ORIGINAL 16-003

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Northwest Endo Center				
Street Address:	1415 S. Arlington Heights Road				
City and Zip Code:	Arlington Heights		60005		
County:	Cook	Health Service Area 7		Health Planning Area:	A-007

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Northwest Community Healthcare		
Address:	800 W. Central Road	Arlington Heights, IL	60005
Name of Registered Agent:	Stephen O. Scogna		
Name of Chief Executive Officer:	Stephen O. Scogna		
CEO Address:	800 W. Central Road	Arlington Heights, IL	60005
Telephone Number:	847-618-5018		

Type of Ownership of Applicant/Co-Applicant

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

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

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

Primary Contact

[Person to receive ALL correspondence or inquiries)

Name:	Brad Buxton		
Title:	Vice President, Planning & Business Development		
Company Name:	Northwest Community Healthcare		
Address:	800 W. Central Road	Arlington Heights, IL	60005
Telephone Number:	847-618-5020		
E-mail Address:	bbuxton@nch.org		
Fax Number:	847-618-5009		

Additional Contact

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

Name:	Ralph Weber		
Title:	Consultant		
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
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County:	Cook	Health Service Area 7		Health Planning Area:	A-007

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Northwest Community Hospital		
Address:	800 W. Central Road	Arlington Heights, IL	60005
Name of Registered Agent:	Stephen O. Scogna		
Name of Chief Executive Officer:	Stephen O. Scogna		
CEO Address:	800 W. Central Road	Arlington Heights, IL	60005
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County:	Cook	Health Service Area 7		Health Planning Area:	A-007

Applicant /Co-Applicant Identification

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

Exact Legal Name:	NWG Partners, LLC		
Address:	1415 S. Arlington Heights Road	Arlington Heights, IL	60005
Name of Registered Agent:	Mitchell Bernsen, MD		
Name of Chief Executive Officer:	Mitchell Bernsen, MD		
CEO Address:	1415 S. Arlington Heights Road	Arlington Heights, IL	60005
Telephone Number:	847-439-1005		

Type of Ownership of Applicant/Co-Applicant

- ☐ Non-profit Corporation
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- ☑ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
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Company Name:	Weber Alliance		
Address:	920 Hoffman Lane	Riverwoods, IL	60015
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City and Zip Code:	Arlington Heights		60005		
County:	Cook	Health Service Area 7		Health Planning Area:	A-007

Applicant /Co-Applicant Identification

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

Exact Legal Name:	NWG Investments, LLC		
Address:	1415 S. Arlington Heights Road	Arlington Heights, IL	60005
Name of Registered Agent:	Mitchell Bernsen, MD		
Name of Chief Executive Officer:	Mitchell Bernsen, MD		
CEO Address:	1415 S. Arlington Heights Road	Arlington Heights, IL	60005
Telephone Number:	847-439-1005		

Type of Ownership of Applicant/Co-Applicant

☐ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
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[Provide for each co-applicant [refer to Part 1130.220].

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Name of Chief Executive Officer:	Stephen O. Scogna		
CEO Address:	800 W. Central Road	Arlington Heights, IL	60005
Telephone Number:	847-618-5018		

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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:	Dorene Savage
Title:	Administrator
Company Name:	Northwest Endo Center
Address:	1415 S. Arlington Heights Road
Telephone Number:	847-439-1005
E-mail Address:	dsavage@nwg.com
Fax Number:	

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: NWG Partners, LLC

Address of Site Owner: 1415 S. Arlington Heights Road Arlington Heights, IL 60005

Street Address or Legal Description of Site:

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Northwest Endo Center, LLC

Address: 1415 S. Arlington Heights Road Arlington Heights, IL 60005

- ☐ Non-profit Corporation
- ☐ For-profit Corporation
- ☑ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
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- ☐ Other

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

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

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification:

☑ 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.

Northwest Community Healthcare, Northwest Community Hospital, NWG Partners LLC, NWG Investments LLC, and Northwest Endo Center LLC, as five co-applicants, propose to establish a limited specialty Ambulatory Surgical Treatment Center (ASTC) with two procedure rooms for gastroenterology services. The facility location is 1415 S. Arlington Heights Road, Arlington Heights, Illinois. Northwest Endo Center LLC will be the operating entity and licensee.

The project involves the construction of a 1663 sq ft addition to the existing Northwest Gastroenterologists endoscopy center at 1415 S. Arlington Heights Road, as well as the interior remodeling of 1937 sq ft. The project includes construction of two GI procedure rooms, 8 stations for preparation and holding, and associated support space.

Northwest Community Healthcare has a 51% interest in the project. NWG Investments has a 49% interest, supported by NWG Partners, LLC, owner of the building and property at 1415 S. Arlington Heights Rd. The current in-office endoscopy center is solely operated by Northwest Gastroenterologists, a division of the Illinois Gastroenterology Group. The newly formed NWG Investments LLC will have the same physician members as Northwest Gastroenterologists. Neither Northwest Gastroenterologists nor Illinois Gastroenterology Group has any involvement in the operation, funding, ownership or control of Northwest Endo Center, and for that reason are not co-applicants.

The anticipated completion date for the project is February 28, 2017.

Total project capital cost is $2,829,568.

The project is classified as Substantive due to the fact that it proposes the establishment of a new category of service.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	$14,000	$17,000	$31,000
Site Survey and Soil Investigation	0	17,000	17,000
Site Preparation	21,000	277,204	298,204
Off Site Work	7,000	67,350	74,350
New Construction Contracts	370,202	254,820	625,022
Modernization Contracts	510,264	0	510,264
Contingencies	88,046	25,482	113,528
Architectural/Engineering Fees	116,400	33,600	150,000
Consulting and Other Fees	55,000	20,000	75,000
Movable or Other Equipment (not in construction contracts)	665,000	125,000	790,000
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	70,200	0	70,200
Other Costs To Be Capitalized (IT Integration)	35,000	40,000	75,000
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	$1,952,112	$877,456	$2,829,568
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	**$1,400,402**	**$629,166**	**$2,029,568**
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources / line of credit	**551,710**	**248,290**	**800,000**
TOTAL SOURCES OF FUNDS	**1,952,112**	**$877,456**	**$2,829,568**

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

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☐ No
Purchase Price: $_____
Fair Market Value: $ 70,200 (lease)

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 $ 1,695,045.

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:

☐ None or not applicable ☑ Preliminary

☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): February 28, 2017

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

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

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

State Agency Submittals

Are the following submittals up to date as applicable:

☑ Cancer Registry
☑ APORS
☑ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☑ All reports regarding outstanding permits

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

Cost Space Requirements

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

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
NON REVIEWABLE							
					-		
TOTAL							

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Northwest Community Hospital		**CITY: Arlington Heights**			
REPORTING PERIOD DATES:		**From: January 1, 2014**	**to: December 31, 2014**		
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	312	11,089	49,137	0	312
Obstetrics	44	2,986	7,874	0	44
Pediatrics	16	487	2,029	0	16
Intensive Care	60	2,937	8,705	0	60
Comprehensive Physical Rehabilitation	17	0	0	0	17
Acute/Chronic Mental Illness	32	1,356	9,207	0	32
Neonatal Intensive Care	8	134	983	0	8
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:	489	18,989	77,935	0	489

CERTIFICATION

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

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

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

SIGNATURE

Stephen A. Soogian
PRINTED NAME

President CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016

Elizabeth M. Sheffer
Signature of Notary

Seal

OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

SIGNATURE

Michael Hathe
PRINTED NAME

Executive Vice President / COO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016

Elizabeth M. Sheffer
Signature of Notary

Seal

OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
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*Insert EXACT legal name of the applicant

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SIGNATURE
Stephen O. Scogna
PRINTED NAME
President & CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016
Elizabeth M. Sheffer
Signature of Notary
Seal
OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

SIGNATURE
Michael Hutchens
PRINTED NAME
Executive Vice Pres. CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016
Elizabeth M. Sheffer
Signature of Notary
Seal
OFFICIAL SEAL
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NWG Partners, LLC *
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SIGNATURE

Mitchell Bernard, MD
PRINTED NAME

Managing Member
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016

Elizabeth M. Sheffer
Signature of Notary

Seal
OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

SIGNATURE

LOREN WHITE, MD
PRINTED NAME

MEMBER
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016

Elizabeth M. Sheffer
Signature of Notary

Seal
OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

*Insert EXACT legal name of the applicant

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- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of
NWG Investments, LLC *
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.

	DR BERNSEN IS THE SOLE MEMBER AT THIS TIME
SIGNATURE	SIGNATURE
Michael Bernsen, MD	
PRINTED NAME	PRINTED NAME
President	
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _____	Notarization: Subscribed and sworn to before me this _____ day of _____
Signature of Notary	Signature of Notary
Seal	Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

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

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

This Application for Permit is filed on the behalf of
Northwest Endo Center, LLC *
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

Michelle Bernser, MD
PRINTED NAME

Managing Member
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016

Elizabeth M. Sheffer
Signature of Notary

Seal

OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

SIGNATURE

Stephen O. Sogue
PRINTED NAME

President CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of January, 2016

Elizabeth M. Sheffer
Signature of Notary

Seal

OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

*Insert EXACT legal name of the applicant

SECTION II. DISCONTINUATION

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

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

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

REASONS FOR DISCONTINUATION

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

IMPACT ON ACCESS

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

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

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PURPOSE OF PROJECT

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;

    c. The project involves the conversion of existing space that results in excess square footage.

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;

2. The anticipated use of the shell space, specifying the proposed GSF tot be allocated to each department, area or function;

3. Evidence that the shell space is being constructed due to
   a. Requirements of governmental or certification agencies; or
   b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:
   a. Historical utilization for the area for the latest five-year period for which data are available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

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

H. Non-Hospital Based Ambulatory Surgery

This section is applicable to all projects proposing to establish or modernize a non-hospital based ambulatory surgical treatment center or to the addition of surgical specialties.

1. **Criterion 1110.1540(a), Scope of Services Provided**
   Read the criterion and complete the following:

   This part of the form is dated; content of permit application adhers to State narrative instructions

   a. Indicate which of the following types of surgery are being proposed:

_____Cardiovascular	_____Obstetrics/Gynecology	_____Pain Management
_____Dermatology	_____Ophthalmology	_____Podiatry
✓ Gastroenterology	_____Oral/Maxillofacial	_____Thoracic
_____General/Other	_____Orthopedic	_____Otolaryngology
_____Neurology	_____Plastic	_____Urology

   b. Indicate if the project will result in a _____ limited or _____ a multi-specialty ASTC.

2. **Criterion 1110.1540(b), Target Population**

   Read the criterion and provide the following:

   a. On a map (8 ½" x 11"), outline the intended geographic services area (GSA).

   b. Indicate the population within the GSA and how this number was obtained.

   c. Provide the travel time in all directions from the proposed location to the GSA borders and indicate how this travel time was determined.

3. **Criterion 1110.1540(c), Projected Patient Volume**

   Read the criterion and provide signed letters from physicians that contain the following:

   a. The number of referrals anticipated annually for each specialty.

   b. For the past 12 months, the name and address of health care facilities to which patients were referred, including the number of patients referred for each surgical specialty by facility.

   c. A statement that the projected patient volume will come from within the proposed GSA.

   d. A statement that the information in the referral letter is true and correct to the best of his or her belief.

4. **Criterion 1110.1540(d), Treatment Room Need Assessment**

   Read the criterion and provide:

   a. The number of procedure rooms proposed.

   b. The estimated time per procedure including clean-up and set-up time and the methodology used in arriving at this figure.

5. **Criterion 1110.1540(e), Impact on Other Facilities**

   Read the criterion and provide:

   a. A copy of the letter sent to area surgical facilities regarding the proposed project's impact on their workload. NOTE: This letter must contain: a description of the project including its size,

cost, and projected workload; the location of the proposed project; and a request that the facility administrator indicate what the impact of the proposed project will be on the existing facility.

b. A list of the facilities contacted. **NOTE**: Facilities must be contacted by a service that provides documentation of receipt such as the US. Postal Service, FedEx or UPS. The documentation must be included in the application for permit.

6. Criterion 1110.1540(f), Establishment of New Facilities

Read the criterion and provide:

a. A list of services that the proposed facility will provide that are not currently available in the GSA; or

b. Documentation that the existing facilities in the GSA have restrictive admission policies; or

c. For co-operative ventures,

a. Patient origin data that documents the existing hospital is providing outpatient surgery services to the target population of the GSA, and

b. The hospital's surgical utilization data for the latest 12 months, and

c. Certification that the existing hospital will not increase its operating room capacity until such a time as the proposed project's operating rooms are operating at or above the target utilization rate for a period of twelve full months; and

d. Certification that the proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

7. Criterion 1110.1540(g), Charge Commitment

Read the criterion and provide:

a. A complete list of the procedures to be performed at the proposed facility with the proposed charge shown for each procedure.

b. A letter from the owner and operator of the proposed facility committing to maintain the above charges for the first two years of operation.

8. Criterion 1110.1540(h), Change in Scope of Service

Read the criterion and, if applicable, document that existing programs do not currently provide the service proposed or are not accessible to the general population of the geographic area in which the facility is located.

APPEND DOCUMENTATION AS ATTACHMENT-27, 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.

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	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT -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:

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File Number 5229-793-1

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

NORTHWEST COMMUNITY HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 11, 1981, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* APRIL *A.D.* 2015 .

Jesse White

SECRETARY OF STATE

Authentication #: 1509802216

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

File Number 3408-231-6

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

NORTHWEST COMMUNITY HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 09, 1953, 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* 8TH *day of* APRIL *A.D.* 2015 .

Jesse White

SECRETARY OF STATE

Authentication #: 1509802192

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

Attachment 1

File Number 0030748-3

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

NWG PARTNERS, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 20, 1999, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY 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* 30TH *day of* DECEMBER *A.D.* 2015 .

Authentication #: 1536401194 verifiable until 12/30/2016
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Attachment 1

File Number 0540296-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

NWG INVESTMENTS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON DECEMBER 04, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY 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* 17TH *day of* DECEMBER *A.D.* 2015 .

Authentication #: 1535102728 verifiable until 12/17/2016
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Attachment 1

File Number 0540559-9

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

NORTHWEST ENDO CENTER LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON DECEMBER 14, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY 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* 17TH *day of* DECEMBER *A.D.* 2015 .

Authentication #: 1535101304 verifiable until 12/17/2016
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Attachment 1

Proof of Site Ownership

Tax bill for first installment of 2014 taxes is provided as documentation that the property at 1415 S. Arlington Heights Road is owned by NWG Partners, LLC.

Also included is copy of lease by NWG Partners LLC to Northwest Gastroenterologists.

TOTAL PAYMENT DUE

$43,104.01

By 03/03/15 (on time)

2014 First Installment Property Tax Bill

Property Index Number (PIN)	Volume	Code	Tax Year	(Payable In)	Township	Classification
08-10-300-127-0000	049	16017	2014	(2015)	ELK GROVE	5-17

IF PAYING LATE, PLEASE PAY	03/04/15-04/01/15	04/02/15-05/01/15	05/02/15-06/01/15	LATE INTEREST IS 1.5% PER MONTH, BY STATE LAW
	$43,750.57	$44,397.13	$45,043.69	

TAXING DISTRICT DEBT AND FINANCIAL DATA

Your Taxing Districts	Money Owed by Your Taxing Districts	Pension and Healthcare Amounts Promised by Your Taxing Districts	Amount of Pension and Healthcare Shortage	% of Pension and Healthcare Costs Taxing Districts Can Pay
Northwest Mosquito Abatement Wheeling	$126,401	$3,590,959	$523,590	85.42%
Metro Water Reclamation Dist of Chicago	$3,052,668,000	$2,455,275,693	$1,145,888,977	53.33%
Arlington Hts Park Dist	$2,936,368	$23,030,915	$8,739,278	62.05%
Harper Coll Comm College 512 (Palatine)	$251,085,749	$10,679,564	$10,679,564	00.00%
Township HS District 214 (Arlington Hts)	$71,227,614	$95,007,158	$35,052,542	63.11%
Comm Consolidated SD 59 (Arlington Hts)	$24,727,398	$37,340,037	$12,509,544	66.50%
Village of Arlington Heights	$65,905,470	$355,382,164	$117,844,097	66.84%
Town of Elk Grove	$216,004	$3,323,558	$383,248	88.47%
Cook County Forest Preserve District	$287,647,645	$324,673,865	$142,119,278	56.23%
County of Cook	$8,110,664,341	$15,615,343,667	$7,233,899,380	53.67%
Total	$11,867,204,990	$18,923,647,580	$8,707,639,498	

For a more in-depth look at government finances and how they affect your taxes, visit *cookcountytreasurer.com.*

IMPORTANT MESSAGES

- Pay this bill at cookcountytreasurer.com or at any Chase Bank.

TAX CALCULATOR

2013 TOTAL TAX		78,370.93
2014 ESTIMATE	X	55%
2014 1st INSTALLMENT	=	43,104.01

The First Installment amount is 55% of last year's total taxes. All exemptions, such as homeowner and senior exemptions, will be reflected on your Second Installment tax bill.

PROPERTY LOCATION

1415 S ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS IL 60005

MAILING ADDRESS

NWG PARTNERS LLC
1415 S ARLNGTON HT RD
ARLNGTON HTS IL 60005-3765

DETACH & INCLUDE WITH PAYMENT

Attachment 2

TOTAL PAYMENT DUE

$10,030.31

By 03/03/15 (on time)

2014 First Installment Property Tax Bill

Property Index Number (PIN)	Volume	Code	Tax Year	(Payable In)	Township	Classification
08-10-300-128-0000	049	16017	2014	(2015)	ELK GROVE	1-00

IF PAYING LATE, PLEASE PAY	03/04/15-04/01/15	04/02/15-05/01/15	05/02/15-06/01/15	LATE INTEREST IS 1.5% PER MONTH, BY STATE LAW
	$10,180.76	$10,331.21	$10,481.66	

TAXING DISTRICT DEBT AND FINANCIAL DATA

Your Taxing Districts	Money Owed by Your Taxing Districts	Pension and Healthcare Amounts Promised by Your Taxing Districts	Amount of Pension and Healthcare Shortage	% of Pension and Healthcare Costs Taxing Districts Can Pay
Northwest Mosquito Abatement Wheeling	$126,401	$3,590,959	$523,590	85.42%
Metro Water Reclamation Dist of Chicago	$3,052,668,000	$2,455,275,693	$1,145,888,977	53.33%
Arlington Hts Park Dist	$2,936,368	$23,030,915	$8,739,278	62.05%
Harper Coll Comm College 512 (Palatine)	$251,085,749	$10,679,564	$10,679,564	00.00%
Township HS District 214 (Arlington Hts)	$71,227,614	$95,007,158	$35,052,542	63.11%
Comm Consolidated SD 59 (Arlington Hts)	$24,727,398	$37,340,037	$12,509,544	66.50%
Village of Arlington Heights	$65,905,470	$355,382,164	$117,844,097	66.84%
Town of Elk Grove	$216,004	$3,323,558	$383,248	88.47%
Cook County Forest Preserve District	$287,647,645	$324,673,865	$142,119,278	56.23%
County of Cook	$8,110,664,341	$15,615,343,667	$7,233,899,380	53.67%
Total	$11,867,204,990	$18,923,647,580	$8,707,639,498	

For a more in-depth look at government finances and how they affect your taxes, visit *cookcountytreasurer.com*.

IMPORTANT MESSAGES

- Pay this bill at cookcountytreasurer.com or at any Chase Bank.

TAX CALCULATOR

2013 TOTAL TAX		18,236.93
2014 ESTIMATE	X	55%
2014 1st INSTALLMENT	=	10,030.31

The First Installment amount is 55% of last year's total taxes. All exemptions, such as homeowner and senior exemptions, will be reflected on your Second Installment tax bill.

PROPERTY LOCATION

1415 S ARLINGTON HEIGHTS RD
ARLINGTON HEIGHTS IL 60005

MAILING ADDRESS

NWG PARTNERS LLC
1415 S ARLNGTON HTS RD
ARLNGTON HGT IL 60005-3765

DETACH & INCLUDE WITH PAYMENT

Attachment 2

03/08/12

OFFICE LEASE

Addendum to Office Lease – 1415 S. Arlington Heights Road, Arlington Heights, IL 60005

This is an Addendum to the Lease dated August 31,2000, between NWG Partners, LLC (Landlord) and Northwest Gastroenterologists (Tenant) for commercial space at 1415 S. Arlington Heights Road, Arlington Heights, IL 60005.

The parties agree to the following changes and additions to the Lease:

Lessee: Northwest Gastroenterologists, a division of Illinois Gastroenterology Group, LLC

Lessor: NWG Partners, LLC (Managers: Jerrold Schwartz, Loren White, David Sales, Michael Cohen, Bruce Greenberg, Mitchell Bernsen)

Base Monthly Rent:

Lease Years (effective 1/1/2012)
1. $26,878
2. $27,684
3. $28,515
4. $29,370
5. $30,251
6. $31,159
7. $32,094
8. $33,056
9. $34,048
10. $35,070

In all other respects, the terms of the original Lease remain in full effect. However, if there is a conflict between this Addendum and the original Lease, the terms of this Addendum will prevail.

Accepted by:

Northwest Gastroenterologists (Lessee)

NWG Partners, LLC (Lessor)

GEORGE E. COLE®
LEGAL FORMS

No. 888 REC
March 1996

OFFICE LEASE

CAUTION: Consult a lawyer before using or acting under this form. *Neither the publisher nor the seller of this form makes any warranty with respect thereto, including any warranty of merchantability or fitness for a particular purpose.*

Above Space for Recorder's use only

TERM OF LEASE BEGINNING	ENDING
Sept. 1, 2000	August 31, 2010

MONTHLY RENT	DATE OF LEASE	LOCATION OF PREMISES
* See Rider attached hereto	August 31, 2000	1415 South Arlington Heights Road Arlington Heights, Illinois 60005

PURPOSE
Medical Practice

	LESSEE		LESSOR
NAME	• Northwest Gastroenterologists, S.C.	NAME	• NWG Partners, L.L.C.
ADDRESS	• 1415 South Arlington Heights Road	ADDRESS	• 1415 South Arlington Heights Road
CITY	• Arlington Heights, Illinois 60005	CITY	• Arlington Heights, Illinois 60005

In consideration of the mutual covenants and agreements herein stated, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor solely for the above purpose the premises designated above (the "Premises"), together with the appurtenances thereto, for the above Term.

LEASE COVENANTS AND AGREEMENTS

1. RENT. Lessee shall pay Lessor or Lessor's agent as rent for the Premises the sum stated above, monthly in advance, until termination of this lease, at Lessor's address stated above or such other address as Lessor may designate in writing.

2. HEAT; NON-LIABILITY OF LESSOR. ~~Lessor~~ Lessee will at all reasonable hours during each day and evening, ~~from October 1 to May 1~~ during the term, when required by the season, furnish at his own expense heat for the heating apparatus in the demised

Attachment 2

premises, except when prevented by accidents and unavoidable delays, provided, however, that except as provided by Illinois statute, the Lessor shall not be held liable in damages on account of any personal injury or loss occasioned by the failure of the heating apparatus to heat the Premises sufficiently, by any leakage or breakage of the pipes, by any defect in the electric wiring, elevator apparatus and service thereof, or by reason of any other defect, latent or patent, in, around or about the said building.

3. HALLS. Lessor will cause the halls, corridors and other parts of the building adjacent to the Premises to be lighted, cleaned and generally cared for, accidents and unavoidable delays excepted.

4. RULES AND REGULATIONS. The rules and regulations at the end of this Lease constitute a part of this Lease. Lessee shall observe and comply with them, and also with such further reasonable rules and regulations as may later be required by Lessor for the necessary, proper and orderly care of the Building in which Premises are located.

5. ASSIGNMENT; SUBLETTING. Lessee shall neither sublet the Premises or any part thereof nor assign this Lease nor permit by any act or default any transfer of Lessee's interest by operation of law, nor offer the Premises or any part thereof for lease or sublease, nor permit the use thereof for any purpose other than as above mentioned, without in each case the written consent of Lessor.

6. SURRENDER OF PREMISES. Lessee shall quit and surrender the Premises at the end of the term in as good condition as the reasonable use thereof will permit, with all keys thereto, and shall not make any alterations in the Premises without the written consent of Lessor; and alterations which may be made by either party hereto upon the Premises, except movable furniture and fixtures put in at the expense of Lessee, shall be the property of Lessor, and shall remain upon and be surrendered with the Premises as a part thereof at the termination of this lease.

7. NO WASTE OR MISUSE. Lessee shall restore the Premises to Lessor, with glass of like kind and quality in the several doors and windows thereof, entire and unbroken, as is now therein, and will not allow any waste of the water or misuse or neglect the water or light fixtures on the Premises, and will pay all damages to the Premises as well as all other damage to other tenants of the Building, caused by such waste or misuse.

8. TERMINATION; ABANDONMENT; RE-ENTRY; RELETTING. At the termination of this lease, by lapse of time or otherwise, Lessee agrees to yield up immediate and peaceable possession to Lessor, and failing so to do, to pay as liquidated damages, for the whole time such possession is withheld, the sum of _____ Dollars per day, and it shall be lawful for the Lessor or his legal representative at any time thereafter, without notice, to re-enter the Premises or any part thereof, either with or (to the extent permitted by law) without process of law, and to expel, remove and put out the Lessee or any person or persons occupying the same, using such force as may be necessary so to do, and to repossess and enjoy the Premises again as before this lease, without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenants; or in case the Premises shall be abandoned, deserted, or vacated, and remain unoccupied five days consecutively, the Lessee hereby authorizes and requests the Lessor as Lessee's agent to re-enter the Premises and remove all articles found therein, place them in some regular warehouse or other suitable storage place, at the cost and expense of Lessee, and proceed to re-rent the Premises at the Lessor's option and discretion and apply all money so received after paying the expenses of such removal toward the rent accruing under this lease. This request shall not in any way be construed as requiring any compliance therewith on the part of the Lessor, except as required by Illinois statute. If the Lessee shall fail to pay the rent at the times, place and in the manner above provided, and the same shall remain unpaid five days after the day whereon the same should be paid, the Lessor by reason thereof shall be authorized to declare the term ended, and the Lessee hereby expressly waives all right or rights to any notice or demand under any statute of the state relative to forcible entry or detainer or landlord and tenant, and agrees that the Lessor, his agents or assigns may begin suit for possession or rent without notice or demand.

9. REMOVED PROPERTY. In the event of re-entry and removal of the articles found on the Premises as hereinbefore provided, the Lessee hereby authorizes and requests the Lessor to sell the same at public or private sale with or without notice, and the proceeds thereof, after paying the expenses of removal, storage and sale to apply towards the rent reserved herein, rending the overplus, if any, to Lessee upon demand.

10. LESSOR NOT LIABLE. Except as provided by Illinois statute, the Lessor shall not be liable for any loss of property or defects in the Building or in the Premises, or any accidental damages to the person or property of the Lessee in or about the Building or the Premises, from water, rain or snow which may leak into, issue or flow from any part of the Building or the Premises, or from the pipes or plumbing works of the same. The Lessee hereby covenants and agrees to make no claim for any such loss or damage at any time. The Lessor shall not be liable for any loss or damage of or to any property placed in any storeroom or storage place in the Building, such storeroom or storage place being furnished gratuitously, and no part of the obligations of this lease.

11. PLURALS; SUCCESSORS. The words "Lessor" and "Lessee" wherever used in this lease shall be construed to mean Lessors or Lessees in all cases where there is more than one Lessor or Lessee, and to apply to individuals, male or female, or to firms or corporations, as the same may be described as Lessor or Lessee herein, and the necessary grammatical changes shall be assumed in each case as though fully expressed. All covenants, promises, representations and agreements herein contained shall be binding upon, apply and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns.

WITNESS the hands and seals of the parties hereto, as of the Date of Lease stated above. Please print or type name(s) below signature(s).

LESSEE: Northwest Gastroenterologists, S.C. LESSOR: NWG Partners, L.L.C.

_____ (SEAL)
President

_____ (SEAL)
Secretary

JERROLD SCHWARTZ, M.D., as Trustee
of the JERROLD SCHWARTZ TRUST

_____ (SEAL)
Manager

DAVID SALES, M.D.

_____ (SEAL)
Manager

LOREN B. WHITE, M.D., as Trustee
of the LOREN B. WHITE REVOCABLE TRUST,
u/a/d/ 6/1/87

_____ (SEAL)
Manager

MICHAEL E. COHEN, M.D., as Trustee
of the MICHAEL E. COHEN REVOCABLE TRUST

_____ (SEAL)
Manager

Operating Entity / Licensee

The Operating Entity / Licensee is Northwest Endo Center, LLC. 49% of the interest in Northwest Endo Center is held by NWG Investments, LLC. At the present time, Mitchell Bernsen, MD is the only member of NWG Investments. The following physicians will become members of NWG Investments in the next months: Dr Bruce Greenberg, Dr Mitchell Kaplan, Dr David Kim, Dr Joel Lattin, Dr David Sales, Dr Patricia Sun and Dr Loren White. Each will own more than a 5% interest in the licensee.

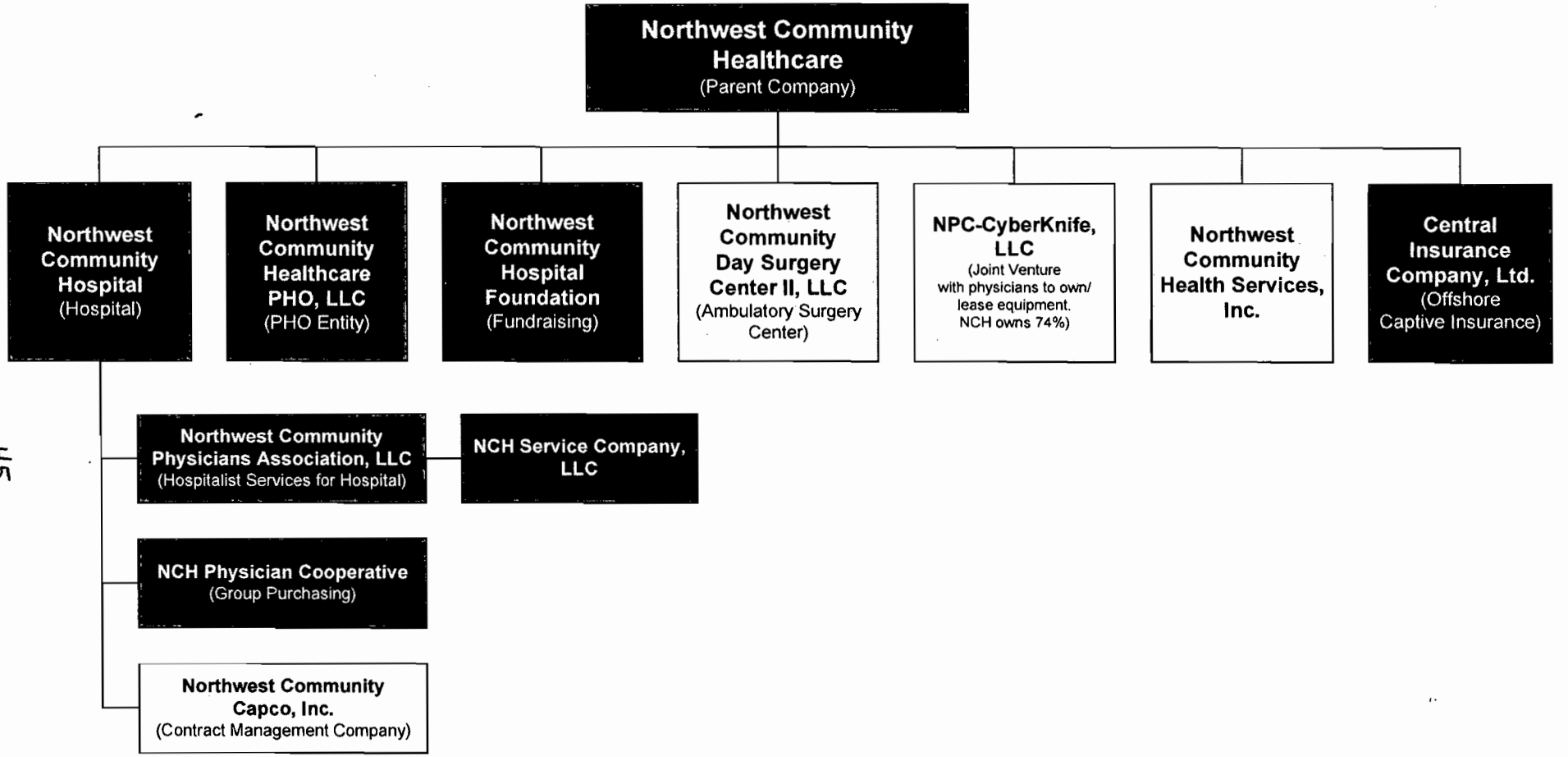
Attachment 3

Organizational Structure

Attachment 4

Northwest Community Healthcare & Subsidiaries

Corporate Organizational Chart



Non-Profit Entity | For-Profit Entity

Attachment 4

45

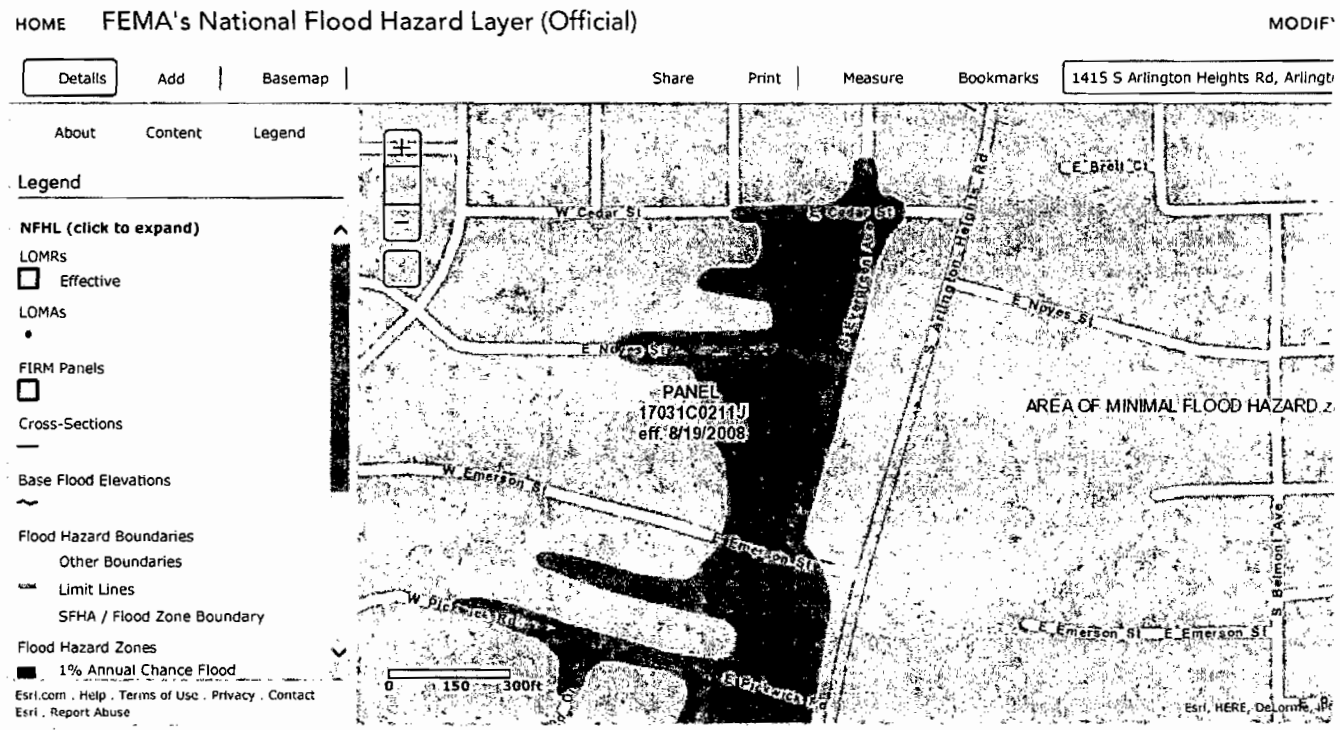
December 2014

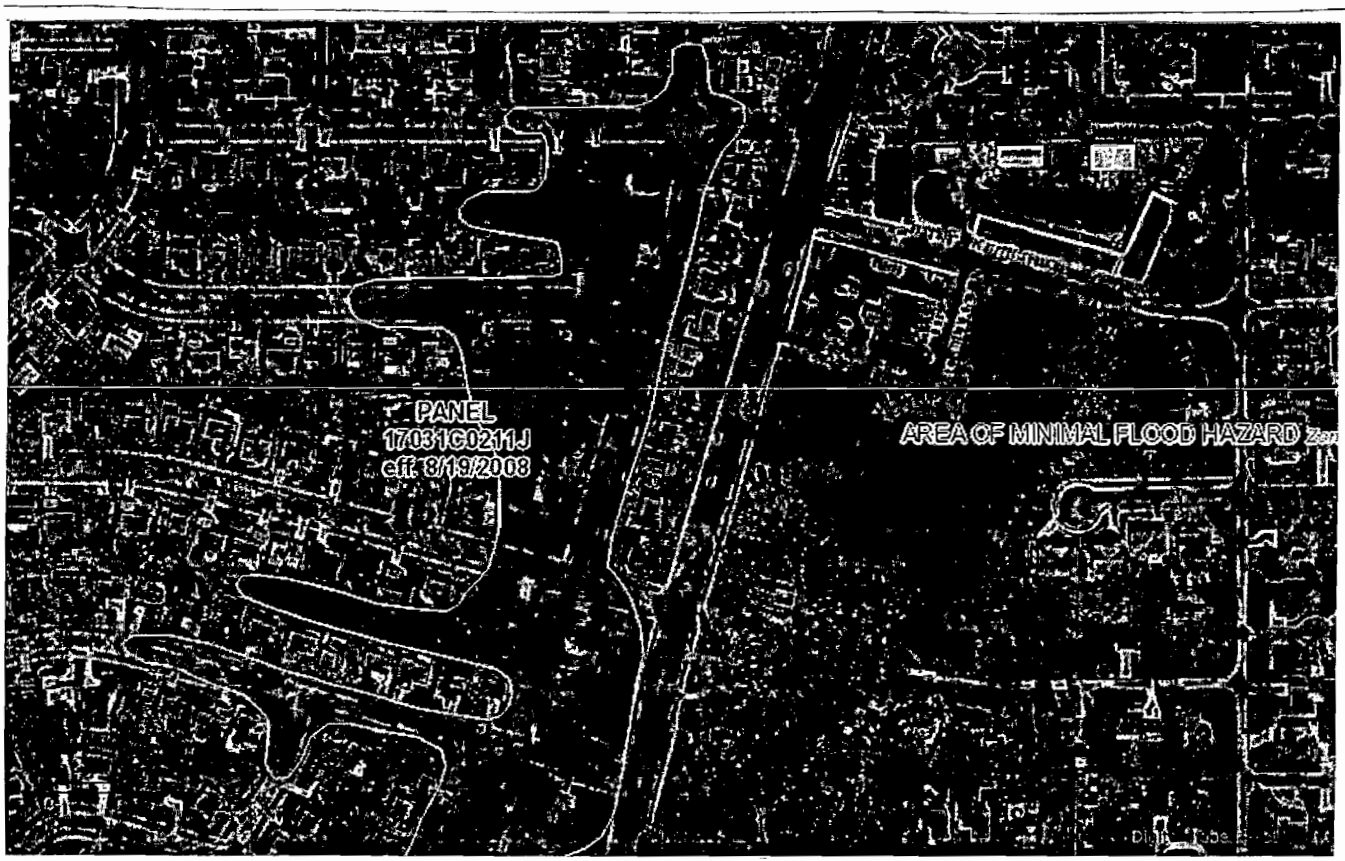
nch Northwest Community Healthcare

Flood Plain

The following flood plain map is documentation that the property at 1415 S. Arlington Heights Road is not in a flood plain.

Attachment 5





Attachment 5

Illinois Historic Preservation Agency

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 524-7525
www.illinoishistory.gov

Cook County
Arlington Heights
CON - Conversion of Endoscopy Center to Ambulatory Surgery Treatment Center
1415 S. Arlington Heights Road
IHPA Log #010041015

April 29, 2015

Ralph Weber
920 Hoffman Lane
Riverwoods, IL 60015

Dear Mr. Weber:

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

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

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

If you have any further questions, please contact me at 217/785-5031.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Attachment 6

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	$14,000	$17,000	$31,000
Site Survey and Soil Investigation	0	17,000	17,000
Site Preparation	21,000	277,204	298,204
Off Site Work	7,000	67,350	74,350
New Construction Contracts	370,202	254,820	625,022
Modernization Contracts	510,264	0	510,264
Contingencies	88,046	25,482	113,528
Architectural/Engineering Fees	116,400	33,600	150,000
Consulting and Other Fees	55,000	20,000	75,000
Movable or Other Equipment (not in construction contracts)	665,000	125,000	790,000
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	70,200	0	70,200
Other Costs To Be Capitalized (IT Integration)	35,000	40,000	75,000
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	$1,952,112	$877,456	$2,829,568
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	**$1,400,402**	**$629,166**	**$2,029,568**
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources / line of credit	**551,710**	**248,290**	**800,000**
TOTAL SOURCES OF FUNDS	**1,952,112**	**$877,456**	**$2,829,568**

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

Project Costs and Sources of Funds

The following information provides detail regarding cost line items for the Project Costs and Sources of Funds table:

Preplanning Costs **$31,000**

Costs include legal fees related to the joint venture, pre-design assessment, and the cross-access easement agreement between two adjacent properties.

Site Survey and Soil Investigation **$17,000**

This line item includes soil testing and preliminary engineering assessments for water retainage and landscape.

Site Preparation **$298,204**

This work includes the following: demolition site improvements, including concrete slabs and curb, masonry trash enclosure, removal of parts of current building roof and masonry walls; site excavation and grading; saw cutting and removal of portions of asphalt parking area in advance of grading; building and site concrete, including new curbing; parking lot reconstruction including regrading and resurfacing; soil testing beyond the previous investigation phase (during construction, for footings); landscaping.

Of the Site Preparation cost, $21,000 is assigned to clinical. This amount is 4.6% of clinical costs of new construction and contingency.

Off Site Work **$74,350**

Work includes connection to existing sanitary sewer/ waste tie ins, storm water drainage, and allowance for Com Ed (transformer, increased power)

New Construction contracts **$625,022**

Construction of 1663 sq ft single level building addition; general conditions, masonry, steel, carpentry/wood/plastics, thermal and moisture protection, doors and windows, mechanical (plumbing, HVAC), electrical, fire alarm system tied to existing panel.

Of total construction, clinical construction of 985 dgsf is $370,202, or $375.84 per sq ft.

Modernization contracts **$510,264**

Renovation of 1,937 dgsf of space in existing endoscopy center to provide 8 holding and prep stations, one of the two endoscopy rooms, circulation and exit. Work includes HVAC, mechanical/electrical plumbing upgrades, general conditions, masonry, steel, carpentry/wood/plastics, medical gas system, doors, finishes, and mechanical (plumbing, HVAC).

All space being modernized is clinical, at $263.43 per dgsf.

Contingencies **$113,528**

Contingencies are 10% of $1,135,284 the total of construction and modernization ($625,022 + $510,264). Components of contingencies are as follows:

New construction / clinical:	$37,000
New construction / non-clinical	$25,482

Modernization / clinical	$ 51,046
Total	$113,528

Architect/Engineering fees **$150,000**

This work includes preparation of initial concept, schematic design, design development, construction documents, bidding and negotiation services, presentations at client and public meetings, and project management services.

A/E fees for Clinical are $116,400

New construction:	$370,202	
New constr contingency:	37,000	
Modernization:	510,264	
Mod contingency:	51,046	
Total	$968,512	$116,400 = 12.0%

A/E fees for non Clinical are $33,600

New construction:	$254,820	
New constr contingency:	25,482	
Total	$280,302	$33,600 = 12.0%

A/E fees for total project are $150,000

New construction:	$625,022	
New constr contingency:	62,482	
Modernization:	510,264	
Mod contingency:	51,046	
Total	$1,248,814	$150,000 = 12.0%

Consulting and other fees **$75,000**

Certificate of need consulting, state and local permits.

Moveable or other Equipment **$665,000**

Equipment includes endoscopy scopes, light sources and videoprocessors, electrosurgical generator, patient monitors, Olympus OER-Pro, Stryker stretchers, Invacare Platinum XL, EKG machines, sterilizers, processing equipment for scopes, and other required equipment. Furniture includes desks, floor fans, hampers, physician stools, refrigerator stainless steel carts, utility cart. Some of the equipment and furnishings from the existing physician practice endoscopy center be utilized in the new center. Its value is based on net book value.

Fair Market Value of Leased Space **$70,200**

This equates to the value of a portion of the existing endoscopy center, which will be leased by NWG Partners to the new venture.

Other Costs to be Capitalized **$75,000**

This line item refers to the cost IT Telecommunications -- computers, switch and cabling.

Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Sq Ft That Is			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const**	**Modernized**	**As Is**	**Vacated**
REVIEWABLE							
Ambulatory Surgery	$880,466		2922	985	1937		
Total Clinical	$880,466		2922	985	1937		
NON REVIEWABLE							
Vestibule, common area	$137,120		362	362			
Waiting, reception	74,860		197	197			
Office	42,840		119	119			
Existing to Remain As Is	0	5930				5930	
Total Non-Clinical	254,820		678	678			
TOTAL	**$1,135,286**		**3600**	**1663**	**1937**		
Other Project Costs							
Preplanning Costs	31,000						
Sute Survey & Soil	17,000						
Site Preparation	298,204						
Off Site Work	74,350						
Contingencies	113,528						
A/E fees	150,000						
Consulting, other fees	75,000						
Movable Equipment	790,000						
FMV of Leased Space	70,200						
Other Costs Capitalized	75,000						
Subtotal	**$1,694,282**						
TOTAL PROJECT COSTS	**$2,829,568**						

Notes

All sq ft numbers are departmental gross sq ft.

5930 dgsf of adjacent existing space in the building is not part of the project, and is shown on the table as "Existing to Remain" and "As Is." The 5930 dgsf is not included in column totals as it is not part of the project. Total project sq ft is 3600 dgsf.

Attachment 9

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

Background of Applicant

Following is the list of healthcare facilities owned by Northwest Community Healthcare:

Northwest Community Hospital*
800 W. Central Rd.
Arlington Heights, IL 60005

Northwest Community Day Surgery Center*
675 W. Kirchoff Road
Arlington Heights, IL 60005

Immediate Care Center in Buffalo Grove
15 S. McHenry Road
Buffalo Grove, IL 60089

Immediate Care Center in Lake Zurich
1201 S. Rand Road
Lake Zurich, IL 60047

Immediate Care Center in Mount Prospect
199 W. Rand Road
Mount Prospect, IL 60056

Immediate Care Center in Schaumburg
519 S. Roselle Road
Schaumburg, IL 60193

Lake Zurich Physical Rehab Center
1249 S. Rand Road
Lake Zurich, IL 60047

Wellness Center
900 W. Central Road
Arlington Heights, IL 60005

Outpatient Center in Rolling Meadows
3300 Kirchoff Road
Rolling Meadows, IL 60008

Occupational Wellness & Rehabilitation in Schaumburg
455 S. Roselle Rd, Suite 205
Schaumburg, IL 60193

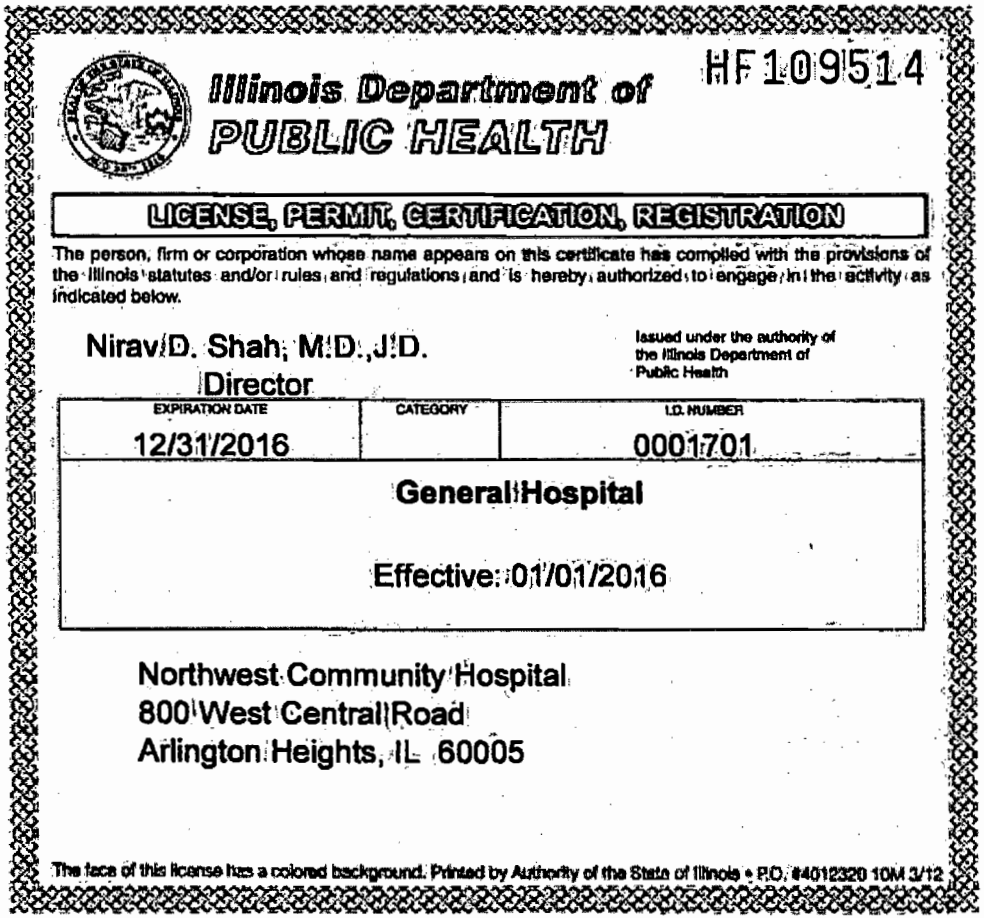
Northwest Community Home Care
3060 W. Salt Creek Lane
Arlington Heights, IL 60005

*Licenses for these facilities are included in this attachment.

Joint Commission accreditation certification for the hospital is included. The day surgery program was part of the hospital's most recent certification when the certification was completed in December, 2014.

Letter on adverse actions and authorization permitting access to information

The letter by Stephen O. Scogna, President and CEO of Northwest Community Healthcare, Is included in this attachment.



Illinois Department of
PUBLIC HEALTH

HF109514

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	I.D. NUMBER
12/31/2016		0001701

General Hospital

Effective: 01/01/2016

Northwest Community Hospital
800 West Central Road
Arlington Heights, IL 60005

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

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 12/31/2016

Lic Number 0001701

Date Printed 10/28/2015

Northwest Community Hospital

800 West Central Road
Arlington Heights, IL 60005

FEE RECEIPT NO.

Attachment 11

HF107462

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. Shad, M.D.,J.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
03/20/2016		7001209

Ambulatory Surgery Treatment Center

Effective: 03/21/2015

Northwest Community Day Surgery Center
675 West Kirchoff Road
Arlington Heights, IL 60005

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

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 03/20/2016

Lic Number 7001209

Date Printed 01/22/2015

Northwest Community Day Surgery Ce

675 West Kirchoff Road
Arlington Heights, IL 60005

FEE RECEIPT NO.

Northwest Community Hospital

Arlington Heights, 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

December 6, 2014

Accreditation is customarily valid for up to 36 months.

Rebecca J. Patchin, MD
Chair, Board of Commissioners

ID #4656
Print/Reprint Date: 02/23/2015

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.

Northwest Community Healthcare
800 West Central Road
Arlington Heights, Illinois 60005
847.618.1000
www.nch.org

December 21, 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 Northwest Community Healthcare, I hereby certify that no adverse action has been taken against Northwest Community Hospital, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize 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 Brad Buxton, Vice President, Planning and Business Development, at 847-618-5020.

Sincerely,

Stephen O. Scogna
President and CEO
Northwest Community Healthcare
Northwest Endo Center LLC

Cc: Brad Buxton, Vice President, Planning and Business Development

PURPOSE OF THE PROJECT

1. The establishment of an ASTC with two endoscopic procedure rooms at 1415 S. Arlington Heights Road will improve health care services to the population residing in northern Cook and southern Lake Counties in three ways:

a) Enhance access to colonoscopies, which have been instrumental in reducing the incidence of colorectal cancer nationally between 2001 and 2010 by 30%.

b) Accommodate increasing utilization at the GI lab at Northwest Community Hospital (NCH). Utilization of the 9 procedure rooms in the NCH GI Lab will exceed 15,000 hours in CY 2015, based on utilization for the eleven months through November. The GI lab is at capacity, due to average annual growth of 13.1% over the past 5 years. This current volume and recent growth rate supports a need for two additional ORs for endoscopy projected for the next 2-3 years. The conversion of an existing endoscopy center near the hospital to an ASTC with two procedure rooms will serve the purpose of accommodating this increase in utilization.

c) Provide a setting for the delivery of lower cost endoscopy services compared to costs in the NCH GI lab. Lower costs delivery responds to the demands by patients with higher deductibles and their insurance carriers. Providing care in lower cost settings is an integral part of NCH's strategy to expand access for Medicaid patients by embracing Medicaid replacement products and promoting access for Illinois Exchange patients enabled through the Affordable Care Act.

Northwest Community Hospital and Northwest Endo Center recognize the need for high quality, cost efficient care in our service area for the population needing GI screening and other endoscopic procedures that can be done outside the hospital environment. In an effort to provide a more cost efficient and quality service to the population that brings a lower cost point, NCH and Northwest Endo Center are teaming together to offer endoscopic services closer to the community in an ambulatory setting. This combines the high quality services of Northwest Endo Center gastroenterologists and the added quality and safety measures practiced at NCH, and gives patients more affordable choices while lowering the cost of care for these screenings and diagnostic services. It also creates a better system of care where patients who need more invasive treatments are connected to a System of care without having to leave their community. This project also supports quality incentive efforts of payors who are incenting their members to use lower cost services in a higher quality out-of-hospital environment. All in all, the endoscopy center will support the right care at the right time in the right place for the right price. It also supports better population management and new Accountable Care Organization and risk management arrangements made between payors and systems of care.

2. For purposes of this project, the planning area is the Primary and Secondary Service Areas of NCH, the source of 82.8% of NCH inpatient cases. The Primary Service Area is defined by the 6 zip codes whose residents make up 54.4% of NCH's inpatient cases. The 14 zip codes in the Secondary Service Area contribute an additional 28.4% of NCH inpatient cases. (See the Patient Origin table and Figure 1 map and on the following pages.) The Patient Origin Table also includes patient origin information on patients served in the NCH GI lab. 78.2% of patients seen at the GI lab reside in the Primary and Secondary Service areas, a close correlation to the 82.8% of total NCH inpatients who reside in the PSA and SSA. The planning area straddles northern Cook County and southern Lake County.

3. Issues that need to be addressed are as follows:

- *GI lab capacity*. Capacity in the GI lab at full utilization, due to an average annual increase of 13.1% for the last 5 years. With over 15,000 hours in the NCH GI lab in 2015, the 9 rooms are averaging over the 1500 hours per room per year State standard. A key factor in this growth is the aging of the population. According to IDPH's *Population Projections* released in February 2015, Cook and Lake Counties will experience 14% and 25.7% increases in the over age 65 population in the next 5 years alone, from 2015 to 2020. Over 40% of patients seen in the NCH GI lab are over 65.
- *Patient satisfaction*. Related to the increasing volume, more patients are dissatisfied with the growing number of mid and late afternoon appointments for colonoscopies. Gastroenterologists and their patients prefer to schedule GI procedures between 7:30 am and 1:00 pm. Preparation for colonoscopies requires morning cleansing the bowel, often making patients feel weak and tired later during the day. Because of the increasing patient volumes, block scheduling that accommodates patient preferences and physician efficiencies is increasingly limited and difficult. These conditions are evidence of capacity limitations in the NCH GI lab.
- *Lower cost setting*. Patients are increasingly seeking efficient / lower cost health care services. As employers continue to shift more of the cost of health care to employees, patients are enrolling in plans with higher deductibles, co-pays and increasing out of pocket costs. Colonoscopies and other standard endoscopic procedures are part of the retail pricing trend in health care, causing pressure on providers to offer these services in lower cost delivery settings than the hospital.
- *Public health improvement*. Colo-rectal cancer is the second leading cause of cancer-related deaths for men and women combined. Fortunately it is curable when detected early through colonoscopy. A report from the U.S. Centers for Disease Control and Prevention described an overall 30% reduction in colorectal cancer incidence between 2001 and 2012 (over 3% per year), due in large part to increased endoscopy screening, early detection and medications.

  NCH is accredited by the American College of Surgeons' Commission on Cancer, which requires extensive assessment and a reporting of measures to the National Cancer Data Base (NCDB). In 2012, the most recent year of data available, NCH treated a higher percentage of Stage II and Stage III colorectal cancer cases compared to all COC hospitals. Residents of the service area recognize and rely on the NCH GI lab as an effective resource for early detection and prevention of colon cancer. This recognition is a major factor explaining the historic volume growth of the GI lab.
- *Team with physicians*. NCH seeks opportunities to implement joint ventures with its physicians.

4. Sources of Information:

- Internal NCH and Northwest Gastroenterologists medical records, for patient origin tables.
- NCH Cancer Registry
- Carelink – an electronic medical record system used at NCH.
- IDPH Annual Hospital Questionnaires and Hospital Profiles, Year 2014.

- *Population Projections: Illinois, Chicago and Illinois Counties by Age and Sex, July 1, 2010 to July 1, 2025 (2014 Edition)*, released by IDPH, Office of Health Informatics, Illinois Center for Health Statistics.
- 2015 Population by zip code, from Sg2's Market Demographics, using Nielsen Demographics Methodology, August 2014.
- MapQuest – reliable source of travel times in the Chicago metropolitan area.
- American Cancer Institute reports. SEER (Surveillance, Epidemiology and End Results). http://seer.cancer.gov/statfacts/html/esoph.html.
- American Cancer Society, Colorectal Cancer Facts and Figures, 2014 – 2016.
- The Big Picture: Does Colonoscopy Work? Gastrointestinal Endoscopy Clinics 2015: 25, p 403-413. David Hewitt. U.S. Centers for Disease Control and Prevention
- Journal of the American Medical Association, 2002, 287; Shaheen N. Ransohoff: Gastroesophageal Reflux, Barrett's Esophagus and Esophageal Cancer.

5. The project will improve access for patients in several ways: a) providing additional needed capacity to accommodate the growing volume of GI procedures for NCH patients, b) providing high quality endoscopy services to all patients in a lower cost setting, and c) enhancing access for Medicaid and charity care patients by continuing the service philosophy at the existing Northwest Gastroenterologists endoscopy center and supplemented by the ongoing strong commitment to public and community service of Northwest Community Hospital.

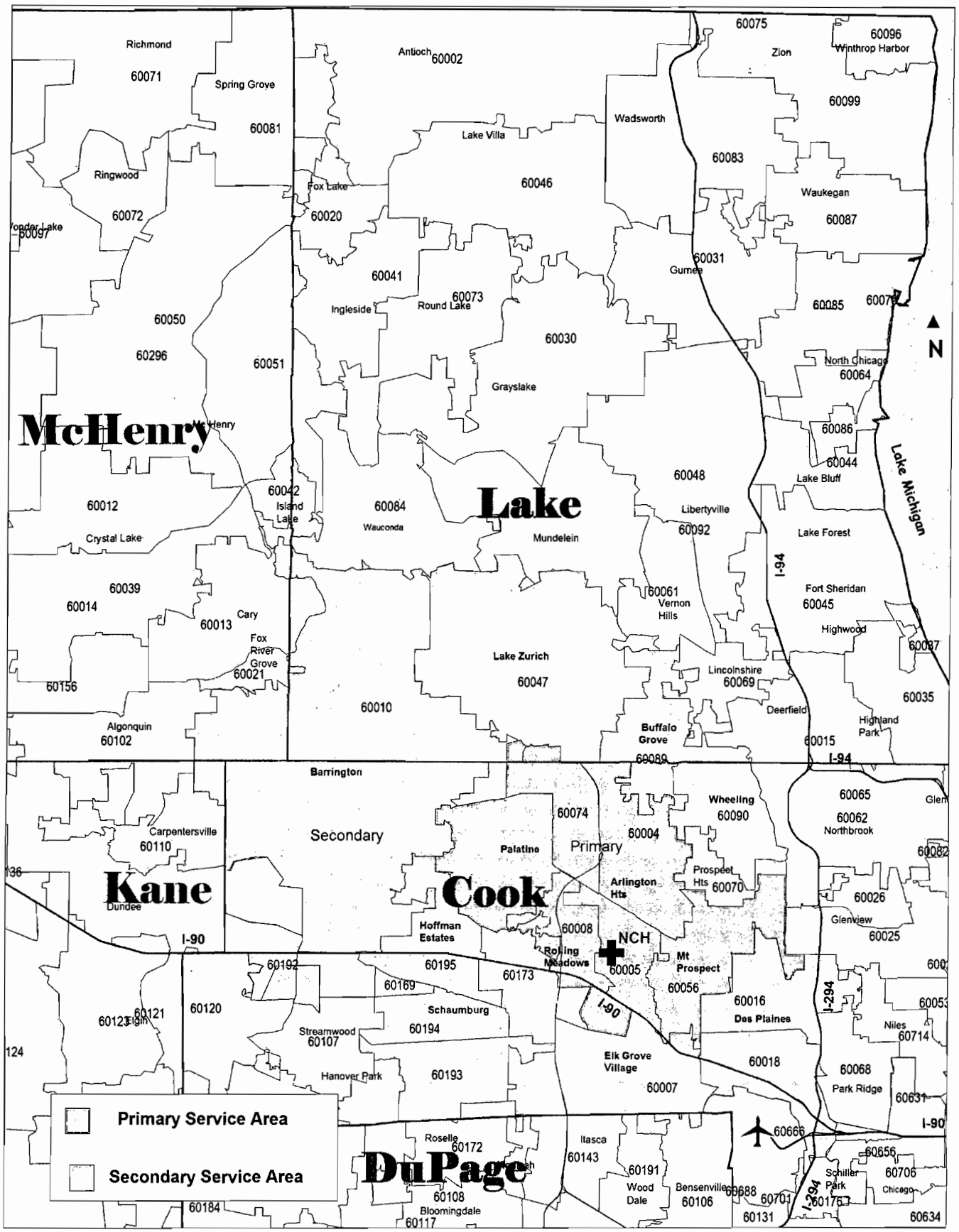
6. Goals/measures:

- Offer endoscopy services at rates approximately 1.5 to 3 times below charges in the NCH GI lab.
- Complete construction and modernization to allow opening of the ASTC in the Fall, 2016.
- Achieve 3,000 annual hours of utilization in the 2 new ASTC ORs by Year 2018.

Patient Origin -- Northwest Community Hospital Inpatient Discharges and GI lab cases, CY 2014

Zip & City Name	Inpatient Discharges (CY 2014)	% of Total Patients	Cumulative %	GI Lab Cases (CY2014)	% of Total Patients	Cumulative %
PSA						
60004 - ARLINGTON HEIGHTS	2682	12.083%	12.083%	1952	13.597%	13.597%
60005 - ARLINGTON HEIGHTS	1928	8.686%	20.769%	1154	8.038%	21.636%
60006 - ARLINGTON HEIGHTS	6	0.027%	20.796%	6	0.042%	21.677%
60008 - ROLLING MEADOWS	1400	6.307%	27.103%	696	4.848%	26.525%
60056 - MOUNT PROSPECT	2148	9.677%	36.780%	1184	8.247%	34.773%
60067 - PALATINE	1893	8.528%	45.308%	1238	8.624%	43.396%
60074 - PALATINE	2013	9.069%	54.377%	868	6.046%	49.443%
60078 - PALATINE	10	0.045%	54.422%	10	0.070%	49.512%
60095 - PALATINE		0.000%	54.422%	1	0.007%	49.519%
PSA Sub Total	**12080**	**54.422%**		**7109**	**49.519%**	
SSA						
60007 - ELK GROVE VILLAGE	203	0.915%	55.336%	230	1.602%	51.121%
60009 - ELK GROVE VILLAGE	4	0.018%	55.354%	2	0.014%	51.135%
60010 - BARRINGTON	346	1.559%	56.913%	474	3.302%	54.437%
60011 - BARRINGTON	2	0.009%	56.922%	3	0.021%	54.458%
60016 - DES PLAINES	684	3.081%	60.004%	377	2.626%	57.084%
60017 - DES PLAINES	8	0.036%	60.040%	2	0.014%	57.098%
60018 - DES PLAINES	281	1.266%	61.306%	143	0.996%	58.094%
60019 - DES PLAINES	1	0.005%	61.310%	0	0.000%	58.094%
60047 - LAKE ZURICH	477	2.149%	63.459%	435	3.030%	61.124%
60070 - PROSPECT HEIGHTS	516	2.325%	65.784%	253	1.762%	62.887%
60089 - BUFFALO GROVE	1343	6.050%	71.834%	866	6.032%	68.919%
60090 - WHEELING	1241	5.591%	77.425%	537	3.741%	72.660%
60159 - SCHAUMBURG	2	0.009%	77.434%	0	0.000%	72.660%
60168 - SCHAUMBURG		0.000%	77.434%	1	0.007%	72.666%
60169 - HOFFMAN ESTATES	219	0.987%	78.421%	140	0.975%	73.642%
60173 - SCHAUMBURG	215	0.969%	79.389%	98	0.683%	74.324%
60192 - HOFFMAN ESTATES	138	0.622%	80.011%	163	1.135%	75.460%
60193 - SCHAUMBURG	350	1.577%	81.588%	244	1.700%	77.159%
60194 - SCHAUMBURG	187	0.842%	82.430%	108	0.752%	77.912%
60195 - SCHAUMBURG	79	0.356%	82.786%	48	0.334%	78.246%
SSA Sub Total	**6296**	**28.364%**		**4124**	**28.727%**	
Other Service Area						
Outside of PSA and SSA regions	**3821**	**17.214%**	**100.000%**	**3123**	**21.754%**	**100.000%**
Grand Total	**22197**	**100.000%**	**100.000%**	**14356**	**100.000%**	**100.000%**

Northwest Community Hospital Inpatient Service Area



Attachment 12

1110.230 – ALTERNATIVES

Northwest Community Hospital (NCH) considered several alternatives to the proposed project at 1415 S. Arlington Heights Road. These alternatives include:

1. Expand the existing GI lab at NCH

2. Convert existing ORs in the main surgery department at NCH to accommodate endoscopy.

3. Convert the existing endoscopy center to an ASTC as a project by NWG Investments alone, without NCH participating in the joint venture

4. Utilize capacity at other area hospitals and ASTCs

5. Construct a new building to house the ASTC.

6. Proposed project: Convert the existing endoscopy center at 1415 S. Arlington Heights Road to an ASTC as a joint venture between NWG Investments and NCH.

Overview of the existing GI lab at Northwest Community Hospital

With nine procedure rooms the GI lab at Northwest Community Hospital is the largest facility dedicated to endoscopy services in the northwest suburbs. The GI center provides quality comprehensive care for patients in need of diagnostic and therapeutic endoscopic procedures involving the GI tract and lung. The GI Center has become a regional referral center for patients in need of interventional procedures including endoscopic retrograde cholangiopancreatography and endoscopic ultrasound. The state of the art GI lab offers patients access to superior quality care by providing digital imaging.

The GI lab consists of a waiting room, pre-procedure area, nine procedure suites, and a recovery area. Two of the nine rooms are considered interventional and are equipped with fluoroscopy to support complex GI procedures requiring x-ray. Hours of operation are Monday through Friday 7:30 am to 5:00 pm, and Saturdays 7:00 am to 3:00 pm.

Endoscopy procedures consist of diagnostic and therapeutic procedures involving the gastrointestinal system. Diagnostic and therapeutic bronchoscopies are also performed, including patients who require airborne isolation. The highest volume procedures performed in the GI lab are as follows:

- colonoscopy
- esaphagogastroduodenoscopy
- endoscopic retrograde cholangiopancreatography
- endoscopic ultrasound
- flexible sigmoidoscopy
- bronchoscopy
- percutaneous gastrostomy tube placement
- endoscopic bronchial ultrasound with fine needle aspiration
- navigational bronchoscopy

In addition to colorectal screening, upper endoscopies make up 35% of the volume in the GI lab. These procedures are done to diagnose conditions of the esophagus, stomach and small intestine. Often patients have symptoms of heartburn and develop Gastro Esophageal Reflux Disease (GERD). An upper endoscopy is recommended to evaluate the lining of the esophagus to rule out the diagnosis of a pre-cancerous condition known as Barrett's Esophagus. According to the American Medical Association, GERD symptoms are common, affecting 18% of US adults weekly and nearly 44% monthly. Approximately 13% of Caucasian men over age 50 who have chronic reflux will develop Barrett's Esophagus, which can lead to esophageal cancer. Esophageal cancer is still on the rise, and is one of the fastest rising cancers in the US. The American Cancer Institute reports that esophageal cancer diagnosis has risen 600% since the 1970s with a 17% survival rate. Access to GI procedure rooms is required to support upper endoscopies and ensure that rates of esophageal cancer decline.

Last year 45 gastroenterologists conducted procedures in the NCH GI lab. Staff providing care consists of registered nurses, endoscopy technicians and endoscopy processing technicians. Nursing activities include patient assessment, planning, interventions to promote patient safety, pre-operative monitoring, patient teaching, comfort evaluation and related documentation. Nurses participate in equipment preparation, decontamination and maintenance. Endoscopy processing technicians are for patient transport and equipment decontamination and maintenance.

Alternative 1: Expand the existing GI lab at NCH

The NCH GI lab, with its 9 procedure rooms, is located on the Busse Outpatient Center on the campus of Northwest Community Hospital. There is no available space for expansion within or adjacent to the GI lab. Functional programs surrounding the GI lab include the breast center and a portion of the MRI waiting area. In order to expand the GI lab by the construction of two additional rooms for endoscopy, either an addition to the building would be required, or the breast center and possibly part of the MRI functional uses would need to be relocated.

Constructing an addition to the building above an existing first floor area would likely not be feasible from a cost perspective and without major disruption. The total project cost of constructing an addition, if feasible, to add two additional GI rooms is estimated at over $5 million. The project would take at least three years to plan and complete construction.

The costs to relocate the breast center to provide expansion space for the GI lab involves identifying an alternative location for the breast center, modernizing space for the relocating breast center then modernizing the vacated space to house the additional GI procedure rooms are estimated at $4.5 million and would take at least 16 months to implement.

The option of expanding the surgery department to add two GI procedure rooms was rejected because of the higher costs and timeframes compared to the selected option. This option would also cause significant disruption to the ongoing operation of the surgery department and other hospital programs.

Alternative 2: Convert existing ORs in the main surgery department at NCH to accommodate endoscopy.

There are 14 operating rooms in the main hospital OR, dedicated mostly to inpatient surgical cases. (These 14 ORs do not include the 9 special procedure rooms in the GI lab.) Over the past five years, annual hours of utilization of the 14 ORs has averaged 22,755 hours per year. Applying the State standard of 1500 hours per OR per year, 22,755 hours requires 15.2 ORs, or 16, rounded up. This volume of service exceeds utilization standards for the 14 ORs; as a result, there is no ability to convert 2 of the ORs to accommodate growth of GI cases.

NCH also provides outpatient surgery in the Day Surgery Center (DSC) on its hospital campus. The DSC multi-specialty ASTC has 10 operating rooms and one procedure room. Dedicating two of these rooms for endoscopy is not an appropriate alternative because the OR rooms are equipped and sized for more complex cases, with several dedicated to specialties (ophthalmology, orthopedics, ENT, etc). The facility is remote from the NCH GI lab, and having GI lab staff cover two locations would be logistically difficult for both patient scheduling and staff management. Also because the DSC facility is structurally connected to the hospital, overhead expenses would create a less cost effective program than an offsite endoscopy center will promote. Moreover, there are many days every month when the DSC OR room utilization is near capacity, which will not enable the endoscopy service to have the expanded capacity needed. As a result, using the DSC for expanding the GI lab is not a practical option.

This alternative was rejected because of the historic high utilization of the main surgery department and operational priorities of the DSC. Converting two existing ORs to accommodate GI cases is not feasible.

Alternative 3. Convert the existing endoscopy center to an ASTC as a project by NWG Investments alone, without NCH participating in a joint venture.

There are several reasons why a joint venture including the hospital makes more sense than NWG Investments establishing an ASTC on its own. The main motivation for the project is to proactively provide needed capacity in the hospital's GI lab, which has grown by an annual average rate of 13.1% for the past 5 years. It is important for the hospital to be a partner, since cases to be done in the new ASTC will be an extension of the procedures done in the NCH GI lab.

NCH also brings financial resources to the project to cover a major share of the capital costs for construction, modernization and equipping the space. The costs to convert the space to an ASTC is beyond the financial capacity of the physician members of NWG Investments if acting on their own for the entire capital cost.

The involvement of the hospital also provides the opportunity for gastroenterologists who are on staff at NCH, who do procedures in the NCH GI lab, and who are not members of Northwest Gastroenterologists or NWG Investments to do procedures at the joint venture facility. This would likely not be the case if NWG Investments or Northwest Endo Center were to be the sole owner of the endoscopy ASTC.

This option was not considered as a feasible strategy for converting the endoscopy center to a fully licensed ASTC.

Alternative 4. Utilize capacity at other area hospitals and ASTCs

The 9 room GI lab at Northwest Community Hospital is the largest licensed facility dedicated to endoscopy in northern Cook and Lake Counties. Because of its size, it has been able to achieve significant levels of operating efficiency. These efficiencies are increasingly important as the health care system in the US transitions to affordable care models. The GI lab at NCH allows gastroenterologists on staff to concentrate their surgery schedules, outpatient and inpatient practices to provide effective and efficient care delivery. The establishment of an ASTC within 1.5 miles of Northwest Community Hospital will provide an additional lower cost setting for physicians on staff at NCH.

If NCH physicians were to see patients at other licensed facilities in the area, it would compromise the efficiencies they have established. They would be required to fit their procedures into limited blocks of time when available on the schedules at other locations. They would also lose productivity by needing to travel to and from the other facilities.

Moreover, the projected need for additional capacity is approximately 3000 hours by 2018. None of the nearby endoscopy centers have the capacity to accommodate this volume of hours.

Because this alternative is not a practical solution, no capital cost was estimated.

Alternative 5. Construct a new building to house the ASTC

This option would have the benefit of being able to provide a new facility with new building systems, designed to meet the needs of the physicians and staff working there. This cost of this option is estimated at $3.6 to 4.0 million, more expensive than the cost of renovating and expanding the existing building at 1415 S Arlington Heights Road. There is no site now under ownership of NCH that is immediately available. Purchase of an appropriate development site is estimated to add $300,000 - $600,000 to the total project cost. This alternative would also require staffing of a start up operation, compared to the use of supporting staff already in place at 1415 S. Arlington Heights Road.

This alternative was not considered due to its higher cost.

Alternative 6. PROPOSED PROJECT: Convert the existing endoscopy center at 1415 S. Arlington Heights Road to a single purpose ASTC for GI procedures.

This option was selected because it uses an existing endoscopy center and established physician relationships to accommodate the growth in endoscopy services at the NCH GI lab. The total project cost of $2,829,568 for constructing an addition to and modernizing part of the existing endoscopy center in order to meet ASTC licensing requirements is less than the cost of expanding the GI lab at Northwest Community Hospital.

Much of the clinical and support staff required for the proposed ASTC is already in place at the existing endoscopy center.

Part of the total project cost includes the fair market value of the lease of the endoscopy center. This FMV cost is estimated at $70,200. It is comparable to the current rental cost that NWG has been paying

to NWG Partners for the existing endoscopy center. It is important to note that this part of the total project cost is not a net new expenditure, but rather the conversion of a lease from one payer to another. As a result, this component cost of converting the endoscopy center at 1415 S. Arlington Heights Road to an ASTC does not add cost to the broader health care delivery system; that would likely be the case if the ASTC were to be located in a different building and with a different organizational relationships.

The new ASTC will operate under a different license than applies to the GI lab at NCH. As a result, it will have a different and lower cost structure than the GI lab. This is an additional advantage of the proposed ASTC project for the consumer, compared to expanding the GI lab at NCH, where endoscopy services have a higher charge structure.

SIZE OF THE PROJECT

The project is the construction of a 1663 sq ft addition to an existing medical practice endoscopy center at 1415 S. Arlington Heights Road, as well as modernization of 1,937 of existing space at the endoscopy center. Total sq ft in the project is 3600 dgsf, of which 2,670 dgsf is clinical and 930 dgsf non clinical.

Project Sq Ft (dgsf)

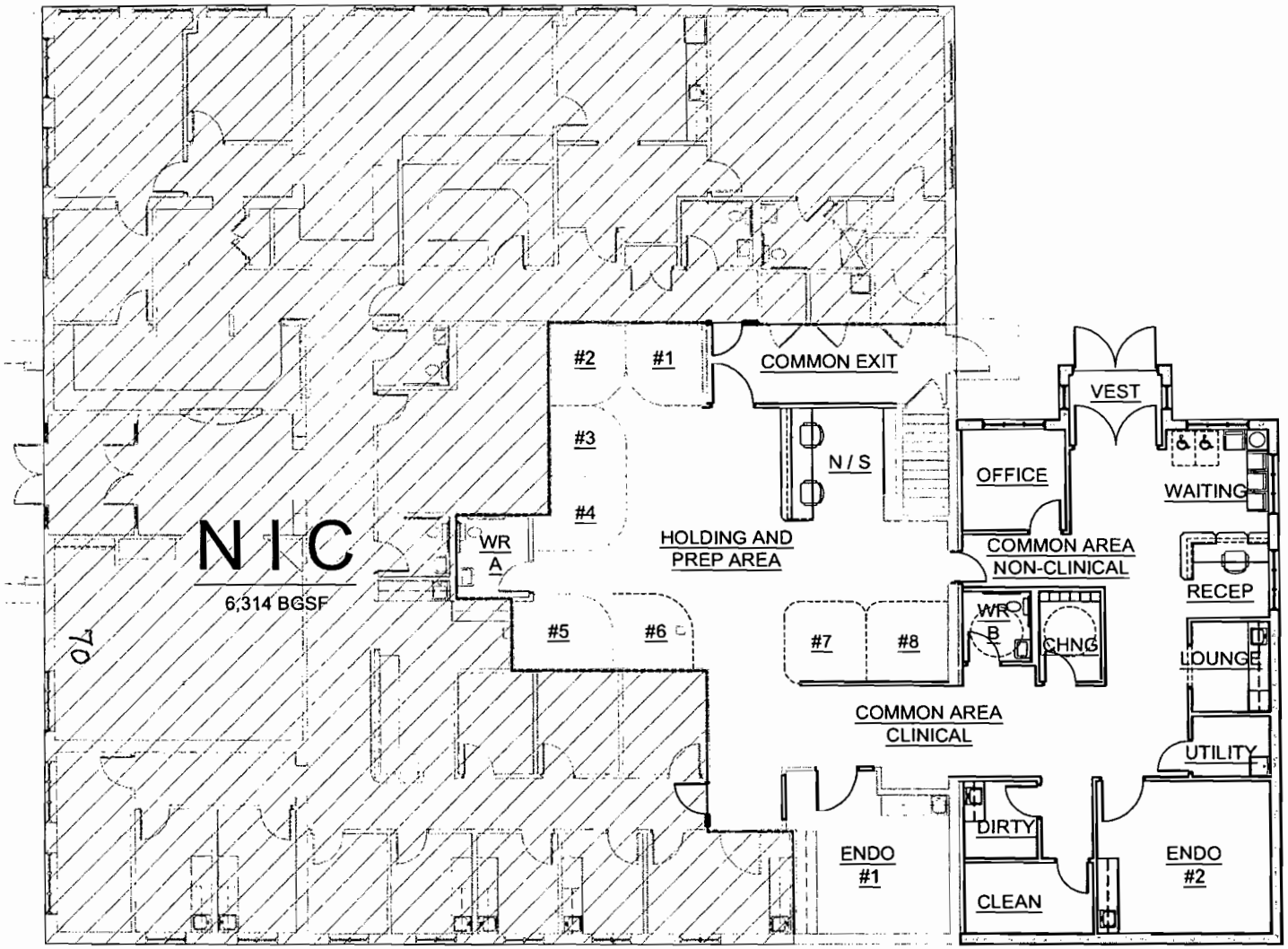
	New construction	Modernization	Total
Clinical	985	1937	2670
Non-clinical	678	0	930
Total	1663	1937	3600

Clinical space will include two endoscopy treatment rooms, 8 stations for holding and prep, patient support areas (changing and washroom), clean and soiled supply and utility. The floor plan on the next page shows the distribution of space.

Existing space in the building will be used for supporting non-clinical functions including administrative offices, medical records, staff lounge and washrooms and storage.

The size of the project is consistent with the State sq ft standard of 2200 dgsf per treatment room:

Function	Proposed dgsf	State standard	Difference	Met Standard?
Ambulatory Surgery - total	3600 dgsf	4400 dgsf	800 dgsf	Yes



PROPOSED FLOOR PLAN

NORTHWEST ENDO CENTER
1415 S. ARLINGTON HEIGHTS RD., ARLINGTON HEIGHTS, IL

Attachment 14

PROJECT AREAS

ROOM DESCRIPTION	AREA (DGSF)	NC	M
NON-CLINICAL			
VESTIBULE	75	X	
OFFICE	119	X	
WAITING	129	X	
RECEPTION	68	X	
COMMON AREA NON-CLINICAL	287	X	
SUB-TOTAL	678	678	
CLINICAL			
ENDO #1	261		X
ENDO #2	291	X	
DIRTY & CLEAN ROOMS	173	X	
HOLDING AND PREP AREA	1,155		X
WASHROOM A	59		X
WASHROOM B	56	X	
CHANGING	60	X	
UTILITY	55	X	
LOUNGE	81	X	
COMMON AREA CLINICAL - NC	269	X	
COMMON AREA CLINICAL - M	260		X
COMMON EXIT	202		X
SUB-TOTAL	2,922	985	1,937
TOTAL	3,600	1,663	1,937

NC = NEW CONSTRUCTION
M = MODERNIZATION

Project Services Utilization

The GI lab at Northwest Community Hospital with 9 procedure rooms served 13,802 hours including prep time and clean up for the 11 months through November 30, 2015. Based on utilization and scheduled appointments in December, an anticipated December volume of 1,239 hours is anticipated. This is a total of 15,041 hours projected in CY2015. At 1500 hours per room, this volume of hours justifies 10 rooms, exceeding the 9 rooms in the NCH GI lab.

The GI lab has experienced growth of 65% over the past 5 years, from 9,101 hours in Year 2010 to 15,041 hours in Year 2015. This increase in hours is an average annual increase of 13.1%. This growth is expected to continue, in part based on the increase of the population over age 65 in the service area. (Between 2015 and 2020, this age cohort is projected to grow by 25.7% in Lake County and 14.0% in Cook County.)

An average annual increase of 3.0% is used to conservatively forecast utilization annually through year 2018, two years after project completion in year 2016. This growth rate is conservative and significantly less than the 13.1% average annual increase for the past four years. This 3% rate results in a year 2018 projection of 16,435 hours. 16,435 hours supports the need for 11 total rooms – 9 continuing at the GI Lab and 2 new rooms at the proposed new ASTC. (16,435 divided by 1500 hours per room per year yields 10.96 rooms.) For purposes of planning, it is anticipated that 13,500 hours will remain at the GI lab (9 rooms at 1500 hours per room per year); the new ASTC's 2 ORs will accommodate 2,935 hours (approximately 1500 hours per OR per year.)

The table shows historic utilization (indicated with *) of the 9 room NCH GI lab. The 2 room endoscopy ASTC is projected to open in late 2016/early 2017. For a full projection of utilization of both the GI lab and the 2 procedure rooms at the ASTC, see 1110,1540 d) Service Demand – Establishment of an ASTC Facility.

UTILIZATION				
Year	Historic	Projected	State	Met
	Utilization (hrs)	Utilization (hrs)	Standard	Standard?
2014	12,818 *			
2015	15,041*			yes
2016	15,492*			yes
2017		2,457	1500 X 2	yes
2018		2,935	1500 X 2	yes

Section 1110.1540 d documents historic physician referrals to the NCH GI lab and projected referrals at the proposed ASTC. 42 NCH physicians referred cases to the GI lab in 2014. 11 physicians have written that they will commit to refer a collective 2301 cases to the ASTC in year 2018. (Appendix II provides the letters and supporting physician-specific patient origin data for these 11 physicians.) These 2301 cases include 1444 referrals by 9 physician members of Northwest Gastroenterologists (NWG), and 857 cases by 2 other physicians. At an average 52 minutes per case, this volume of 2301 cases from the NCH GI lab translates to 1994 hours. 1994 hours justifies two ORs at the proposed ASTC. The split between

cases conducted at the GI lab and ASTC will be managed so as not to reduce the volume at the GI lab below 1500 hours per room per year.

These 11 physicians conducted a total of 3910 cases (3386 hours) at the NCH GI lab in year 2014. Their commitments to refer cases to the GI lab are consistent with and not in excess of their historic workloads.

Unfinished or Unshelled Space

Not relevant to this project.

1110.1540 a) Identification of ASTC Service and # of Surgical/Treatment Rooms

The project proposes the establishment of a single purpose ASTC dedicated to gastroenterology.

The project proposes to build two GI special procedure rooms.

1110.1540 b) Background of the Applicant

1 - 2) List of corporate officers and directors, owners of 5%

There are several organizational entities involved in the project as co-applicants:

Northwest Community Healthcare (51% interest in the joint venture)
Northwest Community Hospital (operator of the NCH GI lab)
NWG Investments, LLC (49% interest in the joint venture)
NWG Partners, LLC (owner of the real estate; $800,000 line of credit)
Northwest Endo Center, LLC (the joint venture; operating entity / licensee)

Northwest Endo Center, LLC. The LLC was formed in December, 2015, and at the present time the following persons are directors and officers:

Stephen Scogna, President
Michael Hartke, Vice President
John Skeans, Secretary/Treasurer
Mitchell Bernsen, MD, Managing Member

Of the above, only Mitchell Bernsen, MD owns a 5% or more interest.

Anticipated individuals expected to become members in the next several months include:

Bruce D. Greenberg, MD
Mitchell Kaplan, MD
David J. Kim, MD
Joel M. Lattin, DO
David J. Sales, MD, PhD
Patricia K. Sun, MD
Loren B. White, MD

NWG Partners, LLC owns the real estate, and has a line of credit of up to $800,000. Members with 5% or more interest are:

Mitchell Bernsen, MD
Bruce D. Greenberg, MD
David J. Kim, MD
David J. Sales, MD
Loren B. White, MD

NWG Investments, LLC is a new corporation formed to hold 49% of the interest in Northwest Endo Center, LLC. At present time, Mitchell Bernsen, MD is the only member of NWG Investments. The following physicians will join Dr Bernsen as members of NWG Investments in the next months:

Bruce Greenberg, MD
Mitchell Kaplan, MD
David J. Kim, MD
Joel Lattin, DO
David J. Sales, MD
Patricia Sun, MD
Loren B. White, MD

Attachment 27

Each will own more than 5% interest in NWG Investments, LLC

3, 4, 5) No other licensed facilities are owned or operated by Northwest Endo Center, NWG Partners or NWG Investments or their individual members. Northwest Community Healthcare controls Northwest Community Hospital and the Day Surgery Center as reported in Attachment 11 of this permit application.

Dr. Bernsen's letter authorizing access to information and stating that there are no adverse actions is attached. Attachment 11 includes Mr Scogna's letter authorizing access to information and stating that there are no adverse actions, on behalf of Northwest Community Hospital.

Also attached are Dr. Bernsen's letters that attest to the background of himself and the other anticipated physician members.

Northwest Endo Center, LLC

December 23, 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 Managing Member of Northwest Endo Center, LLC, I hereby certify that no adverse action has been taken against Northwest Endo Center, LLC, 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 Dorene Savage, administrator, at (847) 439-1005

Sincerely,

Mitchell Bernsen, M.D.
Managing Member
Northwest Endo Center, LLC
1415 S. Arlington Heights Road
Arlington Heights, IL 60005

OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

Signed before me 12/23/15.
Elizabeth M. Sheffer

Attachment 27

NWG Partners, LLC

1415 South Arlington Heights Road
Arlington Heights, IL 60005

December 23, 2015

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

Dear Ms. Olson,

As requested in 77 Illinois Administrative Code 1110, Section 1110.1540 b 3), I hereby certify that none of the current and expected soon to be added, corporate officers or directors, LLC members, partners or owners of at least 5% of the proposed health care facility (listed below):

a) Has been cited, arrested, taken into custody, charged with, indicted, convicted or tried for or pled guilty to:
   i) The commission of any felony or misdemeanor or violation of the law, except for minor parking violations, or
   ii) Has been the subject of any juvenile delinquency or youthful offender proceeding;
b) Has been charged with fraudulent conduct or any act of moral turpitude;
c) Has any unsatisfied judgments against him or her;
d) Is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order, or directive of any court or governmental agency.

Loren B. White, M.D.
Bruce D. Greenberg, M.D.
Mitchell Bernsen, M.D.
David J. Sales, M.D., PhD
David J. Kim, M.D.

Mitchell Bernsen, Managing Member
1415 S. Arlington Heights Road
Arlington Heights, IL 60005
(847) 439-1005

NOTARY SEAL

Official Seal
John Haukland
Notary Public State of Illinois
My Commission Expires 03/22/2017

Northwest Endo Center, LLC

December 23, 2015

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

Dear Ms. Olson,

As requested in 77 Illinois Administrative Code 1110, Section 1110.1540 b 3), I hereby certify that none of the current and expected soon to be added, corporate officers or directors, LLC members, partners or owners of at least 5% of the proposed health care facility (listed below):

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   i) The commission of any felony or misdemeanor or violation of the law, except for minor parking violations, or
   ii) Has been the subject of any juvenile delinquency or youthful offender proceeding;
b) Has been charged with fraudulent conduct or any act of moral turpitude;
c) Has any unsatisfied judgments against him or her;
d) Is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order, or directive of any court or governmental agency.

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Bruce D. Greenberg, M.D.
Mitchell Bernsen, M.D.
Mitchell Kaplan, M.D.
David J. Sales, M.D., PhD
David J. Kim, M.D.
Joel M. Lattin. D.O.
Patricia K. Sun, M.D.

Mitchell Bernsen, Managing Member
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NOTARY SEAL

Official Seal
John Haukland
Notary Public State of Illinois
My Commission Expires 03/22/2017

1110.1540 c) Geographic Service Area Need

The Geographic Service Area (GSA) consists of zip codes all or part of which are located within a 45 minute drive time from the project location at 1415 S. Arlington Heights Road, IL. The table on the next page shows the 196 zip codes that comprise the GSA. These zip codes and the location of the project site are shown on the map following the zip code table.

Map Quest was used to determine travel times to locations throughout the metropolitan area. The exercise to construct the GSA involved placing the curser at locations on a base map with zip codes. The curser identified specific street addresses, and displayed their travel times and distances to 1415 S. Arlington Heights Road. If any part of a zip code is within 39 minutes of the project site, that entire zip code is included as part of the GSA. 39 minutes is the adjusted travel time for suburban driving; regulations stipulate a 15% added time for suburban travel. 1.15 x 39 minutes = 45 minute travel time.

The table of GSA zip codes includes year 2015 population by zip code. Total population of the GSA is 6,066,781.

Patient origin information is shown on the table following the GSA map. The Patient Origin table records number of inpatient Northwest Community Hospital discharges by zip code, as well as number of cases done in the NCH GI lab. Both sets of patient information are for year 2014. The NCH Primary Service Area is defined by the 6 zip codes (and 3 PO boxes) whose residents make up 54.4% of NCH inpatient discharges. The 14 zip codes in the Secondary Service Area contribute an additional 28.4% of NCH inpatient cases. 82.8% of NCH inpatients reside in the combined PSA and SSA.

The NCH Primary and Secondary Service Areas are totally contained within the larger GSA. Since over 82% of NCH patients come from the PSA and SSA, the conclusion is supported that well over 50% of NCH in-patients come from the GSA. The primary purpose of the ASTC project is to provide necessary health care to residents of the GSA.

Zip Codes Comprising Geographic Service Area

Zip Code	City	Population (Year 2015)
60004	Arlington Heights	50,784
60005	Arlington Heights	30,253
60007	Elk Grove Village	33,294
60008	Rolling Meadows	23,410
60010	Barrington	44,684
60012	Crystal Lake	10,667
60013	Cary	26,556
60014	Crystal Lake	47,417
60015	Deerfield	25,547
60016	Des Plaines	61,073
60018	Des Plaines	30,827
60020	Fox Lake	10,552
60021	Fox River Grove	5,130
60022	Glencoe	8,359
60025	Glenview	40,063
60026	Glenview	14,249
60029	Golf	317
60030	Grayslake	38,128
60031	Gurnee	38,677
60035	Highland Park	29,354
60040	Highwood	5,137
60041	Ingleside	8,792
60042	Island Lake	8,313
60043	Kenilworth	2,482
60044	Lake Bluff	9,081
60045	Lake Forest	19,894
60046	Lake Villa	35,055
60047	Lake Zurich	41,163
60048	Libertyville	29,603
60051	Mchenry	25,333
60053	Morton Grove	23,314
60056	Mount Prospect	55,525
60060	Mundelein	37,136
60061	Vernon Hills	26,727
60062	Northbrook	39,856
60064	North Chicago	14,771
60067	Palatine	39,564
60068	Park Ridge	37,678
60069	Lincolnshire	8,780
60070	Prospect Heights	15,245
60073	Round Lake	59,780
60074	Palatine	40,303
60076	Skokie	33,518
60077	Skokie	27,786
60084	Wauconda	17,594
60088	Great Lakes	14,716
60089	Buffalo Grove	41,651
60090	Wheeling	39,346

Attachment 27

Zip Code	City	Population (Year 2015)
60091	Wilmette	27,319
60093	Winnetka	19,279
60101	Addison	39,407
60102	Algonquin	31,407
60103	Bartlett	43,790
60104	Bellwood	19,097
60106	Bensenville	20,556
60107	Streamwood	40,050
60108	Bloomingdale	23,506
60110	Carpentersville	38,996
60118	Dundee	15,778
60120	Elgin	52,563
60123	Elgin	47,523
60124	Elgin	20,126
60126	Elmhurst	47,078
60130	Forest Park	13,877
60131	Franklin Park	18,106
60133	Hanover Park	38,077
60134	Geneva	30,250
60136	Gilberts	7,481
60137	Glen Ellyn	39,156
60139	Glendale Heights	35,238
60140	Hampshire	16,545
60141	Hines	262
60142	Huntley	29,205
60143	Itasca	10,250
60148	Lombard	52,775
60153	Maywood	23,635
60154	Westchester	16,519
60155	Broadview	7,779
60156	Lake In The Hills	29,165
60157	Medinah	2,542
60160	Melrose Park	26,072
60162	Hillside	8,421
60163	Berkeley	5,197
60164	Melrose Park	22,239
60165	Stone Park	5,182
60169	Hoffman Estates	32,982
60171	River Grove	10,498
60172	Roselle	24,910
60173	Schaumburg	13,303
60174	Saint Charles	31,197
60175	Saint Charles	25,931
60176	Schiller Park	11,803
60177	South Elgin	23,265
60181	Villa Park	28,663
60184	Wayne	2,799
60185	West Chicago	38,226
60187	Wheaton	29,236
60188	Carol Stream	43,653
60189	Wheaton	30,171

Attachment 27

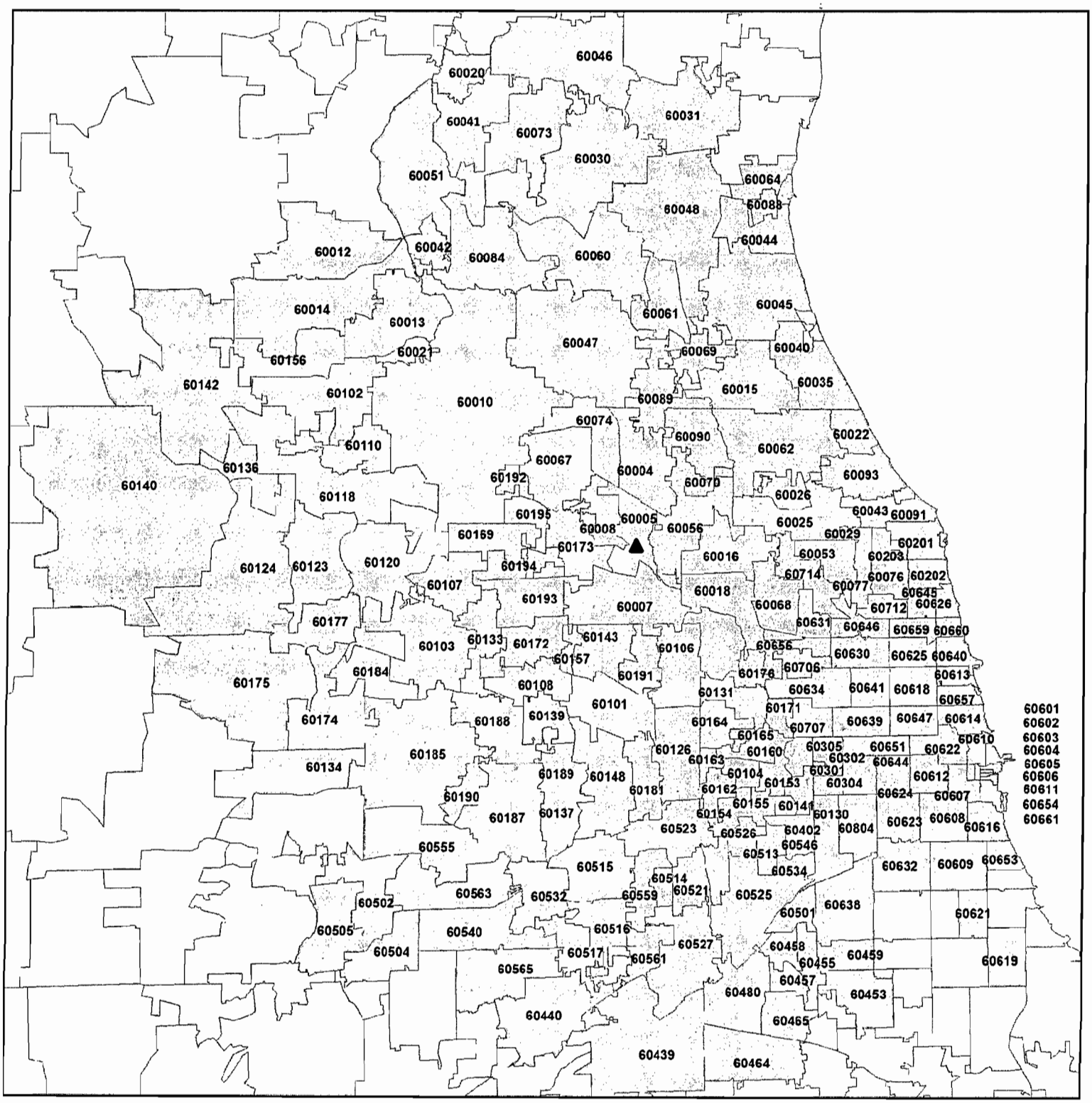
Zip Code	City	Population (Year 2015)
60190	Winfield	10,796
60191	Wood Dale	15,032
60192	Hoffman Estates	16,288
60193	Schaumburg	41,221
60194	Schaumburg	20,767
60195	Schaumburg	5,313
60201	Evanston	40,994
60202	Evanston	31,742
60203	Evanston	4,670
60301	Oak Park	2,317
60302	Oak Park	32,612
60304	Oak Park	17,179
60305	River Forest	10,992
60402	Berwyn	63,545
60439	Lemont	23,874
60440	Bolingbrook	54,044
60453	Oak Lawn	57,439
60455	Bridgeview	16,978
60457	Hickory Hills	14,120
60458	Justice	15,379
60459	Burbank	29,519
60464	Palos Park	10,135
60465	Palos Hills	17,838
60480	Willow Springs	5,528
60501	Summit Argo	11,622
60502	Aurora	22,779
60504	Aurora	41,323
60505	Aurora	78,452
60513	Brookfield	19,126
60514	Clarendon Hills	10,186
60515	Downers Grove	27,866
60516	Downers Grove	29,619
60517	Woodridge	32,782
60521	Hinsdale	18,214
60523	Oak Brook	9,471
60525	La Grange	31,521
60526	La Grange Park	14,024
60527	Willowbrook	29,355
60532	Lisle	27,562
60534	Lyons	10,909
60540	Naperville	43,440
60546	Riverside	15,850
60555	Warrenville	13,934
60559	Westmont	25,808
60561	Darien	22,542
60563	Naperville	38,486
60565	Naperville	40,415
60601	Chicago	12,810
60602	Chicago	1,413
60603	Chicago	1,087
60604	Chicago	882

Attachment 27

Zip Code	City	Population (Year 2015)
60605	Chicago	27,418
60606	Chicago	3,068
60607	Chicago	26,062
60608	Chicago	74,796
60609	Chicago	65,452
60610	Chicago	38,067
60610	Chicago	38,067
60611	Chicago	31,833
60612	Chicago	34,877
60613	Chicago	51,326
60614	Chicago	67,362
60616	Chicago	51,387
60618	Chicago	92,017
60619	Chicago	62,209
60621	Chicago	34,461
60622	Chicago	53,330
60623	Chicago	100,324
60624	Chicago	37,535
60625	Chicago	78,438
60626	Chicago	51,266
60630	Chicago	54,168
60631	Chicago	29,088
60632	Chicago	91,353
60634	Chicago	75,577
60638	Chicago	55,701
60639	Chicago	90,215
60640	Chicago	66,470
60641	Chicago	71,071
60642	Chicago	19,148
60644	Chicago	48,016
60645	Chicago	46,148
60646	Chicago	26,669
60647	Chicago	87,920
60651	Chicago	63,113
60653	Chicago	32,087
60654	Chicago	18,891
60656	Chicago	29,186
60657	Chicago	67,688
60659	Chicago	38,043
60660	Chicago	43,579
60661	Chicago	9,147
60706	Harwood Heights	22,616
60707	Elmwood Park	43,102
60712	Lincolnwood	13,030
60714	Niles	30,760
60804	Cicero	86,331
		6,066,781

Zip Codes Within 45 Minute Travel Times of 1415 S. Arlington Heights Rd.

▲ = proposed location



Source: MapInfo
NCH Decision Support
April 2015

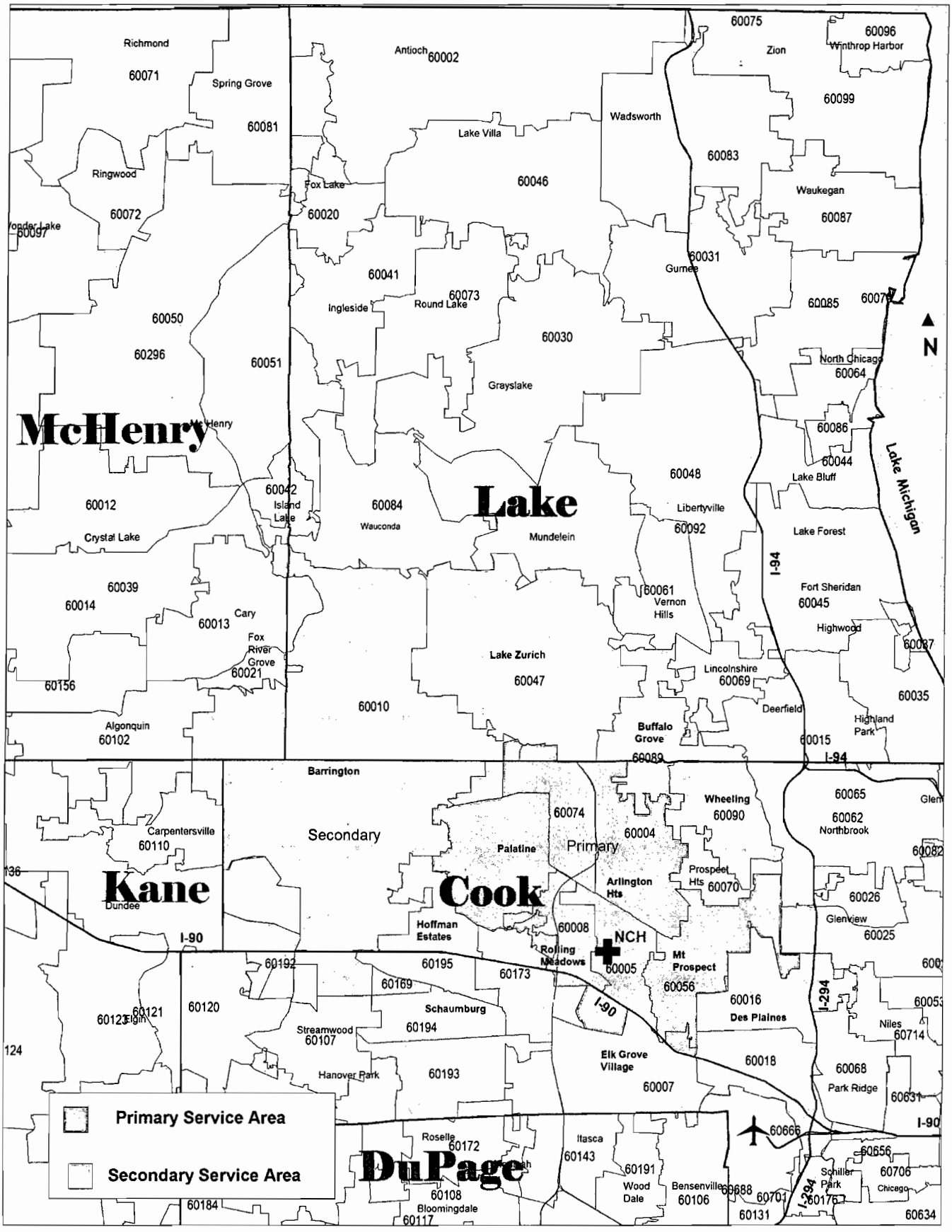
Attachment 27

Patient Origin -- Northwest Community Hospital Inpatient Discharges and GI lab cases, CY 2014

Zip & City Name	Inpatient Discharges (CY 2014)	% of Total Patients	Cumulative %	GI Lab Cases (CY2014)	% of Total Patients	Cumulative %
PSA						
60004 - ARLINGTON HEIGHTS	2682	12.083%	12.083%	1952	13.597%	13.597%
60005 - ARLINGTON HEIGHTS	1928	8.686%	20.769%	1154	8.038%	21.636%
60006 - ARLINGTON HEIGHTS	6	0.027%	20.796%	6	0.042%	21.677%
60008 - ROLLING MEADOWS	1400	6.307%	27.103%	696	4.848%	26.525%
60056 - MOUNT PROSPECT	2148	9.677%	36.780%	1184	8.247%	34.773%
60067 - PALATINE	1893	8.528%	45.308%	1238	8.624%	43.396%
60074 - PALATINE	2013	9.069%	54.377%	868	6.046%	49.443%
60078 - PALATINE	10	0.045%	54.422%	10	0.070%	49.512%
60095 - PALATINE		0.000%	54.422%	1	0.007%	49.519%
PSA Sub Total	**12080**	**54.422%**		**7109**	**49.519%**	
SSA						
60007 - ELK GROVE VILLAGE	203	0.915%	55.336%	230	1.602%	51.121%
60009 - ELK GROVE VILLAGE	4	0.018%	55.354%	2	0.014%	51.135%
60010 - BARRINGTON	346	1.559%	56.913%	474	3.302%	54.437%
60011 - BARRINGTON	2	0.009%	56.922%	3	0.021%	54.458%
60016 - DES PLAINES	684	3.081%	60.004%	377	2.626%	57.084%
60017 - DES PLAINES	8	0.036%	60.040%	2	0.014%	57.098%
60018 - DES PLAINES	281	1.266%	61.306%	143	0.996%	58.094%
60019 - DES PLAINES	1	0.005%	61.310%	0	0.000%	58.094%
60047 - LAKE ZURICH	477	2.149%	63.459%	435	3.030%	61.124%
60070 - PROSPECT HEIGHTS	516	2.325%	65.784%	253	1.762%	62.887%
60089 - BUFFALO GROVE	1343	6.050%	71.834%	866	6.032%	68.919%
60090 - WHEELING	1241	5.591%	77.425%	537	3.741%	72.660%
60159 - SCHAUMBURG	2	0.009%	77.434%	0	0.000%	72.660%
60168 - SCHAUMBURG		0.000%	77.434%	1	0.007%	72.666%
60169 - HOFFMAN ESTATES	219	0.987%	78.421%	140	0.975%	73.642%
60173 - SCHAUMBURG	215	0.969%	79.389%	98	0.683%	74.324%
60192 - HOFFMAN ESTATES	138	0.622%	80.011%	163	1.135%	75.460%
60193 - SCHAUMBURG	350	1.577%	81.588%	244	1.700%	77.159%
60194 - SCHAUMBURG	187	0.842%	82.430%	108	0.752%	77.912%
60195 - SCHAUMBURG	79	0.356%	82.786%	48	0.334%	78.246%
SSA Sub Total	**6296**	**28.364%**		**4124**	**28.727%**	
Other Service Area						
Outside of PSA and SSA regions	**3821**	**17.214%**	**100.000%**	**3123**	**21.754%**	**100.000%**
Grand Total	**22197**	**100.000%**	**100.000%**	**14356**	**100.000%**	**100.000%**

Attachment 27

Northwest Community Hospital Inpatient Service Area



NCH Decision Support
April 2015

1110.1540 (d) Service Demand – Establishment of an ASTC Facility

The NCH GI lab with 9 procedure rooms provided 13,802 hours of service (including prep time and clean up) for the 11 months through November 30, 2015. Based on utilization for part of December and appointments made, an anticipated additional 1239 hours is anticipated in December, resulting in 15,401 hours in CY 2015. At 1500 hours per room, this volume justifies 10 rooms, exceeding the nine rooms in the GI lab.

The NCH GI lab has experienced growth of 65% over the past 5 years, from 9101 hours in Year 2010 to 15,041 hours in Year 2015. Historic volumes are shown on the table on the next page. This increase in hours is an average annual increase of 13.1%. This growth is expected to continue, in part because of the increase in the over age 50 population in the service area. (Colonoscopies are recommended for all persons age 50 or over.) Between 2015 and 2020, the population over age 50 is projected to grow by 4.5% in Cook County and 11.6% in Lake County. Zip code specific population projections are not included in this IDPH source. Because the GSA spreads over much of Cook and Lake Counties, it can be anticipated that part of this growth in demand is associated with population growth of between 1 and 2% each year for these next 5 years.)

A conservative growth rate of 3.0% is used to forecast GI lab utilization annually through year 2018, following completion of the project in late 2016/early 2017. This growth rate is conservative and significantly less than the 13.1% average annual increase for the past five years. This 3% rate results in a year 2018 projection of 16,435 hours. 16,435 hours equates for 11 rooms, -- 9 continuing at the GI lab and two new rooms at the proposed new ASTC (16,435 divided by 1500 hours per room per year yields 10.96 rooms. For purposes of planning, it is anticipated that 13,500 hours will remain at the GI lab (9 rooms at 1500 hours per room per year); the new ASTC's two rooms will accommodate the remaining 2935 hours (approximately 1500 hours per room per year.)

Further support for this projection is provided by physicians who are active at the NCH GI lab and commit to refer patients to the proposed ASTC. Their historic and projected referrals are summarized in the second table in this section. 10 physicians have written that they will commit to refer a total of 2,301 cases to the ASTC in year 2018. These include 1,444 referrals by the 8 physician members of Northwest Gastroenterologists (NWG), and 857 cases by two other physicians. (Their 857 cases is 1/3 the average of their workloads for the past two years.) At an average of 52 minutes per case, this volume of 2,301 cases from the NCH GI lab translates to 1,994 hours. 1,994 hours is sufficient to justify two ORs at the proposed ASTC. The split between cases conducted at the GI lab and ASTC will be managed so as not to reduce the volume at the GI lab below 1500 hours per room per year.

These gastroenterologists conducted a total of 3910 cases (3386 hours) at the NCH GI lab in 2014. Their commitments to refer cases to the GI lab are consistent with and not in excess of their historic workloads.

Appendix II contains the physician referral letters, documenting historic volumes of cases performed by each at the NCH GI lab, patient origin information for their cases in year 2014, and projected annual referrals to the ASTC within 2 years after project completion.

Attachment 27

The check of zip codes in the physician-specific patient origin tables confirms that about 98% of patients seen in the GI lab reside in zip codes within the GSA.

Attachment 27

UTILIZATION				
Year	NCH GI Lab	(hours)	Proposed ASTC (hours)	Total GI lab and ASTC hours
	historic hrs (1)	projected hrs	projected	
2010	9101			9101
2011	8963			8963
2012	11,172			11,172
2013	11,593			11,593
2014	12,818			12,818
2015		15041 (2)	----	15,041
2016		15,492	----	15,492 (3)
2017		13,500	2,457	15,957 (3)
2018		13,500	2,935	16,435 (3)

Notes

(1) Historic average annual growth rate of 13.1%

(2) Projection for full CY 2015 is based on 15,925 cases (13,802 hours) for 11 months for CY 2015 through November 30, 2015. 1,430 cases (1239 hours) are anticipated in December, based on utilization to date and scheduling higher than the average month.
13,802 hrs + 1239 hrs totals to 15,041 hrs for the full year.

(3) Projected based on 3% annual growth for 2016, 2017 and 2018

Attachment 27

Historic and Projected Referrals to GI lab / ASTC, by Physician

Physician	Cases at NCH GI lab			Referrals Committed
	Yr 2013	Yr 2014	average	to proposed ASTC, 2018
Mitchell Bernsen, MD	274	232	253	253
Bruce Greenberg, MD	203	172	187	187
Mitchell Kaplan, MD	110	96	103	103
David Kim, MD	182	238	210	210
Joel Lattin, MD	217	227	222	222
David Sales, MD	182	175	173	173
Patricia Sun, MD	126	153	140	140
Loren White, MD	132	180	156	156
subtotal			**1444**	**1444**
Aaron Benson, MD	1553	1351	1452	484
Michael Hersh, MD	1191	1044	1118	373
subtotal			**2570**	**857**
Total			**4014**	**2301**

Attachment 27

1110.1540 f) Treatment Room Need Assessment

1) The proposed endoscopy center treatment rooms are dedicated to gastroenterology procedures. The two rooms are needed to relieve capacity issues in the Northwest Community Hospital 9 room GI lab.

The GI lab is projected to provide 15,041 hours of service in CY 2015. This volume is based on 13,802 hours for the 11 months through November 30, and an estimated 1,239 hours scheduled or anticipated in December. This volume constitutes a demand for 10 rooms based on 1500 hours per room per year. The utilization of the GI lab has grown by 65% in the past 5 years, or an average annual increase of 13.1%. Additional capacity is needed to accommodate ongoing growth. A projected annual average growth rate of 3% through 2018 (conservative when compared to the historic growth rate of 13.1% per year) results in a projected volume of 16,435 hours in year 2018.

16,435 hours supports the need for 11 rooms (10.96 rooms at 1500 hours per room per year). The plan is to continue full utilization of the nine rooms at the GI lab, and open two new rooms at the proposed ASTC.

2) Associated with the 15,041 treatment hours in 2015 is a caseload of 15,925 cases for the 11 months through November 30, and a projected 1430 cases for the month of December.

For the past years, average treatment and clean-up time at the NCH GI lab has averaged 52 minutes per case. With the opening of the endoscopy service at the ASTC, it is expected that more complex cases and increased treatment times will be experienced at the NCH GI lab.

1110.1540 g) Service Accessibility

The proposed project to establish an ASTC at 1415 S. Arlington Heights Rd is a cooperative venture between Northwest Community Hospital and the physician members of Northwest Gastroenterologists.

Northwest Community Hospital provides outpatient services, including endoscopy services in its GI lab on the hospital campus. 78% of NCH's GI lab patients reside in the 20 zip codes that comprise the primary and secondary service areas of the hospital. These 20 zip codes are totally contained within the GSA, the Geographic Service Area, defined by the 196 zip codes within 45 minute travel times of the site of the proposed ASTC at 1415 S. Arlington Heights Road. Consequently, the hospital is currently serving the population of the GSA.

NCH is experiencing full utilization of its 9 room GI lab. The GI lab provided 15,041 hours of service in Year 2015, based on 13,802 hours through November 30 and an estimated 1,239 hours scheduled or anticipated in December. This volume constitutes a demand for 10 rooms based on 1500 hours per room per year. The utilization of the GI lab has grown by 65% in the past 5 years, or an average annual increase of 13.1%. Additional capacity is needed to accommodate ongoing growth. A projected annual average growth rate of 3% through 2018 (conservative when compared to the historic growth rate of 13.1% per year) results in a volume of 16,435 hours in year 2018. 16,435 hours supports the need for 11 rooms (10.96 rooms at 1500 hours per room per year). The plan is to continue full utilization of nine rooms at the GI lab, and open two new rooms at the proposed ASTC.

The letter on the following page states the commitment by NCH to not increase its surgical/treatment room capacity until the proposed ASTC is operating at or above the level of 1500 hours per room per year for a period of at least 12 months.

The table in section 1110.1540 j) presents future charges for endoscopy services at the ASTC and current charges at the NCH GI lab. The lower costs associated with the operation of the ASTC enable a set of lower charges at the ASTC than at the hospital's GI lab.

1110.1540 h) Unnecessary Duplication / Maldistribution

1. The proposed ASTC with two special procedure rooms for GI services does not result in the unnecessary duplication of services. The GSA is a set of 196 zip codes, each of which is located totally or partially within a 45 minute drive time of 1415 S. Arlington Heights. The total Year 2015 population of the GSA is estimated at 6,066,781 (Source: Sg2 Market Demographics, August 2014 Nielsen Demographics Methodology).

The Table in this section presents a listing of all hospitals and ASTCs located in the GSA. The hospitals contain a total of 711 operating rooms; the 74 ASTCs contain 206 ORs. In addition, there are 195 procedure rooms dedicated to GI services at hospitals in the GSA, and 57 GI procedure rooms at ASTCs.

One method for measuring duplication of service is to compare the availability of ORs per 1000 population in the GSA to the number of ORs per 1000 population in the State. The table following this page shows that there is a total of 2260 hospital and ASTC ORs in the State of Illinois, a ratio of 0.174 ORs per 1000 population. There are 917 hospital and ASTC ORs in the GSA, a ratio of 0.151 ORs per 1000 population. These data show that there is a lower ratio of ORs to population in the GSA of the project than in the entire State of Illinois, and supports the finding that the project does not result in a duplication of service.

2. The proposed project does not result in the maldistribution of service. The analysis uses the same information used to assess duplication of service. One of the State's criteria for determining maldistribution is when the number of facilities in the identified planning area results in a ratio of facilities to population that exceeds one and one half times the State average. Maldistribution would exist if, in the identified planning area (the GSA), the ratio of facilities (ORs and GI procedure rooms) exceeds 1.5 times the State average. Based on the table's information, the ratio with the proposed project is 0.19 ORs and procedure rooms per 1000 population. Maldistribution would occur only if the ratio in the GSA exceeds 0.31 (1.5 times the State average of 0.21). The ratio of 0.19 in the GSA is considerably under the 0.31 ratio that would constitute maldistribution. As a result, there is no maldistribution associated with the proposed project. See the Table "Analysis to Confirm No Maldistribution of Service."

3. The purpose of this project is to accommodate growth of endoscopy services in the NCH GI lab. At 15,041 hours this year, the GI lab's 9 rooms are beyond capacity. Annual growth has averaged 13.1% for the past five years. An additional two rooms are needed to provide capacity for the next 2 – 3 years. This growth is generated, in part, by the increasing over-age 50 population in northern Cook and southern Lake Counties.

This growth is internally generated within the NCH GI lab, and will not lower the utilization of other area endoscopy services that are operating above the utilization standard causing them to fall below. Nor will it draw patients from other endoscopy services that are operating below the utilization standards. As stated in the "Service Demand – Establishment of an ASTC facility section," the 9 room GI lab and the 2 OR ASTC, if approved, are forecast to accommodate over 16,400 hours of service in year 2018 after project completion. These cases will not be drawn from other area providers. Letters by gastroenterologists (Appendix 2) affirm that they will not be reducing referrals to other hospitals or ASTCs, but will be using the proposed ASTC to supplement the service at the NCH GI lab.

Table: Analysis to Confirm No Maldistribution of Service

	State of Illinois	GSA
Yr 2015 Projected Population	12,978,800 (1)	6,066,781 (2)
Hospital ORs		
- Number of ORs	1842 (3)	711 (4)
- Ratio of ORs per 1000 population	0.142	0.117
ASTC ORs		
- Number of ASTC ORs	418 (5)	204 (6)
- Ratio of ASTC ORs per 1000 population	0.032	0.0336
TOTAL ORs		
- Total	2260	917
- Ratio of total ORs per 1000 population	0.174	0.151
GI Procedure Rooms		
- Number of GI procedure rooms	433 (3)	206
- Ratio of GI procedure rooms per 1000 population	0.032	0.034
Total ORs and GI procedure rooms	2709	1125
Ratio of ORs and GI Procedure rooms per 1000 population	0.21	0.19
Ratio of ORs and GI rooms if project is approved	0.21	0.19

Footnotes:

(1) *Population Projections: Illinois, Chicago and Illinois Counties by Age and Sex: July 1, 2010 to July 1, 2025* Table 1 (2014 Edition) released by IDPH, Office of Health Informatics, Illinois Center for Health Informatics

(2) Sg2 Market Demographics, August 2014 Nielsen Demographics Methodology

(3) Illinois Hospitals Data Summary, CY 2014, IDPH, page 2

(4) Hospital Data Profiles and Annual Bed Report, Year 2014; August 25, 2015

(5) Inventory of Health Care Facilities and Services and Need Determinations, Non-Hospital Based Ambulatory Surgery Category of Service by Health Service Area, page B-4; 8/4/2015,

(6) Ambulatory Surgery Treatment Center (ASTC) Data Profiles, 2014, August 26, 2015 IDPH

Table: Hospitals and ASTCs within 45 minutes adjusted travel time from 1415 S. Arlington Heights Road

Provider Facility	Address	City	Zip Code	Distance	Travel Time	Adj Trav Time	# of ORs	Procedure Rms (GI)
Hospitals								
Adventist Bolingbrook Hospital	500 Remington Blvd.	Bolingbrook	60440	33.2	38	44	6	2
Adventist GlenOaks Hospital	701 Winthrop Ave.	Glendale Heights	60139	14.6	20	23	5	1
Adventist Hinsdale Hospital	120 N. Oak St.	Hinsdale	60521	23.0	27	31	12	4
Adventist La Grange Memorial Hospital	5101 S. Willow Springs Rd.	La Grange	60525	24.3	38	32	11	3
Advocate Condell Medical Center	801 S. Milwaukee Ave.	Libertyville	60048	18.0	33	38	12	4
Advocate Good Samaritan Hospital	3815 Highland Ave.	Downers Grove	60515	20.5	25	29	15	6
Advocate Good Shepherd Hospital	450 West Highway 22	Barrington	60010	19.6	29	33	11	5
Advocate Illinois Masonic Medical Center	836 W. Wellington Ave.	Chicago	60657	22.0	28	32	14	4
Advocate Lutheran General Hospital	1775 Dempster Street	Park Ridge	60068	8.2	16	18	24	8
Advocate Sherman Hospital	1425 North Randall Road	Elgin	60123	20.8	23	27	16	0
Alexian Brothers Medical Center	800 Biesterfield Rd.	Elk Grove Village	60007	5.0	9	10	15	7
Ann & Robert H. Lurie Children's Hospital of Chicago	225 East Chicago Ave.	Chicago	60611	24.1	29	33	18	2
Centegra Hospital-Huntley	10400 Haligus Road	Huntley	60142		under construction			
Community First Medical Center	564S West Addison Street	Chicago	60634	15.8	21	24	9	2
Edward Hospital	801 S. Washington Street	Naperville	60540	30.0	37	43	18	6
Elmhurst Memorial Hospital	155 E. Brush Hill Road	Elmhurst	60126	15.8	26	30	15	5
Gottlieb Memorial Hospital	701 West North Avenue	Melrose Park	60160	15.7	23	26	9	2
John H. Stroger, Jr. Hospital of Cook County	1901 West Harrison Street	Chicago	60612	23.7	30	35	20	3
Loretto Hospital	645 South Central Avenue	Chicago	60644	26.4	30	35	5	1
Loyola University Medical Center	2160 South First Avenue	Maywood	60153	22.9	26	30	27	6
Louis A. Weiss Memorial Hospital	4646 North Marine Drive	Chicago	60640	20.0	30	35	10	3
MacNeal Hospital	3249 S. Oak Park Avenue	Berwyn	60402	26.8	34	39	18	6
Mercy Hospital and Medical Center	2525 S. Michigan Avenue	Chicago	60616	27.1	34	39	6	4
Methodist Hospital of Chicago	5025 N. Paulina Street	Chicago	60640	19.1	29	33	4	2
Mount Sinai Hospital Medical Center	2750 W. 15th Street	Chicago	60608	25.1	34	39	9	2
NorthShore University HealthSystem Evanston Hospital	2650 Ridge Avenue	Evanston	60201	14.2	27	31	16	7
NorthShore University HealthSystem Glenbrook Hospital	2100 Pfingsten Road	Glenview	60026	10.4	19	22	9	6
NorthShore University HealthSystem Highland Park Hospital	777 Park Avenue West	Highland Park	60035	19.9	31	36	11	6
North5hore University HealthSystem Skokie Hospital	9600 Gross Point Road	Skokie	60076	13.2	25	29	10	5
Northwest Community Hospital	800 West Central Road	Arlington Heights	60005	1.7	3	3	14	9
Northwestern Central DuPage Hospital	25 North Winfield Road	Winfield	60190	21.5	30	35	26	5
Northwestern Lake Forest Hospital	660 N. Westmoreland Road	Lake Forest	60045	23.2	32	37	8	5
Northwestern Memorial Hospital	251 East Huron Street	Chicago	60611	23.8	34	39	62	14
Norwegian American Hospital	1044 N. Francisco Avenue	Chicago	60622	20.1	29	33	5	2
Presence Holy Family Medical Center	100 North River Road	Des Plaines	60016	5.5	11	13	5	2
Presence Resurrection Medical Center	7435 West Talcott Avenue	Chicago	60631	12.1	14	16	14	5
Presence St Francis Hospital	355 Ridge Avenue	Evanston	60202	22.4	32	37	14	3
Presence St Joseph Hospital, Chicago	2900 N. Lake Shore Drive	Chicago	60657	22.5	29	33	12	4
Presence St Joseph Hospital, Elgin	77 N. Airlite Street	Elgin	60123	23.4	27	31	10	0
Presence St Elizabeth Hospital	1431 N. Claremont Avenue	Chicago	60622	21.0	27	31	5	0
Presence St Mary of Nazareth Hospital	2233 W. Division Street	Chicago	60622	21.3	28	32	8	3
Rush Oak Park Hospital	520 S. Maple Street	Oak Park	60304	23.9	27	31	9	3
Rush University Medical Center	1653 W. Congress Parkway	Chicago	60612	24.8	29	33	31	7

Provider Facility	Address	City	Zip Code	Distance	Travel Time	Adj Trav Time	# of ORs	Procedure Rms (GI)
Shriners Hospitals for Children-Chicago	2211 N. Oak Park Avenue	Chicago	60707	16.4	25	29	4	0
St. Alexius Medical Center	1555 Barrington Road	Hoffman Estates	60169	11.0	13	15	11	5
St. Anthony Hospital	2875 W. 19th St.	Chicago	60623	27.7	34	39	4	1
Swedish Covenant Hospital	5145 N. California Avenue	Chicago	60625	17.9	25	29	10	3
Thorek Memorial Hospital	850 West Irving Park Road	Chicago	60613	20.3	31	36	70	0
University of Illinois Hospital at Chicago	1740 W. Taylor Street, Ste. 1400	Chicago	60612	25.3	31	36	20	6
VHS West Suburban Medical Center	3 Erie Court	Oak Park	60302	18.7	30	35	8	4
VHS Westlake Hospital	1225 Lake Street	Melrose Park	60160	17.3	26	30	6	2
Total Hospitals:							**711**	**195**
Ambulatory Surgery Treatment Centers								
25 East Same Day Surgery	25 East Washington	Chicago	60602	24.1	30	35	4	0
Advanced Ambulatory Surgical Center	2333 North Harlem Avenue	Chicago	60707	15.7	24	28	3	0
Advantage Health Care, Ltd.	203 E. Irving Park Road	Wood Dale	60191	7.3	14	16	2	0
Aiden Center for Day Surgery, LLC	1580 W. Lake Street	Addison	60101	10.4	13	15	4	0
Albany Medical Surgical Center	5086 North Elston Avenue	Chicago	60630	15.3	19	22	2	0
Algonquin Road Surgery Center, LLC	2550 Algonquin Road	Lake in the Hills	60516	27.3	32	37	3	1
Ambulatory Surgicenter of Downers Grove, Ltd.	4333 Main Street	Downers Grove	60515	21.2	27	31	3	0
Apollo Surgical Center	2750 South River Road	Des Plaines	60018	9.0	11	13	2	0
Ashton Center for Day Surgery	1800 McDonough Road Suite 100	Hoffman Estates	60192	14.0	16	18	4	0
Barrington Pain and Spine Institute, LLC	600 Hart Road Suite 300	Barrington	60010	14.8	25	29	2	1
Belmont/Harlem Surgery Center, LLC	3101 North Harlem Avenue	Chicago	60634	14.7	22	25	4	0
Cadence Ambulatory Surgery Center	27650 Ferry Road	Warrenville	60555	28.0	31	36	4	0
Chicago Endoscopy Center, ASTC	3536 W. Fullerton Avenue	Chicago	60647	18.9	24	28	0	1
Chicago Prostate Cancer Surgery Center	815 Pasquinelli Drive	Westmont	60559	18.8	30	35	2	0
Children's Outpatient Services at Westchester	2301 Enterprise Drive	Westchester	60154	20.2	23	27	3	0
DMG Surgical Center, LLC	2725 S. Technology Drive	Lombard	60148	20.3	24	28	5	3
Dupage Eye Surgery Center, LLC	2015 North Main Street	Wheaton	60187	17.8	24	28	3	0
Elgin Gastroenterology Endoscopy Center, LLC	745 Fletcher Drive #201	Elgin	60123	22.0	24	28	0	2
Elmhurst Medical & Surgical Center P.C.	340 West Butterfield Road Suite 1B	Elmhurst	60126	15.0	25	29	1	0
Elmhurst Outpatient Surgery Center	1200 South York Road Suite 1400	Elmhurst	60126	17.0	27	31	4	4
Elmwood Park Same Day Surgery, LLC	1614 North Harlem Avenue	Elmwood Park	60707	16.8	25	29	3	0
Eye Surgery Center of Hinsdale, LLC	950 North York Road, Suite 203	Hinsdale	60521	22.5	25	29	2	1
Forest Med-Surg Center	9050 W. 81st Street	Justice	60458	30.7	35	40	2	2
Fullerton Kimball Medical & Surgical Center	3412 West Fullerton Avenue	Chicago	60647	19.5	27	31	2	0
Fullerton Surgery Center	4849 West Fullerton	Chicago	60639	18.0	28	32	3	0
Gold Coast Surgicenter, LLC	845 N. Michigan Avenue Suite 985W	Chicago	60611	23.5	31	36	3	1
Grand Avenue Surgical Center	17 West Grand Avenue	Chicago	60654	23.5	28	32	3	0
Hawthorn Place Outpatient Surgery Center LP	240 Center Drive	Vernon Hills	60061	15.2	28	32	4	0
Hawthorne Surgery Center	1900 Hollister Drive Ste 100	Libertyville	60048	16.4	31	36	3	0
Hinsdale Surgical Center, LLC	908 N. Elm Street Suite 401	Hinsdale	60521	22.4	25	29	4	2
Hoffman Estates Surgery Center, LLC	1555 Barrington Road Suite 0400	Hoffman Estates	60194	11.0	13	15	3	1
Illinois Hand & Upper Extremity Center	515 West Algonquin Road	Arlington Heights	60005	1.2	2	2	1	0
Illinois Sports Medicine & Orthopedic Surgery Center, LLC	9000 Waukegan Road Suite 120	Morton Grove	60053	10.8	21	24	4	1
Lakeshore Surgery Center, LLC	7200 North Western Avenue	Chicago	60645	21.4	32	37	2	0
Golf Surgical Center, LLC	8901 Golf Road	Des Plaines	60016	7.6	14	16	5	3
Lisle Center for Pain Management	2867 E. Ogden	Lisle		25.5	28	32	1	0
Loyola Surgery Center	1 South 224 Summit suite 201	Oakbrook Terrace	60181	15.5	25	29	3	0

Provider Facility	Address	City	Zip Code	Distance	Travel Time	Adj Trav Time	# of ORs	Procedure Rms (GI)
Loyola University Ambulatory Surgery Center	2160 South First Avenue, Bldg. 201	Maywood	60153	22.9	26	30	8	0
Midwest Center for Day Surgery	3811 Highland Avenue	Downers Grove	60515	20.5	25	29	5	0
Midwest Endoscopy Center	1243 Rickert Drive	Naperville	60540	31.4	39	44	0	2
Naperville Fertility Center, Inc	3 North Washington	Naperville	60540	27.9	34	39	1	0
Naperville Surgical Centre	1263 Rickert Drive	Naperville	60540	31.4	39	44	4	1
North Shore Surgical Center	3725 W. Touhy Avenue	Lincolnwood	60712	19.7	27	31	3	0
Northshore Endoscopy Center	101 South Waukegan Road suite 980	Lake Bluff	60044	25.5	33	38	0	2
Northwest Community Day Surgery Center	675 West Kirchoff Road	Arlington Heights	60005	1.4	3	3	10	1
Northwest Surgicare	1100 West Central Road, Ste L-4	Arlington Heights	60005	1.7	3	3	4	2
Northwestern Grayslake Ambulatory Surgery Center	1475 East Belvidere Road	Grayslake	60030	20.5	36	41	4	0
Northwestern Grayslake Endoscopy Center	1475 E. Belvidere Road Suite 303	Grayslake	60030	20.5	36	41	0	2
NovaMed Center for Reconstructive Surgery	6309 West 95th Street	Oak Lawn	60453	33.0	36	41	4	0
Novamed Surgery Center of Chicago Northshore, LLC	3034 West Peterson	Chicago	60659	18.6	27	31	1	0
NovaMed Surgery Center of River Forest, LLC	7427 West Lake Street	River Forest	60305	17.8	27	31	2	0
Oak Brook Surgical Centre, Inc. The	2425 West 22nd Street Suite 101	Oak Brook	60521	16.5	27	31	5	0
Oak Lawn Endoscopy Center	9921 Southwest Highway	Oak Lawn	60453	33.6	38	44	0	2
Palos Hills Surgery Center	10330 South Roberts Road, Suite 3000	Palos Hills	60465	33.6	37	43	2	0
Peterson Medical Surgi-Center	2300 W. Peterson Ave	Chicago	60659	19.5	25	29	2	2
Presence Lakeshore Gastroenterology	150 N. River Road	Des Plaines	60016	5.6	15	17	0	2
Ravine Way Surgery Center	2350 Ravine Way Suite 500	Glenview	60025	13.7	24	28	3	1
Regenerative Surgery Center	1455 Golf Road, Suite 134	Des Plaines	60016	5.5	11	13	3	0
River North Same Day Surgery Center, LLC	One East Erie Suite 300	Chicago	60611	23.6	28	32	4	0
Rogers Park One Day Surgery Center, Inc.	7616 N. Paulina	Chicago	60626	22.7	33	38	2	0
Rush Surgicenter at the Professional Bldg. Ltd.	1725 West Harrison Street Suite 556	Chicago	60612	24.9	30	35	4	0
Salt Creek Surgery Center	530 N. Cass Avenue	Westmont	60559	19.8	32	37	0	4
Six Corners Same Day Surgery, LLC	4211 North Cicero Avenue Suite 400	Chicago	60641	15.6	20	23	4	1
South Loop Endoscopy & Wellness Center LLC	2334-40 S. Wabash	Chicago	60616	26.1	34	39	0	1
Swedish Covenant Surgery Center	5215 N. California Ave SuiteF800	Chicago	60625	17.9	25	29	3	0
The Center for Surgery	475 East Diehl Road	Naperville	60563	26.3	30	35	8	3
The Glen Endoscopy Center, LLC	2551 Compass Road, Suite 115	Glenview	60026	11.5	22	25	0	3
The Surgery Center at 900 North Michigan Ave, LLC	60 East Delaware, 15th Floor	Chicago	60611	24.1	30	35	5	2
United Shockwave Services	120 N. La Grange Road	La Grange	60525	23.9	27	31	1	0
Valley Ambulatory Surgery Center	2210 Dean Street	St. Charles	60175	31.4	37	43	7	1
Vernon Square Surgicenter	230 Center Drive	Vernon Hills	60061	15.2	28	32	2	0
Western Diversey Surgical Center	2744 North Western Avenue	Chicago	60647	20.0	24	28	2	0
Winchester Endoscopy Center	1870 W. Winchester Rd	Libertyville	60048	17.8	32	37	0	2
Total ASTC:							**206**	**57**

Sources:

- Hospital Data Profiles and Bed Report, 2014; posted August 26, 2015
- Ambulatory Surgical Treatment Center Data Profiles, 2014 posted August 26, 2015

1110.1540 i) Staffing

Northwest Endoscopy Center will employ many of the current staff at Northwest Gastroenterologists. The four endoscopy technicians and eight full and part time RNs currently working at the endoscopy center will be offered positions at the new Northwest Endo Center. This will allow for staffing levels consistent with the SGNA and AAAHC guidelines. An administrator with a clinical GI or Surgery Center background will be recruited. A scheduling and reception/check-in person could also be transferred from the current endoscopy center or recruited from outside the organization.

Mitchell Bernsen, MD, will hold the position of Medical Director. Dr. Bernsen is a Board Certified Gastroenterologist with 20 years in private GI practice. He received his M.D. from Rush Medical College, completed his residency (including Chief Resident) at Rush-Presbyterian-St. Luke's and his GI fellowship at Loyola. He is active in the medical community serving on committees and holding leadership positions at hospitals and healthcare organizations in the northwest suburbs. He is Chief Executive Officer of Northwest Gastroenterologists Endoscopy Center and a member of the Board of Managers of the Illinois Gastroenterology Group. He is an active member of ASGE, AGA, ACG and CCFA.

The staffing practices and protocols in place will be applied at Northwest Endo Center to assure that patients receive quality care with the right personnel during the pre, intra and post procedure phases of care.

j) Charge Commitment and k) Assurances: peer review program and OR utilization

The table on the following page compares current charges at the NCH GI lab and proposed charges at Northwest Endo Center. The letter in this section affirms that charges at the endoscopy center will not be increased for at least the first two years of operation.

k) Assurances

The same letter commits that a peer review program will be implemented.
A second letter commits to not adding OR capacity at Northwest Community Hospital until the proposed project achieves the target utilization thresholds for a minimum of twelve months.

Table 1110.1540(j)
Northwest Endoscopy Center

CPT	Description	Grouper	Fee	NCH Lab Av Charge per Case
43235	EGD DX	2	$2,800.00	$7,133
43236	EGD W/SUBMUC INJ	2	$2,800.00	$8,843
43239	EGD W/BIOPSY	2	$2,800.00	$8,341
43244	EGD W/VARICIES BANDING	2	$2,800.00	$6,783
43247	EGD W/REMOVAL OF FB	2	$2,800.00	$8,139
43249	EGD W/DILATION	2	$2,800.00	$7,020
43251	EGD W/SNARE BX	2	$2,800.00	$7,511
43255	EGD W/CONTROL OF BLEED	2	$2,800.00	$9,147
44388	COLONOSCOPY THRU STOMA	2	$2,800.00	$5,168
44389	COLONOSCOPY WITH BIOPSY	2	$2,800.00	$5,448
45330	DIAGNOSTIC FLEX SIGMOIDOSCOPY	1	$2,000.00	$4,375
45331	SIGMOIDOSCOPY AND BIOPSY	1	$2,000.00	$4,167
45335	SIGMOIDOSCOPY W/SUBMUC INJ	1	$2,000.00	$2,377
45338	SIGMOIDOSCOPY W/REMOVAL OF TUMOR	2	$2,800.00	$7,392
45340	SIG W/BALLOON DILATION	2	$2,800.00	
45378	DIAGNOSTIC COLONOSCOPY	2	$2,800.00	$4,721
45379	COLONOSCOPY W/FB REMOVAL	2	$2,800.00	$5,101
45380	COLONOSCOPY AND BIOPSY	2	$2,800.00	$6,029
45381	COLONOSCOPY W/SUBMUC INJ	2	$2,800.00	$6,730
45382	COLONOSCOPY W/CONTROL BLEEDING	2	$2,800.00	$15,585
45383	COLONOSCOPY ABLATION	2	$2,800.00	$6,840
45384	COLONOSCOPY - HOT BIOPSY	2	$2,800.00	$6,025
45385	LESION REMOVAL COLONOSCOPY (SNARE)	2	$2,800.00	$5,971
45386	COLONOSCOPY W/DILATION	2	$2,800.00	$5,983
45905	DILATION OF ANAL SPHINCTER	2	$2,800.00	
45910	DILATION OF RECTAL NARROWING	2	$2,800.00	
45915	REMOVAL RECTAL OBSTRUCTION	2	$2,800.00	
46221	LIGATION OF HEMORRHOIDS	1	$2,000.00	$3,388
A4550	STERILE TRAY		$800.00	
G0104	COLOREC CANCER SCREENING; FLEX SIG	1	$2,000.00	
G0105	COLOREC CANCER SCREENING; HI RISK	1	$2,000.00	$4,283
G0121	COLOREC CANCER SCREENING; NOT HI RISK	1	$2,000.00	$4,241

Northwest Community Healthcare
800 West Central Road
Arlington Heights, Illinois 60005
847.618.1000
www.nch.org

December 21, 2015

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities
and Services Review Board
525 W. Jefferson Street - 2nd floor
Springfield, IL, 62761

Re: Charge Commitment and Peer Review

Dear Ms. Avery,

I hereby certify and attest to the understanding and commitment that facility charges at the new ASTC will not be increased for at least the first two years of the facility's operation, unless a permit is first obtained pursuant to 77 Ill. Administrative Code 1130.310(a).

I further attest that a peer review program will be implemented to evaluate patient outcomes for consistency with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

If you have any questions, please contact Brad Buxton, Vice President, Planning and Business Development, at 847-618-5020.

Sincerely,

Stephen O. Scogna
President and CEO
Northwest Community Healthcare
Northwest Endo Center LLC

Cc: Brad Buxton, Vice President, Planning and Business Development

Northwest Community Healthcare
800 West Central Road
Arlington Heights, Illinois 60005
847.618.1000
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nch Northwest Community Hospital

December 21, 2015

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and
Services Review Board
525 W. Jefferson Street - 2nd floor
Springfield, IL 62761

Dear Ms. Avery,

I hereby certify that as a partner in the cooperative joint venture for the proposed ambulatory surgery center, Northwest Community Hospital will not increase its operating room capacity until such time as the proposed project's operating rooms are operating at or above the target utilization rate for a period of twelve full months.

If you have any questions, please contact Brad Buxton, Vice President for Planning and Community Relations, at 847-618-5020.

Sincerely,

Stephen O. Scogna
President and CEO
Northwest Community Healthcare
Northwest Endo Center LLC

Cc: Brad Buxton, Vice President, Planning and Business Development

1120.120 Availability of Funds

The project is a joint venture between Northwest Community Healthcare (51% controlling interest) and NWG Investments, LLC (49%). Total cost of the project is $2,829,568. Accordingly, funding for the project is as follows:

Northwest Community Healthcare	$1,443,068
NWG Investments, LLC	$1,386,500
Total	$2,829,568

Hospital funding is with cash and securities. Proof of AA bond rating is attached.

NWG Investments of $1,386,500 is funded from two sources:

Line of Credit by NWG Partners, LLC for up to $800,000

Cash and securities of individual physician members for the balance

Accordingly:

the total of cash and securities is $2,029,568 ($1,443,068 + $586,500)

the total of borrowing is $800,000

1120.130 Financial Viability

Co-applicants and their roles are as follows:

Northwest Community Healthcare, 51% interest in joint venture and source of 51% of funding

Northwest Community Hospital, operator of the NCH GI lab

NWG Investments, LLC, 49% interest in joint venture and source of 49% of funding, using line of credit of NWG Partners (owner of real estate)

NWG Partners, LLC, owner of real estate, and source of line of credit

Northwest Endo Center, LLC, the joint venture, operating entity and licensee

See attached bond ratings for Northwest Community Hospital:

Moody's Investors Service

Standard & Poor's Ratings Services

See Audited Financial Statement for NWG Investments, LLC

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's affirms Northwest Community Hospital's (IL) A2; Outlook stable

Global Credit Research - 15 Dec 2014

Action affects $216.9M

New York, December 15, 2014 -- Moody's Investors Service has affirmed the A2 ratings assigned to Northwest Community Hospital's (NCH) bonds issued through the Illinois Finance Authority. The rating outlook is stable. The rating action affects $216.9 million of debt.

SUMMARY RATING RATIONALE:

The affirmation of NCH's A2 rating follows better financial performance, strengthening of already good absolute liquidity levels and solid position in a favorable service area. NCH's balance sheet strength is likely to be maintained given low capital spending projections and a frozen defined benefit pension plan with a de-minimis unfunded liability. The rating remains tempered by declines in demand, an increasingly competitive market and elevated leverage measures relative to the rating category. The stable rating outlook is based on our expectation that NCH will continue to generate favorable operating cash flow margins and sustain a strong balance sheet which provides some financial flexibility and cash cushion to withstand short term operating pressures.

STRENGTHS

*Healthy operating performance (2.1% operating margin and 10.8% operating cash-flow margin in FY 2014) in spite of revenue pressures and continued shift to outpatient modalities. Management has embraced an organization wide transformation project to improve work processes to ensure financial performance will be sufficient to meet the organization's strategic plans and cash-flow needs.

*The balance sheet is strong, with steady growth in unrestricted liquidity. As of September 30, 2014, unrestricted liquidity has grown to a very strong $465.9 million, equating to 370 days and cash-to-direct debt has strengthened to 180% from a low of 121% at FYE 2011.

*Service area exhibits healthy socio-economics with lower than average unemployment, solid income levels and modest population growth; NCH has solid local market position at greater than 50%

*NCH has de-minimis comprehensive liabilities with a well funded pension plan (unfunded liability is $10.8 million); risks of carrying nearly half of System's debt in the variable rate mode (45% of debt) are offset by healthy headroom to covenants contained in letters of credit (expiration dates are in 2016) and healthy monthly cash and investment coverage of demand debt (344% as of FYE 2014); management reports no plans to issue additional debt

CHALLENGES

*Leverage, as measured by revenue, remains high as compared with A2 rated peers, though measures have improved from weaker levels historically. Debt to revenue of 51%, debt to cash-flow of 3.6 times, and coverage of maximum annual debt service of 4.3 times as reflected in twelve month unaudited financials for FY 2014 (A2 medians are 36.6%, 3.4 times and 4.7 times, respectively) are indicative of NCH's need to maintain stronger than average operating cash-flow.

*Demand indicators have weakened and market wide demand has been declining, with NCH reporting inpatient declines since FYE 2010. Though when combining inpatient visits and observation stays demand trends are variable and declines are consistent with market trends.

*Significant competition in the northwest suburbs of Chicagoland; market fluidity is high and accelerating with merger and acquisition activity. Many competitors are members of sizeable Aa-rated health systems that have deep resources to invest in competitive strategies.

Outlook

The stable rating outlook is based on our expectation that NCH will continue to generate favorable operating cash flow margins and sustain a strong balance sheet which provides some financial flexibility and cash cushion to withstand short term operating pressures.

WHAT COULD MAKE THE RATING GO UP

A rating upgrade will be considered if operating performance and volume growth leads to a material growth in operating revenue base that is consistent with the A1 rating category, balance sheet measures are sustained and there is a marked improvement in operating cash flow that contributes to stronger debt measures. Greater diversification of revenues and increased market share would also be considered.

WHAT COULD MAKE THE RATING GO DOWN

A rating downgrade will be considered if NCH fails to sustain recent operating improvement, which leads to weaker operating margins and thinner debt coverage ratios. Rating pressure could also follow volume declines that result in significant market share loss or if leverage increases.

METHODOLOGY

The principal methodology used in this rating was Not-for-Profit Healthcare Rating Methodology published in March 2012. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

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

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RatingsDirect®

Illinois Finance Authority Northwest Community Hospital; Hospital

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Table Of Contents

(MADS) coverage;
- A strong business position with excellent inpatient market share in a demographically strong service area; and
- Ongoing plans to expand key medical services to support overall growth initiatives.

Partially offsetting credit risks include pressure on annual revenue increases as well as a declining inpatient admissions trend, in part, due to a growing number of observation stays, as well as broad industry trends, although equivalent inpatient admissions have begun to grow based on outpatient growth.

Longer term considerations include a competitive market and NCH's position as a stand-alone provider within a consolidation market and a growing list of mergers in that market. NCH is tempering this risk through service-specific affiliations and ties to Illinois Health Partners (IHP), a provider-based joint venture for contracting risk-based insurance products. The rating also reflects NCH's emerging strategy of growing the number of employed physicians, who, in total, are incurring increased subsidies, although these subsidies have been manageable to date. The rating also reflects 2015's anticipated installation of a new IT system (e.g., Epic) that will result in an estimated $20 million of one-time operating costs in fiscal 2015 that will lower operating margins to levels just above break-even when combined with cost-cutting initiatives, although operating margins are expected to return to recent levels the following year. While we believe this is manageable and in line with other installations across the country, the thin operating margins leave little room for error over the near term at the current rating.

A revenue pledge of the NCH obligated group secures the series 2008A bonds. The 'A+' rating is based on our view of NCH's group credit profile (GCP; i.e., the system as a whole) and the obligated group's "core" status. Accordingly, we rate the bonds the same as the GCP. The obligated group includes the hospital and the parent company. Nonobligated entities include a small foundation, a day surgery center, a captive insurance company, and a physician corporation. The obligated group constitutes 91% of revenues, 93% of cash and investments, and roughly 99% of total assets. However, this analysis and all the numbers cited in this report reflect the entire NCH system. Longer term, capital expenditure should remain manageable given NCH's new capital additions a few years ago and its relatively low average of plant. Moreover, NCH is not currently contemplating additional debt. NCH is party to one basis swap agreement, with Goldman Sachs as the counterparty. The notional amount is $72.9 million with a very small mark-to-market as of June 30, 2014, and is not considered a credit risk given NCH's large unrestricted reserves.

Outlook

The stable outlook reflects our opinion of that NCH and its management team will be able to maintain the strong balance-sheet and enterprise profile despite some soft volume trends, concerns about increased competition from larger emergent systems, and near income softness related to the Epic installation. A higher rating, while not currently expected, would likely be based on sustained coverage above 5x MADS, combined with improved operating margins and stabilized business volumes. We would base a lower rating or negative outlook on sustained coverage declines to under 3.5x, combined with a sharp decline in unrestricted investments to less than 130% of debt.

Enterprise Profile

Operations

NCH is a 386 staffed-bed acute-care provider in Arlington Heights, 25 miles northwest of Chicago. Although the area is very competitive, market share in the hospital's core primary market is strong, in our view, at 54.7% through fiscal 2013, but down from almost 58% a few years ago. Advocate affiliates (Lutheran General Hospital and Good Shepherd) and Alexian Brothers Medical Center and St. Alexius Medical Center (both part of Ascension Health) draw a 22% share combined from the market.

NCH has experienced declining inpatient admissions every year beginning in 2010 due to deferred elective procedures and a move of inpatient admissions to observation stays. Management reports efforts to more accurately classify patients as part of a broader effort to address this trend, but inpatient volume drops appear to persist. Inpatient acute-care admissions for fiscal 2014 were 17,156, down 3.4% from 17,763 in fiscal 2013 and 19,990 from 2012. While outpatient surgeries rose, a number of other volume indicators were down slightly. Overall utilization appears to be stabilizing, in part, as equivalent inpatient admissions increased in fiscal 2014, and very recent monthly results show upticks in year-over-year volume indicators, although business volumes remain a longer term concern. Inpatient case mix rose in both 2013 and 2014 to 1.69 from 1.59 in fiscal 2012. From now on, management is looking to newly recruited physicians, who are more loyal to NCH, to boost key service-line revenues, including cardiovascular services. Management currently employs 120 physicians (including hospital based) as of Sept. 30, 2104, up from 103 at the end of fiscal 2013, and is planning to increase the number to a total of 200--with approximately 60% primary care and the balance specialists and hospitalists—in the next few years.

Table 1

Northwest Community Healthcare & Affiliates, IL -- Selected Enterprise Statistics

		Fiscal year ended Sept. 30	
	11-month interims ended Aug. 31, 2014	**2013**	**2012**
PSA population	N.A.	238,955	N.A.
PSA market share %	N.A.	54.7	57.3
Inpatient admissions	15,533	17,763	19,990
Equivalent inpatient admissions	37,853	40,985	44,749
Emergency visits	64,469	72,328	74,365
Inpatient surgeries	3,812	4,472	4,807
Outpatient surgeries	10,643	11,211	11,837
Medicare case mix index	1.692	1.690	N.A.
FTE employees	2,870	2,892	3,059
Active physicians	10,168	1,069	1,060
Based on net/gross revenues			
Medicare %	34.6	34.3	34.3
Medicaid %	3.2	5.3	5.6
Commercial / Blues %	61.4	59.8	59.0

*Inpatient admissions exclude newborns, psychiatric, and rehabilitation admissions. N.A.--Not available.

Management

NCH has had a major series of changes in its management team over the past few years. The CEO was promoted from the CFO position and a new COO and CFO (with a history of experience outside NCH, although promoted from within NCH) were hired. A new position was created to help manage insurer relations, strategy, and population health management. Under the new management team, NCH has been able to develop and implement its strategic plan while stabilizing and improving its financial profile. We believe that these changes have shown immediate results, although management will need to demonstrate improvement (after the expected softness in 2015) to offset the declining utilization trends.

Financial Profile

For the 11-month interim period ended Aug. 31, 2014, NCH had an operating gain of $6.4 million (a 1.4% operating margin), up from $2.8 million (0.6% margin) in fiscal 2013 and an $8.2 million (1.7% margin) in fiscal 2012, according to Standard & Poor's calculations. Management was able to improve results in fiscal 2014 (though 11 months) based on cost reductions and physician recruitment and improvement in key specialties, combined with the absence of certain one-time costs in fiscal 2013 (including pension and restructuring costs), which had contributed to weaker results that year. Excess income for the 11-month period ended Aug. 31, 2014, was $38.1 million (7.8% excess margin), up from $32.4 million (6.3% margin) in fiscal 2013 and almost double the $16.4 million (3.4% margin) in fiscal 2012 on the strength of improved nonoperating results, as calculated by Standard and Poor's. The realized investment income in fiscal 2014 reflected investment market strength, while the gains shown in 2013 also reflect an investment portfolio rebalancing, creating unusually high realized gains, which we capture in cash flow and income. Coverage of MADS was strong and improved in fiscal 2014 through 11 months at 4.4x, up from 3.9x in fiscal 2013. Operating lease-adjusted coverage was also solid at over 4x.

NCH's balance-sheet measures are strong, in our opinion, and are a core strength of its financial profile, giving management considerable flexibility in its strategic plan development and its long-term debt policy. For fiscal 2014 year to date, unrestricted cash and investments were, in our opinion, strong at $447 million (equal to 356 days' cash on hand and 172% of long-term debt). The long-term debt-to-capitalization ratio of 31% is sound and manageable for the rating. In addition, NCH's overall average age of plant is moderate at 10 years, reflecting the completion of recent building projects.

NCH is a party to a $53.1 million series 2011 series directly held by JP Morgan Chase Bank. NCH's overall investment allocation is conservative, with 79% of unrestricted reserves either in cash or fixed-income instruments. Equities or mutual funds equal 21% of unrestricted reserves, with 6% made up of alternative investments. NCH is party to one basis swap agreement, with Goldman Sachs as the counterparty. The notional amount is $72.9 million and given NCH's sizable reserves, we currently do not consider this swap a credit risk.

Table 2

Northwest Community Healthcare & Affiliates, IL -- Selected Financial Statistics

		Fiscal year ended Sept. 30		Medians
	11-month interim ended Aug. 31, 2014	2013	2012	Stand-alone hospitals 'A+' 2013
Financial performance				
Net patient revenue ($000s)	434,287	457,423	465,668	480,537
Total operating revenue ($000s)	457,743	481,876	489,657	MNR
Total operating expenses ($000s)	451,334	479,092	481,423	MNR
Operating income ($000s)	6,409	2,784	8,234	MNR
Operating margin (%)	1.40	0.58	1.68	4.00
Net non-operating income ($000s)	35,969	29,627	8,638	MNR
Excess income ($000s)	42,378	32,411	16,872	MNR
Excess margin (%)	8.58	6.34	3.39	6.60
Operating EBIDA margin (%)	10.17	9.38	11.35	10.90
EBIDA margin (%)	16.72	14.63	12.89	13.60
Net available for debt service ($000s)	82,528	74,818	64,233	78,541
Maximum annual debt service ($000s)	19,096	19,096	19,096	MNR
Maximum annual debt service coverage (x)	4.71	3.92	3.36	4.90
Operating lease-adjusted coverage (x)	4.28	3.57	3.09	3.90
Liquidity and financial flexibility				
Unrestricted reserves ($000s)	446,969	420,726	370,321	398,859
Unrestricted days' cash on hand	356.1	344.1	304.4	290.90
Unrestricted reserves/total long-term debt (%)	172.6	158.3	136.0	185.80
Unrestricted reserves/contingent liabilities (%)	377.7	355.6	291.1	MNR
Average age of plant (years)	10.0	9.4	7.6	10.00
Capital expenditures/depreciation and amortization (%)	111.4	71.5	58.2	118.00
Debt and liabilities				
Total long-term debt ($000s)	259,030	265,772	272,268	MNR
Long-term debt/capitalization (%)	30.8	33.4	36.8	26.70
Contingent liabilities ($000s)	118,330	118,330	127,200	MNR
Contingent liabilities/total long-term debt (%)	45.7	44.5	46.7	MNR
Debt burden (%)	3.54	3.72	3.82	2.70
Defined benefit plan funded status (%)	N/A	90.26	81.33	86.70

N.A.--Not available. N/A--Not applicable. MNR--Median not reported.

Related Criteria And Research

Related Criteria

- USPF Criteria: Not-For-Profit Health Care, June 14, 2007
- USPF Criteria: Contingent Liquidity Risks, March 5, 2012
- General Criteria: Methodology: Industry Risk, Nov. 20, 2013

- General Criteria: Group Rating Methodology, Nov. 19, 2013

Related Research

- Glossary: Not-For-Profit Health Care Ratios, Oct. 26, 2011
- The Outlook For U.S. Not-For-Profit Health Care Providers Is Negative From Increasing Pressures, Dec. 10, 2013
- U.S. Not-For-Profit Health Care Stand-Alone Ratios: Operating Margin Pressure Signals More Stress Ahead, Aug. 13, 2014
- Health Care Providers And Insurers Pursue Value Initiatives Despite Reform Uncertainties, May 9, 2013
- Standard & Poor's Assigns Industry Risk Assessments To 38 Nonfinancial Corporate Industries, Nov. 20, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- Health Care Organizations See Integration And Greater Transparency As Prescriptions For Success, May 19, 2014

Illinois Finance Authority
Northwest Community Hospital; Hospital

Credit Profile		
Illinois Finance Authority (Northwest Community Hospital) ICR		
Long Term Rating	A+/Stable	Affirmed
Illinois Fin Auth, Illinois		
Northwest Comnty Hosp, Illinois		
Illinois Finance Authority (Northwest Community Hospital), series 2008A		
Long Term Rating	A+/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has affirmed its 'A+' long-term rating on the Illinois Finance Authority's series 2008A bonds issued on behalf of Northwest Community Hospital (NCH). In addition, we affirmed our 'A+' issuer credit rating (ICR) on NCH. The ICR reflects our view of NCH's credit quality without regard to any specific debt issue. The outlook remains stable.

Standard & Poor's also rates the authority's series 2008B and C bonds 'A+/A-1' based on a letter of credit (LOC) from JPMorgan Chase Bank N.A. that expires on Dec. 1, 2016. The long- and short-term components of the dual rating reflect our assessment of the bank's credit quality.

The affirmation reflects our view of NCH's sound business position, combined with an excellent balance sheet that compensates for adequate operating margins. NCH's sound enterprise profile reflects a solid service mix and strong inpatient market share despite its location in the competitive, increasingly system-driven Chicagoland market. However, management has pursued a strategy of maintaining overall independence while nurturing service specific affiliations, which to date is working well for NCH, although we note the larger market continues to consolidate. NCH's sizable commercial insurance base and suburban service area 25 miles northwest of downtown Chicago are additional credit strengths. Credit risks include a broad industry decline in inpatient volume and health care reform pressures. One near-term risk is NCH's IT medical record installation in 2015, which will result in a large one-time cost that will depress income temporarily. We believe this should be manageable given overall balance-sheet strength, but it will need to be closely managed. We believe that NCH's credit strength makes it a strong merger partner should management and the Board of Directors choose to move in this direction, which tempers concerns over their current strategy of remaining independent.

More specifically, the 'A+' rating reflects our view of NCH's:

- Strong balance sheet with excellent liquidity, solid cash to debt, moderate leverage, and no additional debt plans;
- Improving operating margins that remains light for rating, although the strong balance sheet and related nonoperating income generate strong cash flow overall, which supports sound maximum annual debt service

NWG PARTNERS, L.L.C.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

Attachment 37

NWG Partners, L.L.C.

TABLE OF CONTENTS

Attachment 37

Warady & Davis LLP
Certified Public Accountants & Consultants

ACCOUNTANTS' COMPILATION REPORT

Members
NWG Partners, L.L.C.
Arlington Heights, IL

We have compiled the accompanying statement of assets, liabilities and members' capital of NWG PARTNERS, L.L.C. as of September 30, 2015, and the related statement of revenues and expenses for the three months and nine months then ended, all on the modified cash basis. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, capital, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

We are not independent with respect to NWG PARTNERS, L.L.C.

Warady & Davis LLP

November 11, 2015

Attachment 37

1717 Deerfield Road, Suite 300 South, Deerfield, Illinois 60015-3977 847•267•9600 Fax 847•267•9696 www.waradydavis.com
Member of MSI Global Alliance

EXHIBIT A

NWG Partners, L.L.C.
Statement of Assets, Liabilities and Members' Capital-Modified Cash Basis
September 30, 2015

ASSETS

Current Assets:		
Cash	$ 231,603	
Total Current Assets		$ 231,603
Property and Equipment:		
Land	137,018	
Building	1,323,888	
Land Improvements	143,661	
Leasehold Improvements	1,183,268	
Furniture & Fixtures	143,807	
Equipment-Disabled Access	6,180	
Total Property and Equipment	2,937,822	
Less: Accumulated Depreciation	(1,221,608)	
Net Property and Equipment		1,716,214
Other Assets:		
Organization Costs	8,642	
Amort of Organization Costs	(8,565)	
Construction Period Interest	73,614	
Amort of Constr. Period Int.	(27,482)	
Total Other Assets		46,209
Total Assets		$ 1,994,026

LIABILITIES AND MEMBERS' CAPITAL

Current Liabilities:		
Note Payable-Current Portion	$ 58,902	
Due to Partners	120,000	
Accrued Interest	1,771	
Total Current Liabilities		$ 180,673
Long-Term Debt:		
Note Payable - Mortgage Cornerstone	1,133,562	
Less Current Portion N/P	(58,902)	
Total Long-Term Debt		1,074,660
Members' Capital		738,693
Total Liabilities and Members' Capital		$ 1,994,026

Attachment 37

See Accountants' Compilation Report
Warady & Davis LLP

EXHIBIT B

NWG Partners, L.L.C.
Statement of Revenues and Expenses - Modified Cash Basis

	3 Months Ended Sep. 30, 2015	Pct	9 Months Ended Sep. 30, 2015	Pct
Income:				
Rental Income	$ 88,110	100.0	$ 264,330	100.0
Total Income	88,110	100.0	264,330	100.0
Less:				
Operating Expenses	43,758	49.7	126,214	47.7
Total Expenses	43,758	49.7	126,214	47.7
Net Income	$ 44,352	50.3	$ 138,116	52.3

Attachment 37

See Accountants' Compilation Report
Warady & Davis LLP

SUPPLEMENTARY INFORMATION

Attachment 37

NWG Partners, LLC
Statement of Changes in Members' Capital - Modified Cash Basis
September 30, 2015

SCHEDULE A-1

Member	David Sales	Jerrold Schwartz	Loren White	Bruce Greenberg	Mitchell Bernsen	Total
BEGINNING CAPITAL @ 01/01/2015	**$162,116**	**$162,115**	**$162,115**	**$162,116**	**$162,115**	**$810,577**
Income:						
Income through 09/30/2015	$27,623	$27,624	$27,623	$27,623	$27,623	$138,116
Total Income	**$27,623**	**$27,624**	**$27,623**	**$27,623**	**$27,623**	**$138,116**
Less Drawings:						
Cash	($42,000)	($42,000)	($42,000)	($42,000)	($42,000)	($210,000)
Total Drawings	**($42,000)**	**($42,000)**	**($42,000)**	**($42,000)**	**($42,000)**	**($210,000)**
ENDING CAPITAL @ 09/30/2015	**$147,739**	**$147,739**	**$147,738**	**$147,739**	**$147,738**	**$738,693**

See Accountants' Compilation Report
Warady & Davis LLP

SCHEDULE B-1

NWG Partners, L.L.C.
Schedule of Operating Expenses - Modified Cash Basis

	3 Months Ended Sep. 30, 2015	Pct	9 Months Ended Sep. 30, 2015	Pct
Operating Expenses:				
Amortization	$ 479	0.5	$ 1,437	0.5
Bank Charges	5,498	6.2	5,528	2.1
Depreciation	17,497	19.9	52,490	19.9
Insurance - General	0	0.0	5,405	2.0
Interest Expense	14,338	16.3	46,542	17.6
Office Supplies & Expense	21	0.0	51	0.0
Professional Fees	5,925	6.7	14,511	5.5
Taxes - Franchise	0	0.0	250	0.1
Total Operating Expenses	$ 43,758	49.7	$ 126,214	47.7

Attachment 37

See Accountants' Compilation Report
Warady & Davis LLP

1120.140 A. Reasonableness of Financing Arrangements
B. Conditions of Debt Financing

See attached letter attesting to the reasonableness of borrowing as the lowest cost option, and the commitment of the bank to extend the existing line of credit held by NWG Partners.

Attachment 39

Northwest Endo Center, LLC

December 30, 2015

Ms. Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd floor
Springfield, IL 62761

Dear Ms. Olson

I hereby attest that the part of the physicians' investment in the endoscopy ASTC joint venture project will be funded by borrowing against an $800,000 line of credit which NWG Partners, LLC has with Cornerstone National Bank. This method of borrowing is the least expensive option available for raising the necessary funds, including the option of liquidating of a portion of the property owned by NWG Partners, LLC.

The balance of the physicians' investment in the project will be cash and securities by physician members of NWG Investments, LLC. If you have any questions, please contact me.

Sincerely,

Mitchell Bernsen, MD
Managing Member
1415 S. Arlington Heights Road
Arlington Heights, IL 60005
(847) 439-1005

OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

NOTARY SEAL Signed before me 12/30/15.
Elizabeth M. Sheffer

CORNERSTONE
NATIONAL BANK & TRUST COMPANY

ONE WEST NORTHWEST HIGHWAY, PALATINE, IL 60067 • 847-654-3000 • CORNERSTONENB.COM

January 5, 2016

To: Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson St. 2nd floor
Springfield, IL 62761

Cornerstone National Bank & Trust Company is the lender for NWG Partners, LLC. This letter is sent in anticipation of making a loan of up to $800,000 against the existing construction line of credit held by NWG Partners, LLC. This line of credit has been in place since July, 2015. The funds will support the physician's financial interest to establish an ambulatory surgery treatment center as a joint venture with Northwest Community Healthcare.

The $800,000 construction line of credit will be payable at "interest only" during the construction phase, then the balance will be termed out over a period of time at a fixed rate.

While NWG has only been a customer of Cornerstone for a short time, I have personally handled the NWG banking relationship for many years at a prior financial institution. In my time as the relationship manager for NWG, all payments were made as agreed and all accounts were handled as agreed.

Feel free to call me at 847-654-3067 with any questions.

Sincerely,

Andrew J. Schaefer, Senior Vice President

"OFFICIAL SEAL"
DAVID S GAARE
Notary Public, State of Illinois
My Commission Expires 08/20/18

Attachment 39

C. Reasonableness of Project and Related Costs

COST AND SQUARE FOOT BY DEPARTMENT									
Department	A	B	C	D	E	F	G	H	
	Cost / Sq Ft		DGSF		DGSF		Const $	Mod $	Total Cost
	New	Mod	New	Circ %	Mod	Circ %	(A x C)	(B x E)	(G + H)
CLINICAL									
Ambulatory Surgery	$375.84	$263.43	985	26	1937	24	370,202	510,264	880,466
Clinical subtotal	$375.84	$263.43	985	26	1937	24	370,202	510,264	880,466
NON-CLINICAL									
Vestibule, com area	$378.78		362	79	0		137,120		137,120
Waiting, reception	$380.00		197	0	0		74,860		74,860
Office	$360.00		119	0	0		42,840		42,840
Existing to remain	0								0
Non-clinical Sub-total	$375.84		678	42	0		254,820		254,820
TOTAL	**$375.84**	**$263.43**	**1663**	**33**	**1937**	**24**	**625,022**	**510,264**	**1,135,286**

Note: Cost figures are construction and modernization, without contingency.

Contingency of $113,528 is $51,046 for modernization and $62,482 for construction.

Project Costs and Sources of Funds

The following information provides detail regarding cost line items for the Project Costs and Sources of Funds table:

Preplanning Costs **$31,000**

Costs include legal fees related to the joint venture, pre-design assessment, and the cross-access easement agreement between two adjacent properties.

Site Survey and Soil Investigation **$17,000**

This line item includes soil testing and preliminary engineering assessments for water retainage and landscape.

Site Preparation **$298,204**

This work includes the following: demolition site improvements, including concrete slabs and curb, masonry trash enclosure, removal of parts of current building roof and masonry walls; site excavation and grading; saw cutting and removal of portions of asphalt parking area in advance of grading; building and site concrete, including new curbing; parking lot reconstruction including regrading and resurfacing; soil testing beyond the previous investigation phase (during construction, for footings); landscaping.

Of the Site Preparation cost, $21,000 is assigned to clinical. This amount is 4.6% of clinical costs of new construction and contingency.

Off Site Work **$74,350**

Work includes connection to existing sanitary sewer/ waste tie ins, storm water drainage, and allowance for Com Ed (transformer, increased power)

New Construction contracts **$625,022**

Construction of 1663 sq ft single level building addition; general conditions, masonry, steel, carpentry/wood/plastics, thermal and moisture protection, doors and windows, mechanical (plumbing, HVAC), electrical, fire alarm system tied to existing panel.

Of total construction, clinical construction of 985 dgsf is $370,202, or $375.84 per sq ft.

Modernization contracts **$510,264**

Renovation of 1,937 dgsf of space in existing endoscopy center to provide 8 holding and prep stations, one of the two endoscopy rooms, circulation and exit. Work includes HVAC, mechanical/electrical plumbing upgrades, general conditions, masonry, steel, carpentry/wood/plastics, medical gas system, doors, finishes, and mechanical (plumbing, HVAC).

All space being modernized is clinical, at $263.43 per dgsf.

Contingencies **$113,528**

Contingencies are 10% of $1,135,284 the total of construction and modernization ($625,022 + $510,264). Components of contingencies are as follows:

New construction / clinical:	$37,000
New construction / non-clinical	$25,482

Modernization / clinical	$ 51,046
Total	$113,528

Architect/Engineering fees **$150,000**

This work includes preparation of initial concept, schematic design, design development, construction documents, bidding and negotiation services, presentations at client and public meetings, and project management services.

A/E fees for Clinical are $116,400

New construction:	$370,202	
New constr contingency:	37,000	
Modernization:	510,264	
Mod contingency:	51,046	
Total	$968,512	$116,400 = 12.0%

A/E fees for non Clinical are $33,600

New construction:	$254,820	
New constr contingency:	25,482	
Total	$280,302	$33,600 = 12.0%

A/E fees for total project are $150,000

New construction:	$625,022	
New constr contingency:	62,482	
Modernization:	510,264	
Mod contingency:	51,046	
Total	$1,248,814	$150,000 = 12.0%

Consulting and other fees **$75,000**

Certificate of need consulting, state and local permits.

Moveable or other Equipment **$665,000**

Equipment includes endoscopy scopes, light sources and videoprocessors, electrosurgical generator, patient monitors, Olympus OER-Pro, Stryker stretchers, Invacare Platinum XL, EKG machines, sterilizers, processing equipment for scopes, and other required equipment. Furniture includes desks, floor fans, hampers, physician stools, refrigerator stainless steel carts, utility cart. Some of the equipment and furnishings from the existing physician practice endoscopy center be utilized in the new center. Its value is based on net book value.

Fair Market Value of Leased Space **$70,200**

This equates to the value of a portion of the existing endoscopy center, which will be leased by NWG Partners to the new venture.

Other Costs to be Capitalized **$75,000**

This line item refers to the cost IT Telecommunications -- computers, switch and cabling.

D. Project Operating Costs

Project Direct Operating Expenses - FY 2017

	Project
Total Operating Costs	$1,695,045
Equivalent Patient Days	3063
Direct Cost per Equivalent Patient Day	$553.39

E. Total Effect of the Project on Capital Costs

Projected Capital Costs - FY 2017

	Project FY 2017	Total NCH FY 2017
Equivalent Adult Patient Days (All NCH)	--	208,941
Total Project Cost	$2,829,568	--
Useful Life	10	--
Total Annual Depreciation	$282,957	$37,079,603
Depreciation Cost per Equivalent Patient Day	$92.37	$177.46

SAFETY NET IMPACT STATEMENT

This Safety Net Impact Statement describes how the proposed Ambulatory Surgery Treatment Center addresses the following areas:

1. Enhances safety net services at Northwest Community Hospital (NCH).
2. Does not impair the ability of other hospitals / health care providers to provide safety net services.
3. Does not discontinue any safety net services.
4. Presents NCH charity care and Medicaid volumes.
5. Presents NCH broader community benefit activities.

Safety Net Services at NCH

NCH considers its trauma center/emergency department and inpatient psychiatry programs as safety net services. These are necessary services in the community, which do not cover their costs and are subsidized by other clinical programs at NCH. By being part of the Ambulatory Surgery Treatment Center venture which is projected to generate positive patient care revenues, the ASTC service will provide support for the operation of these safety net services and other NCH community benefit programs.

NCH's emergency department allows NCH to serve as the Resource Hospital for an Emergency Medical Services System (EMS) covering 450 sq miles and involving 6 other hospitals and 25 EMS provider agencies. Launched in 1972, NCH's EMS system was the first Mobile Intensive Care Unit program in Illinois and the first in the nation to involve multiple communities. As an Illinois EMS Resource Hospital, NCH conducts EMT and paramedic education programs within the context of federal and state guidelines and standards. The EMS System provides entry-level courses for EMTs and paramedics that are a joint venture between NCH and Harper College. In addition, there were over 950 Continuing Education classes conducted last year for all EMS System members, the most extensive EMS continuing education program conducted in Illinois. On average, continuing education was provided to more than 1400 EMTs, paramedics and Emergency Communications Registered Nurses (EC RNs) every month.

NCH also operates a large 32 bed inpatient mental health program with community outreach activities. In 2011, NCH launched the Behavioral Health Navigator Program with two local healthcare clinics – ACCESS at Northwest Community in Arlington Heights and the Vista Health Center in Palatine. The Behavioral Health Navigator, along with a retired NCH physician, acts as a case manager and works with local clinics and agencies to ensure that each patient is connected to appropriate, affordable therapies, medication, and the support they need to live their lives productively. In 2014, the program coordinated 1328 patient visits or assistance. 92% of those cases were patients with an annual family income of less than $25,000.

Safety Net Services at other area hospitals and health care providers

Other area hospitals provide emergency care, inpatient psychiatry and other services that they may consider safety net services. They and area ASTCs also provide surgical services similar to the proposed project. The proposed ASTC is not designed to, nor to our knowledge will, impair their ability to subsidize their safety net services. As stated in the Need Section of the application for this project, NCH anticipates that the proposed ASTC will accommodate increased volumes that will not be able to be served at the growing GI lab at NCH. The new ASTC will not divert patients now being seen at area hospitals or ASTCs. As a result, there should be no detrimental impact on other area providers who draw revenues from their surgical services to subsidize their safety net programs.

Attachment 40

Discontinuation of Safety Net Services

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

Charity Care and Medicaid Services

NCH's Charity Care and Medicaid services are presented in the tables on the following page.

NCH COMMUNITY BENEFIT

To help meet the needs of NCH's communities in 2014, NCH contributed $103.2 million in total community benefit. This included $82.6 million in government-sponsored healthcare (unreimbursed cost of Medicare and Medicaid) and $12.9 million in charity care, covering individuals with limited financial resources with free or reduced-rate services.

In addition to these financial commitments and the previously reported services of the emergency department and mental health programs, NCH supported numerous community initiatives that benefit residents of the area:

- Mobile Dental Clinic. Over a decade ago, NCH established the Mobile dental Clinic, where last year through the partnership with UIC's College of Dentistry, fourth year dental students and NCH volunteers and staff provided 2098 patient visits. In 2014, NCH directed $248,600 to support of this program. While most dental clinics only provide emergency care, the NCH program emphasizes overall oral health.

- NCH provided a financial contribution of $100,000 last year to support the services of the Cook County Health and Hospital System at the Vista Health Center in Palatine. In addition, NCH supported Vista by absorbing operating expenses and providing clinic space and medical and office supplies.

- Medical Missions Team. NCH donated $246,800 worth of equipment, immunizations and paid employee time in support of medical staff and employees for their travel throughout the US and overseas to help others with medical needs.

- Helping the Homeless. There are over 3000 homeless people in Suburban Cook County. NCH and Journeys: the Road Home, a local not-for-profit that provides emergency shelter, counseling and employment assistance to the homeless, have worked closely for many years to address the needs of the homeless. Last year, NCH provided $31,200 to its Charitable Prescription Program, providing 30 day supplies of crucial medications to homeless individuals who can't afford to fill their prescriptions. NCH also provided over $44,000 in laundry services for 14 local emergency shelters.

- Community Resource Center. NCH provides free and low cost rent to local not-for-profit agencies who reside in the Community Resource Center, a building owned by NCH. The agencies provide direct services, referrals and other assistance to the under-resourced. Last year, the value of NCH's contributed operating costs was $146,600.

- The Wellness Center. As part of its ongoing efforts to promote wellness in the community, NCH donated almost $100,600 in free memberships at the Wellness Center last year to select military personnel, under-resourced individuals and charitable organizations.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2012	2013	2014
Charity (# of patients)			
Inpatient	590	743	561
Outpatient	3,654	8,574	9,563
Total	4,244	9,317	10,124
Charity (cost in dollars)			
Inpatient	$4,087,027	$6,634,958	$5,765,857
Outpatient	$4,270,902	$6,847,951	$7,132,391
Total	$8,357,929	$13,482,909	$12,898,248
MEDICAID			
Medicaid (# of patients)			
Inpatient	2,287	1,950	2,149
Outpatient	23,339	22,658	27,045
Total	25,626	24,608	29,194
Medicaid (revenue)			
Inpatient	$15,395,725	$12,660,607	$22,264,956
Outpatient	$10,282,089	$9,840,592	$14,298,369
Total	$25,677,814	$22,501,199	$36,563,325

Attachment 40

XII. Charity Care Information

NCH CHARITY CARE			
	2012	2013	2014
Net Patient Revenue	$423,717,615	$412,703,149	$422,423,790
Amount of Charity Care (charges)	$32,145,880	$54,808,573	$52,964,308
Cost of Charity Care	$8,357,929	$13,482,909	$12,898,248

One of the many benefits of the joint venture is that the support of Northwest Community Hospital will enable the ASTC to expand Medicaid and charity care services.
Medicaid at NCH has increased to 8 - 9 % of net patient revenues, due to its increasing participation in Medicaid replacement products under the Affordable Care Act. Gastroenteroligists who will be members of Northwest Endo Center are, in their office practice setting, the only endoscopy practice in the area participating in Ilinicare and Aetna Better Health programs. There is a commitment to serve an expanded Medicaid and charity care population.

APPENDICES

Appendix 1

Sample Mapquest Distance and Travel Times

Appendix 2

Letters from Physicians / Patient Origin data / Commitment to refer

- Mitchell Bernsen, MD
- Bruce Greenberg, MD
- Mitchell Kaplan, MD
- David Kim, MD
- Joel Lattin, DO
- Patricia Sun, MD
- David Sales, MD
- Loren White, MD
- Aaron Benson, MD
- Michael Hersh, MD

mapquest

Trip to:

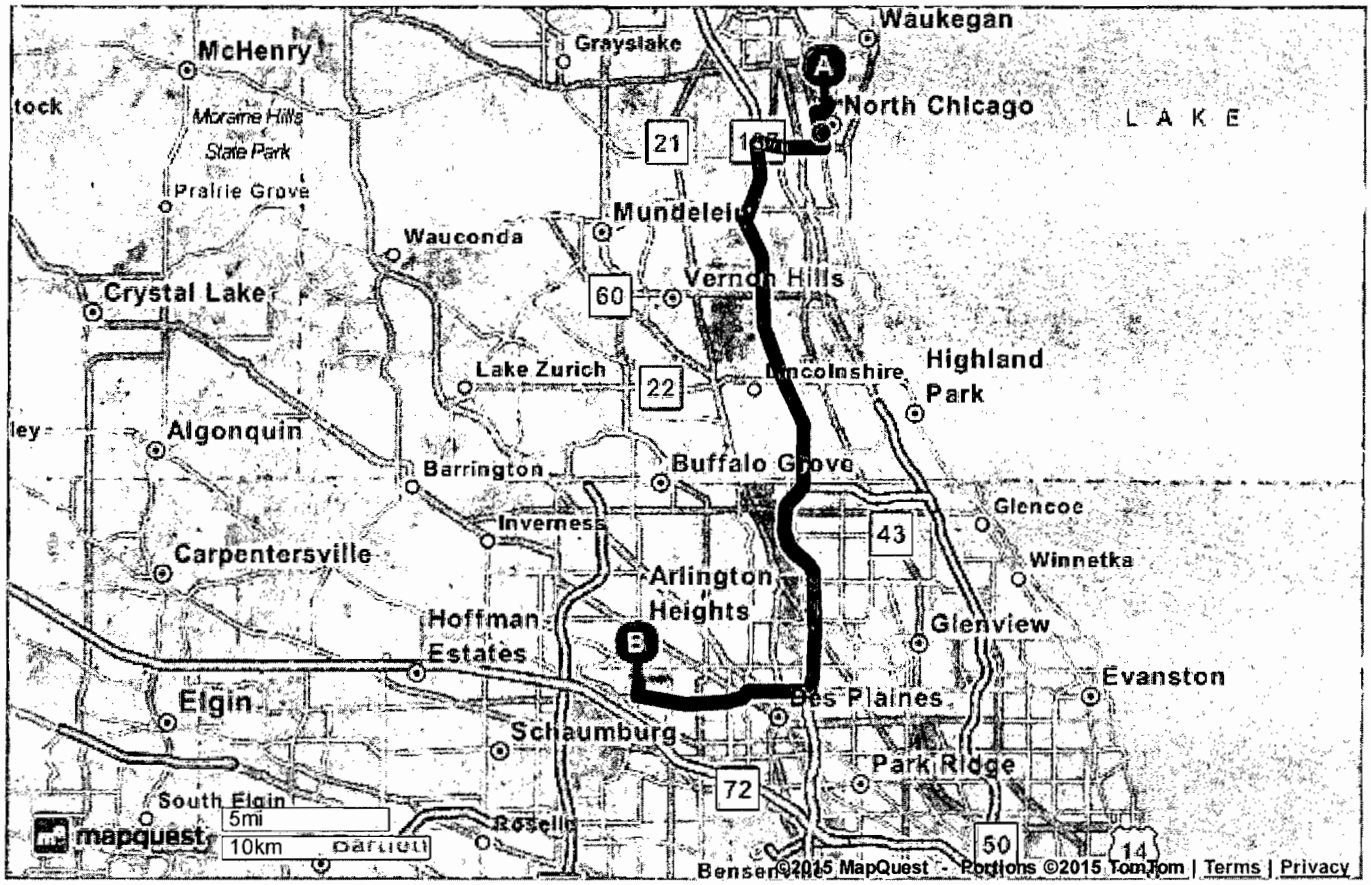
1415 S Arlington Heights Rd

Arlington Heights, IL 60005-3765

29.43 miles / 39 minutes

Notes

Location A:
1798 Arrington Ct
North Chicago, IL 60064



APPENDIX 2

Physician Referral Letters

IGG NWG
Northwest Gastroenterologists
A Division of The Illinois Gastroenterology Group

May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 232 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 274 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 253 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 454 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Mitchell Bernsen, M.D.

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

Pamela Hartlipp
NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

Name of Physician: BERNSEN, MITCHELL
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60056	MOUNT PROSPECT	31
60067	PALATINE	25
60004	ARLINGTON HEIGHTS	24
60005	ARLINGTON HEIGHTS	19
60074	PALATINE	14
60008	ROLLING MEADOWS	13
60016	DES PLAINES	12
60010	BARRINGTON	11
60089	BUFFALO GROVE	9
60007	ELK GROVE VILLAGE	8
60090	WHEELING	7
60193	SCHAUMBURG	7
60070	PROSPECT HEIGHTS	6
60169	HOFFMAN ESTATES	5
60133	HANOVER PARK	4
60018	DES PLAINES	3
60062	NORTHBROOK	3
60192	HOFFMAN ESTATES	3
60714	NILES	3
60014	CRYSTAL LAKE	2
60047	LAKE ZURICH	2
60084	WAUCONDA	2
60101	ADDISON	2
32550	MIRAMAR BEACH	1
53191	WILLIAMS BAY	1
60020	FOX LAKE	1
60048	LIBERTYVILLE	1
60051	MCHENRY	1
60053	MORTON GROVE	1
60060	MUNDELEIN	1
60103	BARTLETT	1
60108	BLOOMINGDALE	1
60118	DUNDEE	1
60176	SCHILLER PARK	1
60188	CAROL STREAM	1
60610	CHICAGO	1
60625	CHICAGO	1
60630	CHICAGO	1
60656	CHICAGO	1
61265	MOLINE	1

	Total Year 2014	232
	Total Year 2013	274

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Alexian Brothers Medical Center	121	96
St. Alexius Medical Center	132	105
TOTAL	253	201

IGG NWG
Northwest Gastroenterologists
A Division of The Illinois Gastroenterology Group

May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 172 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 203 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 187 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 742 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Bruce Greenberg, M.D.

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

1415 S. Arlington Heights Road
Arlington Heights, IL 60005
Telephone: (847) 439-1005
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www.illinoisgastro.com

Name of Physician: GREENBERG, BRUCE
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60004	ARLINGTON HEIGHTS	23
60005	ARLINGTON HEIGHTS	17
60056	MOUNT PROSPECT	15
60008	ROLLING MEADOWS	13
60074	PALATINE	11
60067	PALATINE	10
60089	BUFFALO GROVE	10
60090	WHEELING	9
60007	ELK GROVE VILLAGE	8
60016	DES PLAINES	6
60070	PROSPECT HEIGHTS	5
60010	BARRINGTON	4
60047	LAKE ZURICH	4
60169	HOFFMAN ESTATES	4
60194	SCHAUMBURG	4
60018	DES PLAINES	3
60108	BLOOMINGDALE	3
60193	SCHAUMBURG	3
60120	ELGIN	2
60172	ROSELLE	2
60173	SCHAUMBURG	2
60191	WOOD DALE	2
32550	MIRAMAR BEACH	1
60042	ISLAND LAKE	1
60062	NORTHBROOK	1
60069	LINCOLNSHIRE	1
60107	STREAMWOOD	1
60136	GILBERTS	1
60143	ITASCA	1
60192	HOFFMAN ESTATES	1
60516	DOWNERS GROVE	1
60641	CHICAGO	1
60656	CHICAGO	1
#N/A		1
	Total Year 2014	172
	Total Year 2013	203

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013

Alexian Brothers Medical Center	136	140
St. Alexius Medical Center	263	203
TOTAL	399	343

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A Division of The Illinois Gastroenterology Group

May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 96 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 110 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 103 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 1811 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Mitchell Kaplan, M.D.

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

Name of Physician: KAPLAN, MITCHELL
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60005	ARLINGTON HEIGHTS	15
60004	ARLINGTON HEIGHTS	12
60067	PALATINE	11
60056	MOUNT PROSPECT	10
60074	PALATINE	8
60008	ROLLING MEADOWS	5
60089	BUFFALO GROVE	4
60193	SCHAUMBURG	3
60013	CARY	2
60018	DES PLAINES	2
60047	LAKE ZURICH	2
60090	WHEELING	2
60173	SCHAUMBURG	2
#N/A		2
60010	BARRINGTON	1
60016	DES PLAINES	1
60025	GLENVIEW	1
60050	MCHENRY	1
60060	MUNDELEIN	1
60062	NORTHBROOK	1
60070	PROSPECT HEIGHTS	1
60084	WAUCONDA	1
60103	BARTLETT	1
60106	BENSENVILLE	1
60133	HANOVER PARK	1
60142	HUNTLEY	1
60156	LAKE IN THE HILLS	1
60195	SCHAUMBURG	1
60630	CHICAGO	1
81620	AVON	1
	Total Year 2014	96
	Total Year 2013	110

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Alexian Brothers Medical Center	894	912
St. Alexius Medical Center	2	3
TOTAL	896	915

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May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 238 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 182 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 210 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 565 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

David Kim, M.D.

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

1415 S. Arlington Heights Road
Arlington Heights, IL 60005
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www.illinoisgastro.com

Name of Physician: KIM, DAVID J
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60008	ROLLING MEADOWS	36
60005	ARLINGTON HEIGHTS	26
60056	MOUNT PROSPECT	23
60004	ARLINGTON HEIGHTS	21
60067	PALATINE	20
60074	PALATINE	15
60016	DES PLAINES	11
60090	WHEELING	9
60007	ELK GROVE VILLAGE	8
60193	SCHAUMBURG	6
60018	DES PLAINES	5
60047	LAKE ZURICH	4
60070	PROSPECT HEIGHTS	4
60133	HANOVER PARK	4
60061	VERNON HILLS	3
60089	BUFFALO GROVE	3
60192	HOFFMAN ESTATES	3
60195	SCHAUMBURG	3
60010	BARRINGTON	2
60013	CARY	2
60103	BARTLETT	2
60169	HOFFMAN ESTATES	2
60172	ROSELLE	2
60173	SCHAUMBURG	2
#N/A		2
42553	SCIENCE HILL	1
60026	GLENVIEW	1
60030	GRAYSLAKE	1
60031	GURNEE	1
60051	MCHENRY	1
60068	PARK RIDGE	1
60073	ROUND LAKE	1
60107	STREAMWOOD	1
60108	BLOOMINGDALE	1
60110	CARPENTERSVILLE	1
60120	ELGIN	1
60140	HAMPSHIRE	1
60142	HUNTLEY	1
60143	ITASCA	1
60441	LOCKPORT	1

60538	MONTGOMERY	1
60641	CHICAGO	1
60647	CHICAGO	1
60656	CHICAGO	1
60659	CHICAGO	1
	Total Year 2014	238
	Total Year 2013	182

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Alexian Brothers Medical Center	82	122
St. Alexius Medical Center	162	199
TOTAL	244	321

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May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 227 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 217 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 222 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 765 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Joel Lattin, D.O.

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

Name of Physician: LATTIN, JOEL
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60056	MOUNT PROSPECT	28
60005	ARLINGTON HEIGHTS	27
60004	ARLINGTON HEIGHTS	24
60008	ROLLING MEADOWS	23
60067	PALATINE	21
60074	PALATINE	15
60007	ELK GROVE VILLAGE	9
60010	BARRINGTON	8
60016	DES PLAINES	7
60047	LAKE ZURICH	5
60089	BUFFALO GROVE	5
60090	WHEELING	5
60060	MUNDELEIN	4
60193	SCHAUMBURG	4
60018	DES PLAINES	3
60061	VERNON HILLS	3
60062	NORTHBROOK	3
60070	PROSPECT HEIGHTS	3
60169	HOFFMAN ESTATES	3
60041	INGLESIDE	2
60042	ISLAND LAKE	2
60118	DUNDEE	2
60142	HUNTLEY	2
60195	SCHAUMBURG	2
53125	FONTANA	1
60046	LAKE VILLA	1
60051	MCHENRY	1
60053	MORTON GROVE	1
60068	PARK RIDGE	1
60073	ROUND LAKE	1
60085	WAUKEGAN	1
60103	BARTLETT	1
60107	STREAMWOOD	1
60123	ELGIN	1
60156	LAKE IN THE HILLS	1
60173	SCHAUMBURG	1
60176	SCHILLER PARK	1
60180	UNION	1
60192	HOFFMAN ESTATES	1
60194	SCHAUMBURG	1

60634	CHICAGO	1
	Total Year 2014	227
	Total Year 2013	217

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Alexian Brothers Medical Center	127	154
St. Alexius Medical Center	211	273
TOTAL	338	427

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May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 153 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 126 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 140 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 892 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Patricia Sun, M.D.

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

1415 S. Arlington Heights Road
Arlington Heights, IL 60005
Telephone: (847) 439-1005
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Name of Physician: SUN, PATRICIA K
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60004	ARLINGTON HEIGHTS	18
60005	ARLINGTON HEIGHTS	17
60067	PALATINE	15
60008	ROLLING MEADOWS	11
60074	PALATINE	11
60056	MOUNT PROSPECT	10
60016	DES PLAINES	9
60089	BUFFALO GROVE	7
60070	PROSPECT HEIGHTS	5
60090	WHEELING	5
60169	HOFFMAN ESTATES	5
60007	ELK GROVE VILLAGE	4
60047	LAKE ZURICH	4
60192	HOFFMAN ESTATES	4
60172	ROSELLE	3
60193	SCHAUMBURG	3
60010	BARRINGTON	2
60107	STREAMWOOD	2
60173	SCHAUMBURG	2
60018	DES PLAINES	1
60026	GLENVIEW	1
60048	LIBERTYVILLE	1
60061	VERNON HILLS	1
60068	PARK RIDGE	1
60095	PALATINE	1
60102	ALGONQUIN	1
60103	BARTLETT	1
60133	HANOVER PARK	1
60176	SCHILLER PARK	1
60185	WEST CHICAGO	1
60194	SCHAUMBURG	1
60630	CHICAGO	1
60645	CHICAGO	1
60656	CHICAGO	1
#N/A		1
	Total Year 2014	153
	Total Year 2013	126

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Alexian Brothers Medical Center	88	206
St. Alexius Medical Center	323	275
TOTAL	411	481

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May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 175 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 182 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 173 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 554 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

David Sales, M.D., PhD

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

1415 S. Arlington Heights Road
Arlington Heights, IL 60005
Telephone: (847) 439-1005
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159

Name of Physician: SALES, DAVID J
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60004	ARLINGTON HEIGHTS	26
60056	MOUNT PROSPECT	18
60067	PALATINE	17
60074	PALATINE	13
60005	ARLINGTON HEIGHTS	12
60008	ROLLING MEADOWS	10
60089	BUFFALO GROVE	8
60193	SCHAUMBURG	7
60010	BARRINGTON	6
60070	PROSPECT HEIGHTS	6
60090	WHEELING	4
60169	HOFFMAN ESTATES	4
60047	LAKE ZURICH	3
60016	DES PLAINES	2
60061	VERNON HILLS	2
60062	NORTHBROOK	2
60124	ELGIN	2
60142	HUNTLEY	2
60173	SCHAUMBURG	2
23229	HENRICO	1
33715	SAINT PETERSBURG	1
38902	GRENADA	1
55113	SAINT PAUL	1
60002	ANTIOCH	1
60006	ARLINGTON HEIGHTS	1
60007	ELK GROVE VILLAGE	1
60013	CARY	1
60018	DES PLAINES	1
60026	GLENVIEW	1
60042	ISLAND LAKE	1
60050	MCHENRY	1
60060	MUNDELEIN	1
60084	WAUCONDA	1
60102	ALGONQUIN	1
60107	STREAMWOOD	1
60108	BLOOMINGDALE	1
60120	ELGIN	1
60133	HANOVER PARK	1
60143	ITASCA	1
60156	LAKE IN THE HILLS	1

60172	ROSELLE	1
60177	SOUTH ELGIN	1
60192	HOFFMAN ESTATES	1
60195	SCHAUMBURG	1
60634	CHICAGO	1
60647	CHICAGO	1
60656	CHICAGO	1
#N/A		1
	Total Year 2014	175
	Total Year 2013	182

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Alexian Brothers Medical Center	165	154
St. Alexius Medical Center	97	138
TOTAL	262	292

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May 6, 2015

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

Dear Ms. Olson

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 180 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 132 procedures in 2013 at the NCH GI lab.

I anticipate that I will refer 156 patients to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedures at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed 662 additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Loren B. White M.D.

Loren White, M.D.

1415 S. Arlington Heights Road
Arlington Heights, IL 60005

Pamela Hartlipp
NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
PAMELA HARTLIPP
MY COMMISSION EXPIRES
APRIL 12, 2016

Name of Physician: WHITE, LOREN B
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60004	ARLINGTON HEIGHTS	30
60005	ARLINGTON HEIGHTS	20
60008	ROLLING MEADOWS	14
60056	MOUNT PROSPECT	14
60067	PALATINE	14
60074	PALATINE	11
60010	BARRINGTON	6
60090	WHEELING	6
60007	ELK GROVE VILLAGE	5
60089	BUFFALO GROVE	5
60016	DES PLAINES	4
60018	DES PLAINES	4
60173	SCHAUMBURG	4
60193	SCHAUMBURG	4
60070	PROSPECT HEIGHTS	3
60102	ALGONQUIN	3
60192	HOFFMAN ESTATES	3
60047	LAKE ZURICH	2
60048	LIBERTYVILLE	2
60120	ELGIN	2
60169	HOFFMAN ESTATES	2
60194	SCHAUMBURG	2
60014	CRYSTAL LAKE	1
60021	FOX RIVER GROVE	1
60053	MORTON GROVE	1
60061	VERNON HILLS	1
60103	BARTLETT	1
60107	STREAMWOOD	1
60118	DUNDEE	1
60123	ELGIN	1
60139	GLENDALE HEIGHTS	1
60142	HUNTLEY	1
60143	ITASCA	1
60152	MARENGO	1
60172	ROSELLE	1
60191	WOOD DALE	1
60195	SCHAUMBURG	1
60543	OSWEGO	1
60610	CHICAGO	1
60630	CHICAGO	1

60646	CHICAGO	1
#N/A		1
	Total Year 2014	180
	Total Year 2013	132

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Alexian Brothers Medical Center	145	93
St. Alexius Medical Center	170	254
TOTAL	315	347

800 West Central Road
Arlington Heights, IL 60005

847.618.1000
www.nch.org

October 13, 2015

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

Dear Ms. Olson,

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 1044 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 1191 procedures in 2013 at the NCH GI lab.

I estimate that I will refer 33 % of my patient volume to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedure volumes at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed zero additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Michael Hersh, MD
Northwest Community Hospital
800 W. Central Road
Arlington Heights, IL 60005

NOTARY SEAL

OFFICIAL SEAL
ELIZABETH M SHEFFER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/06/18

Elizabeth M. Sheffer
10-15-2016

Name of Physician: HERSH, MICHAEL J
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60089	BUFFALO GROVE	194
60004	ARLINGTON HEIGHTS	132
60090	WHEELING	96
60047	LAKE ZURICH	72
60067	PALATINE	59
60056	MOUNT PROSPECT	53
60005	ARLINGTON HEIGHTS	43
60074	PALATINE	43
60010	BARRINGTON	25
60015	DEERFIELD	24
60008	ROLLING MEADOWS	21
60060	MUNDELEIN	20
60061	VERNON HILLS	20
60016	DES PLAINES	18
60070	PROSPECT HEIGHTS	17
60069	LINCOLNSHIRE	15
60084	WAUCONDA	11
60073	ROUND LAKE	9
60193	SCHAUMBURG	9
60192	HOFFMAN ESTATES	8
60007	ELK GROVE VILLAGE	7
60018	DES PLAINES	7
60062	NORTHBROOK	7
60169	HOFFMAN ESTATES	7
60026	GLENVIEW	5
60068	PARK RIDGE	5
60103	BARTLETT	5
60031	GURNEE	4
60046	LAKE VILLA	4
60107	STREAMWOOD	4
60108	BLOOMINGDALE	4
60142	HUNTLEY	4
60002	ANTIOCH	3
60020	FOX LAKE	3
60035	HIGHLAND PARK	3
60042	ISLAND LAKE	3
60045	LAKE FOREST	3
60051	MCHENRY	3
60173	SCHAUMBURG	3
60195	SCHAUMBURG	3

60706	HARWOOD HEIGHTS	3
60707	ELMWOOD PARK	3
60013	CARY	2
60025	GLENVIEW	2
60030	GRAYSLAKE	2
60040	HIGHWOOD	2
60044	LAKE BLUFF	2
60053	MORTON GROVE	2
60093	WINNETKA	2
60099	ZION	2
60101	ADDISON	2
60123	ELGIN	2
60156	LAKE IN THE HILLS	2
60194	SCHAUMBURG	2
60634	CHICAGO	2
60714	NILES	2
33401	WEST PALM BEACH	1
33928	ESTERO	1
53144	KENOSHA	1
60048	LIBERTYVILLE	1
60076	SKOKIE	1
60077	SKOKIE	1
60078	PALATINE	1
60085	WAUKEGAN	1
60087	WAUKEGAN	1
60098	WOODSTOCK	1
60110	CARPENTERSVILLE	1
60120	ELGIN	1
60136	GILBERTS	1
60140	HAMPSHIRE	1
60172	ROSELLE	1
60188	CAROL STREAM	1
60191	WOOD DALE	1
60451	NEW LENOX	1
60467	ORLAND PARK	1
60506	AURORA	1
60542	NORTH AURORA	1
60559	WESTMONT	1
60622	CHICAGO	1
60625	CHICAGO	1
60626	CHICAGO	1
60631	CHICAGO	1
60641	CHICAGO	1
60647	CHICAGO	1
60656	CHICAGO	1
60657	CHICAGO	1
60659	CHICAGO	1

61001	APPLE RIVER	1
88005	LAS CRUCES	1
89146	LAS VEGAS	1
	Total Year 2014	1,044
	Total Year 2013	1,191

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Hospital A		
Hospital B		
Hospital C		
ASTC 1		
ASTC 2		
ASTC 3		
TOTAL		

800 West Central Road
Arlington Heights, IL 60005

847.618.1000
www.nch.org

nch Northwest Community Healthcare

October 13, 2015

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

Dear Ms. Olson,

I am a physician specializing in gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1415 S. Arlington Heights Road.

In 2014, I performed 1351 GI procedures in the GI lab at Northwest Community Hospital. The attached table lists the zip codes of residence for these patients. The table also shows that I performed 1553 procedures in 2013 at the NCH GI lab.

I estimate that I will refer 33 % of my patient volume to the proposed ambulatory surgery treatment center at 1415 S. Arlington Heights Road in each year 2017 and 2018, following completion and opening of the ASTC in 2016. All of these referrals are from my procedure volumes at the GI lab at Northwest Community Hospital.

These referral counts have not been used to support another permit application for any other licensed hospital or ASTC performing GI procedures.

The table also shows that I performed zero additional GI procedures at other hospitals and ASTCs in 2013 and 2014. I do not expect to refer patients from these licensed facilities to the ASTC at 1415 S. Arlington Heights Road.

Sincerely,

Aaron Benson, MD
Northwest Community Hospital
800 W. Central Road
Arlington Heights, IL 60005

NOTARY SEAL
10/16/15
OFFICIAL SEAL
NANCY G PRONTO
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:04/29/19
Nancy G Pronto
4/29/19

Name of Physician: BENSON, AARON I
Specialty: GASTROENTEROLOGY

Patient origin -- patient cases at NCH GI Lab

zip code	city/municipality	Cases by physician at NCH GI Lab, Yr 2014
60004	ARLINGTON HEIGHTS	258
60067	PALATINE	128
60056	MOUNT PROSPECT	124
60005	ARLINGTON HEIGHTS	111
60074	PALATINE	78
60089	BUFFALO GROVE	76
60008	ROLLING MEADOWS	69
60090	WHEELING	53
60047	LAKE ZURICH	50
60070	PROSPECT HEIGHTS	37
60010	BARRINGTON	35
60016	DES PLAINES	29
60007	ELK GROVE VILLAGE	27
60193	SCHAUMBURG	24
60192	HOFFMAN ESTATES	17
60102	ALGONQUIN	14
60018	DES PLAINES	13
60169	HOFFMAN ESTATES	13
60107	STREAMWOOD	9
60194	SCHAUMBURG	9
60069	LINCOLNSHIRE	7
60195	SCHAUMBURG	7
60068	PARK RIDGE	6
60142	HUNTLEY	6
60173	SCHAUMBURG	6
60014	CRYSTAL LAKE	5
60051	MCHENRY	5
60061	VERNON HILLS	5
60062	NORTHBROOK	5
60156	LAKE IN THE HILLS	5
60013	CARY	4
60084	WAUCONDA	4
60103	BARTLETT	4
60118	DUNDEE	4
60631	CHICAGO	4
60015	DEERFIELD	3
60021	FOX RIVER GROVE	3
60025	GLENVIEW	3
60060	MUNDELEIN	3
60120	ELGIN	3

60133	HANOVER PARK	3
60157	MEDINAH	3
60185	WEST CHICAGO	3
60002	ANTIOCH	2
60044	LAKE BLUFF	2
60050	MCHENRY	2
60077	SKOKIE	2
60078	PALATINE	2
60110	CARPENTERSVILLE	2
60123	ELGIN	2
60124	ELGIN	2
60131	FRANKLIN PARK	2
60143	ITASCA	2
60172	ROSELLE	2
60176	SCHILLER PARK	2
60188	CAROL STREAM	2
60191	WOOD DALE	2
60706	HARWOOD HEIGHTS	2
60714	NILES	2
33062	POMPANO BEACH	1
33063	POMPANO BEACH	1
34238	SARASOTA	1
34691	HOLIDAY	1
53523	CAMBRIDGE	1
60012	CRYSTAL LAKE	1
60030	GRAYSLAKE	1
60031	GURNEE	1
60035	HIGHLAND PARK	1
60041	INGLESIDE	1
60045	LAKE FOREST	1
60048	LIBERTYVILLE	1
60065	NORTHBROOK	1
60073	ROUND LAKE	1
60076	SKOKIE	1
60081	SPRING GROVE	1
60083	WADSWORTH	1
60091	WILMETTE	1
60101	ADDISON	1
60106	BENSENVILLE	1
60108	BLOOMINGDALE	1
60119	ELBURN	1
60136	GILBERTS	1
60140	HAMPSHIRE	1
60160	MELROSE PARK	1
60163	BERKELEY	1
60175	ST. CHARLES	1
60178	SYCAMORE	1

60201	EVANSTON	1
60422	FLOSSMOOR	1
60451	NEW LENOX	1
60457	HICKORY HILLS	1
60504	AURORA	1
60517	WOODRIDGE	1
60532	LISLE	1
60605	CHICAGO	1
60619	CHICAGO	1
60622	CHICAGO	1
60630	CHICAGO	1
60640	CHICAGO	1
60647	CHICAGO	1
61038	GARDEN PRAIRIE	1
77339	KINGWOOD	1
80401	GOLDEN	1
	Total Year 2014	1,351
	Total Year 2013	1,553

GI Procedures I performed at area hospitals/ASTCs, other than NCH GI Lab

	2014	2013
Hospital A		
Hospital B		
Hospital C		
ASTC 1		
ASTC 2		
ASTC 3		
TOTAL		