%) in fiscal year 2009. Improvement was driven by good same-facility revenue growth of over 6% (driven by volume growth), the addition of NLFH, lower insurance expense from better risk management, and overall cost containment. According to management, same-facility costs per equivalent admissions were flat in fiscal year 2010. Given the closer integration of NMH with the school and faculty, we are likely to consider recurring grants to these entities as operating expenses, consistent with our approach for other academic medical centers, and assess key measures with and without grants as an operating expense. Including grants as an operating expense in fiscal year 2010, the system's operating cashflow margin would still be very strong at approximately 14%.

Through six months of fiscal year 2011, operating performance is above the prior year with exceptional operating and operating cashflow margins of 8% and 18%, respectively. Same-facility revenue growth is more modest at 2.9% driven by lower outpatient volumes. Nevertheless, inpatient volumes are strong and the system continues to closely manage operating expenses.

The system (including subsidiaries) significantly improved an already strong investment position to \$1.6 billion as of February 28, 2011, compared with \$1.1 billion as of fiscal yearend 2009. Days cash on hand is very strong at 407 days. Growth in investments is due to operations, investment returns and approximately \$160 million in cash from the affiliation with Lake Forest. Capital spending has also been moderate since the completion of Prentice; capital spending over the next couple of years is expected to remain moderate with \$169 million projected for fiscal year 2011.

NMH's investment practices are more aggressive than most hospitals, with a relatively high equity exposure of close to 70% (including over 40% alternative investments) based on Mbody's liquidity analysis as of fiscal yearend 2010. As a result, only 59% of total unrestricted investments can be liquidated on a monthly basis, which is low compared with other Aa-rated healthcare systems. Northwestern does have some restricted investments that could be liquidated if needed. There are several mitigating factors to this liquidity risk including the large size and good diversity of the total portfolio, moderate capital needs, limited swap collateral postings, strong operations, fully funded pension plan and manageable debt structure. Close to 40% of Northwestern's debt is variable rate supported by bank standby bond purchase agreements; monthly liquidity still provides a strong 288% coverage of this debt.

Outlook

The stable outlook is based on our belief that NMH will continue to report strong operating cash flow to support a higher-than-average debt load and at least maintain its market position; no new debt is anticipated at this time.

WHAT COULD CAUSE THE RATING TO GO UP

Notable and sustained improvement in operating margins and leverage measures, along with reduction in relative debt levels

WHAT COULD CAUSE THE RATING TO GO DOWN

Multiple-year trend of declines in operations or cash, significant increase in debt without commensurate increase in cashflow

KEY INDICATORS

Assumptions & Adjustments:

-Based on financial statements for Northwestern Memorial HealthCare and Subsidiaries

-First number reflects audit year ended August 31, 2009

-Second number reflects audit year ended August 31, 2010

-Investment returns smoothed at 6% unless otherwise noted

*Inpatient admissions: 47,739; 53,997

*Total operating revenues: \$1.4 billion; \$1.6 billion

*Moody's-adjusted net revenue available for debt service: \$322 million; \$396 million

*Total debt outstanding: \$796 million; \$854 million

*Maximum annual debt service (MADS): \$50 million; \$55 million

*MADS coverage based on reported investment income: 4.3 times; 7.0 times

*Moody's-adjusted MADS coverage: 6.5 times; 7.1 times

*Debt-to-cash flow: 2.8 times; 2.4 times

*Days cash on hand: 355 days; 382 days

*Cash-to-debt: 144%; 165%

*Operating margin: 4.4%; 6.3%

*Operating cash flow margin: 16.5%; 17.8%

RATED DEBT

-Series 2002C variable rate bonds (\$33 million outstanding), rated Aa2/MMIG1, supported by a standby bond purchase agreement with Northern Trust expiring May, 2013

-Series 2007A1, A3 variable rate bonds (\$106 million), rated Aa2/MMIG1, supported by a standby bond purchase agreement with UBS expiring December, 2014

-Series 2007A2, A4 variable rate bonds (\$106 million), rated Aa2/MMIG1, supported by a standby bond purchase agreement with JPMorgan expiring December, 2014

-Series 2008A variable rate bonds (\$79 million), rated Aa2/MMIG1, supported by a standby bond purchase agreement with Northern Trust expiring May, 2013

-Series 2009 fixed rate bonds (\$460 million), rated Aa2

-Lake Forest Hospital: Series 2002A fixed rate bonds (\$43 million) and Series 2003 fixed rate bonds (\$27 million), rated Aa2

CONTACTS

Issuer: Peter McCanna, Executive Vice President, Administration and Chief Financial Officer, 312-926-2101

PRINCIPAL METHODOLOGY USED

The principal methodology used in this rating was Not-for-Profit Hospitals and Health Systems published in January 2008.

REGULATORY DISCLOSURES

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X. 1120.140 – Economic Feasibility

A. Reasonableness of Financing Arrangements

Not Applicable – see attached proof of bond rating.

M Northwestern Memorial[®] HealthCare

B. Conditions of Debt Financing

November 14, 2011

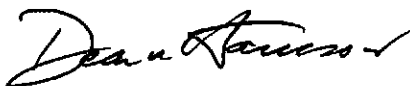
Mr. Dale Galassie
Chairman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62751

Dear Mr. Galassie:

As authorized representatives of Northwestern Memorial Hospital, we hereby attest that the form of debt financing selected for the project will be at the lowest net cost available, or if a more costly form of financing is selected, that form will be more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional debt, term financing costs, or other factors.

Additionally, none of the project involves the leasing of equipment or facilities.

Sincerely,



Dean M. Harrison
President and CEO



Peter J. McCanna
Executive Vice President and CFO

Notarization:

Subscribed and sworn to before me
this 21st day of November




Signature of Notary

Seal



Notarization:

Subscribed and sworn to before me
this 21st day of November



Signature of Notary

Seal



ATTACHMENT-42

C. Reasonableness of Project and Related Costs

COST AND GROSS SQUARE FEET BY DEPARTMENT												
Department	A	B	C		D		E		F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	BGSF New	Circ.*	BGSF Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)				
CLINICAL												
Surgical Services	\$ 467.88		29,513	19.2%			\$ 13,808,503					\$ 13,808,503
Outpatient Diagnostic Clinic	\$ 378.14		30,465	20.2%			\$ 11,520,044					\$ 11,520,044
Clinical Subtotal =	\$ 422.30		59,978	19.8%			\$ 25,328,547					\$ 25,328,547
NON-CLINICAL												
Physician Office Space	\$ 226.92		434,296	16.5%			\$ 98,550,291					\$ 98,550,291
Central Sterile Supply	\$ 343.20		2,768	19.3%			\$ 949,991					\$ 949,991
Retail	\$ 243.13		24,152	24.1%			\$ 5,872,107					\$ 5,872,107
Parking	\$ 91.78		294,315	15.7%			\$ 27,010,786					\$ 27,010,786
Conference Rooms/Classrooms	\$ 252.19		603	20.2%			\$ 152,069					\$ 152,069
Administration	\$ 269.10		2,319	20.1%			\$ 624,033					\$ 624,033
Staff Lockers/Lounges	\$ 272.48		6,022	19.5%			\$ 1,640,853					\$ 1,640,853
Reception/Waiting/Public Toilets	\$ 390.08		29,526	22.0%			\$ 11,517,473					\$ 11,517,473
Loading/Materials Management	\$ 269.46		26,035	28.3%			\$ 7,015,429					\$ 7,015,429
Environmental Services	\$ 200.25		4,362	20.2%			\$ 873,485					\$ 873,485
Storage	\$ 149.19		14,968	17.7%			\$ 2,233,136					\$ 2,233,136
Facilities Management	\$ 168.74		1,438	15.6%			\$ 242,647					\$ 242,647
MEP Systems	\$ 377.87		78,212	18.6%			\$ 29,554,078					\$ 29,554,078
Bridges	\$ 953.33		2,648	0.0%			\$ 2,524,416					\$ 2,524,416
Tunnel	\$1,703.77		1,194	0.0%			\$ 2,034,307					\$ 2,034,307
Drive Through	\$ 184.44		16,230	0.0%			\$ 2,993,505					\$ 2,993,505
Non-Clinical Subtotal =	\$ 206.36		939,088	16.9%			\$193,788,606					\$193,788,606
GRAND TOTAL =	\$ 219.32		999,066	17.0%			\$219,117,153					\$219,117,153

D. Projected Operating Costs

Project Direct Operating Expenses – FY17

	OCP Project
Total Direct Operating Costs	\$ 15,175,894
Equivalent Patient Days	7,954
Direct Cost per Equivalent Patient Day	\$ 1,907.96

E. Total Effect of the Project on Capital Costs

Projected Capital Costs – FY17

	OCP Project FY17	Total NMH FY17
Equivalent Adult Patient Days (All NMH)	7,954	424,183
Total Project Cost	\$ 322,826,935	-
Useful Life	16.8	-
Total Annual Depreciation	\$ 19,187,000	\$ 189,682,000
Depreciation Cost per Equivalent Patient Day	\$ 2,412.25	\$ 447.17

XI. Safety Net Impact Statement

Not Applicable – the proposed project is NON-SUBSTANTIVE and does not involve discontinuation.

XII. Charity Care Information

Charity Care

NMH CHARITY CARE			
	FY08	FY09	FY10
Net Patient Revenue	\$1,126,149,000	\$1,216,583,000	\$1,296,128,000
Amount of Charity Care (charges)	\$ 99,942,000	\$ 127,179,000	\$ 155,213,000
Cost of Charity Care	\$ 27,065,000	\$ 31,306,000	\$ 38,163,000

NMH tracks and reports financial assistance at the patient account level. In FY10, there were 8,970 inpatient accounts and 91,054 outpatient accounts that qualified for free care write-offs. The total number of patients who received financial assistance in FY10 was 45,048.

NMHC Community Benefit

To help meet the needs of our community during FY10, NMHC (NMH and NLFH) contributed \$276.7 million in community benefits including charity care, other unreimbursed care, research, education and other community benefit.

Ahead of some of the area's safety-net hospitals, NMH is the 6th largest provider of Medicaid services among acute care hospitals in Illinois when measured by total Medicaid patient admissions (*source: Illinois Department of Healthcare and Family Services for the Fiscal Year ended June 30, 2009*). Other elements of our community benefit contribution are:

- In FY10, NMHC provided \$44.0 million of charity care.
- In FY10, net unreimbursed cost of government sponsored indigent healthcare services for NMHC totaled \$117.2 million.
- \$49.9 million (unreimbursed cost of education): As one of the nation's premier academic medical center hospitals, we work in partnership with Northwestern University Feinberg School of Medicine to foster a sought-after learning environment for the next generation of physicians through training opportunities for medical students, residents, and fellows who learn each year at NMHC. Additionally, we provide training and continuing education for nurses and allied healthcare professionals.

Also in FY10, Northwestern Memorial and Feinberg received accreditation to train obstetrics and gynecology resident physicians at both NMH and John H. Stroger, Jr. Hospital. As a result of this expansion, the merged program ensures important physician resources remain available to provide high quality OB/Gyn care to medically underserved patients in Chicago.

- \$21.6 million (unreimbursed cost of research): NMH's commitment to scientific inquiry and research, advanced through our partnership with the Feinberg School, underscores our dedication to advancing medical knowledge and clinical innovation. Physicians and researchers are deeply engaged in efforts that show promise and bring new treatments to the bedside at the fastest and safest point possible. These discoveries are shared widely throughout the medical community so that patients everywhere may benefit.
- \$14.2 million Other Community benefit: We provide community benefit through subsidized health services including education and information to improve the health of

the community; donations to charitable and community organizations; volunteer efforts; language assistance and translation services for patients and their families; and more.

- \$29.8 million Bad Debt Expense (based on cost): An important part of our commitment to providing quality and accessible healthcare includes covering the expense of payments that were expected but not received.

Some programs and statistics that define these benefits are:

- 33.8% of all emergency department visits are reimbursed by Medicaid, Medicare, or provided as free care, a significant increase from 26% in 2008. 27.7% of infants cared for in the NICU at Prentice Women's Hospital received medical care reimbursed by Medicaid or provided as free care.
- NMH is a Level I Adult Trauma Center – the only academic medical center hospital in Chicago to provide these services. NMH is the only designated center for trauma patients coming from Chicago for the geography that encompasses the hospital and the southern border of the city limits. More than 800 patients received trauma care at NMH in FY10.
- Almost \$600,000 was spent on free language assistance services to patients in 2010. More than 6,600 hours of free foreign language assistance was provided including more than 3,660 face-to-face interpreter visits.
- When needed, NMH provides emergency and long-term housing for mental health patients through three programs (two under federal fund match arrangements and a third mainly underwritten by NMH with limited state funding) at the Lawson House YMCA, 30 West Chicago Avenue. NMH provides on-site support services there for psychiatry patients who are unable to function independently and would otherwise be at risk for homelessness.
- NMH provided \$3.3 million (at cost) in unreimbursed mental health services in 2010.
- 1,735 free care patient visits were provided at NMH's Lynn Sage Comprehensive Breast Center and the hospital's Bucktown radiology neighborhood facility.
- 3,400 patients with type 2 Diabetes are tracked through the Diabetes Collaborative from Near North and Erie Family Health Center. The collaborative joins the two Federally Qualified Health Centers with NMH, Feinberg School to help individuals on the city's North, South, and West sides to manage their disease.
- NMH has spent over 5 years in developing 480 electronic medical record standard orders, then shared with John H. Stroger Jr. Hospital and Mount Sinai Hospital to speed their conversion to online systems.
- There are more than 60 graduates of NMH's Medical Explorers program currently in college pursuing healthcare careers. Since 1996, 869 students have participated in this program, giving access to health care careers to minority students. Many Medical Explorers have pursued careers in nursing and medicine and several are now employed at NMH, including a recent nursing Medical Explorer student who now works in the NICU.

- Physicians and residents provided approximately 1,200 hours of eye care at community health centers in 2010.
- The number of clinical research studies underway on average at NMH is 2,100.
- More than 900 medical students, residents and fellows trained each year at NMH.
- NMH is one of only three hospitals in Chicago to participate in the training of emergency medical technicians and in providing of Emergency Medical Care programs for the Chicago Fire Department and other emergency service providers und the EMS program. More than 850 emergency medical staff were trained at NMH in FY10.