



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-07	BOARD MEETING: March 14, 2016	PROJECT NO: 16-054	PROJECT COST: Original:\$46,392,770
FACILITY NAME: Northwestern Medicine Kishwaukee Health and Fitness Center		CITY: DeKalb	
TYPE OF PROJECT: Non-Substantive			HSA: I

PROJECT DESCRIPTION: The applicants (Northwestern Memorial Healthcare, Kish HealthSystem and Northwestern Medicine Kishwaukee Hospital) propose to construct a 2-story health and fitness center on the campus of Northwestern Medicine Kishwaukee Hospital located at 1 Kish Hospital Drive, DeKalb, Illinois 60115. The total project cost is \$46,392,770. The completion date of the project is March 31, 2019.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants (Northwestern Memorial Healthcare, Kish HealthSystem and Northwestern Medicine Kishwaukee Hospital) propose to construct a 2-story health and fitness center on the campus of Northwestern Medicine Kishwaukee Hospital located at 1 Kish Hospital Drive, DeKalb, Illinois 60115. The total project cost is \$46,392,770. The completion date of the project is March 31, 2019.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The applicants are proposing a project “by or on behalf of a health care facility” that exceeds the capital expenditure minimum of \$12,950,881. (20 ILCS 3960/3)
- **Reviewer Note:** The capital expenditure minimum is adjusted at the beginning of the State of Illinois fiscal year per RS Means.¹
 - As of July 1, 2016 the Capital Expenditure Minimum is
 - **\$12,950,881 for Hospitals**
 - \$7,320,061 for Long Term Care Facilities
 - \$3,375,491 Other Applicants
- The Health Facilities Planning Act (20 ILCS 3960) does not consider a health and fitness center a “non-clinical service area.” Additionally, the State Board does not have State Norms (size and utilization standards) for any of the services proposed by this project. The State Board Staff considers the services proposed by this project as non-reviewable.
- "Non-clinical service area" means an area (i) for the benefit of the patients, visitors, staff, or employees of a health care facility and (ii) not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. **Solely for the purpose of this definition "non-clinical service area" does not include health and fitness centers.** (20 ILCS 3960/3) (emphasis added)

PURPOSE OF THE PROJECT:

- *“The purpose of this project is to address some of the most pressing issues facing healthcare today. As healthcare reform increases pressures on providers to control costs and shift the traditional model of providing expensive “rescue care” to less costly “health care,” hospitals are shifting their focus instead to engaging consumers before they are acutely ill and when preventative methods can be used to provide care before the patient is admitted into a hospital or emergency department.”*
- The applicants plan to offer several Wellness programs at the facility and will not charge for participation. Many of these programs will provide access to the fitness center as part of the program. Additionally, if a physician “prescribes” a fitness program upon patient discharge, those services would be covered by NMHC’s charity care policy.

¹ RS Means is one of the world’s leading providers of construction cost data, software, and services for all phases of the construction lifecycle. RS Means data from Gordian provides accurate and up-to-date cost information to help owners, developers, architects, engineers, contractors and others carefully and precisely project and control the cost of both new building construction and renovation projects. In addition to its collection of annual construction cost data books, RS Means offers construction estimating and facilities management seminars, electronic cost databases and software, reference books, and enterprise solutions.

PUBLIC HEARING/COMMENT:

- On February 9, 2017, Board Staff, Jeannie Mitchell, Assistant General Counsel and Nelson Agbodo, Data Administrator conducted a public hearing for Project #16-054, Northwestern Medicine Kishwaukee Health & Fitness Center. The hearing was held at 11:30am at the DeKalb Public Library, 309 Oak St. DeKalb, IL. The Board Member in attendance was Senator Brad Burzynski. Board Staff noted twenty-four (24) individuals who registered their attendance at the hearing, of which eight (8) came forward to express their support or opposition for the project and sixteen (16) attended for appearance only. A total of fifteen (15) individuals mentioned on their registration forms that they support the project, three (3) mentioned their opposition, four (4) were neutrals, and two (2) did not specify their positions.
- Those in support of the project emphasized the proposed health and fitness center will help with wellness and preventive health care in the DeKalb Community. According to the supporters of the center, the proposed project will provide, in one location, care and guidance from a physician, a treatment plan and rehabilitation, and exercise that would improve overall health outcomes.
- Those in opposition to the project emphasized that the proposed center will impact area business such as physical therapy businesses, exercise and fitness clubs, and the YMCA which is next door to the Hospital. Those in opposition felt any loss of membership at the YMCA to the proposed fitness center would jeopardize the charitable services provided by YMCA such as free summer lunch program, swimming program and a summer camp for minority children.

CONCLUSIONS:

The applicants have successfully addressed all of the requirements of the State Board.

STATE BOARD STAFF REPORT
Project #16-054
Northwestern Medicine
Kishwaukee Health and Fitness Center

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants(s)	Northwestern Memorial Healthcare, Kish HealthSystem and Northwestern Medicine Kishwaukee Hospital
Facility Name	Northwestern Medicine Kishwaukee Health and Fitness Center
Location	626 East Bethany Road, DeKalb, Illinois
Permit Holder	Kishwaukee Community Hospital d/b/a Northwestern Medicine Kishwaukee Hospital
Operating Entity	Kishwaukee Community Hospital d/b/a Northwestern Medicine Kishwaukee Hospital
Owner of Site	Kishwaukee Community Hospital d/b/a Northwestern Medicine Kishwaukee Hospital
Description	Establish a health and fitness center
Total GSF	111,105 BGSF
Project Costs	\$46,392,770
Application Received	December 23, 2016
Application Deemed Complete	December 29, 2016
Review Period Ends	February 27, 2017
Financial Commitment Date	March 14, 2019
Project Completion Date	March 31, 2019
Review Period Extended by the State Board Staff?	No
Can the applicants request a deferral?	Yes

I. Project Description

The applicants (Northwestern Memorial Healthcare, Kish HealthSystem and Northwestern Medicine Kishwaukee Hospital) propose to construct a 2-story health and fitness center on the campus of Northwestern Medicine Kishwaukee Hospital located at 1 Kish Hospital Drive, DeKalb, Illinois 60115. The total project cost is \$46,392,770. The anticipated completion date of the project is March 31, 2019.

II. Summary of Findings

- A.** The State Board Staff finds the proposed project is in conformance with the provisions of Part 1110.
- B.** The State Board Staff finds the proposed project is in conformance with the provisions of Part 1120.

III. General Information

The applicants are Northwestern Memorial Healthcare, Kish HealthSystem and Kishwaukee Community Hospital. Northwestern Memorial Healthcare is the sole corporate member of Northwestern Memorial Hospital and Kish Health System. Northwestern Memorial Healthcare owns and operates the following facilities:

- Northwestern Memorial Hospital
- Northwestern Lake Forest Hospital
- Central DuPage Hospital
- Delnor-Community Hospital
- Marianjoy Rehabilitation Hospital
- Valley West Community Hospital
- Cadence Ambulatory Surgery Center
- The Midland Surgical Center*
- Illinois Proton Center*

*denotes partial ownership in excess of 51%

The project is a non-substantive project subject to Part 1110 and Part 1120 review. Financial commitment will occur after permit approval.

IV. **Project Costs and Sources of Funds**

The applicants are funding this project with cash in the amount of \$46,392,770.

TABLE ONE		
Project Costs and Sources of Funds		
Use of Funds	Non Reviewable	Total
Site Preparation	\$1,178,000	\$1,178,000
New Construction Contracts	\$35,522,000	\$35,522,000
Contingencies	\$3,183,511	\$3,183,511
Architectural and Engineering Fees	\$2,520,359	\$2,520,359
Consulting and Other Fees	\$75,000	\$75,000
Movable or Other Equipment	\$2,738,800	\$2,738,800
Other Costs to be Capitalized	\$1,175,100	\$1,175,100
Total	\$46,392,770	\$46,392,770
Source of Funds		
Cash	\$46,392,770	\$46,392,770

V. **Cost Space Requirements**

The majority of the space in the proposed project will be for the fitness center which will include an aquatic center with two pools, locker rooms, and childcare services. The project will also include physician office space, as well as space for community wellness and education programs. There will also be an auditorium and administrative space. The project's schedule is outlined below.

- Stage of the project's architectural drawings: Construction Documents/Drawings
- Anticipated project construction start date: April, 2017
- Anticipated midpoint of construction date: November, 2017
- Anticipated project construction substantial completion date: July, 2018
- Anticipated project completion date: March, 2019
- Project obligation is contingent upon permit issuance.
- Northwestern Medicine Kishwaukee Hospital plans to sign the contract with the general construction contractor in March, 2017 that will be subject to CON approval. This contract will obligate the project.

TABLE TWO						
Cost Space Requirements						
Non-Reviewable	Costs	Proposed DGSF	Floor Gross Factor ⁽¹⁾	Proposed BGSF	Proposed BGSF	
Fitness Center	\$26,822,000	60,917	1.1901	72,500	72,500	
Physician Office Space	\$3,700,000	16,133	1.1901	19,200	19,200	
Conference Room Auditorium	\$1,150,000	3,361	1.1901	4,000	4,000	
Lobby	\$1,200,000	3,761	1.1901	4,500	4,500	
Administrative Space	\$1,450,000	6,050	1.1901	7,200	7,200	
MEP Systems	\$1,200,000	3,113	1.1901	3,705	3,705	
Non Reviewable Total	\$35,522,000	93,335		111,105	111,105	
Site Preparation	\$1,178,000					
Contingencies	\$3,183,511					
A/E Fees	\$2,520,359					
Consulting and Other Fees	\$75,000					
Movable Equipment	\$2,738,800					
Other Costs to be Capitalized	\$1,175,100					
Subtotal	\$10,870,770					
Total	\$46,392,770					
1. Grossing Factors: multiplication factors applied 1) to net areas for each room or element within a department, and 2) to gross departmental areas. These factors allow for space requirement not included in original net measurements						

VI. Background of the Applicants

A) Criterion 1110.510(b)(1) - (3) - Background of Applicant

To demonstrate compliance with this criterion, the applicants must document the following:

- A) Any adverse action taken against the applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed healthcare facility, or against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.
 - B) A listing of all health care facilities currently owned and/or operated by the applicant in Illinois or elsewhere, including licensing, certification and accreditation identification numbers, as applicable;
 - C) **Adverse action means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois.**
1. Dean M. Harrison CEO stated *"I hereby authorize [HFSRB] 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."* (Application for Permit, p. 71)
 2. Proof of ownership of the property for the facility was provided at pages 27-55 of the application for permit.
 3. The location of the proposed facility is in compliance with the Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.) and Executive Order #2006-5.

4. All reports required by the State Board and the Illinois Department of Public Health have been provided.

VII. Purpose of the Project, Safety Net Impact Statement, Alternatives

A) Criterion 1110.230(a) – Purpose of the Project

To demonstrate compliance with this criterion, the applicants must provide documentation that

1. Documents that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Defines the planning area or market area, or other, per the applicant's definition.
3. Identifies the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Details how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
5. Provides goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The applicants stated the following in regards to the purpose of the project.

1. *"The purpose of this project is to address some of the most pressing issues facing healthcare today. As healthcare reform increases pressures on providers to control costs and shift the traditional model of providing expensive "rescue care" to less costly "health care," hospitals are shifting their focus instead to engaging consumers before they are acutely ill and when preventative methods can be used to provide care before the patient is admitted into a hospital or emergency department. The proposed project will serve patients, Kish employees, and community members and will improve the healthcare of residents of DeKalb County (the Planning Area), and the region by enhancing access to preventative health, wellness, and fitness programming.*

2. *The market area for the project is DeKalb County, which is also Kish's planning area. As stated in Kishwaukee Hospital's 2015 Community Health Needs Assessment, Kishwaukee Hospital serves the largest portion of DeKalb County residents. In FY16, 83% of Kish's patients originated from DeKalb County.*

3. *Cardiovascular disease is the leading cause of death in the U.S. for both men and women among all racial and ethnic groups and is also the leading cause of death among DeKalb County residents (Centers for Disease Control and Prevention, 2012). Cardiovascular disease is the most widespread and costly health problem, although heart disease and stroke are often preventable. High cholesterol is one of the major risk factors leading to heart disease, heart attack, and stroke and uncontrolled high blood pressure can injure or kill. Over one-fourth of DeKalb County residents have high cholesterol (25.9%) or high blood pressure (27.3%) and almost two-thirds (64.4%) are overweight or obese based on body mass index (BMI). The percentage of obese individuals has risen substantially since 2001, when the percentage was around 18.8%. Being overweight or obesity increases risk for high cholesterol, high blood pressure, insulin resistance, and is a precursor of type 2 diabetes – all factors that heighten risk for cardiovascular disease.*

4. *The proposed health and fitness center will focus on wellness and prevention, with special emphasis on the most preventable health conditions and lifestyle behaviors impacting the health of individuals and the community. Better prevention and management of high cholesterol, high blood pressure, and/or diabetes helps to lower the*

risk for heart disease. Programs and services, including but not limited to, recreation and fitness and educational programming will address the needs of the community.

5. The goal of the proposed project is to provide access to preventative method of healthcare and to improve the overall health of DeKalb County. The focus of the programs offered will be to not only help improve an individual's overall health status, but to also help reduce the need for traditional "sick care" services, decrease admissions and readmissions to the hospital for chronic illnesses, and improve the health of the communities served by Kish, including Kish employees. The proposed health and fitness center will provide a tangible destination for the community to improve or maintain their health." (Application for Permit page 72)

TABLE THREE			
Zip Codes and Cities within twenty (20) miles of the proposed facility			
ZIP	City	County	Population
60115	Dekalb	Dekalb	40,789
60112	Cortland	Dekalb	4,576
60178	Sycamore	Dekalb	22,580
60150	Malta	Dekalb	1,171
60151	Maple Park	Kane	3,720
60111	Clare	Dekalb	255
60520	Hinckley	Dekalb	2,442
60556	Waterman	Dekalb	1,537
60550	Shabbona	Dekalb	766
60144	Kaneville	Kane	0
60113	Creston	Ogle	0
60119	Elburn	Kane	10,235
60530	Lee	Lee	567
60511	Big Rock	Kane	1,402
60109	Burlington	Kane	0
60145	Kingston	Dekalb	2,505
60129	Esmond	Dekalb	213
60135	Genoa	Dekalb	7,571
60146	Kirkland	Dekalb	1,655
61049	Lindenwood	Ogle	457
60552	Somonauk	Dekalb	3,876
60554	Sugar Grove	Kane	11,597
60140	Hampshire	Kane	17,254
61068	Rochelle	Ogle	15,044
60553	Steward	Lee	478
60147	Lafox	Kane	0
60183	Wasco	Kane	0
60175	Saint Charles	Kane	25,299
60548	Sandwich	Dekalb	12,513
60124	Elgin	Kane	22,495
61052	Monroe Center	Ogle	847
61353	Paw Paw	Lee	747
60545	Plano	Kendall	13,698
Total			226,289

B) Criterion 1110.230 (b) – Safety Net Impact Statement

This project is not considered a substantive project by the State Board; therefore the applicants do not have to provide a safety net impact statement. Only substantive projects are required to provide a safety net impact statement. (20 ILCS 3960/5.4) Charity care information was provided for Kishwaukee Hospital and is illustrated in the table below.

TABLE FOUR Northwestern Medicine Kishwaukee Hospital Charity Care Information			
	FY 13	FY 14	FY 15
Net Patient Revenue	\$177,904,226	\$167,859,353	\$173,345,496
Amount of Charity Care	\$14,930,269	\$16,279,144	\$12,368,641
Cost of Charity Care	\$4,614,102	\$4,757,921	\$3,352,545
% Cost of Charity Care to Net Revenue	2.59%	2.83%	1.93%

State Board Staff Notes:

Substantive projects include no more than the following:

(a) Projects to construct

- (1) a new or replacement facility located on a new site or
- (2) a replacement facility located on the same site as the original facility and the cost of the replacement facility exceeds the capital expenditure minimum, which shall be reviewed by the Board within 120 days;

(b) Projects proposing a

- (1) new service within an existing healthcare facility or
- (2) discontinuation of a service within an existing healthcare facility, which shall be reviewed by the Board within 60 days; or

(c) Projects proposing a change in the bed capacity of a health care facility by an increase in the total number of beds or by a redistribution of beds among various categories of service or by a relocation of beds from one physical facility or site to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board, whichever is less, over a 2-year period. (20 ILCS 3960/12(8))

C) Criterion 1110.230 (c) – Alternatives to the Proposed Project

To demonstrate compliance with this criterion, the applicants must

- 1. Identify all alternatives;**
- 2. Provide 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;**
- 3. For every alternative considered the total project costs and the reason for the rejection must be provided; and,**
- 4. For the selected alternative the reasons for the selection must be provided**

The applicants stated the following regarding the alternatives to this project.

Alternative 1: Construct a Fitness Center without Physician Office Space

Even preventative health can be confusing and the definition can vary. Often consumers only have a partial understanding of diseases or preventative testing and what it means. The act of taking a Health Risk Assessment or having Biometrics measured can be taken as a substitute for actually performing a health act. The screening itself may show life-threatening markers but the extent to which it is acted upon is typically borne exclusively by the patient. The distinction of a medically affiliated fitness center is that it incorporates active and regular medical oversight. Decisions, including individual exercise plans, are reviewed by a qualified medical professional. One of the goals of the proposed project is to offer care in a safe, holistic environment where consumers feels comfortable sharing their health history and have medical resources available to address questions and provide follow-up. To best accomplish this goal, physicians must share space with the fitness center and well ness programs. While building the project without the physician office space would reduce the project cost by approximately \$4 million, it does not meet the need for an integrated wellness platform. This alternative was rejected because it does not meet the program need for integrated wellness services at Kish.

Alternative 2: Purchase and Convert an Existing Fitness Center into a Medically Affiliated Fitness Center

Kish's primary service area has a small number of fitness centers of varying sizes and program scopes. However, there are currently no medially affiliated fitness centers in the area. Additionally, there are no existing fitness centers that are large enough to accommodate the proposed scope of the project or that have important program elements, such as the exercise and therapy pool, and physician office space. This alternative was rejected because it does not meet the program need for the fitness and wellness center. Cost estimates were not developed for this option since it is not realistic for the project.

Alternative 3: Do Nothing

The benefits of regular exercise, the fragmented fitness industry, and existing Kish Wellness programs all support the tremendous value of constructing a medically affiliated fitness center. Because a medically affiliated fitness center incorporates medically-trained personnel into the staff, a safe environment is created for people with mobility challenges or those who have not typically exercised. Studies show that 40-60% of members of medically-based fitness centers have never been a member of another fitness center. Some reasons include being uncomfortable about personal health, having unique health situations and fitness program needs, the perception that fitness centers are for the young and fit, etc. If the proposed project is not approved, the need for a medically affiliated fitness center would not be met for the community. This alternative was rejected because it does not meet the need/demand for wellness services in DeKalb.

VIII. Size of the Project, Projected Utilization, and Assurances

A) Criterion 1110.234(a) – Size of the Project

B) Criterion 1110.234(b) – Projected Utilization

C) Criterion 1110.234(e) – Assurances

The State Board does not have size or utilization standards for the services proposed by this project.

The applicants stated, *“in determining [component] sizes, [Northwestern Memorial Healthcare]’s planning team members, architects and consultants utilized existing functional standards and incorporated experience from other developments during the past two decades.”* (Application for Permit, p. 75)

The fitness center is a two story structure.

Floor One will contain the Fitness Area, Lobby, Auditorium, and Physician Office Space. The **lower level** will contain conference rooms, receiving, fitness center, childcare, locker rooms, gymnasium, and pools.

1. Fitness Area Including Gymnasium & Pools

The fitness components of the proposed project are provided to help bridge the gap between health care and fitness by introducing post-therapeutic programs for individuals transitioning into daily activities and exercise. The spaces include an indoor walk/jog track, a gymnasium, group cycling room, stretching and abdominal exercise spaces, free weights, circuit weights, mind/body exercise and a group exercise studio. There will also be a fully accessible exercise pool, warm water therapy pool and hydrotherapy pools. A childcare area is provided to supervise children while their parents are exercising. Locker rooms and other accessory spaces support these fitness components. The Fitness Area of the proposed project totals 60,917 DGSF

2. Physician Office Space

Physician office space will be provided to support diabetes education, community wellness and transitional care. A mix of exam rooms, consult rooms and work rooms promotes positive staff interaction, individualized attention, and continued correspondence to and from the referring source to make the programs a success. The Physician Office Space area of the proposed project totals 16,133 DGSF.

3. Conference Rooms / Auditorium

Flexible conference rooms and an auditorium are required to support the wellness programs as well as the physician office space. Appropriate space for presentations to various size groups are accommodated in the various rooms and configurations, including lecturing and teleconferencing facilities as required. The Conference rooms / Auditorium spaces of the proposed project total 3,361 DGSF.

4. Lobby

There will be lobby on the first floor of the building. It will include a small retail space for food, coffee, and conveniences. The Lobby of the proposed project totals 3,781 DGSF.

5. Administrative Space

The Administrative spaces in the proposed project include:

- Staff offices/Staff Support - there will be a break room, lockers and open office for staff and managers.
- Materials Management/Loading Dock - the loading dock and main materials management space will be located on the lower level. There will be a single garage door accessible from a ramp up to the parking lot.
- Environmental Services - EVS closets will have a mop sink and cleaning supplies.
- Storage - there will be small storage areas on each of the floors for building storage.

The Administrative Space areas of the proposed project total 6,050 DGSF.

6. Mechanical/Electric/Plumbing (MEP) Systems

The major air handling equipment will be located on the roof. There will be spaces included for water equipment, pool equipment, boilers, electrical rooms & communication rooms. The MEP spaces of the proposed project total 3,113 DGSF.

IX. Financial Viability

A) Criterion 1120.120 – Availability of Funds

B) Criterion 1120.130 – Financial Viability

The applicants are funding this project with cash in the amount of \$46,392,770. Standard & Poor's Ratings Services affirmed its 'AA+' long-term rating on the Illinois Finance Authority's series 2013, 2009A, and 2009B bonds, and its 'AA+/ A-1+' dual rating on the authority's series 2002C, 2007A-2, 2007A-4, 200SA-1, 200SA-2, 2007A-1, and 2007A-3 bonds. All bonds were issued on behalf of Northwestern Memorial HealthCare. The outlook is stable (Application for Permit pages 79-96). Below is summary of Northwestern Memorial Healthcare Balance Sheet and Income Statement

TABLE FIVE
Northwestern Memorial Healthcare and Subsidiaries
Year Ended August 31
(in thousands) ⁽¹⁾

	2016	2015
Cash	\$218,613	\$258,313
Current Assets	\$1,355,772	\$1,097,443
PPE	\$3,233,885	\$2,795,973
Total Assets	\$9,712,186	\$8,823,713
Current Liabilities	\$1,601,107	\$1,226,815
LTD	\$1,077,180	\$1,298,164
Total Liabilities	\$3,562,593	\$3,338,663
Net Patient Revenue	\$4,236,441	\$3,867,302
Total Revenue	\$4,359,873	\$3,885,630
Total Expenses	\$4,120,502	\$3,671,766
Operating Income	\$239,371	\$213,964
Non Operating Income	\$479,477	\$1,665,630
Excess of Revenue Over Expenses	\$718,848	\$1,879,594
1. Information taken from 2016 Audited Consolidated Financial Report		

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA AVAILABILITY OF FUNDS and FINANCIAL VIABILITY (77 IAC 1120.120 AND 77 IAC 1120.130)

X. Economic Feasibility

A) Criterion 1120.140(a) – Reasonableness of Financing Arrangements

B) Criterion 1120.140(b) – Terms of Debt Financing

The applicants are funding this project with cash. No debt financing is being used to fund this project.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 IAC 1120.140(a) and 77 IAC 1120.140(b))

C) Criterion 1120.140(c) – Reasonableness of Project Costs

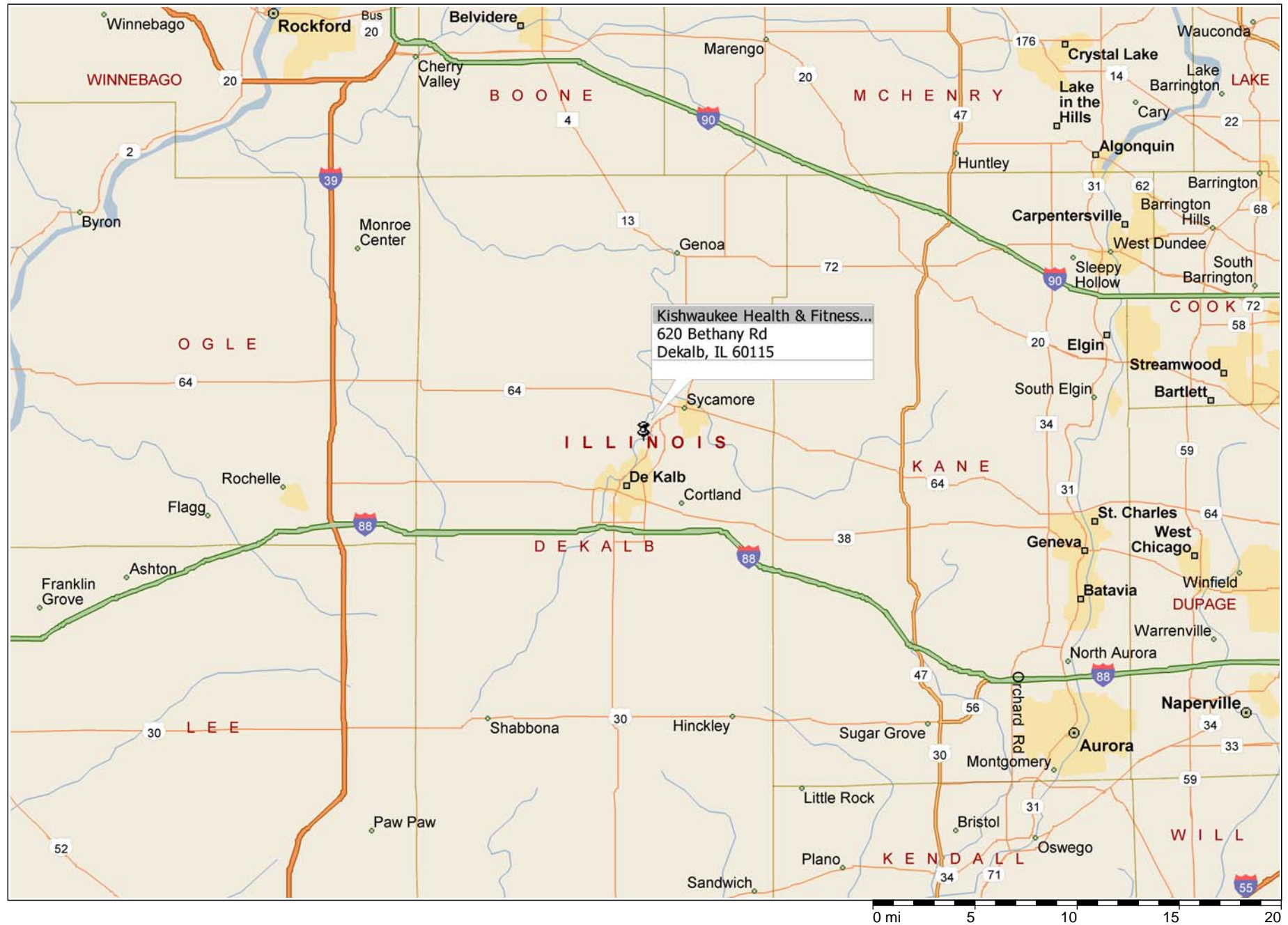
D) Criterion 1120.140(d) – Direct Operating Costs

E) Criterion 1120.140(e) – Effect of the Project on Capital Costs

The costs for this project are considered non reviewable by the State Board Staff. The State Board does not have standards for non-reviewable costs.

STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA REASONABLENESS OF PROJECT COSTS, DIRECT OPERATING COSTS, AND EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.140(c) AND 77 IAC 1120.140(d) AND 77 IAC 1120.140(e))

16-054 Kishwaukee Health & Fitness Center - DeKalb



Ownership, Management and General Information			Patients by Race		Patients by Ethnicity	
ADMINISTRATOR NAME:	Brad Copple		White	88.8%	Hispanic or Latino:	5.4%
ADMINISTRATOR PHONE	815-756-1521 ext: 153376		Black	6.5%	Not Hispanic or Latino:	94.4%
OWNERSHIP:	KishHealth System		American Indian	0.0%	Unknown:	0.2%
OPERATOR:	KishHealth System		Asian	0.8%		
MANAGEMENT:	Not for Profit Corporation (Not Church-R		Hawaiian/ Pacific	0.0%	IDPH Number:	5470
CERTIFICATION:	(Not Answered)		Unknown	3.9%	HPA	B-04
FACILITY DESIGNATION:	General Hospital				HSA	1
ADDRESS	One Kish Hospital Drive	CITY: DeKalb	COUNTY:	DeKalb County		

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2015	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	70	70	70	3,794	16,270	2,469	4.9	51.3	73.3	73.3
0-14 Years				16	39					
15-44 Years				443	1,470					
45-64 Years				1,047	3,947					
65-74 Years				779	3,373					
75 Years +				1,509	7,441					
Pediatric	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	12	12	12	267	1,070	28	4.1	3.0	25.1	25.1
Direct Admission				267	1,070					
Transfers				0	0					
Obstetric/Gynecology	16	16	16	868	1,675	162	2.1	5.0	31.5	31.5
Maternity				868	1,675					
Clean Gynecology				0	0					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	98			4,929	19,015	2,659	4.4	59.4	60.6	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	48.6%	11.0%	0.2%	27.8%	4.2%	8.1%	
	2396	544	9	1370	209	401	4,929
Outpatients	33.8%	14.4%	0.3%	48.6%	1.3%	1.6%	
	65063	27673	520	93506	2502	3175	192,439

<u>Financial Year Reported:</u>	5/1/2014 to	4/30/2015	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>					Charity Care Expense	Total Charity Care Expense
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals			
Inpatient Revenue (\$)	49.6%	7.5%	0.0%	43.4%	-0.5%	100.0%			3,352,545
	18,799,552	2,850,220	-6,532	16,456,043	-182,380	37,916,903	1,329,670		
Outpatient Revenue (\$)	14.5%	6.9%	0.1%	75.4%	3.2%	100.0%			Total Charity Care as % of Net Revenue
	19,623,638	9,319,233	139,706	102,073,208	4,272,808	135,428,593	2,022,875		1.9%

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	849		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	844		Beds	16	3	Heart:	0
Birthing Rooms:	0		Patient Days	1,297	45	Lung:	0
Labor Rooms:	2		Total Newborn Patient Days		1,342	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	0					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	10		Inpatient Studies		125,210	Total:	0
C-Section Rooms:	1		Outpatient Studies		272,955		
CSections Performed:	217		Studies Performed Under Contract		40,548		

Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	0	0	0	0	0	0.0	0.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	6	6	197	696	478	1357	1835	2.4	1.9
Gastroenterology	0	0	0	0	215	607	412	1163	1575	1.9	1.9
Neurology	0	0	0	0	37	155	56	233	289	1.5	1.5
OB/Gynecology	0	0	1	1	202	262	288	298	586	1.4	1.1
Oral/Maxillofacial	0	0	0	0	3	5	7	7	14	2.3	1.4
Ophthalmology	0	0	0	0	0	12	0	37	37	0.0	3.1
Orthopedic	0	0	0	0	457	603	659	845	1504	1.4	1.4
Otolaryngology	0	0	0	0	13	42	16	53	69	1.2	1.3
Plastic Surgery	0	0	0	0	0	0	0	0	0	0.0	0.0
Podiatry	0	0	0	0	0	53	0	69	69	0.0	1.3
Thoracic	0	0	0	0	0	0	0	0	0	0.0	0.0
Urology	0	0	0	0	49	150	71	209	280	1.4	1.4
Totals	0	0	7	7	1173	2585	1987	4271	6258	1.7	1.7

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

10

Stage 2 Recovery Stations

25

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	2	2	234	2321	371	3675	4046	1.6	1.6
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	0	0	0	0	0	0	0	0.0	0.0
Cystoscopy	0	0	1	1	90	351	101	386	487	1.1	1.1

Multipurpose Non-Dedicated Rooms

Pain Management	0	0	1	1	0	3015	0	3827	3827	0.0	1.3
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Emergency/Trauma Care

Certified Trauma Center	No
Level of Trauma Service	Level 1
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	23
Persons Treated by Emergency Services:	30,642
Patients Admitted from Emergency:	3,909
Total ED Visits (Emergency+Trauma):	30,642

Free-Standing Emergency Center

Beds in Free-Standing Centers	0
Patient Visits in Free-Standing Centers	0
Hospital Admissions from Free-Standing Center	0

Outpatient Service Data

Total Outpatient Visits	192,439
Outpatient Visits at the Hospital/ Campus:	192,439
Outpatient Visits Offsite/off campus	0

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	2
Cath Labs used for Angiography procedures	2
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	540
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	306
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	106
EP Catheterizations (15+)	128

Cardiac Surgery Data

Total Cardiac Surgery Cases:	0
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	0
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	0

Diagnostic/Interventional Equipment**Examinations****Therapeutic Equipment****Therapies/**

	Owned Contract		Inpatient	Outpt	Contract		Owned Contract		Treatments
General Radiography/Fluoroscopy	6	0	8,682	18,250	0	Lithotripsy	0	0	0
Nuclear Medicine	0	1	0	0	755	Linear Accelerator	0	0	0
Mammography	3	0	4	5,573	0	Image Guided Rad Therapy			0
Ultrasound	7	0	1,266	7,589	0	Intensity Modulated Rad Thrp			0
Angiography	2	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			25	16	0	Proton Beam Therapy	0	0	0
Interventional Angiography			116	125	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	1	0	1	324	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	2	0	2,359	10,902	0				
Magnetic Resonance Imaging	1	0	372	2,031	0				