ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

11-112

RECEIVED

DEC 07 2011

HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Edward Hospital
Street Address: 801 S. Washington Street
City and Zip Code: Naperville 60540
County: DuPage Health Service Area VII Health Planning Area: A-05

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220]. *Co-Applicant provided in ATTACHMENT-1*

Exact Legal Name: Edward Hospital
Address: 801 S. Washington Street
Name of Registered Agent: Pamela Meyer Davis
Name of Chief Executive Officer: Pamela Meyer Davis
CEO Address: 801 S. Washington Street Naperville, IL 60540
Telephone Number: 630-527-3030

Type of Ownership of Applicant/Co-Applicant *Co-Applicant provided in ATTACHMENT-1*

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

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

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

Primary Contact

[Person to receive ALL correspondence or inquiries)

Name: Kari Runge
Title: Director, Planning & Business Development
Company Name: Edward Health Services Corporation
Address: 801 S. Washington Street Naperville, IL 60540
Telephone Number: 630-527-3917
E-mail Address: krunge@edward.org
Fax Number: 630-5273963

Additional Contact

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

Name: Annette Kenney
Title: Vice President, Corporate Strategy & Business Development
Company Name: Edward Health Services Corporation
Address: 801 S. Washington Street Naperville, IL 60540
Telephone Number: 630-527-5803
E-mail Address: akenney@edward.org
Fax Number: 630-527-3702

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: Kari Runge
Title: Director, Planning & Business Development
Company Name: Edward Health Services Corporation
Address: 801 S. Washington Street Naperville, IL 60540
Telephone Number: 630-527-3917
E-mail Address: krunge@edward.org
Fax Number: 630-527-3963

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Edward Hospital
Address of Site Owner: 801 S. Washington Street Naperville, IL 60540
Street Address or Legal Description of Site: 801 S. Washington Street Naperville, IL 60540
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: Edward Hospital
Address: 801 S. Washington Street Naperville, IL 60540

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification:	Part 1120 Applicability or Classification: [Check one only.]
☒ Substantive	☐ Part 1120 Not Applicable
☐ Non-substantive	☐ 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.

The proposed project is a vertical expansion to the Hospital's west building. Edward Hospital is located at 801 S. Washington Street in Naperville 60540. Edward received approval for this expansion in 2007 (CON 07-138) but the project was altered in October 2009 to decrease short-term capital expenditures due to the economic environment. At that time it was determined that renovation and expansion needs of NICU and ICU could substantially be met within the current hospital footprint. This new west vertical expansion project is proposing the addition of ICU and medical/surgical beds.

The proposed project is a two-story addition consisting of both clinical and non-clinical space. Following is a summary of the major components of this project:

- The first floor of the addition (3rd floor of the west building) will include a physical therapy gym and 36 medical surgical beds which will be dedicated to orthopedic patients.
- The second floor of the addition (4th floor of the west building) will house 24 intensive care beds and a storage area for beds and other equipment not in use. There will only be 12 incremental beds because a 12-bed unit that is currently designated as "Transitional" ICU beds will not be utilized.
- The rooftop of the expansion will house mechanical rooms and elevator machine rooms for the addition.
- New construction of a mechanical building to house an additional emergency generator and switchgear equipment.
- Construction will also occur on the ground, first, and second floors of the existing building to install new elevators and the support structure for a bridge that connects the Hospital to the floor additions.

The project will increase Edward Hospital's bed inventory from 309 to 357.

This project is classified as substantive because there is no imminent threat to the safe operations or structural integrity of the building and it is not one of non-substantive projects listed in 1110.40(b).

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	$351,450	429,550	781,000
Site Survey and Soil Investigation			
Site Preparation	531,450	649,550	1,181,000
Off Site Work			
New Construction Contracts	16,430,980	20,082,308	36,513,288
Modernization Contracts		3,081,762	3,081,762
Contingencies	1,781,778	2,177,727	3,959,505
Architectural/Engineering Fees	975,576	1,192,369	2,167,945
Consulting and Other Fees	110,250	134,750	245,000
Movable or Other Equipment (not in construction contracts)	3,155,648	3,856,902	7,012,550
Bond Issuance Expense (project related)	540,000	660,000	1,200,000
Net Interest Expense During Construction (project related)	1,129,840	1,380,915	2,510,755
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	2,252,903	2,753,547	5,006,450
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	**$27,259,875**	**$36,399,380**	**$63,659,255**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			$63,659,255
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			**$63,659,255**

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

Related Project Costs

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

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

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ _____.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

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

Anticipated project completion date (refer to Part 1130.140): December 31, 2014

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

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

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

State Agency Submittals

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

Cost Space Requirements

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

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

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Edward Hospital		**CITY: Naperville**			
REPORTING PERIOD DATES:		**From:** January 1, 2010			**to:** December 31, 2010
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days****	**Bed Changes**	**Proposed Beds**
Medical/Surgical	199	12,480	55,512	+36	235
Obstetrics	39	3,493	10,505	0	39
Pediatrics	7	939	1,943	0	7
Intensive Care*	52	2,514	10,086	+12	64
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	0	0	0	0	0
Neonatal Intensive Care	12	141	2,778	0	12
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)					
TOTALS:	309	19,567	80,824	+48	357

* ICU Does not include transfers to ICU from another unit in the Hospital

** Patient Days include observation days in inpatient beds

CERTIFICATION

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

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

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

SIGNATURE

Pamela Davis
PRINTED NAME

President & CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 22nd day of November, 2011

Mary Anne Marker
Signature of Notary

Seal

OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

SIGNATURE

Vincent E. Pryor
PRINTED NAME

Chief Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21st day of November, 2011

Mary Anne Marker
Signature of Notary

Seal

OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

*Insert EXACT legal name of the applicant

CERTIFICATION

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- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
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SIGNATURE

Pamela Davis
PRINTED NAME

President & CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 22nd day of November, 2011

Mary Anne Marker
Signature of Notary

Seal

OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

SIGNATURE

Vincent E. Pryor
PRINTED NAME

Chief Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21st day of November, 2011

Mary Anne Marker
Signature of Notary

Seal

OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

*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 Board 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: ***NOT APPLICABLE***

Provide the following information:

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

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES: ***NOT APPLICABLE***

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

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

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

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

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

Category of Service	# Existing Beds	# Proposed Beds
☒ Medical/Surgical	199	235
☐ Obstetric		
☐ Pediatric		
☒ Intensive Care	52	64

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

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

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

APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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
☒ **Inpatient physical Therapy**	1	1
☐		
☐		

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

:

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

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

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

VIII. - 1120.120 - Availability of Funds *NOT APPLICABLE*

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

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

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

IX. 1120.130 - Financial Viability *NOT APPLICABLE*

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: ***Moody's A Bond rating included in Attachment-39***

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements ***NOT APPLICABLE***

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

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

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

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

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

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

* Include the percentage (%) of space for circulation

D. **Projected Operating Costs**

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

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

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

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

XI. Safety Net Impact Statement

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

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

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

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

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

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

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

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

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

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

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

XII. Charity Care Information

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

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

CHARITY CARE			
	Year	**Year**	**Year**
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

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

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

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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	32
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SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Co-Applicant Identification

Exact Legal Name: Edward Health Services Corporation
Address: 801 S. Washington St. Naperville, IL 60540
Name of Registered Agent: Pamela Meyer Davis
Name of Chief Executive Officer: Pamela Meyer Davis
CEO Address: 801 S. Washington St. Naperville, IL 60540
Telephone Number: 630-527-3030

Type of Ownership: Edward Health Services Corporation

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

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

ATTACHMENT- 1

File Number 5341-344-7

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

EDWARD HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 30, 1984, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 22ND *day of* NOVEMBER *A.D.* 2011 .

Jesse White

SECRETARY OF STATE

Authentication #: 1132601978

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

ATTACHMENT-1

File Number 5464-307-1

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

EDWARD HEALTH SERVICES CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 27, 1987, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 22ND *day of* NOVEMBER *A.D.* 2011 .

Jesse White

SECRETARY OF STATE

Authentication #: 1132602002

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

ATTACHMENT-1

A11

QUIT CLAIM DEED

Statutory (Illinois)

J.P. "RICK" CARNEY
DUPAGE COUNTY RECORDER
NOV.02,2000 9:49 AM
DEED 07-24-400-007
005 PAGES R2000-171372

CHARGE C.T.I.C. DuPAGE D109521 Chg to

THE GRANTOR, EDWARD HOSPITAL DISTRICT, a hospital district created and existing under and by virtue of the laws of the State of Illinois and

(The Above Space for Recorder's Use Only)

duly authorized to transact business in the State of Illinois, for the consideration of Ten and no/100 ($10.00) Dollars, and other good and valuable consideration in hand paid, and pursuant to authority given by the Board of Directors of said corporation, CONVEYS and QUIT CLAIMS to **EDWARD HOSPITAL,** an Illinois not-for-profit corporation organized and existing under and by virtue of the laws of the State of Illinois having its principal office at the following address: 801 Washington Street, Naperville, Illinois, all interest in the following described Real Estate situated in the County of DuPage and State of Illinois, to wit:

SEE EXHIBIT A ATTACHED HERETO AND BY
THIS REFERENCE MADE A PART HEREOF

Permanent Real Estate Index Numbers: 07-24-400-007; 07-24-400-008;
07-24-400-011; 07-24-400-12

Addresses of Real Estate: 852 West Street; Naperville, IL 60540;
775 Brom Drive, Naperville, IL 60540;
100-120 Spaulding Drive, Naperville, IL 60540
801 Washington Street, Naperville, IL 60566

27

ATTACHMENT-2
1 of 5

In Witness Whereof, said Grantor has caused its name to be signed to these presents by its Chairman this 25th day of October, 2000.

EDWARD HOSPITAL DISTRICT

By: _____

Its: Chairman of the Board

Exempt under provisions of Paragraph E, Section 4, (e.) Public Utilities Act.
Date: 10/25/00 By: _____

CITY OF NAPERVILLE
CITY TAX
OCT.26.00
NAPERVILLE, IL
0000000911
REAL ESTATE TRANSFER TAX
0000000
FP326659

State of Illinois)
) SS.
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that **Michael Mimnaugh** is personally known to me to be the Chairman of Edward Hospital District, an Illinois hospital district, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Chairman, he signed and delivered the said instrument, pursuant to authority given by the Board of said Directors of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 25th day of October, 2000.

OFFICIAL SEAL
MARYHELEN CRISPO
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. MAR. 20, 2002

MaryHelen Crispo
Notary Public

Commission expires March 20, 2002

This Instrument Was Prepared By:

Jennifer R. Breuer, Esq.
Gardner, Carton & Douglas
321 North Clark Street
Suite 3400
Chicago, IL 60610-4795

MAIL TO: { Edward Hospital }
{ Attn: Nanette Bufalino }
{ 801 Washington Street }
{ P. O. Box 3060 }
{ Naperville, IL 60566 }

SEND SUBSEQUENT TAX BILLS TO:

Edward Hospital
Attention: President
801 Washington Street
P. O. Box 3060
Naperville, IL 60566

OR RECORDER'S OFFICE BOX NO. _____

CH01/12110924.1

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

That part of the Southeast quarter of Section 24, Township 38 North, Range 9, East of the Third Principal Meridian, described by beginning at the Northeast corner of the Southeast quarter of the Southwest quarter of said Section 24, Township 38 North, Range 9, East of the Third Principal Meridian and running thence North 69° East 37.12 chains to stake and stones in center of road; thence South 18° East 4.98 chains along the road to H. Knickerbocker's line; thence South 70° West 38.15 chains along Knickerbocker's line to stake and stones; thence North 1° East 4.70 chains to the place of beginning; also Lot 11 as platted and described in Book 3 on pages 240 and 242 of Circuit Court records described by commencing at stake and stones at Northeast corner of Southeast quarter of Southwest quarter of said Section 24 and running thence North 25° West 4.65 chains to stake and stones; thence North 69 and one-half ° East 39.44 chains to stake and stones in center of road; thence South 4° West 4.61 chains to angle in road; thence South 18° East 1.45 chains to stake and stones; thence South 69 and one-half ° West 37.12 chains to place of beginning, in DuPage County, Illinois.

ALSO

PARCEL 2:

That part of the Southeast quarter of Section 24, Township 38 North, Range 9, East of the Third Principal Meridian, described by commencing at the Northeast corner of said Southeast quarter; thence West along the North line of said Southeast quarter 500.3 feet to the center line of Washington Street; thence South 0° 51' West along the center line of said Washington Street 34.9 feet for a place of beginning; thence South 0° 51' West along said center line of Washington Street 100.0 feet; thence South 66° 08' West 1802.2 feet to the West line of the Naperville Cemetery extended South; thence North 1° 03' East along the West line of said Cemetery extended South 642.4 feet; thence North 83° 29' East 1648.4 feet to the place of beginning, in DuPage County, Illinois.

AFFIDAVIT — METES AND BOUNDS

STATE OF ILLINOIS)
COUNTY OF DU PAGE) SS.

AFFIDAVIT — METES AND BOUNDS

Peter Klukla, being duly sworn on oath, states that he/she resides at 1714 S. Naperville Rd. Wheaton

That the attached deed is not in violation of Section 205/1 of Chapter 765 of the Illinois Compiled Statutes for one of the following reasons:

1. The division or subdivision of land is into parcels or tracts of five acres or more in size which does not involve any new streets or easements of access.
2. The division is of lots or blocks of less than one acre in any recorded subdivision which does not involve any new streets or easements of access.
3. The sale or exchange of parcels of land is between owners of adjoining and contiguous land.
4. The conveyance is of parcels of land or interests therein for use as right of way for railroads or other public utility facilities, which does not involve any new streets or easements of access.
5. The conveyance is of land owned by a railroad or other public utility which does not involve any new streets or easements of access.
6. The conveyance is of land for highway or other public purposes or grants of conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.
7. The conveyance is made to correct descriptions in prior conveyances.
8. The sale or exchange is of parcels or tracts of land following the division into no more than two parts of a particular parcel or tract of land existing on July 17, 1959 and not involving ant new streets or easements of access.
9. The sale is of a single lot of less than five acres from a larger tract, the dimensions and configurations of said larger tract having been determined by the dimensions and configuration of said larger tract on October 1, 1973, and no sale, prior to this sale, or any lot or lots from said larger tract having taken place since October 1, 1973 and a survey of said single lot having been made by a registered land surveyor.
10. The conveyance is of land described in the same manner as title was taken by grantor(s).

THE APPLICABLE STATEMENT OR STATEMENTS ABOVE ARE CIRCLED.

AFFIANT further states that he/she makes this affidavit for the purpose of inducing the Recorder of DuPage County, State of Illinois, to accept the attached deed for recording.

SUBSCRIBED AND SWORN TO before me

this 2nd day of November, 2000

Colleen Ward
Notary Public

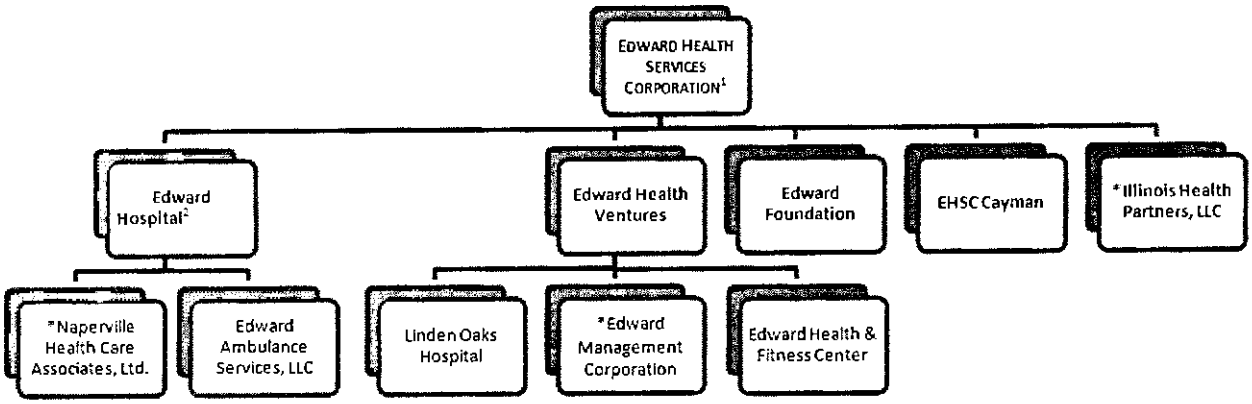
"OFFICIAL SEAL"
Colleen Ward
Notary Public, State of Illinois
My Commission Expires 02/23/2003

J. P. "RICK" CARNEY, DU PAGE COUNTY RECORDER (Rev. 12/94)
421 N. COUNTY FARM ROAD, BOX 936, WHEATON, ILLINOIS 60189

ATTACHMENT - 2
5 of 5

Organizational Relationships—*Both Edward Health Services Corporation and Edward Hospital (co-Applicants) are included on the organizational chart below.*

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person who is related (as defined in Part 1130.140). If the related person is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.



* = For-profit entities

[1] Sole Corporate Member of Edward Hospital, Edward Health Ventures, Edward Foundation and EHSC Cayman.

Edward Health Services Corporation participates in the following joint ventures and owns interest as listed:

Illinois Health Partners, LLC (50%)

[2] Edward Hospital participates in the following joint ventures and owns interests as listed:

Edward Ambulance Services, LLC (55%)

ATTACHMENT- 4

November 21, 2011

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for Medical/Surgical and ICU Expansion
Floodplain Requirements

To Whom It May Concern:

I hereby attest that Edward Hospital is not located in a floodplain, and that the proposed project complies with the Illinois Executive Order #2005-5.

Sincerely,

Pamela Meyer Davis
President and CEO

Acknowledgement

State of Illinois
County of DuPage

This instrument was acknowledged before me on Nov. 22 20 11, by

Pamela Meyer Davis
(Name of Person)

Mary Anne Marker
Notary Public

(Seal)

OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

ATTACHMENT-5

EDWARD
801 SOUTH WASHINGTON STREET > NAPERVILLE, ILLINOIS 60540 > 630/527-3000

APPROXIMATE SCALE IN FEET

500 0 500

NATIONAL FLOOD INSURANCE PROGRAM

FIRM

FLOOD INSURANCE RATE MAP

CITY OF
NAPERVILLE,
ILLINOIS
DUPAGE AND WILL COUNTIES

PANEL 13 OF 23

PANEL LOCATION

COMMUNITY–PANEL NUMBER:
170213 0013 C
MAP REVISED:
MAY 18, 1992

Federal Emergency Management Agency

ATTACHMENT-5

34

Illinois Historic Preservation Agency

FAX (217) 782-8161

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

DuPage County
Naperville
CON - 2 Floor Addition, West Building
801 S. Washington St.
IHPA Log #001110111

November 16, 2011

Kari Runge
Edward Hospital
Attn: Planning Department/Marketing Department
801 S. Washington Street
Naperville, IL 60540

Dear Ms. Runge:

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

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

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

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

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

ATTACHMENT-6

Project Costs and Sources of Funds- ITEMIZATION

Preplanning Costs:	**$ 781,000**
• Concept and Programming- MCA	$ 590,000
• Pre-Construction Services- Power	$ 125,000
• IS Infrastructure- Advanced Data	$ 66,000
Site Preparation:	**$ 1,181,000**
• Demolition of Existing Building Structure Components	$ 375,000
• Site Staging for Construction	$ 570,000
• Generator Building Sitework	$ 236,000
New Construction Contracts:	**$ 36,513,288**
• Construction Cost	$ 34,130,948
• General Conditions/ Temp Utilities	$ 1,194,583
• Insurance	$ 334,483
• Construction Management	$ 853,274
Modernization Contracts:	**$ 3,081,762**
• Construction Cost	$ 2,880,690
• General Conditions/ Temp Utilities	$ 100,824
• Insurance	$ 28,231
• Construction Management	$ 72,017
Consulting and Other Fees:	**$ 245,000**
• CON Application	$ 100,000
• Post Project Audit	$ 30,000
• IDPH Plan Review	$ 35,000
• Building Inspections	$ 15,000
• Permits/Testing	$ 65,000
Movable and Other Equipment (not in construction contracts):	**$ 7,012,550**
• Major Medical:	
o patient Room Headwalls	$ 1,089,000
o Nurse Call System	$ 850,000
o Telemetry	$ 4,500,000
• Minor Medical	$ 573,550
Other Costs To Be Capitalized:	**$ 5,006,450**
• Furnishings (Patient Rooms/Waiting Areas)	$ 2,100,000
• IS/ Telecommunications	$ 2,745,000
o Telephony Equipment	
o Television System	
o Cabling & Infrastructure	
o Data Requirements/ Interfaces	
• Security System	$ 100,000
• Signage	$ 61,450

ATTACHMENT-7

COST SPACE REQUIREMENTS

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Construction	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical	$ 14,060,505	101,092	123,295	22,203	-	101,092	-
Adult Intensive Care	$ 14,218,478	32393	44,330	20,080	-	24,250	8,143
Inpatient Physical Therapy	$ 383,659	422	770	770	-	-	422
Total Clinical	**$ 28,662,642**	**133,907**	**168,395**	**43,053**	**0**	**125,342**	**8,565**
NON REVIEWABLE							
Administrative	$ 2,393,034		5,005	4,303	702		
ISS	$ 291,010		580	580	0		
Mechanical	$ 4,583,567		8,383	8,383	0		
Bridge	$ 3,509,111		4,754	4,754	0		
Generator Bldg and Generators	$ 7,805,936		3,750	3,750	0		
Loading Dock Elevator	$ 524,255		500	0	500		
Bed & Equipment Storage	$ 2,665,616		5,638	5,638	0		
Public Areas	$ 964,088		1,771	1,427	344		
General Circ incl. elevators	$ 12,259,996		18,030	13,192	4,838		
Total Non-clinical	**$ 34,996,613**		**48,411**	**42,027**	**6,384**		
TOTAL	**$ 63,659,255**	**133,907**	**216,806**	**85,080**	**6,384**		

Note 1: The ICU that is currently designated as Transitional will be "vacated" and used for cardiac catheterization and neurointerventional recovery rooms
Note 2: The current inpatient physical therapy space will be relocated to the new medical/surgical floor. The vacated space will be used for family waiting or offices

37

ATTACHMENT-9

Criterion 1110.230 – Background, Project Purpose, and Alternatives

BACKGROUND OF APPLICANT

Edward Health Services Corporation, Co-Applicant, has ownership over the entities listed below:

Edward Hospital:
State of Illinois License Number: 1927346
Joint Commission Identification Number: 7394

Linden Oaks Hospital:
State of Illinois License Number: 1937420
Joint Commission Identification Number: 4973

Plainfield Free-Standing Emergency Department:
State of Illinois License Number: 22003

Edward Ambulance Services:
State of Illinois License Number: 008967

Copies of licenses and accreditation are included as attachments in the following pages.

There has been no adverse action taken against any facility, as certified in the attached letter. This letter also provides the HFSRB and DPH access to any requisite documents.

November 21, 2011

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for Medical/Surgical and ICU Expansion

To Whom It May Concern:

In accordance with Review Criteria 1110.230, Background of Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that no adverse actions have been taken against Edward Hospitals or any other facility owned or operated by the co-applicants during the three years prior to the filing of this application.

Further, the HFSRB and the DPH is herein given authorization to review any records necessary for the verification of the information provided in this CON application.

Sincerely,

Pamela Meyer Davis
President and CEO

Acknowledgement

State of Illinois
County of DuPage

This instrument was acknowledged before me on November 22, 20 11, by

Pamela Meyer Davis
(Name of Person)

Mary Anne Marker
Notary Public

(Seal)
OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

ATTACHMENT-11

ATTACHMENT-1

State of Illinois 2036011
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

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

DAMON T. ARNOLD, M.D.
DIRECTOR

EXPIRATION	CATEGORY	I.D. NUMBER
06/30/12	0550	0003905

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 07/01/11

BUSINESS ADDRESS

EDWARD HOSPITAL
801 SOUTH WASHINGTON STREET
NAPERVILLE IL 60540

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← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

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State of Illinois 20360
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATIC

EDWARD HOSPITAL

EXPIRATION DATE	CATEGORY	I.D. NUMBER
06/30/12	0550	0003905

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 07/01/11

07/07/11

EDWARD HOSPITAL
801 SOUTH WASHINGTON STREET

NAPERVILLE IL 60566

FEE RECEIPT NO.

The Joint Commission

October 19, 2009

Joint Commission ID:# 7394
CCN: 14-0231
Program: Hospital
Accreditation Expiration Date: November 15, 2012

Pamela Meyer Davis
President & Chief Executive Officer
Edward Health Services Corporation
801 South Washington Street
Naperville, Illinois 60540

Dear Ms. Meyer Davis:

This letter confirms that your August 10-14, 2009 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on September 25, 2009 and October 15, 2009, the area of deficiency listed below has been removed. The Joint Commission is granting your organization an accreditation decision of accredited with an effective date of August 15, 2009.

The Joint Commission is also recommending your organization for Medicare certification. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13.

482.13(c)(2) / Environment of Care
482.13(e)(8)(iii) / Provision of Care, Treatment, and Services
482.41(a) / Environment of Care
482.11(c) / Medical Staff
482.21(a)(2) / Performance Improvement
482.24(c)(1) / Record of Care, Treatment, and Services
482.24(c)(1)(i) / Record of Care, Treatment, and Services
482.24(c)(1)(iii) / Record of Care, Treatment, and Services
482.25(b)(2)(i) / Medication Management
482.25(b)(3) / Medication Management
482.41(b)(1)(i) / Life Safety

We congratulate you on your effective resolution of these standard-level deficiencies.

This recommendation also applies to the following location(s):

-Edward Hospital: 801 South Washington Street, Naperville, IL, 60540
-Edward Health and Fitness Center – Woodridge: 6600 S. Route 53, Woodridge, IL, 60517,
-Edward Health Care Center Oswego: 6701 Route 34, Oswego, IL, 60543
-Edward Healthcare Center: 24600 W. 127th Street, Plainfield, IL, 60585,
-Edward Healthcare Center 95th and Book Naperville: 2007 95th Street, Naperville, IL, 60564,
-Edward Healthcare Center (PICC) Plainfield: 24600 W. 127th Street, Plainfield, IL, 60585,
-Edward Healthcare Center Bolingbrook Site: 130 Weber Road, Bolingbrook, IL, 60440
-Edward Hospital Hobson Medical Campus: 1220 Hobson Rd, Suites 124, Naperville, IL, 60540
-Edward Sleep Center: 27555 Diehl Road, Warrenville, IL, 60555
-Yorkville Professional Building: 106 East Countryside Pkwy, Yorkville, IL, 60560

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

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

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office V/Survey and Certification Staff

ATTACHMENT-11

State of Illinois 2044193
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
08/31/12	BGBD	0005058

FULL LICENSE

PSYCH. HOSPITAL

EFFECTIVE: 09/01/11

BUSINESS ADDRESS

NAPERVILLE PSYCHIATRIC VENTURES
D/B/A LINDEN OAKS HOSPITAL
601 S. WASHINGTON ST.

NAPERVILLE IL 60540

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State of Illinois 2044193
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

NAPERVILLE PSYCHIATRIC VENTURES

EXPIRATION DATE	CATEGORY	I.D. NUMBER
08/31/12	BGBD	0005058

FULL LICENSE

PSYCH. HOSPITAL

EFFECTIVE: 09/01/11

07/02/11

NAPERVILLE PSYCHIATRIC VENTURES
D/B/A LINDEN OAKS HOSPITAL
852 SOUTH WEST STREET
NAPERVILLE IL 60540

FEE RECEIPT NO.

L13 ATTACHMENT-11

Copy

The Joint Commission

November 11, 2009

Joint Commission ID:# 4973
CCN: 144035
Program: Hospital
Accreditation Expiration Date: December 5, 2012

Mary L. Mastro
President, Linden Oaks Hospital; Sr VP, EHHS
Naperville Psychiatric Venture d/b/a Linden Oaks Hospital
801 South Washington
Naperville, Illinois 60566-7060

Dear Mrs. Mastro:

This letter confirms that your September 1-4, 2009 unannounced resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process. Based upon the submission of your evidence of standards compliance on November 6, 2009, the areas of deficiencies listed below have been removed. The Joint Commission is granting your organization an accreditation decision of accredited with an effective date of September 5, 2009.

The Joint Commission is also recommending your organization for Medicare certification. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13.

482.24(c)/Record of Care, Treatment and Services
482.41(b)/Life Safety

We congratulate you on your effective resolution of these standard-level deficiencies.

This recommendation also applies to the following location:
Naperville Psychiatric Venture d/b/a Linden Oaks Hospital 852 West Street, Naperville, IL, 60540

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

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

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office V/Survey and Certification Staff

EMS134006

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 8967

Ambulance Provider License
Highest Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

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Illinois Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 8967

Edward Ambulance Services
Ambulance Provider License
Highest Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

FEE RECEIPT NO.

ATTACHMENT-11

45

EMS134009

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896703

VIN: 1GBZGUCL2B1161001
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

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Illinois Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896703

VIN: 1GBZGUCL2B1161001
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

FEE RECEIPT NO.

EMS134010

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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DAMON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896704

VIN: 1GB3G2CL5B115181
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

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Illinois Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896704

VIN: 1GB3G2CL5B115181
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

ATTACHMENT-11

FEE RECEIPT NO.

EMS134007

Illinois Department of PUBLIC HEALTH

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DAMON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896701

VIN: 1GBZGUCLXB1160002
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: B/D

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

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Illinois Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896701

VIN: 1GBZGUCLXB1160002
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: B/D

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

FEE RECEIPT NO.

EMS134008

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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DAMON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896702

VIN: 1GBZGUCL6B1161177
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

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Illinois Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

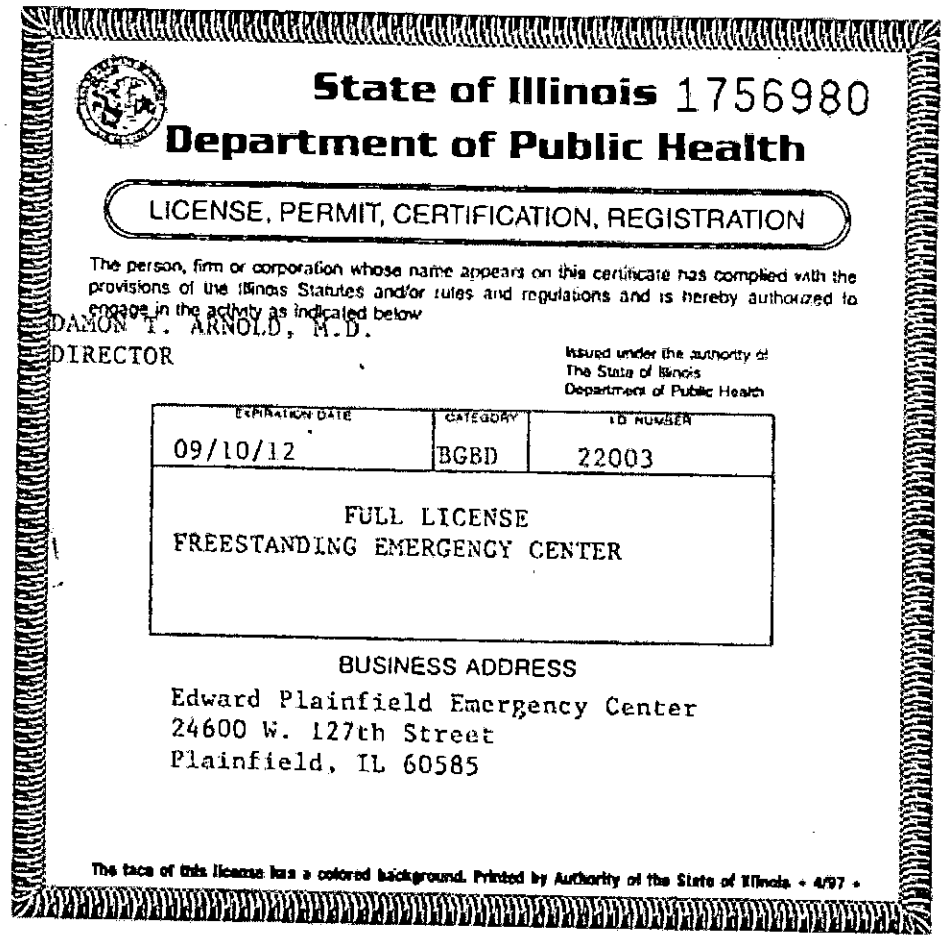
EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/30/2012	G	08 896702

VIN: 1GBZGUCL6B1161177
MAKE: Cheverolet
Ambulance Vehicle License
Vehicle Level of Care: ALS

EDWARD AMBULANCE SERVICES
1701 QUINCY AVE
SUITE 13
NAPERVILLE, IL 60540

FEE RECEIPT NO.

ATTACHMENT-11



State of Illinois 1756980
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
09/10/12	BGBD	22003

FULL LICENSE
FREESTANDING EMERGENCY CENTER

BUSINESS ADDRESS

Edward Plainfield Emergency Center
24600 W. 127th Street
Plainfield, IL 60585

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ATTACHMENT-11

Criterion 1110.230 - Project Purpose, Background and Alternatives

PURPOSE OF PROJECT

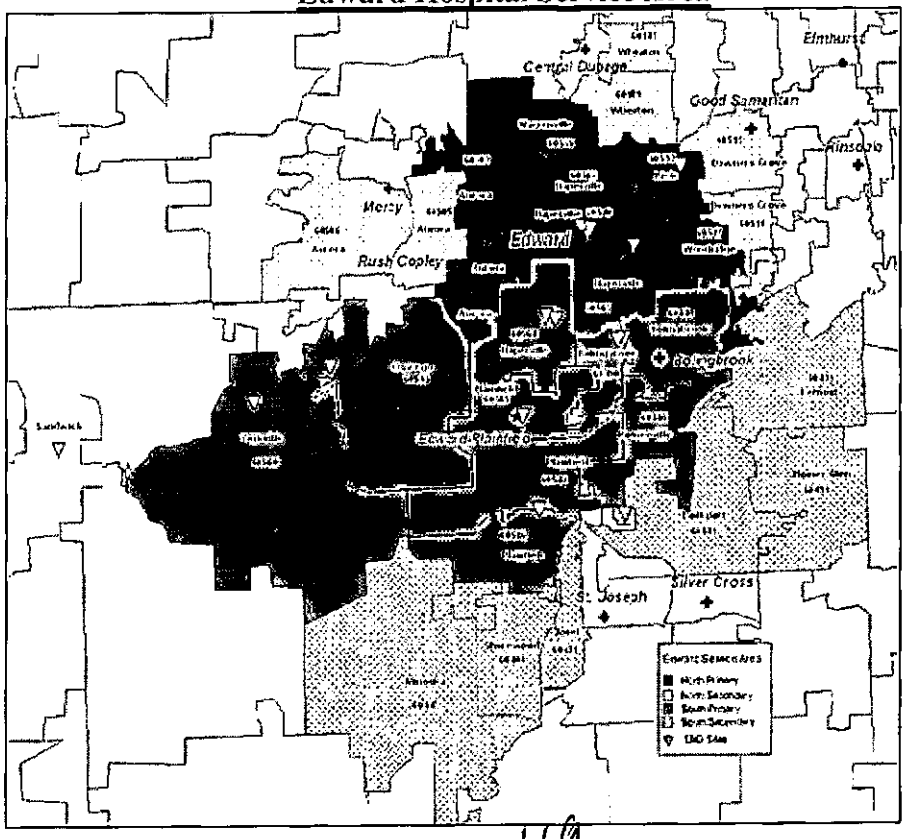
This project is intended to address the shortage of medical/surgical and ICU beds that exists in Planning Areas A-05 and A-13, while ensuring sufficient ICU and medical/surgical bed capacity to meet the demands of the growing (and aging) population within Edward Hospital's service area. The project will also allow the Hospital to improve efficiency of the orthopedic inpatient bed configuration, allowing for enhanced coordination of care.

According to the IDPH Bed Need Determination by Planning Area dated November 17, 2011, a need exists for 40 ICU beds in Planning Area A-05 and 152 medical/surgical beds in adjacent Planning Area A-13—the Planning Areas which comprise 87% of Edward Hospital's inpatient volume. While located in Planning Area A-05, Edward Hospital is an important provider of hospital services to Planning Area A-13 residents, receiving the greatest outmigration from that area of any acute care hospital. According to the most recent inpatient market utilization data available from IHA COMPdata (July 2010 – June 2011), there were over 7,000 admissions (excluding newborns and neonates) to Edward Hospital from Planning Area-A-13, making Edward the third largest hospital provider to its residents. Ensuring adequate capacity for residents of both Planning Areas is an essential purpose of this project.

Market Area

The market area for this project is presented on the following page. Edward Hospital's Primary Service Area (PSA) consists of the communities of Naperville, Lisle, Woodridge, Fox Valley/Aurora, Bolingbrook, Plainfield, Romeoville, Oswego and Yorkville. Edward Hospital's PSA has nearly 600,000 residents (2010 US Census), and is projected to grow to 10.6% by 2015. Over 78% of inpatients utilizing Edward Hospital live within its defined PSA.

Edward Hospital Service Area



ATTACHMENT-12

During the most recent 12 months (November 2010 - October 2011), over 50% of Edward Hospital medical/surgical and ICU admissions were generated from Planning Area A-05 while approximately 33% were generated from Planning Area A-13.

		Medical Surgical		ICU	
County	Planning Area	Inpatients	% of Total	Inpatients	% of Total
DuPage	A-05	7,938	54%	2,125	56%
Will/Grundy	A-13	4,852	33%	1,171	31%
Subtotal		*12,790*	*87%*	*3,296*	*87%*
All Others		1,931	13%	511	13%
Grand Total		**14,721**		**3,807**	

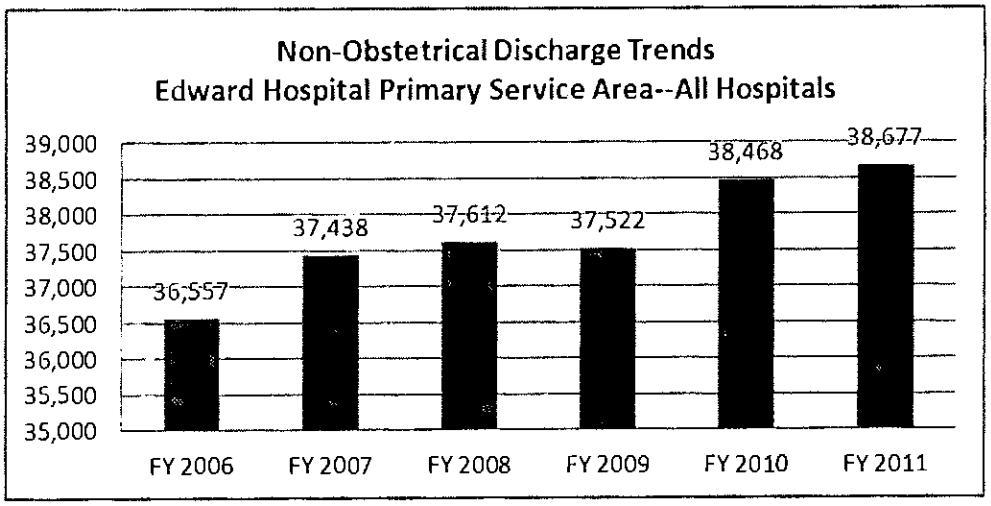
Nielsen (formerly Claritas) projects an average annual rate of population growth of 2.1% in Edward's PSA by 2015. It is notable that, within Edward Hospital's PSA, the number of residents aged 65 and older is expected to grow substantially--38% between 2010 and 2015. This rate of growth is significantly higher than other age groups, as well as projected growth rates for Illinois and the country as a whole. This aging trend will drive local inpatient utilization growth rates beyond national averages.

	Projected 2010-2015 Growth (Source: Nielsen)		
Age Group	Edward PSA	IL	US
0-44	5%	-0.10%	2.90%
45-64	17%	3.60%	5.20%
65+	38%	11.70%	15.50%
Total	***11%***	***1.50%***	***4.10%***

* Edward PSA adjusted slightly based on 2010 census figures

Market Utilization Trends

The graphic on the following page displays non-obstetrical inpatient utilization in Edward's PSA (all hospitals combined). Note that this volume was increasing by about 1,000 incremental discharges per year until FY2008 (July 2007 – June 2008) when it began to slow—a trend largely accredited to the economic recession. Volumes began to rebound in FY2010 so that currently, non-obstetrical inpatient volumes are higher than they were at their peak in 2008.



Source: Illinois Hospital Association COMPdata (Fiscal Year is July – June)

Edward Hospital Utilization Trends

After experiencing some loss in volume in FY 2009 (July 2008 – June 2009), medical/surgical and ICU inpatient volume increased 2.4% between FY 2010-2011.

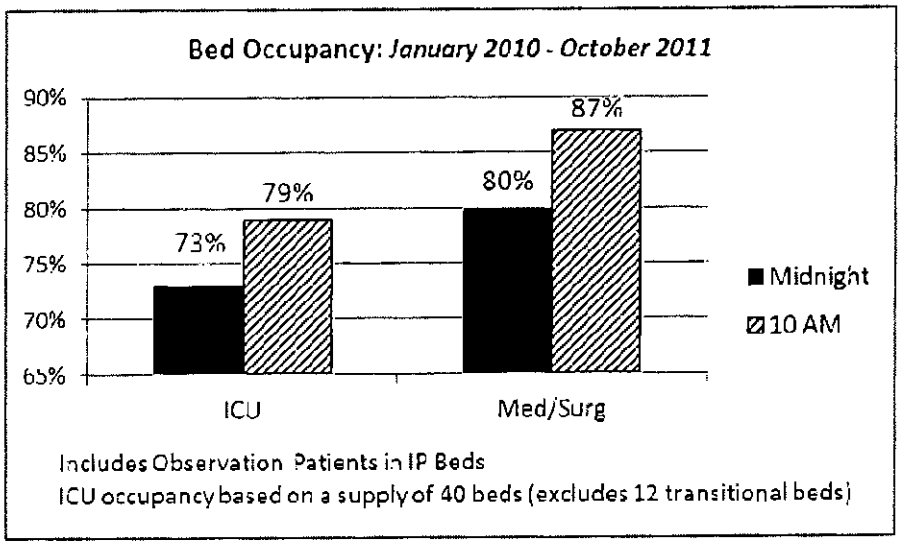
Inpatient and Observation Admission Trends: Edward Hospital				
	FY 2008	**FY 2009**	**FY 2010**	**FY 2011**
Medical/Surgical	18,205	17,574	17,863	18,184
ICU	2,623	2,568	2,498	2,663

Source: Edward Hospital Accounting Statistics

This increase in medical/surgical and ICU admissions has resulted in an increase of 9 additional patients per day from FY2009, which has put a strain on bed capacity, as discussed below.

Edward Hospital Inpatient Occupancy

With the increase in medical/surgical and ICU volume at Edward Hospital, beds that are set up to accommodate these patients are frequently at full capacity and patients are forced to wait in surgical recovery and the emergency department until a bed is available. According to occupancy standards defined in Administrative Code 1100 (85 and 60 percent for medical/surgical and ICU beds, respectively), Edward is operating at or beyond maximum utilization based on peak daily (10 AM) census.



Internal analyses indicate that pressures on inpatient occupancy will persist, largely driven by the continued growth and aging of Edward Hospital's service area population. Continued programmatic growth in neurosciences, cardiovascular services, orthopedics and gastrointestinal services will compound this issue.

Age-adjusted patient day use rates applied to the projected population in Edward's PSA results in a bed need of 24 ICU (12 incremental inventoried beds) and 36 Medical/Surgical beds by year 2015 (methodology is presented in Attachment-15). Unlike other hospitals, Edward has **no reserve capacity** to accommodate growth in inpatient utilization or seasonal (or daily) peaks in census. The lack of adequate bed capacity contributes to a multitude of issues related to patient care:

- Patients will experience longer waits for beds, which may delay time to treatment, prolong length of stay, and escalate costs.
- There will be an increased risk of ambulance diversion or patient transfer, requiring patients to receive treatment in distant facilities with unfamiliar physicians and care management teams. This will work against best practice efforts aimed at improving coordination of care in the interest of better managing quality and cost. Moreover, given the shortage of ICU beds in Planning Area A-05 and high capacities at area hospitals, there is a high likelihood that ICU beds will not be available when needed, placing the most vulnerable patients at increased risk.
- "Elective" surgical and interventional cases will be cancelled or postponed due to lack of available beds. This can prolong pain, suffering and anxiety for the patients and families affected.

In addition to absolute bed need, the current configuration of beds at Edward Hospital—the result of incremental growth projects over the past 20 years—compromises efficiency in certain clinical areas. In particular, the orthopedic patient volume has increased 15% over the past two years and is projected to be one of the fastest growing service lines over the next ten years according to SG-2, a nationally known expert in hospital strategy. The 28-bed nursing unit that orthopedic patients are currently admitted to is currently at 90% to 100% occupancy, resulting in frequent overflow onto a general medical/surgical floor. When this occurs, the care for these patients becomes more fragmented and less efficient.

One goal of this project is to improve patient satisfaction and outcomes of the orthopedic patient population. This will require improved patient care coordination which can only happen if patients are consolidated on one unit staffed by orthopedic specialty trained nurses. This project proposes the construction of a larger unit (36 beds) that will accommodate the projected average daily census for the orthopedic population presented in Attachment-37.

It should be noted that, over the past twenty years, Edward Hospital has been a leader in the execution of innovative strategies that have improved local access to programs and services previously only provided in academic medical centers. While this enhanced access is extremely positive for service area residents, it does drive the need for additional inpatient beds. Recent developments include:

- Edward Hospital's strong leadership position in advanced cardiovascular care has led to its recent selection as one of only two hospitals in Illinois for the development of a Transcatheter Aortic Valve Replacement (TAVI) program. This program will provide patients ineligible for traditional valve surgery the opportunity for valve replacement through a minimally invasive/catheter-based approach, improving outcomes and quality of life for many patients with previously inoperable valve disease. This program will increase the volume of valve patients treated at Edward Hospital. Note that Thomson Reuters named Edward Hospital to its 2011 list of 50 Top Cardiovascular Hospitals in the U.S. HealthGrades has named Edward #1 in Illinois for Coronary Interventional Procedures (2012) and one of America's 100 Best Hospitals for Cardiac Care, Cardiac Surgery and Coronary Intervention (2012).

- Edward Neurosciences Institute (ENI) was established in 2009 in affiliation with the Northwestern Medical Faculty Foundation for the diagnosis and treatment of stroke and other neurological disorders. Designated a Primary Stroke Center by the Joint Commission, ENI provides the most advanced stroke care available, including advanced neurointerventional treatment in a state-of-the-art biplane laboratory. Since its establishment, Edward Hospital has seen significant growth in both medical and interventional stroke, as well as spine and other neurologic cases, coming to its facility.

- Illinois Health Partners (IHP) was established in 2011 as a joint venture between EHSC and DuPage Medical Group, a 350-physician multispecialty group providing services throughout Chicago's western suburbs. IHP's mission is to improve the quality, access, and efficiency of healthcare services provided to area residents. By focusing its physician resources on the goal of improved care coordination across the inpatient and outpatient continuum, IHP expects to reduce the overall cost of care to area residents and employers while maintaining high levels of quality and patient satisfaction. With over 100,000 covered HMO lives and almost 700 physicians, IHP is one of the largest hospital-physician networks in the area. Edward Hospital is committed to working closely with its physician partners by managing cost and quality in the inpatient setting. Adequate bed supply in the appropriate configuration is critical to meeting this goal.

The proposed project will ensure an adequate bed supply is available to take full advantage of these innovations in service delivery.

Goals and objectives for this project are as follows:

Goal	Objective	Time Frame
Address IDPH/IHFSRB calculated need for ICU and Medical/Surgical beds in Planning Areas A-05 and A-13	Add 48 incremental medical surgical and ICU beds	October/November 2013
Meet Edward Hospital's projected bed need for ICU and Medical/Surgical patients	Add 48 incremental medical surgical and ICU beds, consistent with projected demand	October/November 2013
Improve coordination of orthopedic inpatient care	Dedicate 36 medical surgical bed floor to orthopedic care with integrated rehabilitation services	October/November 2013

Criterion 1110.230 – Background, Project Purpose, and Alternatives

ALTERNATIVES

The following alternatives to the proposed project were considered and rejected due to potentially negative impact on patient quality, access and cost:

1. **Propose a project of greater or lesser scope:**

   - **Add Only One Floor**

Decrease the scope of the proposed project by constructing a one floor addition to the West building with 12 ICU and 14 Medical/Surgical Beds on the same floor.

Cost: Approximately $42,000,000

Impact on quality: Negative. This option will not fully address short or long term pressures on medical/surgical and ICU capacity. As indicated previously, Edward projects that 36 incremental medical/surgical and 24 ICU beds (12 incremental inventory beds), will be needed by 2015. Note that, unlike other hospitals, Edward has no 'residual' beds in its inventory. This means that there is virtually no flexibility to accommodate peak census periods in overflow units or 'reserve' beds.

Inadequate bed supply will increase the number of patients and the length of time held in the Emergency Department and post-surgical recovery areas due to lack of bed availability. During high census periods, there is increased risk of ambulance diversion and transfer to other hospitals. This can have a negative impact on quality considering delays in time to treatment. Furthermore, there is a significant risk involved in disrupting physician-patient relationships, since the majority of patients are admitted to Edward Hospital by physicians who are not on staff at other hospitals.

The growing volume of aging and chronically ill patients demands a high level of care coordination and continuity. An adequate bed supply and a high level of coordination between inpatient and ambulatory services is essential to managing this issue. The opportunity to pursue this level of coordination would be substantially diminished if patients were transferred to other hospitals and cared for by physicians unfamiliar with the continuum of their care.

In addition, this option will not allow for the consolidation of orthopedic cases on one floor. Consistent with national trends, this is one of the fastest growing patient populations at Edward Hospital. An opportunity exists to improve quality, efficiency and coordination of care by providing focused nursing and rehabilitation expertise on one unit dedicated to orthopedic care. It is projected that 36 medical/surgical beds will be required to care for the orthopedic population. Building only one floor with only 14 medical/surgical beds will require Edward Hospital to forgo this opportunity.

Impact on patient access: Negative. As indicated above, this option will increase the likelihood of inpatient transfers and ambulance bypass. Edward Hospital is a convenient and trusted hospital for the majority of people within its service area. Diversion to another hospital will negatively impact access by delaying time to treatment and requiring longer travel times for both patient and family members. Furthermore, given the high ICU occupancy at area hospitals, there is significant risk that the sickest patients will not find a bed available.

In addition, Edward is already experiencing periods of high census where "elective" surgical and interventional cases are delayed due to lack of bed availability. An inadequate supply of medical/surgical beds will perpetuate this problem, leading to negative impact on patient satisfaction and potentially quality of life.

Financial Impact: Negative. As indicated above, inadequate bed supply, particularly in ICU, increases the risk of ambulance bypass or transfer—a process that negatively impacts quality while adding costs to patients as well as the entire healthcare delivery system. Any delay in accessing an inpatient bed further adds cost by prolonging length of stay, whether in the Emergency Department or an inpatient unit. Prolonged length of stay in any setting requires incremental resources with no incremental benefit to quality.

Further, as indicated previously, the opportunity to gain efficiencies inherent in caring for orthopedic patients in a highly coordinated fashion on one floor will be lost due to inadequate medical/surgical bed supply.

Finally, building only one floor is inefficient from a construction standpoint. Given virtually continual growth over the past 20 years, few options remain for the build-out of additional beds at Edward Hospital. The construction project necessary to add inpatient capacity is complex, requiring expensive staging and disruption to other areas of the crowded hospital campus. Building one floor in the short term will not address longer term bed need, so there is a high likelihood that a second construction project of similar scope will be needed soon thereafter. Incremental cost per bed would increase due to the duplication of fixed construction costs inherent in these projects.

- **Add Inpatient Beds in a Satellite Hospital**

This option would increase the scope of the project by developing a satellite hospital in Plainfield, Illinois. This option was proposed by Edward three times over the past ten years but rejected by the Illinois Health Facilities and Services Review Board due to inability to meet all relevant need criteria, including the rule requiring a minimum of 100 medical/surgical beds for a new hospital and other bed need criteria.

Cost: Approximately $200,000,000

Impact on Quality: Neutral. Edward Hospital quality processes would carry over to a satellite facility. Coordination of care would be ensured by having the same medical staff with consistent bylaws and clinical protocols, as well as consistent staff training and treatment protocols. Coordination and continuity would further be enhanced by both hospital facilities and its physicians sharing the same electronic medical record.

Impact on Patient Access: Positive, assuming project approval. Greater than one-third of Edward Hospital inpatients live in the area surrounding the campus where the satellite facility would be built. In addition, the Freestanding Emergency Center (FEC) located on this campus generates a substantial number of inpatient admissions to Edward Hospital. As such, a new inpatient facility in this area would have a positive impact on patient access.

While patient access would be improved with a satellite inpatient facility, there is no guarantee of IHFSRB approval. Based on past experience, Edward would risk a prolonged and uncertain review and approval process. This in effect would have a negative impact on patient access since it would delay availability of needed beds by several years, if not indefinitely.

Financial Impact: Negative. Current IHFSRB rules require Edward to build a hospital minimally sized at 100 medical/surgical beds, 4 ICU beds and 20 Obstetric beds. Edward's internal analyses indicate that a hospital of smaller size designed to grow incrementally would be both more efficient and less costly.

2. Pursuing a Joint Venture or Similar Arrangement or Developing Alternative Settings.

This option is not applicable to this project since there is no natural joint venture partner for the development of additional inpatient beds within a licensed acute care facility otherwise fully operated by Edward Health Services Corporation. Conceivably, such an arrangement would have a negative impact on quality by fragmenting the ownership and control of the incremental beds from the rest of the hospital and delivery structure. Furthermore, costs would remain unchanged whether this project was pursued independently or with a joint venture partner.

There are no alternative settings that are appropriate for ICU and medical/surgical patients other than licensed acute care beds.

3. Utilizing Other Health Care Resources

According to the most recently published IDPH Bed Need Determination by Planning Area dated November 17, 2011, there is an insufficient supply of ICU beds in Planning Area A-05. In addition, most area facilities are operating at or beyond IHFSRB target occupancy rates for ICU. As such, accessing ICU beds at another hospital may not be feasible. While the Inventory indicates that a modest medical/surgical bed surplus exists (25 beds) in Planning Area A-05, sufficient capacity does not exist at all area hospitals to meet projected medical/surgical bed need, particularly at peak periods. Furthermore, approximately one-third of Edward's inpatients reside in Planning Area A-13, where there is a documented need of 152 medical/surgical beds. While Edward Hospital is located in Planning Area A-05, it has a large network of physicians and services, including the Plainfield Freestanding Emergency Center, located in Planning Area A-13. As such, residents of Planning Area A-13 are heavily reliant upon Edward Hospital. According to IHA COMPdata's most recent full year of data available (July 2010 – June 2011), Edward Hospital was the third largest acute care provider for Planning Area A-13 residents, with over 7,000 inpatient admissions (excluding Newborns/Neonates) from the area.

Cost: $0 to Edward Hospital

Impact on Quality: Negative. As indicated previously, diverting patients to another inpatient facility will have a negative impact on quality for the following reasons:

- Lack of ICU and medical/surgical capacity will compromise patient care by delaying waiting times in Emergency Departments as well as time to treatment.
- Care will be more fragmented since the majority of patients are admitted by physicians who are not on staff, or rarely practice, at other hospitals. Requiring patients to receive episodic care by physicians who are unfamiliar with them interferes with best practice around coordination of care and can have a negative impact on quality.
- Ambulance bypass and patient transfers are negatively associated with quality due to delays in time to treatment.

Impact on Patient Access: Negative. This option would require patients and families to travel to more distant and less familiar facilities due to an inadequate supply of beds in their local hospital. Furthermore, ICU capacity is particularly constrained and there is no guarantee that a bed will be available when needed.

Financial Impact: Negative. Poorly coordinated care and increased risk of ambulance bypass and inpatient transfers, coupled with the potential to increase length of stay, will have a negative financial impact on the healthcare delivery system.

The chosen alternative is the two floor inpatient addition to the West Building at Edward Hospital, accommodating 24 ICU (12 incremental inventoried beds) and 36 medical/surgical beds, along with necessary mechanical capacity. This was determined to be the best alternative because:

- It will provide adequate capacity to meet short and mid-term demand for ICU and medical/surgical beds (through 2015)
- It will allow for the consolidation of orthopedic patients, allowing for a high level of coordination among care providers, patients and families, thus promoting quality and efficiency
- It will allow for the expansion of ICU and medical/surgical beds, addressing the shortage of ICU beds in Planning Area A-05 and medical/surgical beds in Planning Area A-13
- It will provide sufficient capacity to allow patients to be treated at their preferred hospital by their physician of choice.

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

SIZE OF PROJECT

The amount of physical space proposed in this project is necessary and not excessive. The architectural design firm Matthei & Colin Associates developed schematic designs based on the goal of adding 24 ICU and 36 medical/surgical beds to the Edward Hospital campus. The only option is a vertical expansion to the Hospital's west building because all other buildings on campus are at the maximum height allowance.

The table below provides the clinical areas proposed in this project and the comparison to the State standards in Section 11110 Appendix B. A standard does not exist for inpatient physical therapy space; however, this space was designed based on AIA guidelines to meet the functional program needs of the orthopedic patient population that will be on this floor.

The medical/surgical DGSF/Bed for this project is within the range while the ICU DGSF/Bed exceeds the State standard. The layout of the floors is determined by the physical configuration of the West building, which presents a challenge in meeting the ICU DGSF/bed standard for an intensive care unit as described below:

- Each of the (24) patient rooms is required to be located at an exterior wall so that it has access to an exterior window. To achieve this requirement, greater departmental circulation is required in the unit and the corridors are single-loaded rather than double-loaded with the patient rooms. This is the most efficient use of departmental circulation given the existing conditions.
- The DGSF/Bed is also larger because ICU rooms require direct visualization of the patient room from the nurse station. Because the patient rooms are distributed across the unit at the exterior walls of the existing footprint, a greater number of nurse stations have been provided to ensure visualization of the patient from a nurse station. In total, there are 5 areas devoted for nurse stations, as labeled on the paper copy of the ICU floor plan that is enclosed with this application, each which affords visualization of the patient.

Note that this project is proposing a decrease in the DGSF/Bed from the original ICU expansion that was approved per CON #07-138 (898 DGSF/Bed to 836)

SIZE OF PROJECT				
DEPARTMENT/ SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Medical Surgical	36 beds at DGSF, 617 DGSF/Bed	500 - 660 DGSF/Bed	-43 DGSF/Bed	Yes
Intensive Care	24 beds at DGSF, 836 DGSF/Bed	600 - 685 DGSF/Bed	+151 DGSF/Bed	Exceeds Standard
Inpatient Physical Therapy	770	NA	NA	NA

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

PROJECT SERVICES UTILIZATION:

As the table below displays, medical/surgical and ICU bed utilization is currently operating above the target occupancy rates required to add beds, 85% and 60%, respectively.

UTILIZATION								
DEPT/ SERVICE	HISTORICAL UTILIZATION			PROJECTED UTILIZATION			STATE STANDARD	MET STANDARD?
	Year	ADC	% Occupancy	Year	ADC	% Occupancy		
Medical/Surgical	CY2011 Annualized*	173	87%	Year 1 (2014)	200	85%	88%	YES
				Year 2 (2015)	210	89%		
ICU	CY2011 Annualized*	32	61%	Year 1 (2014)	37	57%	60%	YES
				Year 2 (2015)	38	60%		

* Annualized based on 10 months of Actual Data (January 2011 - October 2011)

Edward received IHFSRB approval for a 2-floor West building expansion project on February 27, 2008 (CON #07-138) to increase ICU capacity to 60 beds; however, management chose to alter the CON in order to decrease short term capital expenditures due to the anticipated impact of the economic recession. Edward received approval in October 2009 for the CON alteration, which decreased Edward's ICU bed supply to 52. Currently, ICU beds are operating at 61% occupancy, slightly above the 60% target rate for bed addition projects. In addition, Edward has not added medical/surgical beds since October 2007 when the beds that were approved in September 2005 per CON #05-030 became operational. Currently, medical/surgical beds are at capacity during the day (10 am) with an average annual occupancy rate of 87%.

Edward has projected a need for 12 additional adult ICU and 36 medical/surgical beds. The utilization projection is based on the following methodology:

- Use-rates by age group based on Edward's 2011 inpatient days were applied to service area population projections to calculate 2012 – 2015 medical/surgical patient days. 2010 census data available by zip code on the U.S. Census Bureau website (www.census.gov) was used as the base year for the 2011 – 2015 population projections (population projections are provided in more detail in Attachment-26). Since age groups provided by the U.S. Census Bureau for the 44-and-under-population (0-19 and 20-44) is different than the age groups provided in the IDPH Annual Hospital Questionnaire (0-14 and 15-44), the 0-44 age group was utilized in order to develop accurate age-group incidence rates.

Edward Hospital Inpatient Medical/Surgical Use-Rates

Age Group	Use Rate
0-44	0.01711
45-64	0.11142
65+	0.64985

The aging of Edward's service area population is the driver behind the anticipated growth in inpatient utilization at Edward Hospital. According to the U.S. Census Bureau, the growth rate of the 65+ population in Edward's service area was 77% or 7.7% per year from 2000 to 2010, compared to the Illinois and U.S. rates of 0.7% and 1.5%, respectively. This age group is projected to continue to increase at 7.5% annually from 2010 – 2015, again significantly higher than both the Illinois and U.S. projected annual growth rates of 2.3% and 3.1%, respectively.

- A constant observation rate factor is applied to the projected medical/surgical patient days to estimate the volume of observation patients in inpatient beds. The factor is 8% which is based on the actual 2011 percent of observation patient days to total inpatient and observation days.
- ICU patient days are projected by applying a constant factor of 16.6%, which is consistent with the percentage of ICU days to total medical/surgical and ICU patient days over the past three years.
- A daytime census adjustment factor of 9% for medical/surgical beds and 8% for ICU beds is applied to the midnight average census in order to plan for beds needed during the peak time of day (10 am). Additional detail on this adjustment is provided in Attachment-20.

According to the results of the utilization projection model described above and detailed below, it is anticipated that Edward will achieve the occupancy standard for both categories of service within two years after the additional beds are operational. The inpatient physical therapy space that is located on the new 36-bed medical/surgical floor will also be fully utilized because it will accommodate the treatment needs of the orthopedic patient population that will occupy these new beds.

	HISTORICAL UTILIZATION				PROJECTED UTILIZATION			
	CY08	CY09	CY10	CY11*	CY12	CY13**	CY14	CY15
Ages 0-44 service area population			389,562	393,612	397,705	401,840	406,018	410,240
Ages 45-64 service area population			142,899	147,352	151,945	156,680	161,563	166,598
Ages 65+ service area population			43,631	46,517	49,593	52,874	56,371	60,099
Ages 0-44 Use-rate				0.01711	0.01711	0.01711	0.01711	0.01711
Ages 45-64 Use-rate				0.11164	0.11142	0.11142	0.11142	0.11142
Ages 65+ Ues-rate				0.65554	0.64985	0.64985	0.64985	0.64985
Ages 0-44 Medical/surgical IP Days	5,752	6,624	6,371	6,734	6,804	6,875	6,946	7,019
Ages 45-64 Medical/surgical IP Days	16,647	14,567	15,563	16,450	16,963	17,492	18,037	18,599
Ages 65+ Medical/surgical IP Days	30,799	30,192	28,849	30,494	32,511	34,661	36,953	39,398
Total Med/Surg IP Days (midnight census)	53,198	51,383	50,783	53,678	56,278	59,028	61,937	65,015
Med/Surg Observation Days in IP beds	4,591	4,107	4,729	4,284	4,491	4,711	4,943	5,188
% of Observation	8.6%	8.0%	9.3%	8.0%	8.0%	8.0%	8.0%	8.0%
Total Med/Surg Days	57,789	55,490	55,512	57,962	60,769	63,738	66,879	70,204
Total Med/Surg ADC at Midnight	158	152	152	159	166	175	183	192
Med/Surg Inventoried Beds	199	199	199	199	199	199	235	235
Med/surg Occupancy at Midnight	80%	76%	76%	80%	84%	88%	78%	82%
Daytime Census Adjustment Factor	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Med/surg ADC at 10 AM	173	166	166	173	181	190	200	210
Med/surg Occupancy at 10 AM	87%	83%	83%	87%	91%	96%	85%	89%
ICU Days (midnight census)	10,277	10,240	10,086	10,658	11,175	11,721	12,298	12,909
% ICU Days of Med/surg + ICU	16.2%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%
Total ICU ADC at Midnight	28	28	28	29	31	32	34	35
ICU Inventoried Beds	60	52	52	52	52	52	64	64
ICU Occupancy at Midnight	47%	54%	53%	56%	59%	62%	53%	55%
Daytime Census Adjustment Factor	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
ICU ADC at 10 AM	30	30	30	32	33	35	36	38
ICU Occupancy at 10 AM	51%	58%	57%	61%	64%	67%	57%	60%

*Annualized based on 10 months of actual data (January 2010 – October 2011)

** Bed addition is operational

Section 1110.530 (b)(2)- Planning Area Need- Service to Planning Area Residents

The primary purpose of this project is to accommodate the medical/surgical and ICU bed demand projected for the area served by Edward Hospital. Edward Hospital is located in Planning Area A-05, but is close to the border of Planning Area A-13—in fact, a section of Naperville (the city in which Edward Hospital is located) is in Planning Area A-13. As indicated in the table below, over 50% of the Medical/Surgical and ICU patients at Edward Hospital are residents of Planning Area A-05 and approximately one-third reside in Planning Area A-13. According to the most recently published IDPH Bed Need Determination by Planning Area dated November 17, 2011, there is a need for 40 ICU beds in A-05 and 152 medical/surgical beds in A-13.

		Medical Surgical		ICU	
County	**Planning Area**	**Inpatients**	**% of Total**	**Inpatients**	**% of Total**
DuPage	A-05	7,938	54%	2,125	56%
Will/Grundy	A-13	4,852	33%	1,171	31%
Subtotal		***12,790***	***87%***	***3,296***	***87%***
All Others		1,931	13%	511	13%
Grand Total		**14,721**		**3,807**	

Patient origin by zip code (medical/surgical and ICU patients) is provided on the following page. The zip codes displayed are those that are >0.1% of the total volume. The additional beds proposed in this project will continue to serve the same service area.

Section 1110.530 (b)(2)- Planning Area Need- Service to Planning Area Residents (continued)

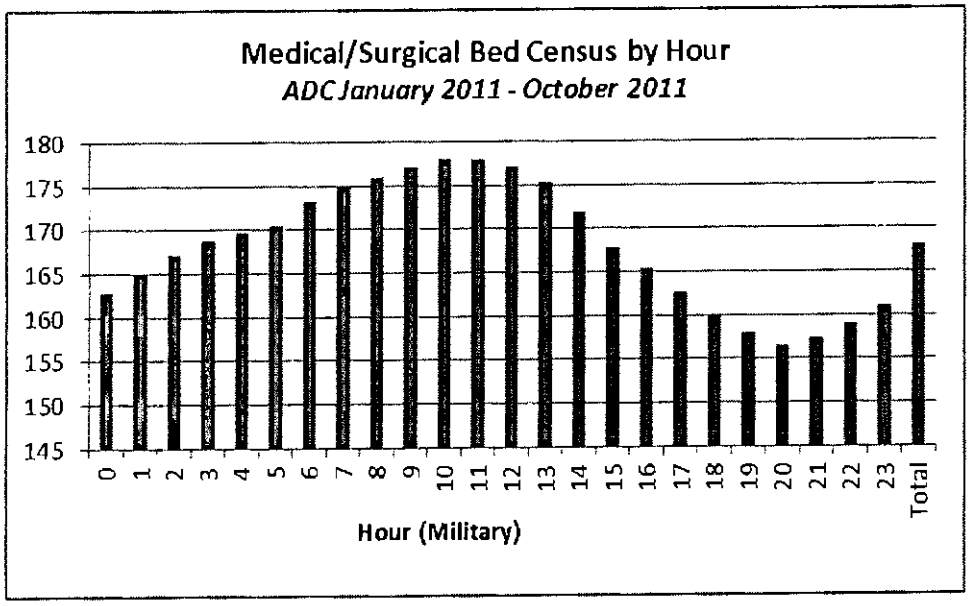
			Medical/Surgical and ICU		
Zip Code	City	County	Patient Count	% of Total	Cumulative %
60540	NAPERVILLE	DUPAGE	3,122	9.9%	9.9%
60563	NAPERVILLE	DUPAGE	3,066	9.7%	19.7%
60565	NAPERVILLE	DUPAGE	2,484	7.9%	27.5%
60564	NAPERVILLE	WILL	2,129	6.8%	34.3%
60440	BOLINGBROOK	WILL	1,763	5.6%	39.9%
60532	LISLE	DUPAGE	1,523	4.8%	44.7%
60544	PLAINFIELD	WILL	1,380	4.4%	49.1%
60446	ROMEOVILLE	WILL	1,218	3.9%	53.0%
60504	AURORA	DUPAGE	1,206	3.8%	56.8%
60586	PLAINFIELD	WILL	1,180	3.7%	60.6%
60585	PLAINFIELD	WILL	1,102	3.5%	64.1%
60517	WOODRIDGE	DUPAGE	1,031	3.3%	67.3%
60490	BOLINGBROOK	WILL	869	2.8%	70.1%
60543	OSWEGO	KENDALL	661	2.1%	72.2%
60502	AURORA	DUPAGE	594	1.9%	74.1%
60503	AURORA	WILL	517	1.6%	75.7%
60538	MONTGOMERY	KENDALL	327	1.0%	76.8%
60435	JOLIET	WILL	317	1.0%	77.8%
60431	JOLIET	WILL	314	1.0%	78.8%
60560	YORKVILLE	KENDALL	303	1.0%	79.7%
60403	CREST HILL	WILL	288	0.9%	80.7%
60516	DOWNERS GROVE	DUPAGE	252	0.8%	81.5%
60555	WARRENVILLE	DUPAGE	243	0.8%	82.2%
60506	AURORA	KANE	220	0.7%	82.9%
60189	WHEATON	DUPAGE	219	0.7%	83.6%
60505	AURORA	KANE	214	0.7%	84.3%
60404	SHOREWOOD	WILL	211	0.7%	85.0%
60441	LOCKPORT	WILL	184	0.6%	85.6%
60515	DOWNERS GROVE	DUPAGE	175	0.6%	86.1%
60561	DARIEN	DUPAGE	169	0.5%	86.6%
60137	GLEN ELLYN	DUPAGE	168	0.5%	87.2%
60187	WHEATON	DUPAGE	124	0.4%	87.6%
60148	LOMBARD	DUPAGE	120	0.4%	88.0%
60548	SANDWICH	DEKALB	115	0.4%	88.3%
60559	WESTMONT	DUPAGE	108	0.3%	88.7%
60545	PLANO	KENDALL	104	0.3%	89.0%
60439	LEMONT	COOK	103	0.3%	89.3%
60542	NORTH AURORA	KANE	102	0.3%	89.6%
60554	SUGAR GROVE	KANE	98	0.3%	90.0%
60447	MINOOKA	GRUNDY	96	0.3%	90.3%
60185	WEST CHICAGO	DUPAGE	89	0.3%	90.5%
60527	WILLOWBROOK	DUPAGE	87	0.3%	90.8%
60510	BATAVIA	KANE	84	0.3%	91.1%
60188	CAROL STREAM	DUPAGE	81	0.3%	91.3%
60410	CHANNAHON	WILL	81	0.3%	91.6%
60491	HOMER GLEN	WILL	60	0.2%	91.8%
60436	JOLIET	WILL	56	0.2%	92.0%
60134	GENEVA	KANE	54	0.2%	92.1%
60552	SOMONAUK	DEKALB	53	0.2%	92.3%
60567	NAPERVILLE	DUPAGE	52	0.2%	92.5%
60174	SAINT CHARLES	KANE	50	0.2%	92.6%
60103	BARTLETT	DUPAGE	48	0.2%	92.8%

ATTACHMENT-20

Section 1110.530 (b)(4)(A)- Planning Area Need- Historical Service Demand

ICU and medical/surgical bed utilization has exceeded the target occupancy rates required to add beds. Medical/Surgical occupancy is running at 87% during the peak time of day (10 am) and ICU at 61%.

The utilization data that is provided in the IDPH Annual Questionnaire is based on midnight census because the data is extracted from the financial systems which reports information at close of day, or midnight. However, nursing leadership at Edward has advised management that since bed utilization is highest during the late morning, bed capacity analyses must utilize census statistics during the peak time of day for accurate bed planning. This is particularly important since Edward Hospital has no "reserve" capacity. The data below confirms that utilizing the 10 AM census for bed planning will provide the best predictive modeling for ensuring adequate bed capacity.



Medical/surgical bed census is 9% higher at 10 AM than at midnight. For ICU beds, it is 8% higher. Therefore, the midnight census information has been adjusted accordingly to reflect actual bed demand (per the 10 AM census), as reflected in Attachment-15.

	Medical/Surgical*	ICU
12:00 AM	163	29
10:00 AM	178	31
Difference-Adjustment Factor	**9%**	**8%**

*Includes Observation paitents

Daily census for calendar year 2010 YTD (January 2011 - October 2011) at midnight and 10 am is provided in this attachment for additional reference.

ATTACHMENT-20

Section 1110.530 (b)(4)(A)- Planning Area Need- Historical Service Demand (continued)

ICU occupancy is 61% based on inventoried beds; however, actual ICU occupancy is running at 79% in CY2011 and was at 69% in CY2010 based on the 40 ICU beds that are setup and staffed (12 of the 52 ICU inventoried beds are currently designated as "transitional" beds and are not being occupied by ICU patients). These rooms are designated "transitional" because minor renovations were needed to meet ICU licensure code for this unit. These beds have since been assigned to cardiac catheterization and neurointerventional recovery to meet IDPH licensure requirements for those services. Due to the close proximity of the "transitional" ICU beds to the procedure suites, the only option available to meet this requirement was to re-designate them as recovery beds. This project is proposing 24 new ICU beds, which will replace the original 12 "transitional" ICU beds and provide an additional 12 beds to accommodate the projected growth for ICU as presented in Attachment-15.

Edward Hospital has not increased medical/surgical bed capacity since 2007. Occupancy is now running at 87%--where it was at in 2008. Bed occupancy decreased slightly to 83% in 2009 and 2010 due to the opening of the Adventist Bolingbrook Hospital and the negative impact of the economic recession. However, Edward began to see volumes growing again in the middle of 2010—a trend that has continued through 2011. Medical/surgical capacity has become a serious issue. Alerts are sent out to clinical leaders throughout the hospital when bed capacity is at a maximum, and these alerts have been activated over 30 times in the last 6 months. These high census alerts indicate that patients are being held in the Emergency Department and procedure room recovery areas waiting for a bed to become available. In fact, the surgical recovery area has held patients 394 times over the past 11 months for two or more hours at a time waiting for an inpatient bed to become available--18% of these patients waited four or more hours. This is a major source of dissatisfaction for patients because there are no bathrooms, phones or space for family or ancillary staff. It also presents a significant challenge for staff to ensure that patient confidentiality is maintained since beds are separated only by curtains.

Daily Census at Midnight and 10 AM (January 1, 2011 - October 31, 2011)

	Medical/Surgical		ICU	
Date	12:00 AM	10:00 AM	12:00 AM	10:00 AM
1/1/2011	151	157	36	34
1/2/2011	148	165	29	30
1/3/2011	149	171	31	30
1/4/2011	163	185	23	26
1/5/2011	185	206	34	36
1/6/2011	187	202	34	36
1/7/2011	183	202	28	26
1/8/2011	158	169	25	27
1/9/2011	157	164	27	26
1/10/2011	150	163	25	30
1/11/2011	156	168	26	30
1/12/2011	155	171	31	34
1/13/2011	182	193	34	37
1/14/2011	180	201	32	35
1/15/2011	176	187	26	27
1/16/2011	162	169	26	28
1/17/2011	164	188	26	30
1/18/2011	186	209	26	29
1/19/2011	189	199	35	36
1/20/2011	192	208	36	36
1/21/2011	190	209	33	35
1/22/2011	173	178	36	37
1/23/2011	150	159	23	30
1/24/2011	144	157	23	31
1/25/2011	165	190	33	37
1/26/2011	177	199	28	32
1/27/2011	184	199	31	32
1/28/2011	175	187	31	35
1/29/2011	172	183	31	30
1/30/2011	161	163	29	30
1/31/2011	157	183	26	30
2/1/2011	172	191	31	36
2/2/2011	170	175	33	34
2/3/2011	173	189	32	33
2/4/2011	164	182	34	39
2/5/2011	169	188	26	29
2/6/2011	169	180	30	31
2/7/2011	179	203	27	28
2/8/2011	192	206	34	38
2/9/2011	180	196	35	35
2/10/2011	175	199	34	35
2/11/2011	174	197	31	34
2/12/2011	181	186	33	33
2/13/2011	163	170	34	35
2/14/2011	165	179	31	37
2/15/2011	184	214	31	34
2/16/2011	201	214	33	32
2/17/2011	186	197	38	38
2/18/2011	190	205	27	30
2/19/2011	176	188	27	25
2/20/2011	161	168	28	28
2/21/2011	152	172	35	40
2/22/2011	169	185	37	40
2/23/2011	174	188	31	29
2/24/2011	174	194	31	34
2/25/2011	174	187	26	27
2/26/2011	155	162	32	35

	Medical/Surgical		ICU	
Date	12:00 AM	10:00 AM	12:00 AM	10:00 AM
6/1/2011	166	187	31	35
6/2/2011	180	198	34	35
6/3/2011	176	186	31	32
6/4/2011	163	173	32	35
6/5/2011	160	165	25	30
6/6/2011	149	173	26	29
6/7/2011	173	191	28	32
6/8/2011	181	196	34	37
6/9/2011	189	204	32	31
6/10/2011	156	176	28	30
6/11/2011	162	168	27	32
6/12/2011	156	164	27	31
6/13/2011	147	165	23	30
6/14/2011	156	176	31	36
6/15/2011	142	158	36	37
6/16/2011	130	149	35	37
6/17/2011	149	168	27	29
6/18/2011	149	163	23	25
6/19/2011	128	133	28	31
6/20/2011	127	148	27	30
6/21/2011	147	175	29	29
6/22/2011	167	189	26	29
6/23/2011	182	200	27	28
6/24/2011	169	177	26	32
6/25/2011	144	151	29	31
6/26/2011	142	148	29	27
6/27/2011	125	144	21	23
6/28/2011	157	174	20	23
6/29/2011	167	188	29	31
6/30/2011	174	193	27	29
7/1/2011	167	176	27	30
7/2/2011	139	141	21	27
7/3/2011	120	125	25	28
7/4/2011	106	116	27	33
7/5/2011	119	135	28	35
7/6/2011	143	162	33	34
7/7/2011	153	175	33	32
7/8/2011	179	198	32	32
7/9/2011	177	181	34	38
7/10/2011	159	164	32	33
7/11/2011	145	163	26	32
7/12/2011	154	170	32	31
7/13/2011	156	171	30	35
7/14/2011	170	187	32	35
7/15/2011	152	168	28	28
7/16/2011	161	173	21	22
7/17/2011	154	167	21	20
7/18/2011	162	181	19	22
7/19/2011	163	177	24	28
7/20/2011	153	169	30	34
7/21/2011	157	177	28	34
7/22/2011	166	181	28	35
7/23/2011	169	178	35	38
7/24/2011	163	163	29	34
7/25/2011	163	178	25	26
7/26/2011	171	190	30	35
7/27/2011	175	190	33	30

ATTACHMENT- 20

Daily Census at Midnight and 10 AM (January 1, 2011 - October 31, 2011)

	Medical/Surgical		ICU	
Date	12:00 AM	10:00 AM	12:00 AM	10:00 AM
2/27/2011	150	155	31	33
2/28/2011	157	184	30	36
3/1/2011	173	198	33	33
3/2/2011	174	190	35	36
3/3/2011	172	193	34	38
3/4/2011	169	181	33	39
3/5/2011	158	167	32	30
3/6/2011	148	156	28	31
3/7/2011	164	179	24	31
3/8/2011	173	187	30	30
3/9/2011	172	186	30	31
3/10/2011	184	200	23	25
3/11/2011	169	177	22	28
3/12/2011	167	177	32	34
3/13/2011	164	172	36	38
3/14/2011	157	184	26	31
3/15/2011	185	205	33	37
3/16/2011	184	206	34	36
3/17/2011	183	203	30	32
3/18/2011	197	205	32	36
3/19/2011	173	186	31	34
3/20/2011	167	184	25	25
3/21/2011	165	196	24	26
3/22/2011	172	190	33	34
3/23/2011	178	192	32	32
3/24/2011	179	193	28	28
3/25/2011	172	190	32	36
3/26/2011	184	185	30	33
3/27/2011	153	161	33	34
3/28/2011	163	169	31	35
3/29/2011	161	174	25	28
3/30/2011	147	164	20	23
3/31/2011	158	181	26	28
4/1/2011	155	180	21	24
4/2/2011	159	166	24	25
4/3/2011	138	149	23	24
4/4/2011	142	161	22	27
4/5/2011	164	184	24	24
4/6/2011	180	205	21	29
4/7/2011	186	200	28	33
4/8/2011	182	200	35	36
4/9/2011	181	192	29	33
4/10/2011	165	174	29	30
4/11/2011	163	181	29	31
4/12/2011	178	194	31	37
4/13/2011	179	193	28	29
4/14/2011	159	174	27	25
4/15/2011	152	171	29	34
4/16/2011	164	170	29	32
4/17/2011	141	149	29	31
4/18/2011	144	162	29	34
4/19/2011	164	184	26	30
4/20/2011	158	174	32	32
4/21/2011	163	186	31	35
4/22/2011	179	193	27	30
4/23/2011	171	179	27	26
4/24/2011	135	144	19	18

	Medical/Surgical		ICU	
Date	12:00 AM	10:00 AM	12:00 AM	10:00 AM
7/28/2011	169	193	28	29
7/29/2011	190	198	29	32
7/30/2011	173	178	30	31
7/31/2011	156	167	31	32
8/1/2011	152	167	29	32
8/2/2011	151	171	32	33
8/3/2011	174	186	33	34
8/4/2011	172	188	27	28
8/5/2011	163	180	24	28
8/6/2011	144	156	21	24
8/7/2011	144	153	20	22
8/8/2011	140	156	23	25
8/9/2011	163	180	28	33
8/10/2011	151	171	26	30
8/11/2011	163	175	27	31
8/12/2011	152	166	20	22
8/13/2011	142	155	25	27
8/14/2011	123	134	23	22
8/15/2011	125	148	13	18
8/16/2011	161	180	26	31
8/17/2011	183	200	33	34
8/18/2011	182	203	33	36
8/19/2011	162	182	30	31
8/20/2011	170	190	23	24
8/21/2011	174	185	25	26
8/22/2011	162	174	19	22
8/23/2011	169	188	21	24
8/24/2011	171	184	33	32
8/25/2011	179	196	33	37
8/26/2011	179	198	29	31
8/27/2011	174	185	32	30
8/28/2011	158	164	32	34
8/29/2011	148	170	31	31
8/30/2011	155	173	21	22
8/31/2011	159	180	19	21
9/1/2011	168	184	25	27
9/2/2011	161	173	25	29
9/3/2011	143	153	24	24
9/4/2011	133	139	19	19
9/5/2011	119	128	19	19
9/6/2011	129	148	24	26
9/7/2011	140	150	28	28
9/8/2011	154	167	28	29
9/9/2011	156	171	21	25
9/10/2011	152	156	17	15
9/11/2011	141	156	18	18
9/12/2011	139	151	20	24
9/13/2011	143	161	25	27
9/14/2011	162	179	26	28
9/15/2011	175	197	23	23
9/16/2011	166	184	26	30
9/17/2011	157	160	27	28
9/18/2011	136	148	24	26
9/19/2011	136	157	23	27
9/20/2011	162	183	34	36
9/21/2011	165	183	29	32
9/22/2011	179	191	33	31

ATTACHMENT- 20

Daily Census at Midnight and 10 AM (January 1, 2011 - October 31, 2011)

	Medical/Surgical		ICU	
Date	12:00 AM	10:00 AM	12:00 AM	10:00 AM
4/25/2011	129	141	18	21
4/26/2011	140	155	28	31
4/27/2011	157	170	31	34
4/28/2011	163	178	29	35
4/29/2011	174	183	26	27
4/30/2011	169	180	25	28
5/1/2011	158	168	27	24
5/2/2011	152	175	26	31
5/3/2011	170	189	30	32
5/4/2011	168	185	34	36
5/5/2011	180	195	30	32
5/6/2011	188	200	31	33
5/7/2011	176	186	31	34
5/8/2011	159	170	34	35
5/9/2011	168	187	30	32
5/10/2011	187	205	37	40
5/11/2011	175	184	33	37
5/12/2011	179	202	32	37
5/13/2011	183	204	31	33
5/14/2011	161	166	36	36
5/15/2011	140	157	34	36
5/16/2011	146	173	36	37
5/17/2011	174	195	30	31
5/18/2011	196	209	25	27
5/19/2011	175	197	29	32
5/20/2011	163	189	28	33
5/21/2011	145	157	30	29
5/22/2011	141	149	23	23
5/23/2011	146	158	22	24
5/24/2011	159	169	20	24
5/25/2011	154	176	26	31
5/26/2011	174	191	37	38
5/27/2011	177	195	27	33
5/28/2011	152	164	35	32
5/29/2011	140	150	28	28
5/30/2011	139	147	28	29
5/31/2011	148	169	28	35

	Medical/Surgical		ICU	
Date	12:00 AM	10:00 AM	12:00 AM	10:00 AM
9/23/2011	162	183	29	31
9/24/2011	160	168	27	26
9/25/2011	149		23	
9/26/2011	151	177	25	29
9/27/2011	167	183	29	29
9/28/2011	166	178	32	35
9/29/2011	175	194	32	36
9/30/2011	185	202	34	33
10/1/2011	182	193	32	35
10/2/2011	167	176	28	31
10/3/2011	167	185	29	30
10/4/2011	170	182	31	34
10/5/2011	176	188	28	27
10/6/2011	173	191	31	33
10/7/2011	173	188	28	30
10/8/2011	163	171	33	36
10/9/2011	148	155	34	38
10/10/2011	148	158	33	38
10/11/2011	162	176	35	38
10/12/2011	171	196	38	38
10/13/2011	182	201	40	44
10/14/2011	176	192	40	39
10/15/2011	154	166	33	33
10/16/2011	137	145	30	34
10/17/2011	138	157	26	30
10/18/2011	156	175	29	33
10/19/2011	166	190	33	37
10/20/2011	179	193	37	41
10/21/2011	182	188	36	39
10/22/2011	157	178	34	34
10/23/2011	150	161	31	32
10/24/2011	156	179	24	25
10/25/2011	181	197	28	31
10/26/2011	183	208	30	33
10/27/2011	191	204	35	33
10/28/2011	171	192	28	28
10/29/2011	162	170	34	35
10/30/2011	152	164	31	34
10/31/2011	151	170	31	35
Average	**162.9**	**177.9**	**28.8**	**31.0**

Section 1110.530 (b)(4)(C)- Planning Area Need- Projected Service Demand

The population in Edward's service area grew at an average of 3.8% per year according to the 2000 and 2010 census (www.census.gov), a rate that is much higher than the overall growth in Illinois (0.3%) and the U.S. (1%). The zip codes that define Edward's primary service area are as follows:

Edward Patient Origin: Nov 2010 - Oct 2011			
Zip Code	City	% ofTotal	Cumulative %
60563	NAPERVILLE	12.2%	12.2%
60540	NAPERVILLE	11.5%	23.7%
60565	NAPERVILLE	8.8%	32.5%
60564	NAPERVILLE	6.5%	39.0%
60532	LISLE	5.8%	44.8%
60440	BOLINGBROOK	5.8%	50.6%
60544	PLAINFIELD	5.1%	55.7%
60517	WOODRIDGE	3.6%	59.2%
60446	ROMEOVILLE	3.4%	62.6%
60504	AURORA	2.7%	65.3%
60585	PLAINFIELD	2.5%	67.8%
60586	PLAINFIELD	2.4%	70.2%
60490	BOLINGBROOK	2.1%	72.4%
60543	OSWEGO	1.7%	74.1%
60502	AURORA	1.5%	75.6%
60555	WARRENVILLE	0.8%	76.4%
60503	AURORA	0.8%	77.2%
60560	YORKVILLE	0.8%	77.9%
60567	NAPERVILLE	0.2%	78.1%

Nielsen (formerly Claritas) projections for the next 5 years (2010 – 2015) indicate that Edward's service area will continue to grow, but at a slightly lower rate (2.1% annually). Note that population growth projections were adjusted by Nielsen to reflect the downturn in the housing market that has occurred in recent years; however, they may be underestimated future growth, depending on when and how quickly the housing market recovers.

Edward Hospital's Primary Service Area Population by Age Group

	Actual		Annual	Projected	Annual
Age Group	2000 Census*	2010 Census*	Gowth Rate	2015 Estimate**	Growth Rate
0-44	308,035	389,562	3%	410,240	1%
45-64	84,644	142,899	7%	166,598	3%
65+	24,644	43,631	8%	60,099	8%
Total	417,323	576,092	4%	636,937	2%
Incremental Growth per year		15,877		12,169	

* U.S. Census Bureau (www.census.gov), ** Adjusted Nielsen Estimate (Nielsen iXPRESS)

ATTACHMENT-20

Section 1110.530 (b)(4)(C)- Planning Area Need- Projected Service Demand (continued)

The 2010 census data has not been officially released to proprietary companies that provide population projections, so a comparison was made of the estimated population for 2010 provided by Nielsen and the actual 2010 census. As presented in the table below, the Nielsen estimate was lower than the actual 2010 census for the zip codes in Edward's service area. The 65+ age group was also under- projected, while the 0-44 age group was over projected. As described in Attachment-15, the age groups provided by the U.S. Census Bureau for the 44 and under population (0-19 and 20-44) are different than the age groups provided in the IDPH Annual Hospital Questionnaire (0-14 and 15-44). As such, the 0-44 age group was utilized in order to develop accurate age-group incidence rates.

Edward Service Area 2010 Population				Edward Service Area 2015 Population	
Age Group	U.S.Census Bureau 2010 Population	Nielson 2010 Population Estimate	Difference (Census - Nielsen)	Nielson 2015 Population Estimate	Nielson Adjusted 2015 Population Estimate
0-44	389,562	390,921	(1,359)	411,599	410,240
45-64	142,899	142,441	458	166,140	166,598
65+	43,631	40,971	2,660	57,439	60,099
Total	**576,092**	**574,333**	**1,759**	**635,178**	**636,937**

The 2015 Nielsen estimate was adjusted based on the difference found between the 2010 census and the 2010 Nielsen estimate. The 2010 – 2015 growth rates by age group were also revised to reflect the adjusted 2015 population projection as displayed in the table below.

	2010-2015 Growth Rate	
Age Group	Nielsen	Adjusted
0-44	1%	1%
45-64	3%	3%
65+	9%	8%
Total	**2%**	**2%**

The high rate of growth projected for the 65+ age group will increase the demand for inpatient services at Edward Hospital. This age group represents 57% of the medical surgical and ICU patient days at Edward Hospital. Within Edward Hospital's service area, this age group is projected to grow **8%** annually over the next five years. This is significantly higher than the Illinois and U.S. projected annual growth rates of 2.3% and 3.1%, respectively. Adjusted age-group growth rates are applied to the actual 2010 population census for Edward's service area. Results are presented on the following page. The volume demand at Edward Hospital based on these population projections is presented in Attachment-15.

Section 1110.530 (b)(4)(C)- Planning Area Need- Projected Service Demand (continued)

	Edward Service Area Population Projections**						*2010-2015 Growth*	
Age Group	**2010***	**2011**	**2012**	**2013**	**2014**	**2015**	**#**	**% per Year**
0-44	389,562	393,612	397,705	401,840	406,018	410,240	20,678	1%
45-64	142,899	147,352	151,945	156,680	161,563	166,598	23,699	3%
65+	43,631	46,517	49,593	52,874	56,371	60,099	16,468	8%
Total	**576,092**	**587,482**	**599,243**	**611,394**	**623,952**	**636,937**	**60,845**	**2%**

* Source: U.S. Census Bureau (www.census.gov), ** Source: Nielsen iXPRESS adjusted for 2010 actual census

ATTACHMENT-20

Section 1110.530 (c)(2)- Maldistribution

The information provided below is from a standard report available from the Nielsen iXPRESS® program and Edward Hospital management has not validated this information with independent time studies; however, given the population density and high traffic congestion in the area, it is clear that 30-minute travel time boundary is extremely generous. It would be highly unusual, if not impossible, to access many of the hospitals within this boundary within 30 minutes. The 30-minute travel time boundary from Edward Hospital is displayed on the map provided later in this Attachment.

- A list of zip codes located, in total or in part, within 30 minutes travel time from Edward Hospital according to Nielsen iXPRESS® is provided in the table below.

60101-Addison	60164-Melrose Park	60441-Lockport	60526-La Grange Park
60103-Bartlett	60165-Stone Park	60446-Romeoville	60527-Willowbrook
60104-Bellwood	60174-St. Charles	60447-Minooka	60532-Lisle
60106-Bensenville	60181-Villa Park	60490-Bolingbrook	60538-Montgomery
60108-Bloomingdale	60184-Wayne	60491-Homer Glen	60539-Mooseheart
60126-Elmhurst	60185-West Chicago	60502-Aurora	60540-Naperville
60130-Forest Park	60187-Wheaton	60503-Aurora	60542-North Aurora
60131-Franklin Park	60188-Carol Stream	60504-Aurora	60543-Oswego
60134-Geneva	60189-Wheaton	60505-Aurora	60544-Plainfield
60137-Glen Ellyn	60190-Winfield	60506-Aurora	60554-Sugar Grove
60139-Glendale Heights	60191-Wood Dale	60510-Batavia	60555-Warrenville
60143-Itasca	60403-Crest Hill	60512-Bristol	60558-Western Springs
60148-Lombard	60404-Shorewood	60513-Brookfield	60559-Westmont
60153-Maywood	60431-Joliet	60514-Clarendon Hills	60560-Yorkville
60154-Westchester	60432-Joliet	60515-Downers Grove	60561-Darien
60155 Broadview	60433-Joliet	60516-Downers Grove	60563-Naperville
60157-Medinah	60435-Joliet	60517-Woodridge	60564-Naperville
60160-Melrose Park	60436-Joliet	60521-Hinsdale	60565-Naperville
60162-Hillside	60439-Lemont	60523-Oak Brook	60585-Plainfield
60163-Berkeley	60440-Bolingbrook	60525-La Grange	60586-Plainfield

- The population for the 30-minute travel time from Edward Hospital is:

Pop Facts: Demographic Quick Facts	801 S Washington St, Naperville, IL 60540 0 min - 30 min	
Population		
2015 Projection	1,508,141	
2010 Estimate	1,435,774	
2000 Census	1,258,394	
1990 Census	1,047,422	

Source: Nielsen iXPRESS®

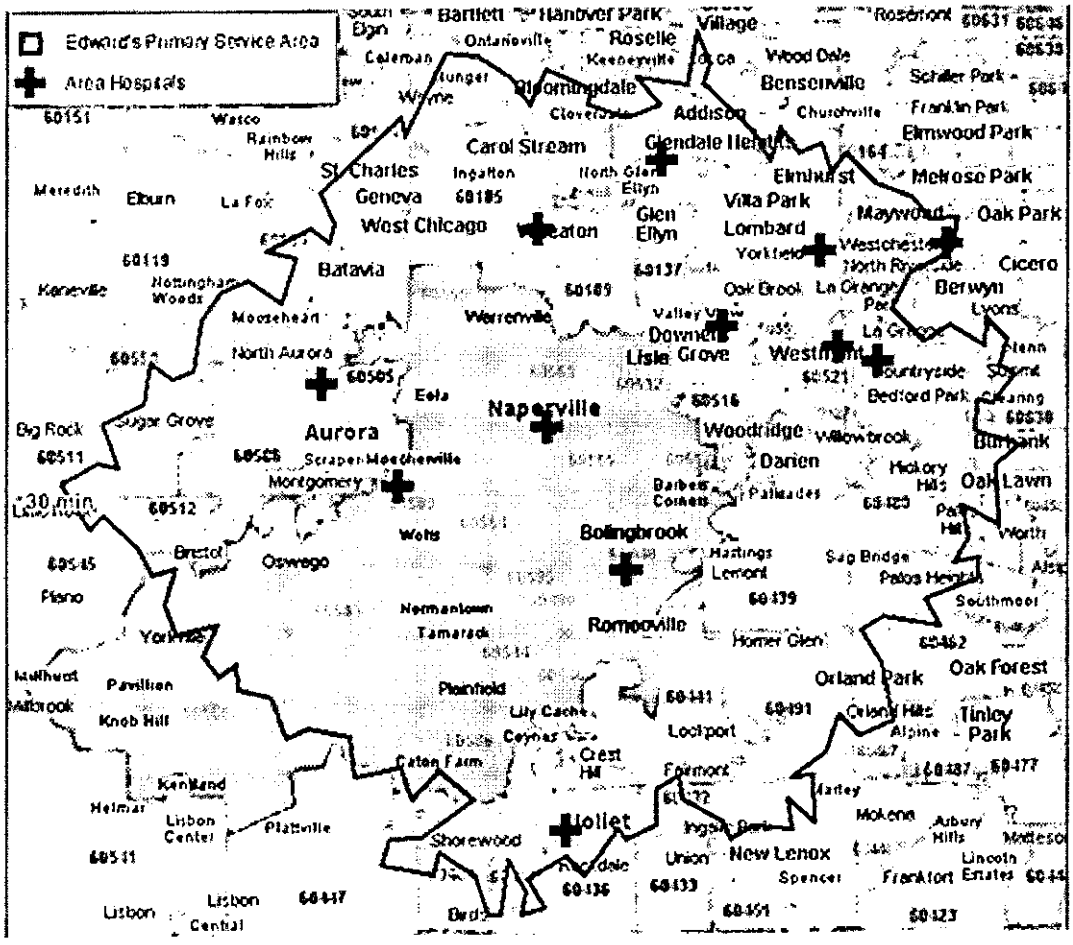
Section 1110.530 (c)(2)- Maldistribution (continued)

- According to this 30-minute travel time boundary, the hospitals located within a 30 minute normal travel time are:

Name	Address	City	State	Zip
Rush-Copley Medical Center	2000 Ogden Avenue	Aurora	IL	60504
Provena Mercy Medical Center	1325 North Highland Avenue	Aurora	IL	60506
Adventist Bolingbrook Hospital	500 Remington Blvd	Bolingbrook	IL	60440
Advocate Good Samaritan Hospital	3815 Highland Avenue	Downers Grove	IL	60515
Elmhurst Memorial Hospital	155 East Brush Hill Road	Elmhurst	IL	60126
Adventist Glen Oaks Hospital	701 Winthrop Avenue	Glendale Heights	IL	60139
Adventist Hinsdale Hospital	120 North Oak Street	Hinsdale	IL	60521
Provena St. Joseph Medical Center	333 North Madison Street	Joliet	IL	60435
Adventist La Grange Memorial Hospital	5101 South Willow Springs Road	La Grange	IL	60525
Loyola University Medical Center	2160 South First Avenue	Maywood	IL	60153
Edward Hospital	801 South Washington	Naperville	IL	60540
Central DuPage Hospital	25 North Winfield Road	Winfield	IL	60190

Edward's service area is shaded in the map on the following page to display where Edward's patients are currently residing. The Hospitals to the far North and East of Edward Hospital are not providers for the residents in Edward Hospital's community and it is unreasonable to expect patients to access services provided at these Hospitals--Adventist Glen Oaks, Adventist La Grange, Adventist Hinsdale, Loyola, and Elmhurst Memorial. Note that only 8% of Edward service area residents received inpatient care at all of these hospitals combined in FY 2011 (July 2010 – June 2011). The bed demand cannot be met by these hospital providers because neither the residents of Edward's community nor the ambulances in the local EMS system will access the emergency services at these hospitals due to the travel distance. Note that 58% of admissions are directly from the Emergency Department. Also, a majority of the physicians in Edward's community are not on staff at these hospitals, nor other hospitals in the region, including Rush-Copley and Adventist Bolingbrook Hospital, and therefore cannot admit patients to these hospitals.

Section 1110.530 (c)(2)- Maldistribution (continued)



This project will not result in an unnecessary duplication of services because there is a documented bed need of 152 medical/surgical beds in planning area A-13 and a need of 40 ICU beds in planning area A-05 (IDPH Bed Need Determination by Planning Area dated November 17, 2011). Edward's most recent patient origin data shown earlier in this attachment indicates that 87% of Edward's patients are residents of these two planning areas. Additionally, the bed need calculation presented in Attachement-15 indicates consistent findings--a need for ICU and medical/surgical beds to provide access to inpatient services for area residents. This projection is based on Edward's **current share of the market** (Edward's defined service area which is not anticipated to change). Future demand in the market is driven by population growth in the 65+ age group. As such, **this project will have no negative impact on any hospital provider**.

ATTACHMENT-20

Section 1110.530 (c)(2)- Maldistribution (continued)

Note that the bed-to- population ratio in these two planning areas combined is notably lower than the Illinois ratio, indicating that this area has far fewer beds to serve the population than other areas in Illinois.

	ICU Beds*	Medical/ Surgical/ Pediatric Beds*
A-05 (DuPage County)	217	1044
A-13 (Will & Grundy Counties)	98	700
Total Beds in A-05 and A-13	315	1744
A-05 2010 Population**	916,924	
A-13 2010 Population**	727,623	
Total Population in A-05 and A-13	1,644,547	
Total Bed-to-Population Ratio Per 1,000	**0.192**	**1.060**
Illinois Beds	3,378	23,118
2010 Illinois Population**	12,830,632	
Illinois Bed-to-Population Ratio Per 1,000	**0.263**	**1.802**

* IHFSRB 11/17/2011 Inventory of Health Care Facilities

**2010 Census from U.S. Census Bureau website (www.census.gov)

Section 1110.530 (e)- Staffing Availability

Incremental staffing needs for the proposed bed expansion at Edward Hospital were considered and included in the internal project evaluation that was presented to the EHSC Board of Trustees. Staff recruitment to support this project will not be an issue and all licensure and JCAHO staffing requirements will be met.

Recruitment will involve multiple strategies, including advertising by direct mail, e-blasts, and in local publications. Edward is a Magnet hospital and generally receives applications far exceeding the number of open positions. Furthermore, Edward also has a long history of a successful nurse intern program which is an excellent resource for recruitment of new graduates.

Section 1110.530 (f)- Performance Requirements

Edward Hospital medical/surgical bed capacity is currently 199 and will increase to 235 if this project is approved, so this project will meet the required 100 bed minimum for the medical/surgical category of service.

Edward Hospital is currently inventoried for 52 ICU beds. If this project is approved, there will be the following intensive care units, which are all over the 4 bed minimum capacity for an intensive care unit.

- 22-bed cardiac/neurology ICU
- 13-bed general ICU
- 24-bed general ICU (proposed)
- 5-bed Pediatric ICU

November 21, 2011

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for Medical/Surgical and ICU Expansion
Occupancy Assurance per Review Criteria 1110.530

To Whom It May Concern:

Please be advised that it is my expectation that, by the second full year of operation following completion of the proposed medical/surgical and ICU bed expansion at Edward Hospital, the occupancy standards specified in 77 Ill. Adm. Code 1100 for both categories of service will be achieved and maintained.

Sincerely,

Pamela Meyer Davis
President and CEO

Acknowledgement

State of Illinois
County of DuPage

This instrument was acknowledged before me on Nov. 22, 20 11, by

Pamela Meyer Davis
(Name of Person)

Mary Anne Marker
Notary Public

(Seal)
OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

ATTACHMENT-20

Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service

1110.3030 (c)(2)- Necessary Expansion

The current space designated for the treatment of inpatient physical therapy will be relocated from the 3rd floor of the main hospital to the new 36-bed medical/surgical unit proposed in this project. This space is utilized by orthopedic patients to begin physical rehabilitation following a surgical procedure. The size of the inpatient physical therapy space will increase from 422 square feet to 770 square feet. The additional space will allow for occupational therapy services to be offered which is currently not available to inpatients due to the lack of space. This will enhance patient outcomes by enabling patients to practice daily living activities prior to being discharged from the hospital. The size of the therapy space will also need to expand to accommodate the growth in the orthopedic patient population. Orthopedics is expected to be among the fastest growing service lines nationally and at Edward Hospital.

1110.3030 (c)(3)(B)- Service Utilization

The historical and projected orthopedic patient volume at Edward Hospital is presented in the table below. According to these projections there will be an increase of 7 additional patients per day in 2015 that will utilize the expanded physical therapy space proposed in this project. The average annual growth rate from 2009 to 2011 was 8.5%. These projections are based on a more conservative rate of 6%.

Edward Hospital Orthopedic Volume Trends and Projections

	Actual			Projection			
	FY09	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**
Orthopedic Inpatient Days	6,812	7,421	7,978	8,457	8,964	9,502	10,089
Orthopedic Observation Days	429	442	367	389	412	437	464
Total Patient Days	7,241	7,863	8,345	8,846	9,376	9,939	10,553
% Growth*		9%	6%	6%	6%	6%	6%
Midnight ADC	20	22	23	24	26	27	29
Daytime ADC	22	23	25	26	28	30	32
Bed Demand @ 88% Occupancy	***25***	***27***	***28***	***30***	***32***	***34***	***36***

Fiscal Year (FY)= July - June

This project will increase the size of the nursing unit dedicated to this patient population from 28 to 36 beds therefore, the inpatient physical therapy space will also need to be increased to accommodate the additional patients.

MOODY'S
INVESTORS SERVICE

Announcement: MOODY'S AFFIRMS EDWARD HEALTH SERVICES CORPORATION'S (IL) A2 BOND RATING; OUTLOOK IS POSITIVE

Global Credit Research - 14 Nov 2011

EDWARD HEALTH SERVICES CORPORATION (IL) HAS A TOTAL OF $277.5 MILLION OF RATED DEBT OUTSTANDING

New York, November 14, 2011 -- Moody's Investors Service has affirmed the A2 long-term bond rating assigned to Edward Health Services Corporation's (IL) $278 million of outstanding bonds issued by the Illinois Health Facilities Authority. The outlook is positive.

RATING RATIONALE:

The A2 rating is based on Edward's location in a solid demographic area, history of strong operating margins, and very good and liquid unrestricted investment position. These strengths are offset by increasing competition in a crowed and rapidly consolidating market, trend of modest revenue growth, relatively high variable rate debt, and expected increase in capital spending and possibly debt. The positive outlook is based on our expectation that operating margins and liquidity will be maintained; a rating upgrade will be considered upon further clarification of the funding of capital projects and our continued evaluation of Edward's ability to respond to competitive pressures, stabilize surgical volume and grow revenue.

STRENGTHS

- History of strong operating cash flow margins with 13.4% average operating cash flow over the last five years and 13.9% in FY 2011, which is strong relative to A2 medians despite low revenue growth

- Located in Aaa-rated Naperville and the fourth largest city in Illinois, EHSC benefits from strong population growth (10.5% from 2000-2010) and wealth measures ($100,503 median household income; $397,000 median home value)

- Strong cash with recent growth resulting in 291 days cash on hand at FYE 2011; cash-to-demand debt is strong at 245%

- Defined contribution pension plan

CHALLENGES

- Crowded competitive market 25 miles west of Chicago with a dozen similarly sized hospitals within a 20-mile radius; the market is becoming increasingly competitive with rapid consolidation among hospitals and more competition for physician groups

- Trend of low revenue growth averaging 2.5% between 2009 and 2011 in part due to declines in outpatient and total surgeries

- Relatively high variable rate debt load at 59%; swap exposure with a collateral posting in FY 2011

- Following two years of low capital spending, capital expenditures are projected to increase to $83 million in FY12, more than double FY11; the hospital is considering issuing debt to partly fund the program, which will weaken debt measures

Outlook

The positive outlook is based on our expectation that operating margins and liquidity will be maintained

WHAT COULD MAKE THE RATING GO UP

A rating upgrade will be considered upon further clarification of the funding of capital projects and our continued evaluation of Edward's ability to respond to competitive pressures, stabilize surgical volume and grow revenue.

WHAT COULD MAKE THE RATING GO DOWN

Material increase in debt beyond current projections that would weaken coverage ratios and weaken financial position without a commensurate increase in cash flow; loss of market share due to elevated competition; unexpected and prolonged decline in operating performance

The principal methodology used in this rating was Not-for-Profit Hospitals and Health Systems published in January 2008. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

The Global Scale Credit Ratings on this press release that are issued by one of Moody's affiliates outside the EU are considered EU Qualified by Extension and therefore available for regulatory use in the EU. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on www.moodys.com.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for

ATTACHMENT-39

which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Information sources used to prepare the rating are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service information, and confidential and proprietary Moody's Analytics information.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

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Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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MOODY'S
INVESTORS SERVICE

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ATTACHMENT-39

November 21, 2011

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for Medical/Surgical and ICU Expansion

To Whom It May Concern:

In accordance with Review Criteria 1120.140, subsection (b) Conditions of Debt Financing, we are submitting this letter assuring Illinois Health Facilities and Services Review Board the following:

The selected form of debt financing, if any, for the project will be at the lowest net cost available, or if the lowest cost financing is not selected, then the selected form of financing that is selected will be more advantageous due to such terms as prepayment privileges, absence of a required mortgage by the lender, length of loan, financing costs, or other factors determined by Edward Hospital to be in its best interests.

Sincerely,

Vincent E. Pryor
Chief Financial Officer

Acknowledgement

State of Illinois
County of DuPage

This instrument was acknowledged before me on Nov 21, 20 11, by

Vincent E. Pryor
(Name of Person)

Mary Anne Marker
Notary Public

OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

ATTACHMENT-42

EDWARD
801 SOUTH WASHINGTON STREET > NAPERVILLE, ILLINOIS 60540 > 630/527-3000

Section 1120.140 (C)- Reasonableness of Project and Related Costs

COST AND GROSS SQUARE FEET BY DEPARMENT OR SERVICE

Clinical Dept./Area	Cost/Square Foot A New	Cost/Square Foot B Mod	Gross Sq. Ft C New	Gross Sq. Ft D Circ*	Gross Sq. Ft E Mod	Gross Sq. Ft F Circ*	Const. $ G (A x C)	Mod. $ H (B x E)	Total Cost (G + H)
REVIEWABLE									
Medical Surgical	$ 394	NA	22,203	31.0%	0		$8,747,982		$8,747,982
Adult Intensive Care	$ 441	NA	20,080	25.0%	0		$8,846,268		$8,846,268
Inpatient Physical Therapy	$ 310	NA	770	0%	0		$238,700		$238,700
Total Clinical	$ 414		43,053	27.6%	0		$17,832,950		$17,832,950
NON REVIEWABLE									
Administrative	$ 299	$ 287	4,303		702		$1,286,597	$201,474	$1,488,071
ISS	$ 312	NA	580		0		$180,960		$180,960
Mechanical	$ 340	NA	8,383		0		$2,850,220		$2,850,220
Bridge	$ 459	NA	4,754		0		$2,182,086		$2,182,086
Generator Bldg and Generators	$ 1,294	NA	3,750		0		$4,854,000		$4,854,000
Loading Dock Elevator	NA	$ 652	0		500			$326,000	$326,000
Bed & Equipment Storage	$ 294	NA	5,638		0		$1,657,572		$1,657,572
Public Areas	$ 349	$ 295	1,427		344		$498,023	$101,480	$599,503
General Circ incl. elevators	$ 392	$ 507	13,192	100%	4,838	100%	$5,170,880	$2,452,808	$7,623,688
Total Non-clinical	$ 444	$ 483	42,027	31%	6,384	76%	$18,680,338	$3,081,762	$21,762,100
Total Excluding Contingency	$ 429	$ 483	85,080		6,384		$36,513,288	$3,081,762	$39,595,050
Contingency							$3,651,329	$308,176	$3,959,505
GRAND TOTAL	***$472***	***$531***	***85,080***	***31%***	***6,384***	***76%***	***$40,164,617***	***$3,389,938***	***$43,554,555***

* Percentage of space for circulation

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ATTACHMENT-42

Section 1120.140(D), Projected Operating Costs

Resultant Operating Costs for FY June 30, 2015

Name of Service		Facility
Salaries	$	175,927,000
Benefits	$	42,941,000
Supplies	$	106,087,000
TOTAL OF ABOVE	$	324,955,000
Units of Sevice (EPD)		225,771
Cost Per Unit	$	1,439.31

HOSPITAL

Outpatient Gross Revenue / Inpatient Revenue = Equivalency Factor	Outpatient	Inpatient	Equivalency Factor
	$1,420,940,000	$940,174,000	1.511

Patient Days X Equivalency Factor = Equivalency Add-On	Patient Days	Equivalency Factor	Equivalency Add
	89,900	1.511	135,871

Patient Days + Equialency Add-On = Equiv Patient Days (EPD)	Patient Days	Equivalency Add	Equiv Patient Days
	89,900	135,871	225,771

Section 1120.140(E), Total Effect of the Project on Capital Costs

Projected Capital Expense for the Year Ended June 30, 2015

	Total Capital Expense	Equiv Patient Days	Capital Expense Per EPD
Faciliy Capital Expense	$ 55,391,576	225,771	$ 245.34
Project Capital Expense	$ 5,309,576	225,771	$ 23.52

Calculation of Capital Expense	Total Facility*	Project	Facility
Interest Expense	$ 14,881,755	$ 2,510,755	$ 12,371,000
Depreciation Expense	40,509,821	$ 2,798,821	$ 37,711,000
Total	$ 55,391,576	$ 5,309,576	$ 50,082,000

* Includes Project Expense

ATTACHMENT-42

XI. Safety Net Impact Statement

The expansion of inpatient beds at Edward Hospital will enhance access and provide needed health care services to all members of Edward's community, regardless of their ability to pay. Edward's commitment to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid, is evident by the increasing numbers of these patients treated at Edward, as displayed in the table below—a 12% increase of charity care and Medicaid patients combined from FY 2009 to FY 2011. A notarized letter certifying the amount of Medicaid patients and charity care provided at Edward Hospital for the past three fiscal years is included in this Attachment.

Safety Net Information per PA 96-0031			
CHARITY CARE- Edward Hospital			
Charity (# of patients)	FY 2009	FY 2010	FY 2011
Inpatient	902	807	803
Outpatient	8,065	9,349	10,061
Total	**8,967**	**10,156**	**10,864**
Charity (cost In dollars)	FY 2009	FY 2010	FY 2011
Inpatient	$ 2,887,426	$ 3,459,487	$ 3,775,197
Outpatient	$ 4,517,959	$ 7,517,901	$ 7,765,050
Total	**$ 7,405,385**	**$ 10,977,388**	**$ 11,540,247**
MEDICAID- Edward Hospital			
Medicaid (# of patients)	FY 2009	FY 2010	FY 2011
Inpatient	1,036	1,037	1,073
Outpatient	34,825	38,833	38,380
Total	**35,861**	**39,870**	**39,453**
Medicaid (Revenue)	FY 2009	FY 2010	FY 2011
Inpatient	$ 10,196,850	$ 11,758,698	$ 12,279,407
Outpatient	$ 6,325,027	$ 9,295,030	$ 7,076,330
Total	**$ 16,521,877**	**$ 21,053,728**	**$ 19,355,737**
Total # of Charity & Medicaid Patients	***44,828***	***50,026***	***50,317***

To help patients receive the care they need, Edward Hospital offers a comprehensive financial assistance program which is one of the most generous programs among hospitals in Illinois. The Program is designed to ensure that financial assistance (also referred to as "charity care") is readily and easily available to all who need and apply for it. Edward's philosophy is to work on an individual basis with each patient to fully explore all available options to ensure residents of the community have access to high quality care. This includes helping patients fill out the complex forms needed to apply for public aid. For patients who do not quality for charity care or public aid but are unable to pay their bill in full, Edward is willing to enter into interest-free payment arrangements.

ATTACHMENT-43

The community benefit that Edward provides goes well beyond the number of charity care and Medicaid patients treated at Edward Hospital. Edward Hospital, along with Linden Oaks Hospital and other providers within the EHSC system, partner with many agencies in the community to provide a safety net of care. For example, the $683,000 cash donation to Access DuPage in FY 2011 is helping provide essential health care services to under- and uninsured residents of DuPage County. Edward also actively participates in local health improvement programs, like the FORWARD Initiative to combat childhood obesity, and has been a leader in Mental Health First Aid, an initiative to train members of the community to provide assistance during a mental health crisis until professional help can be obtained. These and many other community benefit services are described in the FY 2010 Community Benefit Report to the Illinois State Attorney General and the FY 2011 Report to the Community. The FY 2011 detailed report to the Attorney General will be publically available January 1, 2012.

Edward's contribution to the community grows each year. In fact, charity care (defined as the cost of medical services that were provided free or partially reimbursed), rose 11 percent in FY 2011 to more than $13.6 million, as displayed in the following table.

Edward Health Services Corporation Community Benefit Expenses

Benefit Type	FY 2010	FY 2011
Charity Care*	$12,304,465	$13,652,777
Unreimbursed Costs of Medicare & Medicaid	$53,369,000	$51,249,664
Bad Debt*	$6,619,791	$7,529,614
Total Donations	$497,602	$1,169,953
Subsidized Health Services	$2,041,249	$3,135,311
Other **	$2,689,021	$2,355,192
Total Community Benefit Expense	***$77,521,128***	***$79,092,511***

* Adjusted with cost-to-charge- ratio

** Teaching, research, volunteer serivces, community benefit operations

This project will not have an impact on the ability of another provider or health care system to cross-subsidize safety net services because it is intended to meet bed need based upon population growth with no anticipated change in Edward's market share in its primary service area.

December 2, 2011

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for Medical/Surgical and ICU Expansion

To Whom It May Concern:

The letter is to certify the following information:

- The amount of charity care provided by Edward Hospital for the three audited fiscal years prior to submission of this CON application. The amounts are calculated based on the Edward Hospital's Medicare cost-to-charge ratio.

CHARITY CARE- Edward Hospital			
Charity (# of patients)	FY 2009	FY 2010	FY 2011
Inpatient	902	807	803
Outpatient	8,065	9,349	10,061
Total	**8,967**	**10,156**	**10,864**
Charity (cost In dollars)	FY 2009	FY 2010	FY 2011
Inpatient	$ 2,887,426	$ 3,459,487	$ 3,775,197
Outpatient	$ 4,517,959	$ 7,517,901	$ 7,765,050
Total	**$ 7,405,385**	**$ 10,977,388**	**$ 11,540,247**

- The amount of care provided to Medicaid patients at Edward Hospital for the three audited fiscal years prior to submission of this CON application.

MEDICAID- Edward Hospital			
Medicaid (# of patients)	FY 2009	FY 2010	FY 2011
Inpatient	1,036	1,037	1,073
Outpatient	34,825	38,833	38,380
Total	**35,861**	**39,870**	**39,453**
Medicaid (Revenue)	FY 2009	FY 2010	FY 2011
Inpatient	$ 10,196,850	$ 11,758,698	$ 12,279,407
Outpatient	$ 6,325,027	$ 9,295,030	$ 7,076,330
Total	**$ 16,521,877**	**$ 21,053,728**	**$ 19,355,737**

Sincerely,

Vincent E. Pryor
Chief Financial Officer

Acknowledgement
State of Illinois, County of DuPage
This instrument was acknowledged before me on Dec 5, 20 10, by
Mary Anne Marker
(Name of Person)

(Seal) OFFICIAL SEAL
MARY ANNE MARKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/31/12

Mary Anne Marker
Notary Public

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ATTACHMENT-43

Form AG-CBP-I
2/05

LISA MADIGAN
ATTORNEY GENERAL

Annual Non Profit Hospital Community Benefits Plan Report

Hospital or Hospital System: Edward Health Services Corporation

Mailing Address: 801 S. Washington St. (Street Address/P.O. Box) Naperville, IL 60540 (City, State, Zip)

Physical Address (if different than mailing address):

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

Reporting Period: 7 / 1 / 09 (Month / Day / Year) **through** 6 / 30 / 10 (Month / Day / Year) **Taxpayer Number:** 36-3513954

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

Hospital Name	Address	FEIN #
Edward Hospital	801 S. Washington St.	36-3297173
	Naperville, IL 60540	
Linden Oaks Hospital	* 852 S. West St.	36-3965251
(Naperville Psychiatric Ventures)	Naperville, IL 60540	

* Corporate offices at 801 S. Washington St.

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

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

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

Charity Care..... $12,304,465

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

ATTACHMENT-43
1 of 22

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

Community Benefit Type

Language Assistant Services	$204,016
Government Sponsored Indigent Health Care	$53,369,000
Donations	$497,602
Volunteer Services	
a) Employee Volunteer Services	$1,206
b) Non-Employee Volunteer Services	$847,120
c) Total (add lines a and b)	$848,326
Education	$1,241,285
Government-sponsored program services	$ -
Research	$377,002
Subsidized health services	$2,041,249
Bad debts	$6,619,791
Other Community Benefits	$18,392

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

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

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

Name / Title (Please Print)	Phone: Area Code / Telephone No.
Signature	Date.
George Gulas Name of Person Completing Form	630/527-3477 Phone: Area Code / Telephone No.
ggulas@edward.org Electronic / Internet Mail Address	630/548-7626 FAX: Area Code / FAX No.

EDWARD

2010
Community Benefit Report

Executive Summary

- A 54-year old waitress was treated for pancreatitis at Edward Hospital. She didn't have health insurance and wasn't eligible for Medicaid. Edward's Financial Assistance Policy – charity care – covered the $15,300 charge for her hospital stay.

- A 44-year old man, married with four children. He lost his job due to his health condition and couldn't afford health insurance. He was seen in Edward's Emergency Department for high blood pressure. Charity care handled the $3,900 bill.

- A 45-year old single mother of two boys had her hours cut at work. She had limited health insurance and couldn't afford the out-of-pocket healthcare costs of $3,700 for several outpatient diagnostic visits at Edward. Charity care covered 100% of the amount.

- A man in his late 40s lost his job, had no health insurance, his wife was on disability and unable to work. He was treated in Edward's Emergency Department for abdominal pain. Charity care coverage: nearly $6,400.

- A 21-year old unemployed student was living with her parents. She wasn't on her parents' health insurance because her dad was unemployed, couldn't afford private health insurance and didn't qualify for Medicaid. She was treated for a tubal ovarian cyst abscess in Edward's Emergency Department and Edward Hospital. Charges of $17,700 were completely covered by charity care.

- A 60-year old man with cancer was unemployed. His wife was on Social Security and they couldn't afford health insurance. He received $115,000 in charity care for treatment at Edward.

These and many more Edward patients in similar situations benefited from one of the leading and most generous Financial Assistance Policies in Illinois, which was just one element of Edward's total community benefit in fiscal year 2010 (July 1, 2009 – June 30, 2010).

In this 2010 Community Benefit Report, we'll explain more about how Edward provides a much-needed safety net for those without adequate financial resources, as well as numerous other benefits provided to the community. In FY 2010, Edward:

- Provided nearly $77.5 million in community benefit-- $8.1 million more and nearly 12 percent higher than the previous year.
- Accounted for $12.3 million in charity care--38 percent higher than 2009 levels, representing the seventh consecutive annual increase.
- Subsidized more than $2 million in community health programs and services.
- Expanded its longstanding "heart health" commitment to include HeartAware, an online test reaching thousands of area residents who are potentially at-risk for heart disease.
- Hosted over 30,000 community residents at classes, health fairs, lectures, health screenings, and support groups.

- Contributed nearly $500,000 to charitable, community and civic organizations.
- Provided $1.25 million worth of training for future healthcare professionals.
- Re-invested earnings to open new and enhanced facilities and programs, including the Edward Plainfield Cancer Center, Edward Plainfield ER 24/7 and Edward Neurosciences Institute.
- Expanded mental health services through its behavioral health facility, Linden Oaks at Edward.
- Updated its corporate mission, vision and value statements, as well as its strategic priorities, to reflect its strong focus on community commitment.

Please read our Community Benefit Report 2010 for a more detailed look at how Edward Hospital & Health Services' charity care and community service programs directly benefit patients, families and residents every day.

I. Who We Are

Edward Hospital & Health Services (also known as "Edward Health Services Corporation" and referred to as "Edward") is a full-service, regional healthcare provider offering access to a full range of health care services, including primary care, complex medical specialties, and innovative programming for residents of Chicago's west and southwest suburbs, including Naperville, Aurora, Bolingbrook, Downers Grove, Homer Glen, Joliet, Lemont, Lisle, Lockport, Minooka, Oswego, Plainfield, Romeoville, Shorewood, Warrenville, Wheaton, Woodridge, Yorkville and surrounding communities.

Edward consists of a 309-bed, not-for-profit, acute care hospital (Edward Hospital); a 101-bed psychiatric hospital (Linden Oaks at Edward) that provides a wide range of inpatient and outpatient behavioral health services; the Edward Healthcare Centers in Bolingbrook, Naperville, Plainfield, and Oswego; physician practices, including approximately 75 employed physicians in the specialties of primary care, hematology oncology, adult and child psychiatry, and pediatric and adult hospitalist services; and the Edward Health & Fitness Centers in Naperville and Woodridge.

Edward has earned a reputation as a healthcare leader by providing advanced cardiac care at Edward Heart Hospital, state-of-the-art cancer diagnosis and treatment at Edward Cancer Center, world class stroke care through the Edward Neurosciences Institute (in affiliation with the Northwestern Medical Faculty Foundation), as well as minimally invasive surgery, treatment for critically ill newborns, and advanced imaging.

Edward was re-designated as a Magnet hospital for nursing excellence in 2010 after receiving its original designation in 2005. Edward is one of only three hospitals in DuPage County and the only one serving Will County to have earned this prestigious recognition. Only six percent of the nation's 6,000 hospitals are recognized as Magnet facilities by the American Nurses Credentialing Center. Only two percent of the nation's hospitals have achieved Magnet re-designation.

II. Edward's Historical Commitment to Community Benefit

Edward's longstanding commitment to improving the health of its community is exemplified by its focus and achievements in cardiac care. Preventing disease and improving the lives of those affected by cardiovascular disease has been a priority for nearly two decades. From the opening of the state's first freestanding cardiac catheterization laboratory in 1990, to the launch of the Operation Jumpstart program in 2001 (a public access defibrillator program), to the opening of the Heart Hospital in 2002, to most recently being named one of the Top 50 Cardiovascular Hospitals in the U.S. by Thomson Reuters, Edward Hospital has proven to be a leader in the fight against heart disease for our community. Edward Hospital has also been recognized as having the Best Heart Attack Survival Rates in Chicagoland by the U.S. Department of Health & Human Services, the Most Preferred Hospital in the region for heart care by National Research Corporation and was recently ranked No. 1 in Illinois for Cardiology services by HealthGrades.

In 2009, Edward launched HeartAware, an online test that is part of a major public service campaign to identify people who are at risk for heart disease and connect them to necessary resources. The assessment, available at www.edward.org/heartaware, asks simple questions, offers information about heart disease and, most importantly, provides a quick response by Edward Heart Hospital with appropriate action steps.

> *"Unfortunately, the first symptom of heart disease for many people is sudden death," said Vince Bufalino, MD, medical director of cardiovascular services at Edward Heart Hospital and president and CEO of Midwest Heart Specialists. "Our goal is to screen thousands of people throughout the Chicago area so they know their risk for heart disease and can take action, if necessary."*

Through the end of FY 2010, nearly 18,300 people completed the HeartAware assessment. More than 4,100 of those who were identified as "at-risk" for heart disease followed up with Edward to determine the seriousness of their condition, including area resident Pat Bradley.

The 58-year old wife and mother of four adult children took the HeartAware test because she hadn't been feeling well, yet had no symptoms that she would have associated with heart trouble. Her results indicated otherwise. Further in-depth testing showed Pat needed triple bypass surgery.

> *"In the span of one week, I went from doing the HeartAware online screening to having triple bypass surgery," says Pat, who's returned to work and is doing well. "It was the best thing anybody has ever recommended to me."*

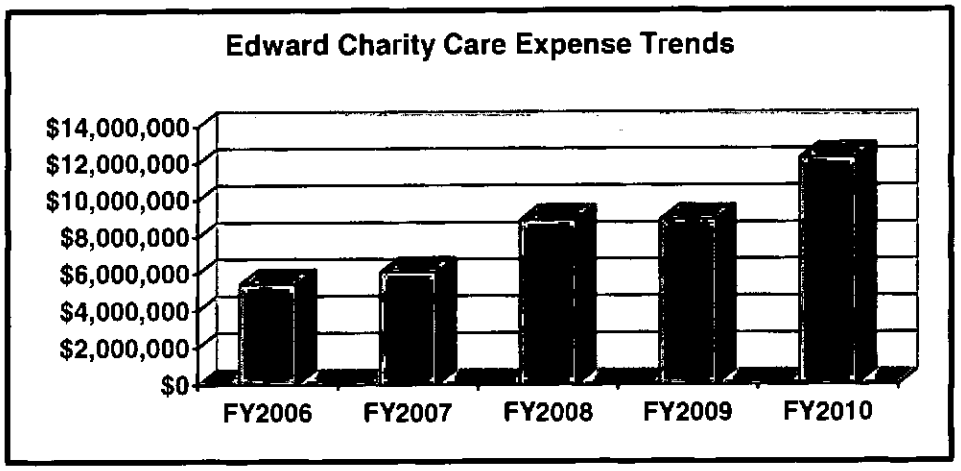
Edward's most recent initiative in the treatment of cardiovascular disease is the development of the Comprehensive Congestive Heart Failure (CHF) program. This program involves an expansion of the current heart failure clinic at Edward and the development of a multidiscipline council to oversee the delivery of CHF services, monitor quality performance, and improve the coordination of care between ambulatory, emergency, inpatient and post-acute providers.

When a need in the community has been identified, as cardiac disease was in our 1995 community needs assessment, Edward takes action.

III. Community Benefit in Fiscal Year 2010

In FY 2010 Edward provided $77,521,128, in community benefit activities to improve and strengthen the health status of its community--an increase of 11.6% from FY 2009.

Charity Care, $12,304,465: Edward's charity care expenditure has **more than doubled** over the past 5 years, including a 38% increase between FY 2009-2010.



To help patients receive the care they need, Edward Hospital offers a comprehensive financial assistance program which is one of the most generous programs among hospitals in Illinois. The Program is designed to ensure that financial assistance (also referred to as "charity care") is readily and easily available to all who need and apply for it. The current charity care policy ("Financial Assistance Determination Policy,") is promoted to current and future patients through a variety of vehicles, including Edward's website (www.edward.org), postings in patient registration areas, patient billing statements, consent for treatment forms, the Edward patient handbook, and various marketing publications and channels.

Many self-pay/uninsured patients take advantage of this Program and apply for financial assistance. Based on the most recent 9 months of data available, 99.9% of applicants qualified and received free or discounted care, and it is expected that more than 3,700 patients will have received financial assistance through this Program in Calendar Year 2010.

Edward's philosophy is to work on an individual basis with each patient to fully explore all available options to ensure residents of our community have access to high quality care. This includes helping patients fill out the complex forms needed to apply for public aid. For patients who do not quality for charity care or public aid but are unable to pay their bill in full, Edward is willing to enter into interest-free payment arrangements.

Edward also partners with other organizations like Access DuPage to provide essential health care services to under- and un-insured residents of DuPage County. Edward donated $600,000 in FY2010—a donation level that has **more than doubled** since FY 2008.

Included in Edward's charity care are free mental health assessments that are provided by Linden Oaks' Resource & Referral Department 24 hours a day, 7 days a week. Over 7,600 mental health screenings and nearly 24,000 phone screenings were provided in FY 2010, at a cost of $2,253,372. To meet the growing demand for this service, screening facilities were expanded from 5 to 7 assessment rooms in the fall of 2009 and several new processes were implemented to improve coordination of care for patients and community providers.

Bad Debt and Uncompensated Government Sponsored Indigent Care, $59,988,791: Despite the many efforts to help patients maneuver through the paperwork to qualify for financial

assistance through Edward or government sponsored programs, many bills are left unpaid. Edward wrote off $6,619,791 of bad debt in FY 2010. In addition, reimbursement from government sponsored programs (Medicaid and Medicare), does not fully cover the cost of care, yet continued provision of services is essential to ensure access for the growing number of Medicare and Medicaid beneficiaries in the area . Reimbursement shortfalls from government payors amounted to $53,369,000 in FY 2010.

Community Health Improvement and Subsidized Health Services, $2,041,249:
Edward underwrites the cost of numerous programs that are critical to maintaining positive health status and ensuring reasonable access within the community, including Emergency Medical Services (EMS), the Care Center (for diagnosis and treatment of sexually abused children), transportation services, enrollment assistance for public insurance programs, pediatric services, and community health education and wellness. Some highlights of these services are provided below:

- **Pediatric Services:**

Edward is committed to providing quality care to the pediatric population (ages 0-17), which comprises nearly thirty percent of Edward's service area population. Edward is one of the first designated Centers in Illinois for Pediatric Critical Care. This distinction recognizes its pediatric-friendly facility, as well as the highly experienced pediatricians, pediatric emergency physicians, family practitioners, nurses and pediatric specialists who are dedicated to treating the unique needs of children. During FY 2010, Edward began planning for another enhancement of pediatric inpatient care – the construction and opening of Illinois' first Ronald McDonald Family Room for parents and family members of children who are patients at Edward for an extended period of time. Both Ronald McDonald House Charities and the Edward Foundation are contributing financially to this project.

- **Community Health Education and Wellness:**

Edward provided over $1 million in services to support community health education and wellness in FY 2010, with over 30,000 community residents benefiting from these activities, which included classes and lectures, health fairs, health screenings, and support groups. Note that this does not include the thousands of households that receive education materials through e-blasts, newsletters, and similar communications.

- **Responding to Behavioral Health Needs:**

Linden Oaks at Edward continuously responds to the mental health needs of the community. Two recent examples of this are the development of the Veterans Committee and the expansion of support groups for eating disorder patients.

- In FY 2010, Linden Oaks formed a Veterans Committee, in partnership with the Center for Deployment Psychology (CDP) and Uniformed Services University of Health Sciences, sponsored a three day conference on Post-Traumatic Stress Disorder related to military combat deployments. Each day, over eighty professionals attended and benefited from this conference. In addition, the Committee developed a directory of military resources for employees, patients and families.

- Arabella House is the only residential treatment facility in Illinois that offers a unique service to women 16 years and older who are recovering from an eating disorder and need assistance shifting back into their daily lives. In FY 2010, Arabella House expanded its support groups to include the *Arabella Aftercare Group* for former residents who expressed the need to stay connected in order to maintain the therapeutic benefits gained through the program. The *Friends and Family Focus Group* was established to allow family members of eating disorder patients to share their experiences. Lastly, the *Eating Disorder Group* was established as a fellowship of individuals who engage in a 12-step program and share their experience, strength and hope so that they may solve common problems and aid in recovery.

Donations, $497,602: In addition to the direct provision of essential health care services, Edward supports its community by providing cash and in-kind donations to numerous charitable, community and civic organizations. Illinois Poison Control, American Cancer Society (ACS), the American Heart Association (AHA), and DuPage Pubilc Action to Delivery Shelter (PADS) are just a few of the organizations that Edward supports through direct contributions.

Edward also partners with the various organizations through event sponsorships where the proceeds support various community organizations. For example, Edward sponsored the Plainfield Harvest 5K run/walk this past year which in turn supported the Plainfield Interfaith Food Pantry, the Green Harvest Food Pantry, PIF Emergency Management Agency, YMCA and the Park District.

In-kind donations include but are not limited to, equipment donations, the use of meeting room space by community organizations, and the cost of Edward personnel who donate their time and expertise to assist various organizations, including DuPage Community Clinic, Plainfield Economic Task Force, Will County Economic Development Board, and the Naperville Chamber of Commerce.

Education, $1,241,285: Edward supports its community by providing training programs to ensure an adequate supply of health care professionals in the area. This expense includes unreimbursed training costs for medical, nursing paramedic, social work, and other clinical and administrative students, as well as the unreimbursed costs of various scholarly publications and presentations.

Research, $377,002: Providing the most advanced treatments available to our community is important to Edward. Edward dedicates staff resources exclusively for research functions that support its role as a leading health care provider. This expense includes the unreimbursed cost of the Institutional Review Board (IRB) and the staff costs of managing oncology clinical trials and other research initiatives at Edward Hospital.

Volunteer, Language Assisted and other Community Benefit Services, $1,070,734: Edward provides many other community benefit services not categorized in the above, including

employee and non-employee volunteer services, language assisted services and community benefit operations.

IV. Edward's Re-investment in the Community

To meet the healthcare needs of our growing community, Edward continues to expand geographically throughout Will and Kendall Counties with new facilities and services, while maintaining its strong commitment to comprehensive inpatient and outpatient services on its Naperville campus.

As a not-for-profit organization, Edward re-invests earnings in the organization to maintain and enhance services that benefit its community. This past year, the Edward Plainfield Cancer Center and Plainfield Freestanding Emergency Department (PFED) opened to offer more convenient access to essential services for which residents would otherwise have to travel in excess of 30 minutes.

In FY 2010, Edward opened the Edward Neurosciences Institute, which provides the most advanced stroke care in Edward's service area. This new program, which incorporates neuorinterventional treatment in a sophisticated biplane laboratory for patients with cerebrovascular anomalies, substantially expands the window of treatment for patients who otherwise might die or experience significant disability.

Lisle resident Amanda Schauer, 24, experienced the benefit of the Neurosciences Institute firsthand:

> *While out to lunch with her mom, a friend and her fiancé, her entire left side went numb, and her speech slurred. Diagnostic scans at Edward Hospital revealed she was having a stroke. Edward's neurointerventional team recognized Schauer could die or become permanently disabled if they didn't remove the blood clot quickly.*
>
> *Dr. Jeffrey Miller, a neurointerventional surgeon and medical director of the Edward Neurosciences Institute, guided a thin wire – about the width of a human hair – and the corkscrew-like Merci device from an artery in her hip region up to the brain and past the clot to pull it out.*
>
> *Schauer felt normal about 24 hours after the procedure. She hasn't needed physical or speech therapy and the stroke hasn't slowed her down. She is studying baking and pastry arts at College of DuPage while working as a restaurant pastry chef. Note: put in prior section on subsidized programs?*

Recognizing the major role that primary care physicians play in managing health status, Edward has committed to expanding access to primary care physicians throughout its service area. In FY 2010, Edward's employed physician group, Edward Medical Group (EMG), recruited five new primary care physicians for locations in Crest Hill, Naperville, Plainfield and Yorkville,

expanding family practice and internal medicine services to residents in those communities. Edward Medical Group has 15 offices located throughout Bolingbrook, Crest Hill, Lisle, Naperville, Oswego, Plainfield, Sandwich and Yorkville. In FY 2010, primary care visits to EMG physicians increased 5% over FY 2009 levels. At a time when many private physicians are limiting access to Medicare and Medicaid patients due to payment shortfalls, the continued expansion of EMG practices is critical to ensuring access to timely medical care for all residents of Edward's service area.

To ensure access to affordable healthcare on weekends, Edward Medical Group opened a Walk-In Clinic in Plainfield at 15905 S. Frederick St. The Walk-in Clinic (open on Saturdays, 12 noon - 5 p.m. and Sundays, 9 a.m. - 5 p.m.) is equipped to treat minor illnesses, and is a cost effective alternative to the emergency department for many residents of Edward's southern service area.

Linden Oaks at Edward expanded its mental health program offerings in FY 2010, including a new dedicated outpatient Anxiety Program. Anxiety disorders are the most common mental health problem in the United States, with 40 million adults suffering from this problem in any given year--more than 18% of the adult population. Maladies include generalized anxiety, phobias, post-traumatic stress, obsessive-compulsive and panic disorders. The Linden Oaks Anxiety Program includes an Intensive Outpatient Program (IOP), with a subsequent outpatient program.

In addition to the expansion of mental health programming, Linden Oaks strives to meet the area-wide need for psychiatrists throughout the service area. In FY 2010, Linden Oaks expanded psychiatrist services at Edward's location in Yorkville to meet a need in a particularly underserved area.

V. Commitment to our Community is a Strategic Priority

During the 2011-2013 Strategic Planning process, the corporation's mission statement was changed to better express the important role the organization plays in contributing to the wellbeing of the communities it serves. Similarly, it was recommended that the corporate vision statement be revised to demonstrate greater focus on what Edward needs to be (and want to be) to ensure mission fulfillment well into the future. Finally, core values were clarified to ensure they express Edward's guiding principles and essential characteristics. The following corporate mission, vision and value statements were approved by the EHSC Board of Trustees in May, 2010.

Corporate Mission, Vision and Value Statements	
Mission	To support health and strengthen communities by providing outstanding health care services
Vision	• Locally Preferred • Regionally Referred • Nationally Recognized
Values	• **Patients First:** providing personalized care to the people we serve is our highest priority • **Integrity:** means consistency of actions, values, expectations and outcomes. It denotes honesty and truthfulness and reflects our ability and commitment to achieve our goals. It means we deliver on what we promise and we execute our plans. • **Compassion:** reflects our desire to treat each other with respect, alleviate suffering and behave in a general spirit of altruism. • **Responsibility:** means we are accountable for acting beneficently toward our organization and our community. • **Collaboration:** means that we work together to achieve common goals by sharing knowledge, learning and building consensus. • **Passion:** This is Edward's 'special sauce.' It means we continually strive to be the best and reflects our commitment to continuous learning, innovation and improvement.

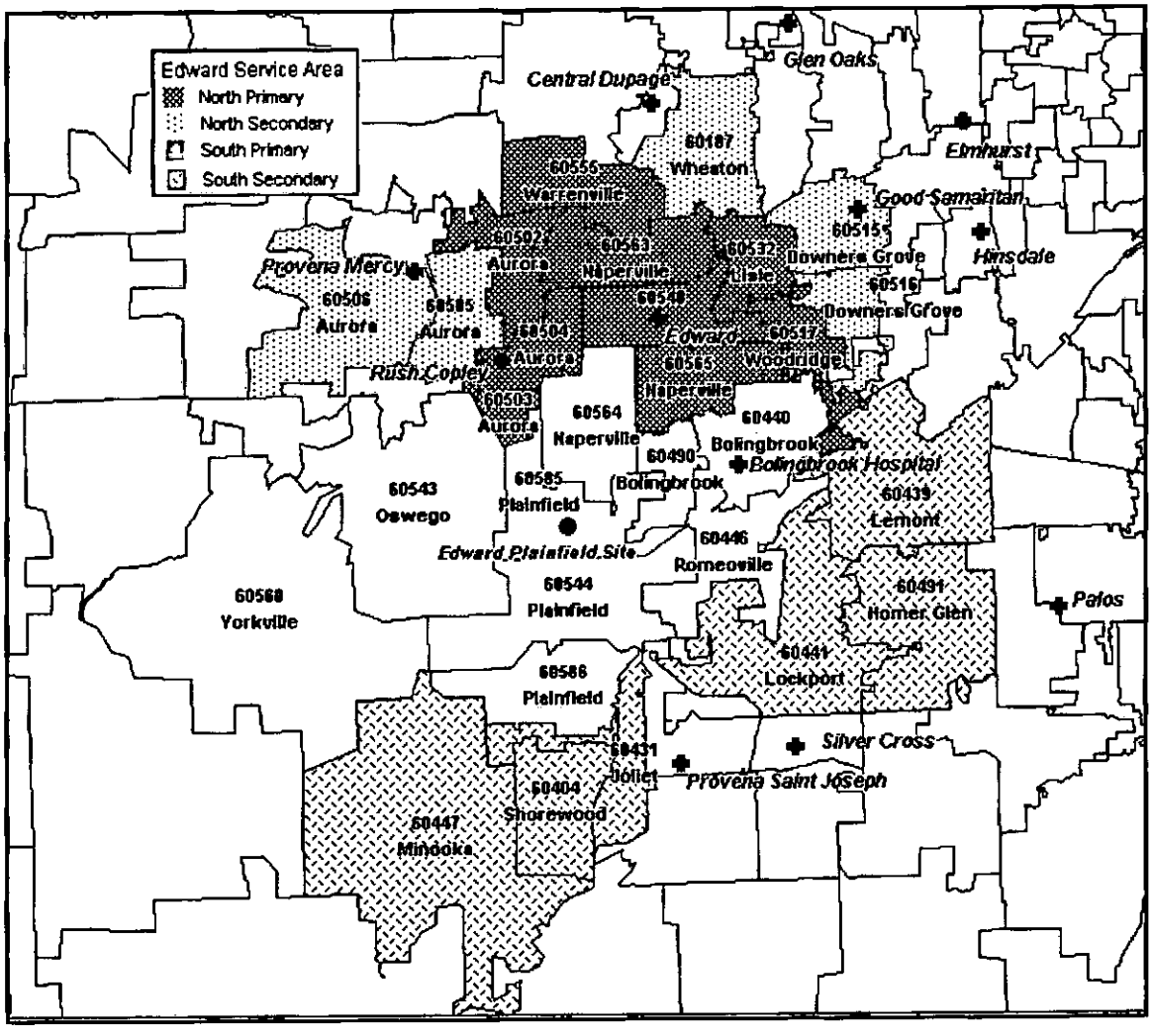
In addition to these statements of purpose and direction, Edward also identified "community commitment" as one of its six strategic priorities in the 2011 – 2013 Strategic Plan. The goal of this priority is to ensure that the Corporation purposefully plans, monitors and implements strategies to strengthen the community we serve by addressing targeted needs.

VI. FY2011 – 2013 Community Benefit Plan

Edward's Community Benefit Plan is based on a careful analysis of service area demographics and utilization patterns, community survey data, and information and recommendations generated from local IPLANs.[1] Relevant information is summarized below.

Service Area Demographics Utilization

The North and South combined Primary Service Areas displayed on the map below represents slightly over 75% of Edward's patient origin. This area has an estimated population of nearly 575,000 residents.



[1] Illinois Project for the Local Assessment of Needs (completed by county health departments every three years)

Edward's service area spans multiple counties, with the majority of patients residing in DuPage and Will Counties, as presented in the following table.

Inpatient and Outpatient Volume	
	Edward Hospital & Linden Oaks % of Total FY2010 Volume
DuPage	45.4%
Will	38.9%
Kane	2.8%
Kendall	5.8%
Cook	2.6%
Sub-Total	***95.5%***
All Other Counties	4.5%

Note: Excludes Normal Newborns. Includes ED.

Communities within Edward's Primary Service Area were among the fastest growing in the country over the past 20 years, and Edward spent significant resources during this period expanding programs and building facilities to accommodate this growth. During the recent economic recession, there has been a slow-down in the number of new residents moving into the service area; however the latest population projections indicate that the area will grow by 60,800 residents by 2015-- an annual growth rate of 2%. Note that this remains higher than both Illinois and the United States growth rates. Edward will continue to monitor local growth rates to ensure that it 'right-sizes' its services to accommodate community need.

	2010 Estimate	**2015 Projection**	**Projected Annual Growth Rate**
Edward Primary Service Area	574,333	635,178	2.1%
United States			0.8%
Illinois			0.3%

Source: Claritas

While Edward's service area is relatively young with an average age of 34 (compared to the Illinois and United States average of 37 and 38, respectively), the population is aging at a faster rate. The 65 and older population is projected to grow 40% over the next 5 years. This will present significant challenges considering the elderly consume the majority of health care resources—particularly inpatient beds and chronic disease services.

EHSC Primary Service Area Age Mix

Population by Age	2010 Estimate	2010% of total	2015 Projection	2015 % of total	% Change
Age 0 to 17	167,185	29.1%	180,224	28%	7.8%
Age 18 to 44	223,736	39.0%	231,375	36%	3.4%
Age 45 to 64	142,441	24.8%	166,140	26%	16.6%
Age 65 and over	40,971	7.1%	57,439	9%	40.2%

Age Comparisons

	2010 Average Age	% 65+ Population	% growth 65+ Population
Edward Primary Service Area	33.76	7%	8.0%
United States	37.75	13%	3.1%
Illinois	37.2	12.5%	2.3%

The racial and ethnic composition of Edward's service area is summarized below. Edward has a significantly higher percentage of residents with Asian ethnicity than either Illinois or the United States, and 13% of area residents are of Hispanic/Latino ethnicity. This diversity presents both language and cultural barriers that have the potential to compromise access to health care. Edward has maintained a strong commitment to language assisted services, and has steadily increased the budget for these services.

Racial/Ethnicity Composition

	EHSC Primary Service Area	U.S.	Illinois
White Alone	74.15%	72.3%	71.2%
Black/African American Alone	8.7%	12.4%	14.6%
Asian Alone	9.4%	4.4%	4.3%
Other Race Alone	4.8%	6.8%	7.2%
2 or more races	2.6%	3.0%	2.4%
% Hispanic/Latino	13.04%	15.8%	15.6%

The number and percentage of lower-income residents has increased in 2009 according to the most recently available data from the US Census Bureau. The percentage of individuals at or below the poverty level is now at 6.5% in DuPage County and 6.9% in Will County. While this is lower than the State average, it nevertheless represents a significant number of individuals—in fact, over 105,900—living at or below the poverty level in DuPage and Will Counties. Requests for Public Aid assistance from DuPage county residents have increased by 60% over the past five years, which is straining the public system's ability to fund health care services for this vulnerable population.

	POVERTY POPULATION[2]		
	2008	**2009**	% Change
DuPage County	52,131	59,459	14.06%
Will County	44,290	46,445	4.87%

The hospital sector has experienced the growing level of poverty firsthand. Medicaid utilization within Edward's Primary Service Area increased from 9.5% to 11.9% of total inpatient hospital discharges between FY 2008 and 2009, while the number of Medicaid inpatient discharges increased 24%.

MEDICAID HOSPITAL UTILIZATION TRENDS

Edward Hospital Primary Service Area

	FY 08		FY 09		FY 10		
	Total Market	% of Total Market	Total Market	% of Total Market	Total Market	% of Total Market	FY08-10 % change
North Primary	1,792	8.30%	1,899	9.10%	1,967	9.40%	9.8%
South Primary	2,627	10.70%	3,150	12.70%	3,494	14.00%	33.0%
Primary Total	***4,419***	***9.50%***	***5,049***	***11.00%***	***5,461***	***11.90%***	***23.6%***

The Medicaid rate of growth at Edward Hospital and Linden Oaks surpassed that in the market, increasing 33.5% or 6,625 incremental Medicaid patient visits (inpatient and outpatient) from FY2008. Furthermore, Medicaid visits to Edward Medical Group physicians increased 77% during the same time period.

Edward has also observed that the demand for behavioral health services continues to increase in the area—in fact, inpatient psychiatric discharges increased 15.5% between FY 2008 and 2010.

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[2] 2009 Federal Poverty Guidelines

Family Size Poverty Guideline

1 $10,830
2 $14,570
3 $18,310
4 $22,050

Community Survey Results

In addition to a consideration of the area's demographic and utilization trends, Edward utilizes the National Research Corporation (NRC) to survey individuals residing in its service area on issues related to access as well as awareness of local health services. In the most recent survey (NRC- 2009), a significant number of respondents from Edward's Total Service Area reported that a member of their household had deferred care in the past year for financial reasons. The following were identified as the reason for delaying care:

- Concerned about spending during this economy- 30.9%
- Unable to pay- 30.6%
- Willing to manage on my own for now- 24.6%
- Problem not serious- 21.1%
- Concerned about my out of pocket expenses- 17.6%
- Other (unspecified)- 15.8%
- Concerned to take the time off from work- 15.1%
- No Insurance- 14.7%
- Treatment not covered by health plan- 11.4%
- Out of pocket prescription expenses too high- 9.1%
- Provider has inconvenient hours- 7.6%
- Do not have regular/primary care physician- 6.3%

2009 NRC data also indicated that depression/anxiety disorders rank among the top chronic conditions in Edward's Service Area, with 6.5% more respondents reporting this issue than in 2006.

Local IPLAN Input

As part of its assessment process, Edward reviewed recently developed IPLANs from DuPage and Will County. As part of the IPLAN process, each county in Illinois analyzes information relative to local health status, identifies community needs, and establishes priorities for action. The table below summarizes the priorities assigned by each community to improve local health status.

DUPAGE COUNTY PRIORITIES	WILL COUNTY PRIORITES
• Obesity and Overweight • Access to Health Services • Mental Health/Substance Abuse • Infectious Disease	• Access to Care • Awareness • Prevention and Management of Chronic Care Issues • System Collaboration and Linkage

Edward FY2011 – 2013 Community Benefit Priorities and 2011 Action Plan

Based on an assessment of area need along with consideration of corporate competencies, Edward has identified three primary areas of strategic focus for future community benefit activities and resource allocation:

- Access to Care
- Mental Health
- Obesity

Tactics that Edward will deploy in FY 2011 to address these priorities are summarized below.

Initiatives	Tactics
OBESITY	
Improve coordination of existing programs	- Conduct internal audit of Edward programming to support those at risk or with issues - Identify gaps and/or opportunities for synergies or coordination - Develop plan to enhance programming based on findings - Implement and promote programs - Monitor success: sign-ups and outcomes
Research and monitor national, state, and regional initiatives	- Develop tracking mechanism for national, state, regional initiatives - Implement communication plan for key audiences
Participate in community or local initiatives	- Participate in FORWARD initiative - Evaluate participation in ProActive Kids Foundation - Participate in Will County MAPP Project - Assess need to participate in other initiatives
Determine resource and funding needs for continued focus and impact	- Based on internal assessment and plan for enhancement, identify additional funding, staffing or other needs
MENTAL HEALTH	
Increase Awareness, Education and Early Detection Activities related to Mental Health	- Increase Screenings and conduct focus groups to identify community needs - Extend Eating Disorder professional expertise to address obesity issues - Conduct at least ten training seminars for the professional provider community - Conduct at least five educational programs for the consumer/lay community - Initiate Mental Health First Aid training program
Improve access to mental health services	- Identify and develop opportunities to address adolescent mental health needs - Identify strategies for meeting the mental health needs of low income residents of primary service area - Evaluate ability to increase capacity of inpatient and outpatient LOH services to meet service area needs

Initiatives	Tactics
Improve partnerships with County Health Departments and other local agencies	- Identify and participate on committees in Will County that address mental health needs - Collaborate with DuPage Health Coalition, DuPage County Health Department, DuPage Community Mental Health Clinic and DuPage Federation of Human Services to improve access to mental health services. - Strengthen resource and referral services for domestic violence and sexual abuse
ACCESS	
Facilitate access to care through financial assistance to low income residents of the PSA	- Broaden communication about EHSC financial assistance policy
Increase community involvement in assessing, developing, and enhancing programs to enhance access to essential health care services for low-income and uninsured residents	- Strengthen partnerships with other organizations for the potential development of programs to expand access to low income residents of the service area - Increase direct financial support to Access DuPage and DuPage Community Clinic
Increase the availability of and access to primary care services throughout the PSA	- Recruit 5 additional EMG primary care providers - Increase access and improve coordination for Medicare and chronic care patients through medical home and similar care delivery models
Promote appropriate and cost effective health care utilization (right patient/right setting)	- Expansion of walk-in clinic concept as cost effective alternative to emergency department - Expansion of community case manger and patient navigation services - Development of CHF Council to promote more cost effective utilization by CHF patients across the continuum of care

Community Benefit Report

Edward Hospital & Health Services FY 2011

A message from Pam Davis

As President & CEO at Edward for more than 20 years, I am so proud of the growth and development of our award-winning services and care teams, including an amazing medical staff of nearly 1,000 physicians.

Our success flows from our mission – to support health and strengthen communities by providing outstanding healthcare services. We care for patients 24/7/365 regardless of their ability to pay. Patients like Maggie Kremkow (featured right) and thousands more like her.

In fact, while hospitals in this region compete on many fronts, we come together to provide well-coordinated care for the tens of thousands of uninsured and working poor who live in this region. We work closely with our physicians and local governments to create an effective safety net, through programs like Access DuPage (see back).

We don't take our tax-exemption lightly, and intend to continue to support our communities, especially the uninsured and poor people who cannot otherwise access our services.

EDWARD

Edward Hospital's community benefit surpasses $79 million

Charity care increases to $13.6 million in FY 2011

Maggie Kremkow first noticed the lump in her breast in early December 2010. Her doctor was suspicious as well and ordered tests, which confirmed that Maggie had breast cancer.

"I had never been sick a day in my life," says Maggie, a 45-year old resident of Naperville. "To get sick like that was not easy."

That's also when another reality hit – she had no health insurance. Maggie had recently started a new job and her coverage had not taken effect, and she wasn't eligible for her husband's insurance.

"You're frightened because you have cancer and you're frightened because you don't have insurance," recalls Maggie.

Edward addressed both fears.

Beginning in late January 2011, Dr. Alexander Hantel, Director of Medical Oncology, and the Edward Cancer Center team began treating Maggie with a combination of chemotherapy and the drug Herceptin, with the goal of shrinking her tumor.

At the same time, Maggie learned she was going to be cared for regardless of her insurance situation because she qualified for Edward's Financial Assistance Policy, also known as charity care – the cost of medical services provided free or partially reimbursed.

Charity care is just one element of Edward's Community Benefit, which totaled nearly $79.1 million in fiscal year 2011, the ninth year in a row the amount has increased. Charity care grew to more than $13.6 million, a 10 percent increase over fiscal year 2010 and the eighth straight year the amount has risen.

Through October 2011, Edward's charity care program had covered $421,000 of Maggie's breast cancer treatment.

"There's a sense of relief to know I'm not burdened with hundreds of thousands of dollars of medical bills," says Maggie. "It was one less thing that I had to worry about. I didn't have to stress every time I went to the hospital."

There was more relief for Maggie in August 2011 when surgery revealed her tumor had responded well to treatment. So well, that it had disappeared. Tests showed no sign of cancer. Radiation treatments followed surgery to target any remaining cancer cells and Maggie will continue to take Herceptin through spring 2012.

"It was caught early enough and the treatments worked. I couldn't have asked for a better outcome."

Maggie Kremkow, 45-year old breast cancer patient, on Edward's Financial Assistance Policy: "There's a sense of relief to know I'm not burdened with hundreds of thousands of dollars of medical bills."

Edward's Financial Assistance Policy

Edward provides 100% assistance for uninsured patients who earn up to three times the U.S. poverty level. There's a sliding scale that ranges from 95-60% for those whose income is three to five times the poverty level. For uninsured patients, even those with incomes above this level, Edward offers the Hospital Uninsured Patient Discount which reduces charges to no more than 135% of cost. Edward will work with patients to develop payment plans to pay off remaining balances.

In addition, Edward has specially trained counselors who help uninsured patients apply for public aid, and social workers and discharge planners who work with community clinics, primary care doctors and follow-up providers to provide care to qualifying patients on a sliding scale or at no cost.

For more information, visit **www.edward.org/financialassistance** or call **(630) 527-3100.**

Linden Oaks leads regional Mental Health First Aid effort

Linden Oaks at Edward is one of the first organizations in the Midwest to create a consortium of Mental Health First Aid (MHFA) trainers certified to train community members as MHFA responders. The effort is part of the National Council for Community Behavioral Health MHFA program which originated in Australia and was launched in the U.S. three years ago. MHFA responders provide assistance during a mental health crisis until professional help can be obtained.

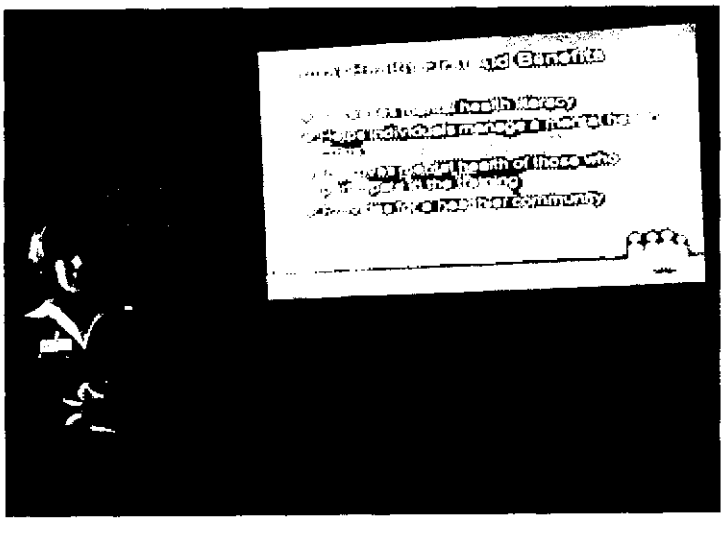
"When we learned about Mental Health First Aid, we felt it was the right education program for our community," says Mary Lou Mastro, CEO, Linden Oaks.

Linden Oaks has worked over the last year to introduce the MHFA program and has successfully sought the support and partnership of key groups, including city/county governments, police and fire departments, social services, education, churches and others.

Led by four members of the Linden Oaks leadership team, who are among the first in the Midwest to be certified as MHFA instructors, training of community members began in the spring of 2011 with groups such as Naperville Township, Lexington Hospice, DuPage County Probation Dept., DuPage County DUI Unit, Lellbach Builders, Cornerstone Services, Little Friends, Inc., Teen Parent Connection and the DuPage County Health Dept.

"Our goal is to make responding to a mental health crisis as common as utilizing CPR in a cardiac emergency," says Mastro. "As more people are trained, it will help spread the word that treatment is available and help chip away at the stigma surrounding mental illness."

For more information, call **(630) 305-5500** or visit **www.edward.org/mentalhealthfirstaid**.



Through the Mental Health First Aid program, Mary Lou Mastro, CEO, Linden Oaks at Edward, is leading the community effort to reduce the stigma surrounding mental illness and let people know treatment is available.

Financial support for the community

Edward leads the way as a financial supporter of and partner with community organizations to provide essential healthcare services to residents of DuPage County. One of those groups is Access DuPage, an innovative partnership of DuPage-area hospitals, physicians, local government, human services agencies and community groups.

Edward donated $683,000 to Access DuPage in FY 2011, funds that help more than 13,000 low-income, medically uninsured residents receive free or significantly discounted primary care from physicians, and diagnostic and inpatient care from Edward and other hospitals in DuPage County.

Edward Community Benefit

In fiscal year 2011, Edward's Community Benefit grew to nearly $79.1 million, the ninth year in a row the amount has increased. Charity care, the cost of medical services that were provided free or partially reimbursed, rose 10 percent in FY 2011 to more than $13.6 million, the eighth straight year for an increase.

BENEFIT TYPE	FY 2011*
Charity Care**	**$13,652,777**
Unreimbursed Medicare/ Medicaid**	$51,249,664
Bad Debt**	$7,529,614
Community Services	$6,660,456
Total	**$79,092,511**

*—FY 2011: July 1, 2010 – June 30, 2011

**—Adjusted with cost-to-charge ratio

XII. Charity Care Information

The chart below provides, for the last three audited fiscal years, the amount and cost of charity care and the ratio of charity care to net patient revenue at Edward Hospital and other providers in the EHSC system (Linden Oaks Hospital at Edward and Edward employed physician medical groups). Edward's mission is to support health and strengthen communities by providing outstanding healthcare services. As the need for charity care support increases in the community so will the amount of charity care provided at Edward as shown by the data.

CHARITY CARE- EHSC Consolidated*			
	FY 2009	**FY 2010**	**FY 2011**
Net Patient Revenue	$ 501,828,502	$ 524,028,576	$ 538,715,503
Amount of Charity Care (charges)	$ 30,674,014	$ 44,420,453	$ 47,588,042
Cost of Charity Care	$ 8,933,911	$ 12,304,465	$ 13,652,777
Ratio of Charity Care Cost to Net Patient Revenue	1.8%	2.3%	2.5%

* Includes Edward Hospital, Linden Oaks Hospital, and Edward employed physician medical groups