

~~ORIGINAL~~

15-059

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

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

DEC 11 2015

This Section must be completed for all projects.

Facility/Project Identification

HEALTH FACILITIES &
SERVICES REVIEW BOARD

| | | | |
|--------------------|----------------------------------|------------------------|----------------------------|
| Facility Name: | Loyola University Medical Center | | |
| Street Address: | 2160 S. 1 st Avenue | | |
| City and Zip Code: | Maywood | 60153 | |
| County: | Cook | Health Service Area 07 | Health Planning Area: A-06 |

Applicant /Co-Applicant Identification

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

| | | | |
|----------------------------------|--|--|--|
| Exact Legal Name: | Loyola University Medical Center | | |
| Address: | 2160 S. 1 st Avenue Maywood, IL 60153 | | |
| Name of Registered Agent: | CT Corporation 208 S. LaSalle St Chicago 60604 | | |
| Name of Chief Executive Officer: | Wendy Leutgens, RN, MSN (President) | | |
| CEO Address: | 2160 S. 1 st Avenue Maywood, IL 60153 | | |
| Telephone Number: | 708 216-6111 | | |

Type of Ownership of Applicant/Co-Applicant

- ☒ Non-profit Corporation
☐ For-profit Corporation
☐ Limited Liability Company
☐ Other

- ☐ Partnership
☐ Governmental
☐ Sole Proprietorship



- 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: | Armand Andreoni |
| Title: | Director, Analytics and Community Benefit |
| Company Name: | Loyola University Health System |
| Address: | 2160 South 1st Avenue |
| Telephone Number: | 708 216-4600 |
| E-mail Address: | aandreo@lumc.edu |
| Fax Number: | 708 216-3825 |

Additional Contact

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

| | |
|---------------|----------------|
| Name: | Ralph Weber |
| Title: | |
| Company Name: | Weber Alliance |

| | | |
|-------------------|---------------------|----------------------|
| Address: | 920 Hoffman Lane | Riverwoods, IL 60015 |
| Telephone Number: | 847 791-0830 | |
| E-mail Address: | rmweber90@gmail.com | |
| Fax Number: | | |

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

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

| | | | |
|----------------------------------|--|-------------|-------|
| Exact Legal Name: | Loyola University Health System | | |
| Address: | 2160 S. 1 st Avenue | Maywood, IL | 60153 |
| Name of Registered Agent: | CT Corporation 208 S. LaSalle St Chicago 60604 | | |
| Name of Chief Executive Officer: | Larry M. Goldberg | | |
| CEO Address: | 2160 S. 1 st Avenue | Maywood, IL | 60153 |
| Telephone Number: | 708 216-3215 | | |

Type of Ownership of Applicant/Co-Applicant

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

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| Name: | Ralph Weber |
| Title: | |
| Company Name: | Weber Alliance |

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| Address: | 920 Hoffman Lane | Riverwoods, IL 60015 |
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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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| Street Address: | 2160 S. 1 st Avenue | | |
| City and Zip Code: | Maywood | 60153 | |
| County: | Cook | Health Service Area 07 | Health Planning Area: A-06 |

Applicant /Co-Applicant Identification

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

| | | | |
|----------------------------------|--|--|--|
| Exact Legal Name: | Trinity Health Corporation | | |
| Address: | 20555 Victor Parkway Livonia, MI 46152 | | |
| Name of Registered Agent: | The Corporation Company 30600 Telegraph Rd Bingham Farms, MI | | |
| Name of Chief Executive Officer: | Richard J. Gilfillan, MD | | |
| CEO Address: | 20555 Victor Parkway Livonia, MI 46152 | | |
| Telephone Number: | 734 343-1000 | | |

Type of Ownership of Applicant/Co-Applicant

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
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| Name: | Armand Andreoni |
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| Company Name: | Loyola University Health System |
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| Address: | 920 Hoffman Lane | Riverwoods, IL 60015 |
| Telephone Number: | 847 791-0830 | |
| E-mail Address: | rmweber90@gmail.com | |
| Fax Number: | | |

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: | Armand Andreoni | | |
| Title: | Director, Analytics and Community Benefit | | |
| Company Name: | Loyola University Health System | | |
| Address: | 2160 S. 1 st Avenue | Maywood, IL | 60153 |
| Telephone Number: | 708 216-4600 | | |
| E-mail Address: | aandreo@lumc.edu | | |
| Fax Number: | 708 216-3825 | | |

Site Ownership

[Provide this information for each applicable site]

| | | | |
|--|---|--|--|
| Exact Legal Name of Site Owner: | Loyola University Medical Center | | |
| Address of Site Owner: | 2160 S. 1 st Avenue Maywood, IL 60153 | | |
| Street Address or Legal Description of Site: | <p>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.</p> | | |
| APPEND DOCUMENTATION AS <u>ATTACHMENT-2</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. | | | |

Operating Identity/Licensee

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

| | | | |
|--|---|--------------------------|--|
| Exact Legal Name: | Loyola University Medical Center | | |
| Address: | 2160 S. 1 st Avenue Maywood, IL 60153 | | |
| <input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other | <input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> | |
| <ul style="list-style-type: none"> 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 <u>ATTACHMENT-3</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. | | | |

Organizational Relationships

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

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

Flood Plain Requirements**Not applicable to discontinuation**

[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**Not applicable**

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

- ☒ Substantive
☐ Non-substantive

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.

Loyola University Health System (LUHS) and Loyola University Medical Center (LUMC) propose to relocate its inpatient Comprehensive Physical Rehabilitation service from LUMC in Maywood, 4 miles north to Gottlieb Memorial Hospital (GMH) in Melrose Park.

This permit application proposes the discontinuation of the 32 bed Comprehensive Physical Rehabilitation service on the 5th floor of LUMC, 2160 S. 1st Avenue, Maywood. A related permit application proposes the establishment of a smaller Comprehensive Physical Rehabilitation service at GMH.

LUMC is located in HSA 07. The project will reduce LUMC's Comprehensive Physical rehabilitation bed count from 32 to 0. The re-use plan for the 5th floor at LUMC is not known at this time.

Total project cost is \$0.

The anticipated completion date for the project is July 1, 2016.

As a discontinuation of a clinical service, the project is classified as Substantive.

Based on new State rules adopted in June 2015, projects for the discontinuation of clinical services are subject to the Certificate of Exemption process.

Project Costs and Sources of Funds**There is no capital cost associated with this project.**

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

| Project Costs and Sources of Funds | | | |
|--|-----------------|--------------------|--------------|
| USE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Preplanning Costs | | | 0 |
| Site Survey and Soil Investigation | | | 0 |
| Site Preparation | | | 0 |
| Off Site Work | | | 0 |
| New Construction Contracts | | | 0 |
| Modernization Contracts | | | 0 |
| Contingencies | | | 0 |
| Architectural/Engineering Fees | | | 0 |
| Consulting and Other Fees | | | 0 |
| Movable or Other Equipment (not in construction contracts) | | | 0 |
| Bond Issuance Expense (project related) | | | 0 |
| Net Interest Expense During Construction (project related) | | | 0 |
| Fair Market Value of Leased Space or Equipment | | | 0 |
| Other Costs To Be Capitalized | | | 0 |
| Acquisition of Building or Other Property (excluding land) | | | 0 |
| TOTAL USES OF FUNDS | | | 0 |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities | | | 0 |
| Pledges | | | 0 |
| Gifts and Bequests | | | 0 |
| Bond Issues (project related) | | | 0 |
| Mortgages | | | 0 |
| Leases (fair market value) | | | 0 |
| Governmental Appropriations | | | 0 |
| Grants | | | 0 |
| Other Funds and Sources | | | 0 |
| TOTAL SOURCES OF FUNDS | | | 0 |

Related Project Costs**Not applicable**

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

| | | |
|--|------------------------------|--|
| Land acquisition is related to project | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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

| |
|--|
| For facilities in which prior permits have been issued please provide the permit numbers. |
| Indicate the stage of the project's architectural drawings: |
| <input checked="" type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input type="checkbox"/> Schematics <input type="checkbox"/> Final Working |
| Anticipated project completion date (refer to Part 1130.140): July 1, 2016 |
| Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140): |
| <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies <input type="checkbox"/> Project obligation will occur after permit issuance. |
| APPEND DOCUMENTATION AS <u>ATTACHMENT-8</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. |

State Agency Submittals

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

Cost Space Requirements

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

| Dept. / Area | Cost | Gross Square Feet | | Amount of Proposed Total Gross Square Feet That Is: | | | |
|--|------|-------------------|----------|---|------------|-------|---------------|
| | | Existing | Proposed | New Const. | Modernized | As Is | Vacated Space |
| REVIEWABLE | | | | | | | |
| Medical Surgical | | | | | | | |
| Intensive Care | | | | | | | |
| Diagnostic Radiology | | | | | | | |
| MRI | | | | | | | |
| Total Clinical | | | | | | | |
| | | | | | | | |
| NON REVIEWABLE | | | | | | | |
| Administrative | | | | | | | |
| Parking | | | | | | | |
| Gift Shop | | | | | | | |
| | | | | | | | |
| Total Non-clinical | | | | | | | |
| TOTAL | | | | | | | |
| APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , 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: Loyola University Medical Center | | CITY: Maywood | | | |
| REPORTING PERIOD DATES: From: Jan 1, 2014 to: Dec 31, 2014 | | | | | |
| Category of Service | Authorized Beds | Admissions | Patient Days | Bed Changes | Proposed Beds |
| Medical/Surgical | 292 | 18,735 | 85,287 | 0 | 292 |
| Obstetrics | 30 | 1,691 | 5,362 | 0 | 30 |
| Pediatrics | 34 | 2,546 | 6,658 | 0 | 34 |
| Intensive Care | 121 | 5,288 (1) | 33,053 | 0 | 121 |
| Comprehensive Physical Rehabilitation | 32 | 625 | 7,419 | -32 | 0 |
| Acute/Chronic Mental Illness | 0 | 0 | 0 | 0 | 0 |
| Neonatal Intensive Care | 50 | 280 | 9,749 | 0 | 50 |
| General Long Term Care | 0 | 0 | 0 | 0 | 0 |
| Specialized Long Term Care | 0 | 0 | 0 | 0 | 0 |
| Long Term Acute Care | 0 | 0 | 0 | 0 | 0 |
| Other ((identify)) | 0 | 0 | 0 | 0 | 0 |
| TOTALS: | 559 | 29,165 | 147,528 | -32 | 527 |

Note: (1) Direct admissions only

CERTIFICATION

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

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

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

Wendy Leutgers
SIGNATURE
Wendy Leutgers
PRINTED NAME
President
PRINTED TITLE

Larry Goldberg
SIGNATURE
Larry Goldberg
PRINTED NAME
Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 7 day of December 2015

Notarization:
Subscribed and sworn to before me
this 7 day of December 2015

Joanne L Pason
Signature of Notary
Seal
OFFICIAL SEAL
JOANNE L PASON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 08/31/16

Joanne L Pason
Signature of Notary
Seal
OFFICIAL SEAL
JOANNE L PASON
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 08/31/16

*Insert EXACT legal name of the applicant

CERTIFICATION

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[Signature]
SIGNATURE

Daniel P. Isackson, Jr.
PRINTED NAME

Senior Vice President, Finance
PRINTED TITLE

[Signature]
SIGNATURE

HARRY L. FALDING
PRINTED NAME

PRESIDENT & CEO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 7 day of December, 2015

[Signature]
Signature of Notary

Seal



*Insert EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 7 day of December, 2015

[Signature]
Signature of Notary

Seal



ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

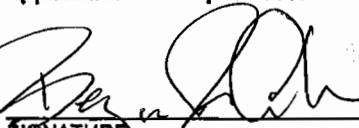
APPLICATION FOR PERMIT- July 2013 Edition

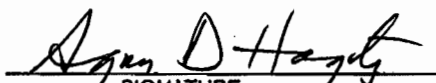
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- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general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

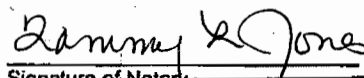
This Application for Permit is filed on the behalf of Trinity Health Corporation *
In accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of 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.

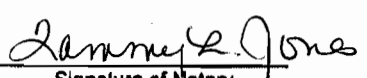

SIGNATURE
BENJAMIN CARTER
PRINTED NAME
TREASURER
PRINTED TITLE


SIGNATURE
AGNES D. HARTY
PRINTED NAME
ASSISTANT SECRETARY
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of December, 2015

Notarization:
Subscribed and sworn to before me
this 4th day of December, 2015


Signature of Notary
Seal: TAMMY LYNN JONES
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF OAKLAND
My Commission Expires May 11, 2022
Acting in the County of Wayne
*Insert EXACT legal name of the applicant


Signature of Notary
Seal: TAMMY LYNN JONES
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF OAKLAND
My Commission Expires May 11, 2022
Acting in the County of Wayne

SECTION II. DISCONTINUATION

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

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

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

REASONS FOR DISCONTINUATION

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

IMPACT ON ACCESS

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

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

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PURPOSE OF PROJECT

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

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

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

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

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

VIII. - 1120.120 - Availability of Funds

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

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

APPEND DOCUMENTATION AS **ATTACHMENT-36**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, 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.

| | Historical 3 Years | | | 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 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility**This section is applicable to all projects subject to Part 1120.****A. Reasonableness of Financing Arrangements**

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

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

| COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE | | | | | | | | | |
|---|-------------------------|------|----------------------|--------|-----------------------|--------|----------------------|--------------------|--------------------------|
| Department (list below) | A | B | C | D | E | F | G | H | Total Cost (G + H) |
| | Cost/Square Foot New | Mod. | Gross Sq. Ft. New | Circ.* | Gross Sq. Ft. Mod. | Circ.* | Const. \$ (A x C) | Mod. \$ (B x E) | |
| | | | | | | | | | |
| Contingency | | | | | | | | | |
| TOTALS | | | | | | | | | |
| * Include the percentage (%) of space for circulation | | | | | | | | | |

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT -39, 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 40.

| 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-40, 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 41.

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

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

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

| INDEX OF ATTACHMENTS | | |
|----------------------|--|------------|
| ATTACHMENT NO. | | PAGES |
| 1 | Applicant/Coapplicant Identification including Certificate of Good Standing | 1-6, 26-28 |
| 2 | Site Ownership | 7, 29 |
| 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. | 30 |
| 5 | Flood Plain Requirements | -- |
| 6 | Historic Preservation Act Requirements | -- |
| 7 | Project and Sources of Funds Itemization | 10 |
| 8 | Obligation Document if required | -- |
| 9 | Cost Space Requirements | 31 |
| 10 | Discontinuation | 32-35 |
| 11 | Background of the Applicant | 36-45 |
| 12 | Purpose of the Project | 46-50 |
| 13 | Alternatives to the Project | -- |
| 14 | Size of the Project | -- |
| 15 | Project Service Utilization | -- |
| 16 | Unfinished or Shell Space | -- |
| 17 | Assurances for Unfinished/Shell Space | -- |
| 18 | Master Design Project | -- |
| 19 | Mergers, Consolidations and Acquisitions | -- |
| | Service Specific: | -- |
| 20 | Medical Surgical Pediatrics, Obstetrics, ICU | -- |
| 21 | Comprehensive Physical Rehabilitation | -- |
| 22 | Acute Mental Illness | -- |
| 23 | Neonatal Intensive Care | -- |
| 24 | Open Heart Surgery | -- |
| 25 | Cardiac Catheterization | -- |
| 26 | In-Center Hemodialysis | -- |
| 27 | Non-Hospital Based Ambulatory Surgery | -- |
| 28 | Selected Organ Transplantation | -- |
| 29 | Kidney Transplantation | -- |
| 30 | Subacute Care Hospital Model | -- |
| 31 | Children's Community-Based Health Care Center | -- |
| 32 | Community-Based Residential Rehabilitation Center | -- |
| 33 | Long Term Acute Care Hospital | -- |
| 34 | Clinical Service Areas Other than Categories of Service | -- |
| 35 | Freestanding Emergency Center Medical Services | -- |
| | Financial and Economic Feasibility: | -- |
| 36 | Availability of Funds | -- |
| 37 | Financial Waiver | -- |
| 38 | Financial Viability | -- |
| 39 | Economic Feasibility | -- |
| 40 | Safety Net Impact Statement | 51-53 |
| 41 | Charity Care Information | 52 |

File Number 5815-594-2



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

LOYOLA UNIVERSITY MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 13, 1995, 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.



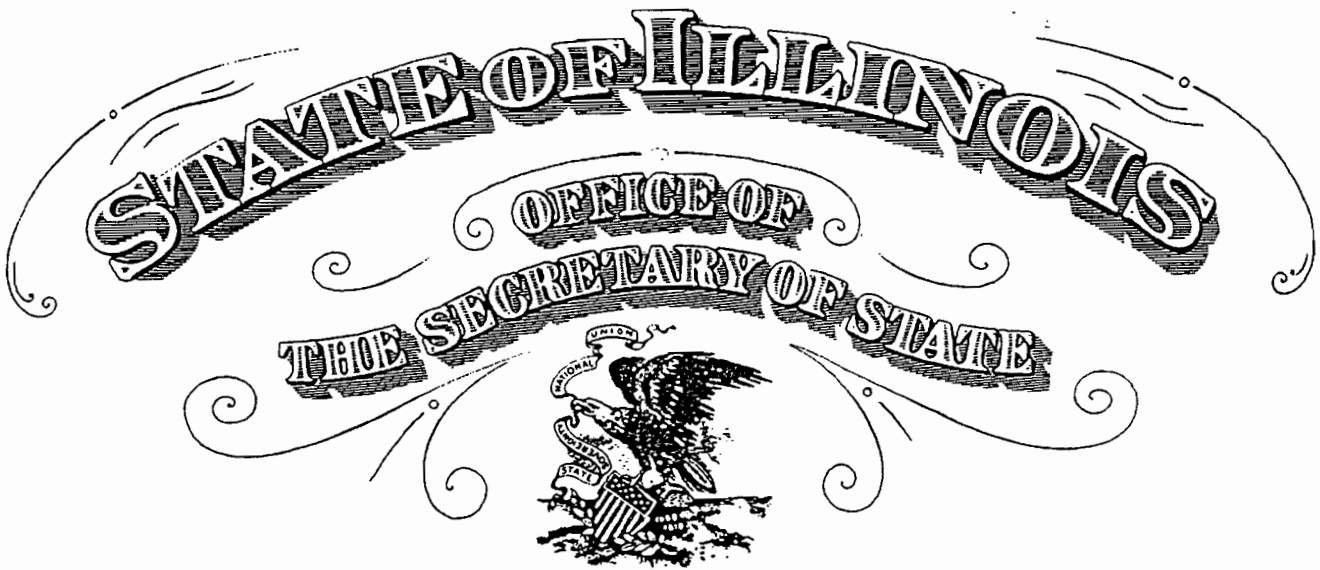
***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 22ND
day of SEPTEMBER A.D. 2015 .***

Jesse White

SECRETARY OF STATE

File Number

5348-850-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

LOYOLA UNIVERSITY HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 11, 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 SEPTEMBER A.D. 2015 .

Jesse White

Authentication #: 1526502416 verifiable until 09/22/2016

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

SECRETARY OF STATE

Attachment 1

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE
CERTIFICATE OF EXISTENCE

To Whom These Presents Come, Greetings:

I, Connie Lawson, Secretary of State of Indiana, do hereby certify that I am, by virtue of the laws of the State of Indiana, the custodian of the corporate records, and proper official to execute this certificate.

I further certify that records of this office disclose that

TRINITY HEALTH CORPORATION

duly filed the requisite documents to commence business activities under the laws of State of Indiana on November 10, 1978, and was in existence or authorized to transact business in the State of Indiana on September 22, 2015.

I further certify this Non-Profit Domestic Corporation has filed its most recent report required by Indiana law with the Secretary of State, or is not yet required to file such report, and that no notice of withdrawal, dissolution or expiration has been filed or taken place.



In Witness Whereof, I have hereunto set my hand and affixed the seal of the State of Indiana, at the city of Indianapolis, this Twenty-Second Day of September, 2015.

Connie Lawson

Connie Lawson, Secretary of State

197811-279 / 2015092280966



LOYOLA
UNIVERSITY
HEALTH SYSTEM

December 7, 2015

Wendy Leutgens, RN, MSN
President
Loyola University Medical Center
Tel: (708) 216-6111
Fax: (708) 216-1188
wleutgens@lumc.edu

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Ownership of Loyola University Medical Center and Foster G. McGaw Hospital

Dear Ms. Avery,

I hereby certify that Loyola University Medical Center and Foster G. McGaw Hospital, located at 2160 South First Avenue, Maywood, Illinois is owned by Loyola University Medical Center.

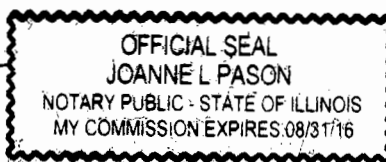
Sincerely,

Wendy S. Leutgens, RN, MSN
President
Loyola University Medical Center

Notarization:

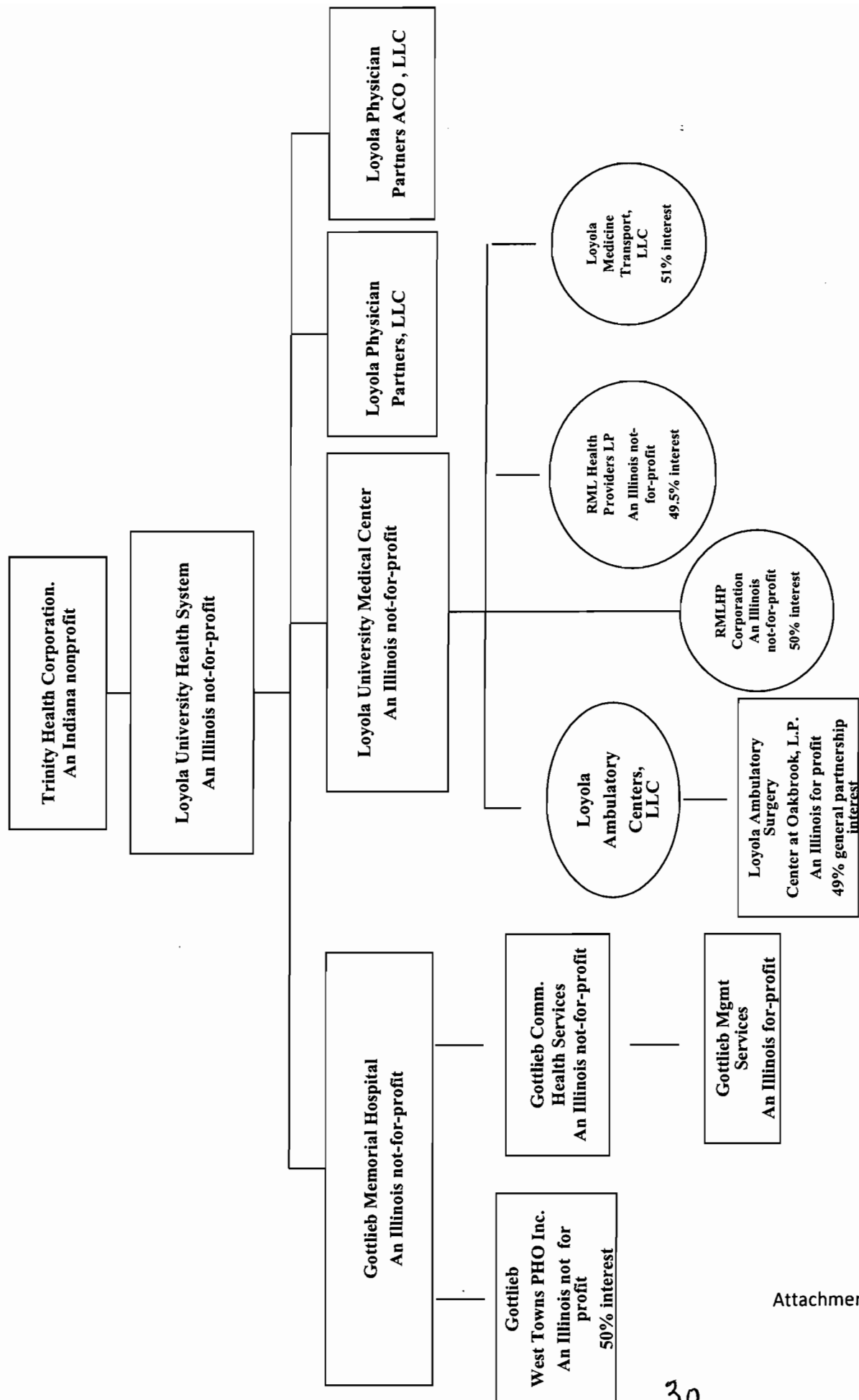
Subscribed and sworn to before me

This 7 day of December, 2015



Attachment 2

Loyola University Health System (7/8/15)



Cost Space Requirements

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

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

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

Note: This project vacates 16,804 dgsf on the 5th floor of Loyola University Medical Center due to the discontinuation of the Inpatient Comprehensive Rehabilitation unit.

DISCONTINUATION

Criterion 1110.130

General Information Requirements

The project proposes the discontinuation of the Comprehensive Physical Rehabilitation service at Loyola University Medical Center (LUMC), 2160 South 1st Avenue, Maywood, Illinois. This unit on the 5th floor of the original hospital building has 32 inpatient rehabilitation beds.

It is not known at this time how the vacated space on the 5th floor will be used. It will be clinical space, potentially inpatient acute care beds. Planning is underway to determine the best re-use of the space to help relieve pressures in Loyola's Level 1 trauma center, which has been on bypass frequently during this past year. As an academic medical center, LUMC has an array of high level tertiary and quaternary clinical services, and is a referral center for complex clinical conditions. During the past year, LUMC has had to refuse or delay requests for transfers from community hospitals due to physical capacity constraints. The re-use of the 5th floor will help address these issues. LUMC will inform the HFSRB when it determines the appropriate re-use plan and whether further Certificate of Need approvals are needed.

The anticipated date of discontinuation is July 1, 2016. As stated in the Narrative Description, Loyola University Health System (LUHS) intends to relocate its inpatient rehabilitation service through the establishment of the Comprehensive Physical Rehabilitation category of service at Gottlieb Memorial Hospital, 4 miles to the north in Melrose Park. The unit at Gottlieb will be sized as a 20 bed Comprehensive Physical Rehabilitation service. A separate CON permit application is filed as a companion document to this permit application for discontinuation. All medical records related to the Comprehensive Physical Rehabilitation service will be maintained within the LUHS EPIC electronic medical record system.

Reasons for the Discontinuation

The reason for the discontinuation is to facilitate the relocation of the Comprehensive Physical Rehabilitation unit from LUMC to GMH. Certificate of Need procedures require this relocation to be handled in two parts: the discontinuation of the service at LUMC and the establishment of the service at GMH. Therefore, reasons for the discontinuation fall into two categories: 1) those related to clinical services at LUMC, and 2) those related to programmatic service delivery at Gottlieb Memorial Hospital.

As stated above, LUMC must provide more acute care clinical capacity to address overcrowding and bypass in the emergency department / Level 1 trauma center, and to be able to accommodate requests for patient transfers to LUMC's higher level of care without delay. At this time, it is not decided what clinical facilities will best address these needs, but the availability of space on the 5th floor will enable several options.

The discontinuation of the service at LUMC can only be understood in the context of the planned relocation of the service to Gottlieb Memorial Hospital. GMH is an appropriate facility to accommodate the relocated Comprehensive Physical Rehabilitation service for the following reasons:

- The unit at GMH will continue inpatient rehabilitation care delivery within the LUHS system.

Loyola University Medical Center is the only academic medical center in the metropolitan area located outside of the City of Chicago. For most years in recent decades, Loyola has had the highest Case Mix Index among all Illinois academic medical centers and major teaching hospitals, a measure of intensity of care services provided. Continuation of post-acute care inpatient rehabilitation within the Loyola system is important especially for complex patients, including those with Left Ventricular Assist Devices (LVAD) / heart failure, burns, cardiac conditions and stroke, transplant and significant trauma.

- The relocation of the unit honors the commitment made by LUHS when it acquired Gottlieb Memorial Hospital, to invest in clinical program development and service delivery at Gottlieb. Other efforts since LUHS acquired GMH have included:

- remodeling of ICU (new headwalls, furnishings, room enlargement), the original hospital lobby; the Cancer Center; nursing units on 5S, 6S and 6W; emergency department nurses station; and the mammography suite.
- the redecoration and refurbishing of several inpatient units on various floors, including the Birth Center, 2W postpartum, and conversion of 5W to private rooms.
- equipment purchase for EPIC medical records system; anesthesia equipment; and telemetry.

- The unit at Gottlieb will strengthen Gottlieb Memorial Hospital as a community health resource. Other programs being enhanced at Gottlieb include orthopedics, urology, and weight management.

- The relocation will co-locate Comprehensive Physical Rehabilitation with other post-acute care programs now at GMH. These programs include the 34 bed Transitional Care Unit, home health care, adult day care and geriatric behavioral health. Strategically this collection of programs will create a robust post-acute care continuum of clinical services that enhances LUHS's ability for service bundling to reduce post-acute care costs, consistent with directives of the Affordable Care Act. GMH post-acute services will accomplish care delivery in a controlled setting, enabling implementation of care pathways, with consistent quality outcomes in a lower cost setting. Throughput will be increased, with anticipated reductions in length of stays and readmissions.

- Moving the unit to GMH will consolidate those LUHS clinical services overseen by Marianjoy Medical Group. Loyola and Marianjoy entered into a collaborative agreement for medical leadership of inpatient rehabilitation in 2014. Marianjoy also oversees the Transitional Care Unit at GMH.

- The relocation promotes a better management of facility and capital resources within the LUHS system. With an Average Daily Census running about 130 patients, GMH's 255 beds are at 60% utilization. It has available capacity. Meanwhile, LUMC is stressed with high occupancies and capacity limitations, resulting in unavailability of inpatient beds, external transfer requests being denied or delayed, and emergency room bypass. LUMC has the highest Case Mix Index in the State, with a need for beds to accommodate this acute patient population. Patient services will be enhanced by relocating rehab beds to GMH, allowing the re-use of the 5th floor space at LUMC for more suitable acute care beds. In general, the plan for GMH improves stewardship of facility resources within the LUHS system.

- Convenient and available parking on the GMH campus and a compact organization of clinical services on the GMH campus enhances patient access.

- The cost structure at GMH is 8.5% less than at LUMC, enabling a lower cost inpatient rehabilitation service.
- The rehabilitation unit at GMH will continue the Physical Medicine & Rehabilitation residency training program within the LUHS system.

Impact on Access

The discontinuation of the 32 bed Comprehensive Physical Rehabilitation unit at Loyola University Medical Center will not deny access to residents of the area and specifically to LUHS patients, since the unit is being relocated to Gottlieb Memorial Hospital, 4 miles to the north. The Medical Director in charge of the unit at LUMC and current staff will relocate with the unit to GMH. The Marianjoy Medical Group oversees the unit at LUMC, and will continue to oversee the unit at GMH.

For the past 2 years, LUMC has been staffing 24 rehabilitation beds within the 32 authorized-bed unit. Space available on the 6th floor at Gottlieb Memorial Hospital can accommodate a 20 bed unit. Average Daily Census at LUMC's inpatient rehabilitation unit for the past 12 months has been 19.4 patients. Two of the months had ADCs of 13 and 16 patients. The clinical leadership of the unit believes that a 20 bed unit is adequately sized to accommodate clinical needs for Loyola's post-acute care clinical population, especially as post-acute care services come under increasing pressure for lower cost and at home care.

In the event that there are peak needs exceeding 20 beds, LUHS's relationship with the Marianjoy Medical Group will facilitate admission to Marianjoy Rehabilitation Center. In addition, there are area hospital inpatient rehabilitation programs with available bed capacity, as reflected in the State Inventory for rehabilitation services, which indicates an excess of 130 inpatient rehabilitation beds in Suburban Cook and DuPage County. Attached is a letter signed by Marianjoy's President and CEO indicating their willingness to accept patients when beds at GMH are fully utilized and additional capacity is needed.

New CON regulations adopted in June 2015 no longer require that hospitals discontinuing a service notify all facilities within 45 minute travel times which provide that service.



Marianjoy Rehabilitation Hospital

Wheaton Franciscan Healthcare

Kathleen C. Yosko
President and CEO

26W171 Roosevelt Road
Wheaton, Illinois 60187

Tel: 630.909.7502
Fax: 630.909.7501

November 2, 2015

Ms. Kathryn J. Olson
Chairperson
Illinois Health Facilities and Services review Board
525 W. Jefferson St. 2nd floor
Springfield, IL 62761

Dear Ms. Olson

I am writing in support of the proposal for the establishment of an inpatient Comprehensive Rehabilitation service at Gottlieb Memorial Hospital to accommodate the relocation of the inpatient rehabilitation unit being closed at Loyola University Medical Center.

In July, 2014 Marianjoy Rehabilitation Hospital & Clinics, Inc. and Loyola University Medical Center entered into an agreement to provide medical direction and medical staff coverage for the inpatient rehabilitation unit at LUMC. Also, in February, 2015 GMH entered an agreement with Marianjoy for the medical direction and medical staff coverage of the transitional long term care unit. These arrangements have worked very well for the patients of both organizations and their staffs. Marianjoy also operates the 34 bed Transitional Care Unit at GMH. The relocation of the rehabilitation unit from LUMC to GMH will enable operational improvements and efficiencies in both programs through cross training of staff, shared patient protocols and increased throughput.

The 20 bed unit at GMH will be smaller than the current unit at LUMC. As a result, there may be times when peak census results in full occupancy of the unit at GMH. Marianjoy Rehabilitation Hospital & Clinics commits to receiving medically appropriate patient referrals from GMH and also directing patients to other area hospital rehabilitation units when such peak census occurs.

Members of Marianjoy's Medical Group have been involved in the planning of the new unit at GMH and look forward to our ongoing involvement in the operation of the new unit.

If you have any questions, please contact me at 630-909-7500.

Sincerely,

Kathleen Yosko
President & CEO

Attachment 10

1110.230 Background of Applicant, Purpose of the Project, and Alternatives

Background of the Applicant

Included in this Attachment are the following:

Listing of health care facilities owned by Loyola University Health System, including the following three licensed health care facilities:

Gottlieb Memorial Hospital

Loyola University Medical Center

Ambulatory Surgery Treatment Center (Loyola Outpatient Center, 2160 S 1st Avenue, Maywood)

IDPH licenses for the above three licensed health care facilities

Joint Commission accreditation for

Gottlieb Memorial Hospital

Loyola University Medical Center

(including the Ambulatory Surgery Treatment Center, Loyola Outpatient Center, at 2160 S 1st Avenue, Maywood)

CARF Accreditation (Committee on the Accreditation of Rehabilitation Facilities)

Letter by LUHS President and CEO that there have been no adverse actions, and authorizing access to Information

Loyola University Health System

Facility Locations

October 2015

| Hospitals | | | |
|---|------------------|----|-------|
| Loyola University Medical Center (Foster G. McGaw Hospital) | Maywood | IL | 60153 |
| Gottlieb Memorial Hospital | Melrose Park | IL | 60160 |
| Ambulatory Care Sites | | | |
| Cardinal Bernardin Cancer Center | Maywood | IL | 60153 |
| Loyola Outpatient Center | Maywood | IL | 60153 |
| Loyola Cancer Care & Research at the Marjorie G. Weinberg Cancer Center at Melrose Park | Melrose Park | IL | 60160 |
| Loyola Center for Cancer Care & Research at Kishwaukee Community Hospital | DeKalb | IL | 60115 |
| Loyola Center for Dialysis at Roosevelt Road | Maywood | IL | 60153 |
| Loyola Center for Health at Burr Ridge | Burr Ridge | IL | 60527 |
| Loyola Center for Health at Chicago | Chicago | IL | 60634 |
| Loyola Center for Health at Elmhurst | Elmhurst | IL | 60126 |
| Loyola Center for Health at Elmhurst North | Elmhurst | IL | 60126 |
| Loyola Center for Health at Elmwood Park | Elmwood Park | IL | 60707 |
| Loyola Center for Health at Hickory Hills | Hickory Hills | IL | 60457 |
| Loyola Center for Health at Homer Glen | Lockport | IL | 60491 |
| Loyola Center for Health at LaGrange Park | LaGrange Park | IL | 60526 |
| Loyola Center for Health at Melrose Park | Melrose Park | IL | 60160 |
| Loyola Center for Health at Norridge | Norridge | IL | 60706 |
| Loyola Center for Health at North Riverside | North Riverside | IL | 60546 |
| Loyola Center for Health at Oak Park | Oak Park | IL | 60302 |
| Loyola Center for Health at Oak Park South | Oak Park | IL | 60301 |
| Loyola Center for Health at Oakbrook Terrace | Oakbrook Terrace | IL | 60181 |
| Loyola Center for Health at Orland Park | Orland Park | IL | 60467 |
| Loyola Center for Health at River Forest | River Forest | IL | 60305 |
| Loyola Center for Health at Roosevelt Road | Maywood | IL | 60153 |
| Loyola Center for Health at Wheaton | Wheaton | IL | 60189 |
| Loyola Center for Hearing at Woodridge | Woodridge | IL | 60517 |
| Loyola Center for Heart & Vascular Medicine | Maywood | IL | 60153 |
| Loyola Center for Heart & Vascular Medicine at Park Ridge | Park Ridge | IL | 60068 |
| Loyola Center for Metabolic Surgery & Bariatric Care at Melrose Park | Melrose Park | IL | 60160 |
| Loyola Center for Oral Health | Maywood | IL | 60153 |
| Loyola Center for Rehabilitation at Roosevelt Road | Maywood | IL | 60153 |
| Loyola Gottlieb Professional Office Building | Melrose Park | IL | 60160 |
| Ambulatory Surgery Center | | | |
| Loyola University ASC - Loyola Outpatient | Maywood | IL | 60153 |

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

HF108312

**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.

Nirav D. Shah, M.D., J.D.

Director

Issued under the authority of
the Illinois Department of
Public Health

| EXPIRATION DATE | CATEGORY | ID NUMBER |
|-----------------------|------------------|-----------|
| 06/29/2016 | General Hospital | 0005801 |
| Effective: 06/30/2015 | | |

Foster G. McGaw Hospital Loyola University Medical Center
2160 South 1st Street
Maywood, IL 60153

Exp. Date 06/29/2016

Lic Number 0005801

Date Printed 05/12/2015

Foster G. McGaw Hospital Loyola Univ
2160 South 1st Street
Maywood, IL 60153

FEE RECEIPT NO.

Attachment 11

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

HF108128



**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

Nirav D. Shah, M.D., J.D.

Director

Issued under the authority of
the Illinois Department of
Public Health

| EXPIRATION DATE | CATEGORY | LD NUMBER |
|--|----------|-----------|
| 06/29/2016 | | 7003164 |
| Ambulatory Surgery Treatment Center | | |
| Effective: 06/30/2015 | | |

Loyola University Medical Center
dba Loyola University ASC- Loyola Outpatient
2160 South First Avenue, Bldg. 201
Maywood, IL 60153

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

Exp. Date 06/29/2016

Lic Number 7003164

Date Printed 04/22/2015

Loyola University Medical Center
dba Loyola University ASC- Loyola Out
2160 South First Avenue, Bldg. 201
Maywood, IL 60153

FEE RECEIPT NO.



Illinois Department of PUBLIC HEALTH

HF108311

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

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

| EXPIRATION DATE | CATEGORY | ID NUMBER |
|------------------------------|----------|-----------|
| 06/29/2016 | | 0005793 |
| General Hospital | | |
| Effective: 06/30/2015 | | |

Gottlieb Memorial Hospital
dba Loyola Health System at Gottlieb
701 West North Avenue
Melrose Park, IL 60160

Exp. Date 06/29/2016

Lic Number 0005793

Date Printed 05/12/2015

Gottlieb Memorial Hospital
dba Loyola Health System at Gottlieb
701 West North Avenue
Melrose Park, IL 60160

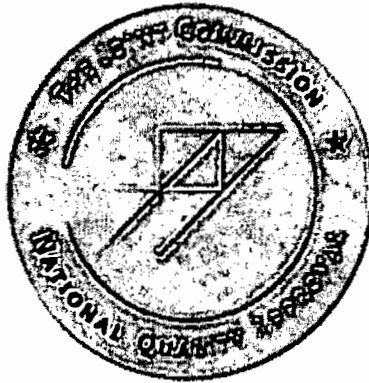
The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

FEE RECEIPT NO.

Loyola University Medical Center

Maywood, IL

has been Accredited by

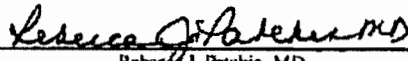


The Joint Commission


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

September 28, 2013

Accreditation is customarily valid for up to 36 months.


Rebecca J. Patchin, MD
Chair, Board of Commissioners

Organization ID #7288
Print/Reprint Date: 02/04/2014


Mark R. Chassin, MD, FACP, MPP, MPH
President

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



Gottlieb Memorial Hospital

Melrose Park, IL

has been Accredited by



The Joint Commission


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

January 11, 2014

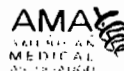
Accreditation is customarily valid for up to 36 months.


Rebecca J. Patchin, MD
Chair, Board of Commissioners

Organization ID #7400
Print/Reprint Date: 03/21/2014


Mark R. Chassin, MD, FACP, MPP, MPH
President

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





March 25, 2013

Paul Gorski, M.P.H., OTR/L
Loyola University Medical Center - Acute Rehabilitation Unit
2160 South First Avenue, Building 104, Room 1381
Maywood, IL 60153

Dear Mr. Gorski:

It is my pleasure to inform you that Loyola University Medical Center - Acute Rehabilitation Unit has been accredited by CARF International for a period of three years for the following programs:

Inpatient Rehabilitation Programs Hospital (Adults)
Inpatient Rehabilitation Programs Hospital: Stroke Specialty Program (Adults)

This accreditation will extend through March 2016. This achievement is an indication of your organization's dedication and commitment to improving the quality of the lives of the persons served. Services, personnel, and documentation clearly indicate an established pattern of practice excellence.

Your organization should take pride in achieving this high level of accreditation. CARF will recognize this accomplishment in its listing of organizations with accreditation, and we encourage you to make this accomplishment known throughout your community. Communication of the accreditation to your referral and funding sources, the media, and local and federal government officials can promote and distinguish your organization. Enclosed are some materials that will help you publicize this achievement.

The survey report is intended to support a continuation of the quality improvement of your programs. It contains comments on your organization's strengths as well as suggestions and recommendations. A quality improvement plan (QIP) demonstrating your efforts to implement the survey recommendations must be submitted within the next 90 days to retain accreditation. Guidelines and the form for completing the QIP have been posted on Customer Connect (customerconnect.carf.org), our secure, dedicated website for accredited organizations and organizations seeking accreditation. Please submit the QIP to the attention of the customer service unit identified in the QIP instructions.

Your organization's complimentary accreditation certificate will be sent separately. You may use the enclosed form to order additional certificates.

If you have any questions regarding your organization's accreditation, you are encouraged to seek support from a Resource Specialist in your customer service unit by calling extension 7174.

CARF INTERNATIONAL
6951 East Southpoint Road
Tucson, AZ 85756 USA
Toll-free 888 281 6531
Tel/TTY 520 325 1044
Fax 520 318 1129

CARF-CCAC
1730 Rhode Island Avenue, NW, Suite 410
Washington, DC 20036 USA
Toll-free 866 888 1122
Tel 202 587 5001
Fax 202 587 5009

CARF CANADA
10665 Jasper Avenue, Suite 760
Edmonton, AB T5J 3S9 CANADA
Toll-free 877 434 5444
Tel 780 429 2538
Fax 780 426 7274

Attachment 11

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Mr. Gorski

- 2 -

March 25, 2013

We encourage your organization to continue fully and productively using the CARF standards as part of your ongoing commitment to accreditation. We commend your commitment and consistent efforts to improve the quality of your programs. We look forward to working with your organization in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian J. Boon". The signature is fluid and cursive, with the first name "Brian" and last name "Boon" clearly distinguishable.

Brian J. Boon, Ph.D.
President/CEO

AEP
Enclosures



LOYOLA
UNIVERSITY
HEALTH SYSTEM

Larry Goldberg
President & Chief Executive Officer
Tel: (708) 216-3215
Fax: (708) 216-6227
lgoldberg@lumc.edu

December 7, 2015

Ms. Kathryn J. Olson
Chairperson
Illinois Health Facilities and
Services Review Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

Dear Ms Olson,

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

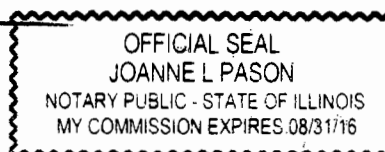
I hereby authorize the Health Facilities and Services Review Board and IDPH to access any documentation which it finds necessary to verify any information submitted, including but not limited to: official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations.

If you have any questions, please call Armand Andreoni, Director, Analytics and Community Benefit at 708 216-4601.

Sincerely,

Larry M. Goldberg
President & CEO
Loyola University Health System

Cc: Armand Andreoni, Director, Analytics and Community Benefit



Attachment II

PURPOSE STATEMENT

How the project will improve health service delivery.

The main purpose for discontinuing the Comprehensive Inpatient Rehabilitation service at Loyola University Medical Center is to enable its relocation to Gottlieb Memorial Hospital. Most of the justifications for the discontinuation project relate to how the new unit at the Gottlieb location will benefit health care delivery to residents of Suburban Cook and DuPage Counties and the western parts of the City of Chicago.

- The project co-locates post-acute care rehabilitation with other post-acute care programs now at GMH. These programs include the 34 bed Transitional Care Unit, home health care, adult day care and geriatric behavioral health. Collectively these programs create a post-acute care continuum of clinical services that enhances the delivery of clinical care in a controlled setting, enabling the implementation of care pathways and consistent quality outcomes. Throughput is increased, with anticipated reductions in lengths of stays and readmissions. In addition, the lower cost structure of GMH enables a more cost effective inpatient rehabilitation service, consistent with the Affordable Care Act.

- The project consolidates at GMH those LUHS programs overseen by the Marianjoy Medical Group – the Transitional Care Unit and the LUMC inpatient rehabilitation unit. This will enable efficiencies in staffing and operations for both programs. In 2014, Loyola and Marianjoy entered into a collaborative relationship for oversight of the Transitional Care Unit at Gottlieb and the rehabilitation unit at Loyola University Medical Center.

- By establishing the rehabilitation service at GMH, LUHS further honors the commitment made in 2008 when it acquired Gottlieb Memorial Hospital to invest in clinical program and service development at Gottlieb. During the past 6 years, LUHS has funded the remodeling of several nursing floors, the mammography suite and the emergency department; established the EPIC medical record system at Gottlieb; and installed telemetry and anesthesiology equipment. These investments are strengthening GMH as a valuable community health resource.

- The relocation of the rehabilitation unit from the 5th floor at LUMC makes that floor available for other clinical use, at a time that LUMC is stressed with high occupancies and capacity limitations. These conditions result in unavailability of inpatient beds, external transfer requests being denied or delayed, and emergency room bypass. LUMC has the highest Case Mix Index in the State of Illinois, with a growing need for beds to accommodate this acute care population. The relocation of the rehab unit promotes a better management of facility resources within the LUHS system.

Planning Area. The planning area for the project is the Central Service Area for LUMC. This area is a circular shape with an 8 – 9 mile radius around LUMC. The area has a year 2015 population of 1,904,423. 58.1% of LUMC total inpatients reside in this CSA. 56.7% of inpatients cared for in LUMC's rehabilitation unit reside in the CSA. The zip codes comprising the Central Service Area are shown on the table and map on the next pages.

Issues to be addressed. LUMC has a Case Mix Index of 2.222, highest among academic medical centers and teaching and community hospitals in the State of Illinois, a measurement of the complexity of Loyola's patients and the intensity of care required to treat them. LUMC has been among the top three Illinois hospitals with the highest CMI consistently over the past decades. The high CMI results in the

unavailability of inpatient beds due to high occupancy, external transfer requests being denied or delayed, and emergency room bypass.

How the project will address the above stated issues. The project will enhance the coordination of post-acute care services within the LUHS system and promote a lower cost inpatient rehabilitation service at GMH than can be achieved at LUMC. By continuing oversight by the Marianjoy Medical Group and transferring the unit's staff to GMH, high quality of service will be maintained within the Loyola University Health System. The relocation of the inpatient unit from LUMC to GMH also makes needed clinical space available at LUMC for higher intensity acute care services.

Information sources. These include:

- Loyola's EPIC electronic medical record system: source of patient volume and physician referral information
- Truven Health: source for population estimates and projections
- Inventory of Health Facilities and Services and Need Determinations, IDPH; August 25, 2015
- CMS.gov/Case Mix Index

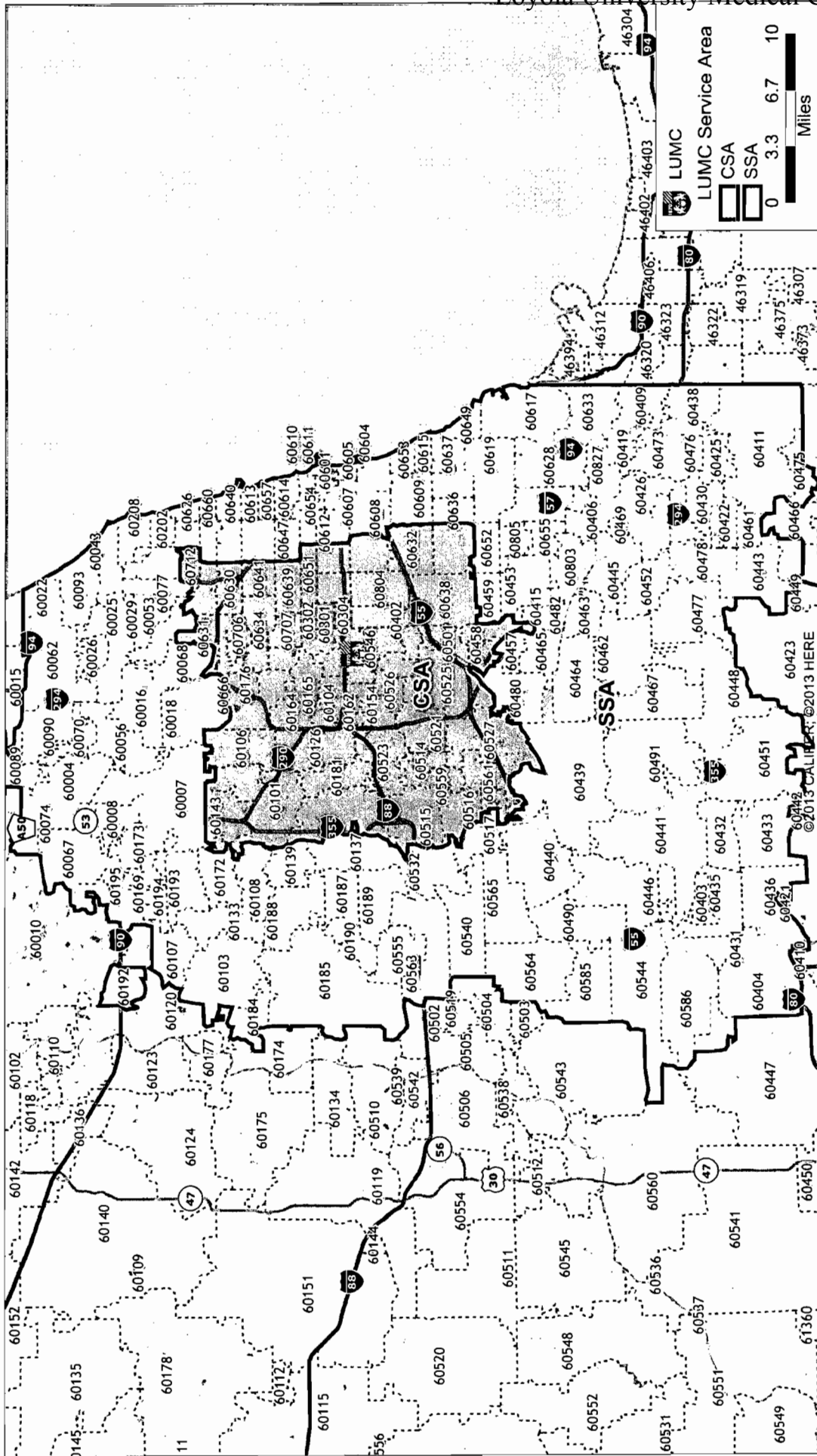
Measurable goals.

- Discontinue the inpatient rehabilitation unit at GMH by July 1, 2016
- Reduce cost of inpatient rehabilitation care delivery by 6 – 8%

LUMC Central and Secondary Service Areas based on Patient Origin

| | | Total Inpatients, FY 2015 | | | Inpatient Rehabilitation | | |
|------------------------------|-----------------|---------------------------|--------|--------|--------------------------|--------|--------|
| ZIP Code | City | Discharges | % | Cum. % | Discharges | % | Cum. % |
| Central Service Area (CSA) | | | | | | | |
| 60153 | Maywood | 1,322 | 5.7% | 5.7% | 39 | 6.0% | 6.0% |
| 60546 | Riverside | 506 | 2.2% | 7.9% | 23 | 3.5% | 9.5% |
| 60402 | Berwyn | 856 | 3.7% | 11.7% | 17 | 2.6% | 12.1% |
| 60302 | Oak Park | 320 | 1.4% | 13.0% | 16 | 2.5% | 14.5% |
| 60513 | Brookfield | 404 | 1.8% | 14.8% | 16 | 2.5% | 17.0% |
| 60104 | Bellwood | 700 | 3.0% | 17.8% | 15 | 2.3% | 19.3% |
| 60130 | Forest Park | 360 | 1.6% | 19.4% | 14 | 2.1% | 21.4% |
| 60638 | Chicago | 406 | 1.8% | 21.2% | 13 | 2.0% | 23.4% |
| 60639 | Chicago | 257 | 1.1% | 22.3% | 12 | 1.8% | 25.3% |
| 60155 | Broadview | 406 | 1.8% | 24.0% | 11 | 1.7% | 27.0% |
| 60160 | Melrose Park | 388 | 1.7% | 25.7% | 11 | 1.7% | 28.6% |
| 60534 | Lyons | 192 | 0.8% | 26.6% | 11 | 1.7% | 30.3% |
| 60707 | Elmwood Park | 471 | 2.0% | 28.6% | 11 | 1.7% | 32.0% |
| 60154 | Westchester | 391 | 1.7% | 30.3% | 9 | 1.4% | 33.4% |
| 60171 | River Grove | 156 | 0.7% | 31.0% | 9 | 1.4% | 34.8% |
| 60804 | Cicero | 701 | 3.0% | 34.0% | 9 | 1.4% | 36.1% |
| 60126 | Elmhurst | 223 | 1.0% | 35.0% | 8 | 1.2% | 37.4% |
| 60148 | Lombard | 224 | 1.0% | 36.0% | 8 | 1.2% | 38.6% |
| 60305 | River Forest | 161 | 0.7% | 36.7% | 8 | 1.2% | 39.8% |
| 60644 | Chicago | 337 | 1.5% | 38.1% | 8 | 1.2% | 41.0% |
| 60304 | Oak Park | 205 | 0.9% | 39.0% | 7 | 1.1% | 42.1% |
| 60164 | Melrose Park | 264 | 1.1% | 40.2% | 6 | 0.9% | 43.0% |
| 60526 | La Grange Park | 176 | 0.8% | 40.9% | 6 | 0.9% | 44.0% |
| 60521 | Hinsdale | 68 | 0.3% | 41.2% | 5 | 0.8% | 44.7% |
| 60527 | Willowbrook | 128 | 0.6% | 41.8% | 5 | 0.8% | 45.5% |
| 60561 | Darien | 116 | 0.5% | 42.3% | 5 | 0.8% | 46.2% |
| 60634 | Chicago | 277 | 1.2% | 43.5% | 5 | 0.8% | 47.0% |
| 60651 | Chicago | 226 | 1.0% | 44.5% | 5 | 0.8% | 47.8% |
| 60162 | Hillside | 144 | 0.6% | 45.1% | 4 | 0.6% | 48.4% |
| 60176 | Schiller Park | 77 | 0.3% | 45.4% | 4 | 0.6% | 49.0% |
| 60559 | Westmont | 113 | 0.5% | 45.9% | 4 | 0.6% | 49.6% |
| 60101 | Addison | 168 | 0.7% | 46.7% | 3 | 0.5% | 50.1% |
| 60181 | Villa Park | 182 | 0.8% | 47.4% | 3 | 0.5% | 50.5% |
| 60458 | Justice | 111 | 0.5% | 47.9% | 3 | 0.5% | 51.0% |
| 60516 | Downers Grove | 90 | 0.4% | 48.3% | 3 | 0.5% | 51.5% |
| 60623 | Chicago | 170 | 0.7% | 49.1% | 3 | 0.5% | 51.9% |
| 60624 | Chicago | 118 | 0.5% | 49.6% | 3 | 0.5% | 52.4% |
| 60656 | Chicago | 99 | 0.4% | 50.0% | 3 | 0.5% | 52.8% |
| 60706 | Harwood Heights | 120 | 0.5% | 50.5% | 3 | 0.5% | 53.3% |
| 60106 | Bensenville | 105 | 0.5% | 51.0% | 2 | 0.3% | 53.6% |
| 60163 | Berkeley | 60 | 0.3% | 51.2% | 2 | 0.3% | 53.9% |
| 60514 | Clarendon Hills | 17 | 0.1% | 51.3% | 2 | 0.3% | 54.2% |
| 60525 | La Grange | 218 | 0.9% | 52.3% | 2 | 0.3% | 54.5% |
| 60558 | Western Springs | 63 | 0.3% | 52.5% | 2 | 0.3% | 54.8% |
| 60629 | Chicago | 137 | 0.6% | 53.1% | 2 | 0.3% | 55.1% |
| 60631 | Chicago | 56 | 0.2% | 53.4% | 2 | 0.3% | 55.4% |
| 60632 | Chicago | 112 | 0.5% | 53.9% | 2 | 0.3% | 55.7% |
| 60455 | Bridgeview | 81 | 0.4% | 54.2% | 1 | 0.2% | 55.9% |
| 60501 | Summit Argo | 111 | 0.5% | 54.7% | 1 | 0.2% | 56.0% |
| 60515 | Downers Grove | 90 | 0.4% | 55.1% | 1 | 0.2% | 56.2% |
| 60523 | Oak Brook | 86 | 0.4% | 55.4% | 1 | 0.2% | 56.4% |
| 60630 | Chicago | 79 | 0.3% | 55.8% | 1 | 0.2% | 56.5% |
| 60641 | Chicago | 117 | 0.5% | 56.3% | 1 | 0.2% | 56.7% |
| 60131 | Franklin Park | 185 | 0.8% | 57.1% | - | - | 56.7% |
| 60165 | Stone Park | 64 | 0.3% | 57.4% | - | - | 56.7% |
| 60191 | Wood Dale | 42 | 0.2% | 57.6% | - | - | 56.7% |
| 60143 | Itasca | 33 | 0.1% | 57.7% | - | - | 56.7% |
| 60646 | Chicago | 28 | 0.1% | 57.8% | - | - | 56.7% |
| 60141 | Hines | 27 | 0.1% | 57.9% | - | - | 56.7% |
| 60301 | Oak Park | 21 | 0.1% | 58.0% | - | - | 56.7% |
| 60712 | Lincolnwood | 7 | 0.0% | 58.1% | - | - | 56.7% |
| 60157 | Medinah | 4 | 0.0% | 58.1% | - | - | 56.7% |
| Total CSA | | 13,376 | 58.1% | 58.1% | 370 | 56.7% | 56.7% |
| Secondary Service Area (SSA) | | 5,786 | 25.1% | 83.2% | 185 | 28.3% | 85.0% |
| Total CSA and SSA | | 19,162 | 83.2% | 83.2% | 555 | 85.0% | 85.0% |
| All Other ZIPs | | 3,866 | 16.8% | 100.0% | 98 | 15.0% | 100.0% |
| Total | | 23,028 | 100.0% | 100.0% | 653 | 100.0% | 100.0% |

LUMC Inpatient Service Area



Attachment 12

ALTERNATIVES

Not applicable for Certificate of Exemption for Discontinuation

SAFETY NET IMPACT STATEMENT

This Safety Net Impact Statement describes how the discontinuation of the inpatient physical rehabilitation service at Loyola University Medical Center Project addresses the following areas:

1. Safety net services at Loyola University Medical Center
2. The capability at affiliated health care organization, Gottlieb Memorial Hospital, to provide safety net services
3. Impact on the ability of other area hospitals/health care providers to provide safety net services
4. No discontinuation of any safety net services
5. LUMC charity care and Medicaid volumes
6. LUMC broader community benefit engagement

Safety Net Services at LUMC

Loyola University Medical Center, a fully accredited health care institution, continues to receive recognition for quality care. LUMC earned an “A” rating in hospital safety by the Leapfrog Group, an organization that provides the only national, public comparison of hospitals across safety, quality and efficiency of care dimensions. LUMC was one of 50 hospitals in Illinois to receive this grade in 2015.

Safety net services provided by LUMC include Level I Trauma Center, Loyola Access to Care clinic and Oral Health clinic. These services are considered safety net services because reimbursements for these services do not cover the cost of care provided.

LUMC is the only academic medical center located outside the City of Chicago and is designated by the state of Illinois as a Level I Trauma Center for both adult and pediatric patients. Additionally, the American College of Surgeons has verified LUMC's Level I Trauma Center status. The emergency department cared for and treated 43,420 in FY 2015. LUMC is an original member of the EMS network and is designated a resource hospital for region 8 that is composed of 14 hospitals. As a resource hospital LUMC provides continuing education to over 6,000 staff at local fire/EMS/police departments. In addition, LUMC inspects EMS ambulances, fire engines/trucks as required by IDPH. Loyola University Medical Center is the only hospital outside the City of Chicago to operate a burn unit; in the City, burn units are located at Stroger Hospital and University of Chicago Hospitals and Clinics.

LUMC also offers a subsidized primary care clinic for the uninsured and disadvantaged population. The Loyola Access to Care clinic is located in Maywood and services over 2,000 disadvantaged individuals annually. The Loyola Oral Health clinic provides dental care serving the community and including those who are uninsured. The clinic provides about 13,000 visits annually.

Reimbursement for the trauma care and outpatient care clinics does not cover the cost of care. The services are subsidized by other services provided at LUMC.

Impact of the proposed project on LUMC safety net services:

The discontinuation and re-location of the inpatient rehabilitation unit to Gottlieb Memorial Hospital will not impact the subsidized programs provided through LUMC or at GMH. Inpatient rehabilitation services will continue to serve patients referred for this care.

Safety Net Services at other area hospitals and health care providers

The proposed project will not have a negative impact on essential safety net services at other health care providers in the community. This project will not impact the ability of other providers to cross-subsidize safety net services. LUMC does not plan to add any services that are not currently provided and there is no anticipated impact on area providers to continue to offer safety net services.

Discontinuation of Safety Net Services

While the relocation project involves the discontinuation of the Comprehensive Physical Rehabilitation unit at LUMC, no safety net service is discontinued, nor are any of the safety net services impaired within the LUHS system. The re-location of the rehabilitation inpatient unit will enhance the Loyola University Health System's ability to provide excellent care in a lower cost setting. The safety net programs now offered through LUMC will continue to serve the community.

| LUMC | | | |
|--------------------------------------|-------------|---------------|---------------|
| XI. Safety Net Impact | 2013 | 2014 | 2015 |
| Charity # of patients | | | |
| Inpatient | 577 | 133 | 42 |
| Outpatient | 5,842 | 2,247 | 1,277 |
| Total | 6,419 | 2,380 | 1,319 |
| Charity Care Cost in Dollars | | | |
| Inpatient | 9,326,831 | 9,646,401 | 6,272,599 |
| Outpatient | 6,356,423 | 6,628,950 | 9,173,348 |
| Total | 15,683,254 | 16,275,351 | 15,445,947 |
| Medicaid # of Patients | | | |
| Inpatient | 6,412 | 7,713 | 8,349 |
| Outpatient | 86,344 | 121,452 | 128,348 |
| Total | 92,756 | 129,165 | 136,697 |
| Medicaid Revenue | | | |
| Inpatient | 42,028,479 | 82,840,057 | 96,149,380 |
| Outpatient | 19,267,948 | 28,485,517 | 35,702,022 |
| Total | 61,296,427 | 111,325,574 | 131,851,402 |
| XII. Charity Care Information | 2013 | 2014 | 2015 |
| Net Patient Revenue | 941,472,026 | 1,037,223,022 | 1,060,735,187 |
| Amount of Charity Care (charges) | 52,275,073 | 52,204,912 | 49,544,509 |
| Cost of Charity Care | 15,683,254 | 16,275,351 | 15,445,947 |

LUMC Community Benefit

LUMC provides many services, programs and activities to support the healthcare needs of our communities. Based on preliminary figures for fiscal year 2015, LUMC provided a total of \$154.9 million in community benefits.

- In fiscal year 2015, LUMC provided a total of \$100.4 million in uncompensated care:
 - \$13.6 million in charity care
 - \$45.9 million in care not fully reimbursed by Medicaid
 - \$24.2 million in care not fully reimbursed by Medicare
 - \$16.7 million in services where payment was expected, but not received (bad debt).

In addition to the above financial contributions LUMC supported clinical care, health professions education and research through many programs.

- LUMC provided a total of \$21.3 million in unreimbursed costs for hospital-based education and clinical research in support to Loyola University of Chicago's Stritch School of Medicine and Niehoff School of Nursing.
- LUMC provided a total of \$7.1 million in subsidized community benefit health services in fiscal year 2015. This included the support of home health care, hospice, oral health clinic, burn care clinic and Loyola Access to Care clinic.
- LUMC provided \$1.5 million in free language-assistance services in fiscal year 2015 for its ethnically and culturally diverse patients.
- LUMC donated \$23.7 million in cash or in-kind services during fiscal year 2015 toward charitable activities and organizations. LUMC supported medical education and research advancements in healthcare by contributing \$23.5 million to Loyola University Chicago's Health Sciences Division in support of future physician and nursing education; LUMC provided in-kind donations through free community health screenings, educational presentations and sponsorships of community garden projects; LUMC worked with the Consortium for Lowering Obesity in Chicago Children in establishing of a multi-sector, community partnership focused on reducing childhood obesity in the Proviso Township area. Loyola physicians and nurses have volunteered their time and skills to travel internationally to foreign missions to deliver health care to needy populations in various countries.
- Other LUMC community support included the placement of Cristo Rey High School work/study disadvantaged students at LUMC in various clinical and other areas; the Pediatric Mobile Health Van providing free healthcare services to more than 1,500 underserved children annually in Chicago's western suburbs; and a dedicated childhood obesity clinic offering a multidisciplinary approach focused on children with weight loss needs.

These are only some of the significant services contributed by Loyola to the community.