



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-12	BOARD MEETING: November 14, 2017	PROJECT NO: 17-046	PROJECT COST: Original: \$16,435,207
FACILITY NAME: AMITA Health St Alexius Medical Center		CITY: Hoffman Estates	
TYPE OF PROJECT: Non-Substantive			HSA: VII

PROJECT DESCRIPTION: The Applicants (Ascension Health Alliance, St. Alexius Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health Alexian Brothers Health System) are proposing to modernize and expand their surgical suite and support areas. The cost of the project is \$16,435,207 and the expected completion date is November 1, 2020.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Ascension Health Alliance, St. Alexius Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health Alexian Brothers Health System) are proposing to modernize and expand their surgical suite and support areas. The cost of the project is \$16,435,207 and the expected completion date is November 1, 2020.

BACKGROUND:

- In 1977 Hoffman Estates Medical Center was approved by the State Board as Permit #77-085 to establish a 356 bed acute care hospital at a cost of approximately \$21 million.
- In December of 1992 the hospital was approved by the State Board for a change of ownership to Humana Hospital (#E-103-92).
- In September of 1998 the hospital was approved by the State Board as a change of ownership to St Alexius Medical Center (#E-089-98).
- In September of 2011 the hospital was approved by the State Board for a change of ownership to Ascension Health (#E-012-11).
- In December of 2014 the State Board approved the hospital for a change of ownership in the form of a joint venture between Adventist Health System and Ascension Health to form AMITA. (#E-046-14)

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The proposed project is by or on behalf of a health care facility and the cost of the project is in excess of the capital expenditure minimum of \$13,171,046.
- **Staff Note:** The capital expenditure minimum was increased by 1.7% on July 1, 2017.

Capital Expenditure Minimum			
	7/1/2016	7/1/2017	Increase
Hospitals	\$12,950,881	\$13,171,046	\$220,165
Long Term Care	\$7,320,061	\$7,444,502	\$124,441
Other	\$3,378,491	\$3,435,925	\$57,434

Source for increase RSMEANS

Capital Expenditure:

An expenditure intended to benefit future periods, in contrast to a revenue expenditure, which benefits a current period; an addition to a capital asset. The term is generally restricted to expenditures that add fixed-asset units or that has the effect of increasing the capacity, efficiency, life span, or economy of operation of an existing fixed asset.

PURPOSE OF THE PROJECT:

- According to the Applicants *“The primary purpose of the proposed project is to modernize and expand St. Alexius Medical Center's surgical facilities, resulting in a more contemporary setting and improving accessibility.”*

PUBLIC HEARING/COMMENT:

- No Public Hearing was requested and no letters of opposition were received by the State Board Staff.
- State Senator Cristina Castro stated *“Please accept this letter as an indication of my enthusiastic support for AMITA Health St. Alexius Medical Center's renovation plans. This hospital has, for many years, been a medical anchor for the far northwest suburbs, and has a*

long history of providing high quality health care services, regardless of a patient's financial capacity.”

SUMMARY:

- State Board Staff reviewed the application for permit and the supplemental material submitted and note that the Applicants have not met all of the requirements of the State Board.

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1110.234 (b) – Projected Utilization	<p>The Applicants currently have ten (10) general operating rooms, one (1) operating room dedicated to urology and two (2) rooms dedicated to ophthalmology (per the application for permit) for a total of thirteen (13) operating rooms. The ophthalmic rooms are located outside the surgery suite and referred to as the “eye center.”</p> <p>For the period (2011-2016) the hospital has seen no growth in surgical cases and a decrease in the number of surgical hours of approximately 11.25% (2.25% compounded annually). The Applicants are projecting an increase in the number of surgical cases of approximately 3% annually and general surgery hours of approximately 3.3% annually based upon the referral letters submitted to the State Board. Should the referrals materialize the Applicants will be able to support twelve (12) general operating rooms one (1) urology room and one (1) room dedicated to ophthalmology for a total of fourteen (14) rooms and not the fifteen rooms being proposed.</p> <p>State Board Staff Notes: All Diagnostic and Treatment utilization numbers are the <u>minimums</u> per unit for establishing more than one unit, except where noted in 77 Ill. Adm. Code 1100. [See Part 1110 Appendix B]</p>
Criterion 1110.3030 (d) - Service Modernization	<p>The Applicants currently have ten (10) general operating rooms, one (1) operating room dedicated to urology and two (2) dedicated to ophthalmology rooms (per the application for permit for a total of thirteen (13) rooms. Average historical utilization will support twelve (12) general operating rooms one (1) urology room and one (1) room dedicated to ophthalmology. Historical utilization will not support the two (2) ophthalmology rooms being requested.</p>

STATE BOARD STAFF REPORT
Project #17-046
AMITA Health St. Alexius Medical Center

APPLICATION CHRONOLOGY	
Applicants(s)	St. Alexius Medical Center, Alexian Brothers-AH S Midwest Region Health Co. d/b/a AMITA Health Alexian Brothers Health System, Ascension Health
Facility Name	St. Alexius Medical Center
Location	1555 N. Barrington Road, Hoffman Estates
Permit Holder	St. Alexius Medical Center
Operating Entity/Licensee	St. Alexius Medical Center
Owner of Site	St. Alexius Medical Center
Gross Square Feet	61,185
Application Received	09/01/2017
Application Deemed Complete	09/05/2017
Financial Commitment Date	November 14, 2019
Anticipated Completion Date	November 1, 2020
Review Period Ends	11/01/2017
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

I. Project Description

The Applicants (Ascension Health Alliance, St. Alexius Medical Center, Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health Alexian Brothers Health System) are proposing to modernize and expand their surgical suite and support areas. The cost of the project is \$16,435,207 and the expected completion date is November 1, 2020.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is not in conformance with all relevant provisions of Part 1110.
- B. The State Board Staff finds the proposed project is in conformance with all relevant provisions of Part 1120.

III. General Information

The Applicants are Alexian Brothers-AHS Midwest Region Health Co. d/b/a AMITA Health, and Alexian Brothers Health System and Ascension Health. Ascension Health Alliance, d/b/a Ascension (Ascension), is a Missouri nonprofit corporation formed on September 13, 2011. Ascension is the sole corporate member and parent organization of Ascension Health, a Catholic national health system consisting primarily of nonprofit corporations that own and operate local healthcare facilities, or Ministry Markets, located in 24 states and the District of Columbia.

On February 1, 2015, Ascension Health and Adventist Health System entered into a joint operating agreement, which provides for an integrated health delivery system in Illinois, known as AMITA Health (AMITA). AMITA includes three (3) hospitals of Alexian Brothers Health System (Alexian) a subsidiary of Ascension Health, and four (4) hospitals of Adventist Midwest Health (Adventist), a subsidiary of Adventist Health System. The creation of AMITA Health did not result in a change in the licensees of the hospitals of Alexian and Adventist. Both parties share the cash flows generated by AMITA based on an agreed upon split. This joint operating agreement was approved by the State Board in December of 2014. [See Appendix III]

TABLE ONE	
AMITA Hospitals	
Hospital	City
Adventist Bolingbrook Hospital	Bolingbrook
Adventist Glen Oaks Hospital	Glendale
Adventist Hinsdale Hospital	Hinsdale
Adventist La Grange Memorial Hospital	LaGrange
Alexian Brothers Behavioral Health Hospital	Hoffman Estates
St. Alexius Medical Center	Hoffman Estates
Alexian Brothers Medical Center	Elk Grove Village

St. Alexius Medical Center is a 318 bed acute care hospital located at 1555 N. Barrington Road, Hoffman Estates in Suburban Cook County. Financial commitment for this project will occur after permit approval. This project is a non-substantive project subject to a Part 1110 and Part 1120 review. A non-substantive classification includes all projects that are not classified substantive or emergency. "Emergency Projects" means projects that are *emergent in nature and must be undertaken immediately to prevent or correct structural deficiencies or hazardous conditions that may harm or injure persons using the facility, as defined at 77 Ill. Adm. Code 1110.40(a)*. [20 ILCS 3960/12(9)]

Substantive Projects means types of projects that are defined in the Act and classified as substantive. *Substantive projects shall include no more than the following:*

- *Projects to construct a new or replacement facility located on a new site; or a replacement facility located on the same site as the original facility and the costs of the replacement facility exceed the capital expenditure minimum.*
- *Projects proposing a new service or discontinuation of a service, which shall be reviewed by the Board within 60 days.*
- *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 facility to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board in the Inventory, whichever is less, over a 2-year period. [20 ILCS 3960/12]*

IV. Health Service Area

The St. Alexius Medical Center, in Hoffman Estates is located in the HSA VII Service Area that includes Suburban Cook and DuPage County. Additionally the hospital is located in the A-07 Hospital Planning Area that includes the Cook County Townships of Maine, Elk Grove, Schaumburg, Palatine and Wheeling. The State Board is projecting for the period 2015-2020 no growth in the population in the HSA VII Service Area and the A-07 hospital planning area.

TABLE TWO
Hospitals in the A-07 Hospital Planning Area

Alexian Brothers Medical Center	Elk Grove Village
Advocate Lutheran General Hospital	Park Ridge
Northwest Community Hospital	Arlington Heights
Presence Holy Family Medical Center	Des Plaines
St. Alexius Medical Center	Hoffman Estates

Source: IDPH Inventory of Health Care Facilities and Services and Need Determination

TABLE THREE
**A-07 Hospital Planning Projected 5-Year
Population and Growth**

	2015	2020	% Change
0-14 years	108,820	141,010	5.92%
15-44 years	235,460	193,140	-3.59%
45-64 years	178,710	172,200	-0.73%
65-74 years	55,320	69,500	5.13%
75 +	49,550	54,670	2.07%
Total	627,860	630,520	0.08%

Source: IDPH Inventory of Health Care Facilities and Services and Need Determination

V. Project Details

The Applicants are proposing the modernization of existing space at the hospital as follows:

First Floor: Approximately 5,000 square feet of vacant space on the first floor will be renovated for the eye center and associated support space.

Second Floor: Approximately 17,600 square feet on the second floor will be renovated to house the following functions: surgery/recovery, PT gym, student education, and staff areas. The area currently houses the eye center and associated support areas, and equipment storage. Approximately 70% of the space to be renovated is currently vacant. The PT gym, which is on the sixth floor will be relocated to the second floor (in close proximity to the orthopedic unit), with its current location subsequently being unassigned/vacant.

Fifth Floor: Approximately 10,400 square feet of vacant space on the fifth floor will be renovated for administrative offices, conference rooms and equipment storage.

Three clinical (reviewable) areas will be addressed through the proposed project. First, the primary clinical focus of the proposed project is to transform largely vacant space on the second floor of the hospital into a surgical suite and associated support space. The area had originally been used for obstetrical services, which were relocated in 2012-2013. The current primary occupant of the space is the hospital's eye center (which uses two former C-Section rooms for procedures and two former postpartum rooms as four recovery stations), totaling 5,320 square feet. Following internal demolition, a 4-OR surgical suite, pre-operative patient prep and holding, post-operative recovery areas (4 Stage 1 and 5 Stage 2), and support space required by the surgical suite (staff areas, administrative areas, storage, etc.) will be developed. Second, the eye center will be relocated to vacant space on the first floor, and consist of two operating rooms, two Stage 1 and six Stage 2 recovery stations, and the required support space. Third, the physical therapy gym will be re-located to the second floor to improve accessibility for orthopedic patients, the most common users of the area.

VI. Project Uses and Sources of Funds

The Applicants are funding this project with cash of \$16,435,207. There are no start-up costs or operating deficit. Itemization of these costs is included in Appendix I at the end of this report.

TABLE FOUR				
Uses and Sources of Funds				
Uses of Funds	Reviewable	Non reviewable	Total	% or Total
Preplanning Costs	\$187,600	\$44,000	\$231,600	1.41%
Modernization Contracts	\$5,583,750	\$2,308,600	\$7,892,350	48.02%
Contingencies	\$377,100	\$37,400	\$414,500	2.52%
Architectural and Engineering Fees	\$548,400	\$234,600	\$783,000	4.76%
Consulting and Other Fees	\$1,007,680	\$64,320	\$1,072,000	6.52%
Movable or Other Equipment	\$5,395,435	\$241,322	\$5,636,757	34.30%
Other Costs to be Capitalized	\$380,700	\$24,300	\$405,000	2.46%
Total	\$13,480,665	\$2,954,542	\$16,435,207	100.00%
Sources of Funds				
Cash	\$13,480,665	\$2,954,542	\$16,435,207	100.00%
Total	\$13,480,665	\$2,954,542	\$16,435,207	100.00%

VII. Background of the Applicants

A) Criterion 1110.3030 (b) (1) (3) – Background of the Applicants

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

- A) A listing of all health care facilities currently owned and/or operated by the applicants in Illinois including licensing, certification and accreditation identification numbers, as applicable;
 - B) A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility;
 - C) A certified listing from the applicants of any adverse action taken against any facility owned and/or operated by the applicants during the three years prior to the filing of the application;
 - D) A certified listing of each applicant, corporate officer or director, LLC member, partner and owner of at least 5% of the proposed facility, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to;
 - E) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted.
1. Alexian Brothers-AHS-Midwest Region Health Co., d/b/a AMITA HEALTH and Alexian Brothers Health System, are domestic not-for profit corporations and in good standing in the State of Illinois. Ascension Health is a not-for profit corporation incorporated in the State of Missouri and is a foreign corporation in good standing in the State of Illinois.
 2. The proposed location of the hospital is in compliance with Executive Order #2006-05. *Executive Order #2006-05 requires all State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order. State Agencies engaged in planning programs or programs for the promotion of development shall inform participants in their programs of the existence and location of Special Flood Hazard Areas and of any State or local floodplain requirements in effect in such areas. Such State Agencies shall ensure that proposed development within Special Flood Hazard Areas would meet the requirements of this Order.* [Application for Permit pages 34-35]
 3. The proposed location of the hospital is in compliance with the Illinois State Agency Historic Resources Preservation Act which requires *all State Agencies in consultation with the Director of Historic Preservation, institute procedures to ensure that State projects consider the preservation and enhancement of both State owned and non-State owned historic resources* (20 ILCS 3420/1).
 4. AMITA Health has not had any adverse actions against any facility owned and operated by the Applicants during the three (3) year period prior to the filing of this application, and AMITA Health

authorizes the State Board and Agency access to information to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application. [Application for Permit page 40]

5. The Applicants provided evidence of site ownership by providing a copy of the insurance contract for the hospital at page 31 of the application for permit.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN
CONFORMANCE WITH CRITERION BACKGROUND OF THE APPLICANTS
(77 ILAC1110.3030 (b) (1) (3))**

VIII. Purpose of the Project, Safety Net Impact Statement, Alternatives to the Project

These three (3) criteria are for informational purposes only. No conclusion on the information provided is reached by the State Board Staff.

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

To demonstrate compliance with this criterion, the applicants must address the purpose of the project, i.e., identify the issues or problems that the project is proposing to address or solve. Information to be provided shall include, but is not limited to, identification of existing problems or issues that need to be addressed, as applicable and appropriate for the project.

The Applicants stated the following:

“The primary purpose of the proposed project is to modernize and expand St. Alexius Medical Center's surgical facilities, resulting in a more contemporary setting and improving accessibility. As such, the project will improve the health care and well-being of the patient population that has traditionally received care at St. Alexius. Patient origin is not anticipated to change in a substantial way as a result of the proposed project, and the table below provides an analysis of the hospital's 2016 patient origin. Among the issues to be addressed are operating rooms that are below contemporary size standards and a lack of supply and equipment storage within the surgical suite, resulting in inefficiencies and crowded conditions. The proposed project will result in the availability of four contemporary-sized operating rooms, capable of accommodating cases with larger in-room equipment requirements, such as orthopedic surgery/joint replacement and robot-assisted surgery. The goal is to have these rooms available by the fourth quarter of 2020.” Table Five below outlines the primary service area and the number and percentage of cases from each zip code for 2016.

TABLE FIVE					
Patient Origin Surgical Cases					
St. Alexius Medical Center					
Zip Code	City	County	Number of Cases (2016)	% of Total	Cumulative Total
60107	Streamwood	Cook	1,311	11.90%	11.90%
60169	Hoffman Estates	Cook	1,300	11.80%	23.60%
60133	Hanover Park	Cook Dupage	936	8.50%	32.10%
60103	Bartlett	Cook, DuPage & Kane	716	6.50%	38.60%
60193	Schaumburg	Cook	661	6.00%	44.60%
60194	Schaumburg	Cook	661	6.00%	50.60%
60120	Elgin	Kane	518	4.70%	55.30%
60110	Carpentersville	Kane	353	3.20%	58.50%
60010	Barrington	Cook & Lake	308	2.80%	61.20%
60192	Hoffman Estates	Cook	297	2.70%	63.90%
60123	Elgin	Kane	220	2.00%	65.90%
60067	Palatine	Cook	176	1.60%	67.50%
60172	Roselle	DuPage	154	1.40%	68.90%
60007	Elk Grove Village	Cook & DuPage	143	1.30%	70.30%
60173	Schaumburg	Cook	143	1.30%	71.60%
60195	Schaumburg	Cook	143	1.30%	72.90%
60102	Algonquin	McHenry and Kane	121	1.10%	74.00%
60118	Dundee	Kane	121	1.10%	75.10%
60074	Palatine	Cook	121	1.10%	76.30%
Total			8,406	76.30%	

TABLE FIVE					
Patient Origin Surgical Cases					
St. Alexius Medical Center					
Zip Code	City	County	Number of Cases (2016)	% of Total	Cumulative Total
		Other	2,611		
1. 2016 Total Surgical Cases 11,017. Includes inpatient (3,673) and outpatient (7,344).					

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

All health care facilities, with the exception of skilled and intermediate long-term care facilities licensed under the Nursing Home Act [210 ILCS 45], shall provide a safety net impact statement, which shall be filed with an application for a substantive project.

The proposed project is considered a non-substantive project. The Applicants provided charity care information as required for non-substantive projects. (See Appendix III for Charity Care Information)

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

To determine if a proposed project is the best alternative, in terms of cost, efficiency, or effectiveness the applicants must provide documentation of the following:

- A) Proposing a project of greater or lesser scope and cost;
- B) Pursuing a joint venture;
- C) Utilizing other health care resources;
- D) Other

The Applicants stated the following:

“The primary goal of the proposed project is to modernize and expand the hospital's surgical suite. As such, two primary alternatives were available to the applicants, both of which were found to be inferior to the proposed project.

The first alternative considered was to expand the existing ambulatory surgical treatment center ("ASTC") on the hospital campus (the applicants have a partial ownership share, along with physicians), or to develop a second ASTC. This alternative was dismissed because the existing campus ASTC, which is located on the lower level of a medical office building connected to the hospital, is unable to expand, physically; there are numerous ASTCs located within close proximity to the hospital; and because this alternative would not address primarily inpatient-related shortcomings of the existing surgical suite. Had the decision been made to construct a second ASTC, the capital costs would have been similar to those of the proposed project, which does not involve new construction, and the operating costs would be similar to those of the proposed project. The quality of care provided would be identical, and assuming a site was selected on the hospital's campus, access would be very similar.

The second alternative considered was the renovation and expansion of the hospital's existing surgical suite, which is located on the first floor of the hospital. (The proposed project is on the second floor.) This alternative was dismissed primarily due to the disruption that it would cause in the surgical suite during renovation/expansion, and because of the "domino effect" that would result from the need to expand into other departments adjacent to the surgical suite. In addition, because of the need to not limit the surgical suite's schedule during renovation/expansion, the renovation associated with this alternative would be considerably longer and more costly than that of the proposed project. Operating costs would be minimally less than those of the proposed project, and quality and accessibility would be identical. For the reasons discussed above, the proposed project represents the most reasonable path to meeting the applicant's goals. Two absolute benefits to the proposed approach are that the area to be renovated to allow the development of four operating rooms and the associated support space is largely vacant, and

it is immediately adjacent to an inpatient surgical unit, therein facilitating the movement of in patients from the recovery area to their room.”

IX. Project Size Projected Utilization and Assurances

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

To demonstrate compliance with this criterion, the applicants must document that the proposed gross square footage does not exceed the State Board Standards in Part 1110 Appendix B.

Only the reviewable portion of the project is subject to State Board jurisdiction. For hospitals, area determinations for departments and clinical service areas are to be made in departmental gross square feet (dgsf). Spaces to be included in the applicant's determination of square footage shall include all functional areas minimally required by the Hospital Licensing Act, applicable federal certification, and any additional spaces required by the applicant's operational program.

The 2016 Annual Hospital Survey for St. Alexius Medical Center shows the hospital with eleven (11) operating rooms, and ten (10) procedure rooms. The Applicants have stated that the correct numbers should be thirteen (13) operating rooms and seven (7) procedure rooms. The Applicants are proposing to increase the operating rooms by two (2) with no change in the procedure rooms.

TABLE SIX		
Key Rooms		
	2016	Proposed
General Operating Rooms	10	12
Ophthalmology Operating Rooms	2	2
Urology/Cystoscopy Operating Room	1	1
Total	13	15
Gastro Procedure Rooms	5	5
Pain Management	1	1
Minor Procedure Room	1	1
Total	7	7
Stage 1 Recovery Areas	16	22
Stage 2 Recovery Areas	53	61
Total	69	83

TABLE SEVEN					
Size of the Proposed Project					
Rooms		State Standard		Project	Met Standard
		Room GSF	Total	Total	
Surgery	12	2,750	33,000	30,110	Yes
Recovery				22,755	Yes
Stage 1	20	180	3,600		
Stage 2	55	400	22,000		
Total			25,600		
Eye Center	2	1,100	2,200	2,100	Yes
Recovery				2,700	Yes
Stage 1	2	180	360		
Stage 2	6	400	2,400		
Total			2,760		

The Applicants have met all of the requirements of Part 1110 Appendix B.

The reviewable portion of the project comprises approximately eighty-two percent (82%) of the total costs and approximately fifty-eight percent (58%) of the total gross square footage. The non-reviewable portion of the project is approximately eighteen percent (18%) of the costs and forty-two percent (42%) of the gross square footage.

The Statute defines non-clinical service area (“non-reviewable”) as 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.”*

TABLE EIGHT
Cost Space Requirements

Dept./Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Reviewable							
Surgery	\$ 9,436,466	19,205	30,110		10,905	19,205	
Recovery	\$ 674,033	21,255	22,755		1,500	21,255	
Eye Center	\$ 1,617,680	4,800	2,100		2,100		4,800
Recovery	\$ 1,213,260	520	2,700		2,700		520
PT Gym	\$ 539,227	810	1,650		1,650		810
Total Reviewable	\$ 13,480,665	46,590	59,315		18,855	40,460	6,130
Non-Reviewable							
Admin. Offices/Conf.	\$1,684,089		6,000		6,000		
Staff Areas	\$ 443,181		1,680		1,680		
Equipment Storage	\$ 236,363		4,450		4,450		810
Student Ed.	\$ 590,908		1,870		1,870		
Total Non Reviewable	\$ 2,954,542		14,000		14,000		810
PROJECT TOTAL	\$ 16,435,207	46,590	61,185		32,855	40,460	6,940
Source: Application for Permit page 38							

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN
CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77
ILAC1110.234 (a))**

B) Criterion 1110.234 (b) – Projected Utilization

To demonstrate compliance with this criterion, the applicants must document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Part 1110 Appendix B. The number of years projected shall not exceed the number of historical years documented. If the applicants does not meet the utilization standards in Appendix B, or if service areas do not have utilization standards in 77 Ill. Adm. Code 1100, the applicants shall justify its own utilization standard by providing published data or studies, as applicable and available from a recognized source

TABLE NINE		
Key Rooms		
	2016	Proposed
General Operating Rooms	10	12
Ophthalmology Operating room	2	2
Cystoscopy Operating Room	1	1
Total	13	15
Gastro Procedure Rooms	5	5
Pain Management	1	1
Minor Procedure Room	1	1
Total	7	7
Stage 1 Recovery Areas	16	22
Stage 2 Recovery Areas	53	61
Total	69	83

The hospital currently provides ten (10) general operating rooms one (1) urology/cystoscopy¹ room and a 2-OR ophthalmic surgery suite (the "eye center") for a total of thirteen (13) operating rooms; five (5) gastro-intestinal procedure rooms; one (1) minor procedures room; and one (1) pain management room. No changes are anticipated for the gastro-intestinal, minor procedures or pain management rooms.

The Applicants have relied upon physician referral letters to project the increase in cases and hours for the expansion and modernization of the surgery suite. The physician referral letters provided by the Applicants meet the requirements of the State Board and have been accepted. From the summary table (see Appendix I at the end of this report) the Applicants are projecting the number of surgical cases to increase by approximately 1,374 cases and the surgical hours by approximately 2,940 hours by November 2022 the second year after anticipated project completion.

For the period (2011-2016) the Applicants have averaged approximately 9,300 surgical cases in their general operating rooms and 18,250 hours per year. The Applicants have seen no growth in the number of surgical cases over this period and a decrease in surgical hours of approximately 2.25% compounded annually. Orthopedic surgery hours have decreased from 3.4 hours per case to 2.5 hours per case from 2011 to 2016. Based upon the

¹ Cystoscopy is a procedure that allows your doctor to examine the lining of your bladder and the tube that carries urine out of your body (urethra). A hollow tube (cystoscope) equipped with a lens is inserted into your urethra and slowly advanced into your bladder.

physician referral letters for the general surgery rooms the Applicants are projecting to increase the surgery hours by 2,940 hours or approximately 3.3% compounded annually.

General Surgery Rooms

$$18,253 \text{ hours} + 2,940 \text{ hours} = 21,193 \text{ hours}$$

$$21,193 \text{ hours} / 1,500 \text{ hours} = 14.13 \text{ general surgery rooms or } 15 \text{ general surgery rooms}$$

Should these hours materialize the Applicants can justify the twelve (12) general surgery rooms. The two (2) ophthalmic surgery rooms have averaged approximately 900 cases per year and 1,000 hours for the period 2011-2016. Based upon the referral letters the Applicants are projecting to increase the number of surgery hours by 185 hours by November 2022.

Ophthalmic Surgery Rooms

$$1,006 \text{ hours} + 185 \text{ hours} = 1,185 \text{ hours}$$

$$1,185 \text{ hours} / 1,500 \text{ hours} = .79 \text{ rooms or } 1 \text{ surgery room}$$

The one (1) Urology/Cystoscopy is justified by historical utilization.

Urology/Cystoscopy Surgery Room

$$869 \text{ hours} + 185 \text{ hours} = 1,054 \text{ hours}$$

$$1,054 \text{ hours} / 1,500 \text{ hours} = .70 \text{ rooms or } 1 \text{ surgery room}$$

TABLE TEN St. Alexius Medical Center Historical Number of Cases and Hours General Operating Rooms						
CY	Cases			Hours		
	Inpatient	Outpatient	Total Cases	Inpatient	Outpatient	Total
2011	3,157	5,935	9,092	8,430	12,157	20,587
2012	3,186	6,180	9,366	8,310	12,503	20,813
2013	3,145	5,849	8,994	8,578	12,046	20,624
2014	3,298	5,699	8,997	6,924	8,479	15,403
2015	3,443	5,588	9,031	7,017	8,336	15,353
2016	3,480	6,982	10,462	7,197	9,538	16,735
Average	3,285	6,039	9,324	7,743	10,510	18,253

TABLE ELEVEN St. Alexius Medical Center Historical Number of Cases and Hours Ophthalmology						
CY	Cases			Hours		
	Inpatient	Outpatient	Total Cases	Inpatient	Outpatient	Total
2011	2	970	972	24	1,341	1,365
2012	10	1,031	1,041	23	1,405	1,428
2013	11	1,154	1,165	24	1,480	1,504
2014	4	1,094	1,098	5	879	884
2015	3	1,102	1,105	5	850	855
2016	0	0	0	0	0	0
Average	5	892	897	14	993	1,006

TABLE TWELVE St. Alexius Medical Center Historical Cases and Hours Urology/Cystoscopy						
	Cases			Hours		
	Inpatient	Outpatient	Total	Inpatient	Outpatient	Total
2011	271	511	782	570	707	1,277
2012	176	400	576	342	544	886
2013	207	411	618	421	547	968
2014	227	432	659	371	379	750
2015	228	347	575	341	310	651
2016	193	362	555	314	369	683
Average	217	411	628	393	476	869

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 ILAC1110.234 (b))

C) Criterion 1110.234 (e) - Assurances

To demonstrate compliance with this criterion, the applicants must attest that the proposed clinical services will be at target occupancy as specified in Part 1110 Appendix B two years after project completion.

The Applicants provided the following with the filing of this application; *“it is the expectation of the Applicants that the services discussed above will reach the adopted utilization targets by the second year following the project's completion.”* [Application for Permit page 54]

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION ASSURANCES (77 ILAC1110.234 (e))

X. Clinical Services Other than Categories of Service

A) Criterion 1110.3030 (a) – Introduction

These criteria are applicable only to those projects or components of projects (including major medical equipment), concerning Clinical Service Areas (CSAs) that are not "Categories of Service", but for which utilization standards are listed in Appendix B, including:

- A) Surgery
- B) Emergency Services and/or Trauma
- C) Ambulatory Care Services (organized as a service)
- D) Diagnostic and Interventional Radiology/Imaging (by modality)
- E) Therapeutic Radiology
- F) Laboratory
- G) Pharmacy
- H) Occupational Therapy/Physical Therapy
- I) Major Medical Equipment

B) Criterion 1110.3030 (b) (1) (3) - Background of Applicant

This criterion has been addressed earlier in this report.

C) Criterion 1110.3030 (d) - Service Modernization

To demonstrate compliance with this criterion the applicants must document that the proposed project for the proposed services to be modernized is in need of modernization based upon historical utilization data, evidence of changes in industry standards, licensure or fire code deficiency.

The Applicants currently have a total of ten (10) general operating rooms, one (1) operating room dedicated to urology/cystoscopy and two (2) operating rooms dedicated to ophthalmology for a total of thirteen (13) operating rooms. The Applicants are proposing to increase the number of general surgery rooms by two (2) for a total of twelve (12) operating rooms.

TABLE THIRTEEN		
Key Rooms		
	2016 ⁽²⁾	Proposed
General Operating Rooms	10	12
Ophthalmology Operating room	2	2
Cystoscopy Operating Room	1	1
Total	13	15
Gastro Procedure Rooms	5	5
Pain Management	1	1
Minor Procedure Room	1	1
Total	7	7
Stage 1 Recovery Areas	16	22
Stage 2 Recovery Areas	53	61
Total	69	83

General Surgery Rooms

18,253 hours

18,253 hours/1,500 hours = 12.16 general surgery rooms or 13 general surgery rooms

Historical utilization will justify the twelve (12) general surgery rooms being requested.

The two (2) ophthalmic surgery rooms have averaged approximately 1,000 hours for the period 2011-2016. Historical utilization will only support one (1) room at the State Board's target occupancy of 1,500 hours per operating room.

Ophthalmic Surgery Rooms

1,006 hours

1,006 hours/1,500 hours = .67 rooms or 1 surgery room

The one (1) Urology/Cystoscopy is justified by historical utilization.

Urology/Cystoscopy Surgery Room

869 hours

869 hours/1,500 hours = .70 rooms or 1 surgery room

Recovery

The standards for Post-Anesthesia Recovery Phase I and Post-Anesthesia Recovery Phase II are used as the standards for recovery stations associated with Surgical Operating Suite (Class C) and Surgical Procedure Suite (Class B). A maximum of four (4) recovery stations per operating room 1500 hrs of Surgery/OR or Procedure Room [See Part 1110 Appendix B]

The Applicants currently have a total of sixty nine (69) recovery stations and are requesting a total of eighty-three (83) recovery stations to be utilized for both the fifteen (15) operating rooms and the eight (8) procedure rooms being proposed. The State Board Standard is four (4) recovery stations per operating/procedure room. Historical utilization will justify fourteen (14) surgery rooms and eight (8) procedure rooms for a total of twenty-two (22) operating/procedure rooms.

Recovery Rooms

22 operating/procedure rooms x 4 recovery stations =
88 recovery stations

TABLE FOURTEEN
St. Alexius Medical Center
Historical Number of Cases and Hours
Procedure Rooms

	Rooms	2016	2015	2014	2013	2012	2011	Average	Rooms Justified
Gastro	5	8,674	9,420	9,499	10,242	7,025	5,813	8,446	6
Pain Management	1	959	1,047	1,014	929	913	978	973	1
Minor Procedure	1	187	244	265	231	253	247	238	1
Total	9								8

Physical Therapy

The physical therapy ("PT") gym will be relocated from the fifth floor of the west wing to the second floor of the west wing, to improve accessibility for orthopedic inpatients. The vacated space has not been assigned to another function. Both PT and occupational therapy ("OT") evaluations and treatments are provided through this area. Utilization is documented in "units", with each unit equating to fifteen (15) minutes of a therapist's time. During 2015, 66,446 PT units and 27,418 OT units were provided, with those volumes increasing to 86,197 and 33,469 respectively in 2016. To remain conservative, utilization is anticipated to remain at the 2016 level through the second year following the project's completion. The State Board does not have standards for this service.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT NOT IN CONFORMANCE WITH CRITERION CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE (77 ILAC1110.3030 (d))

XI. Financial Viability

The Purpose of the Act

This Act shall establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and **financial resources to adequately provide a proper service for the community;** (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs. [20 ILCS 3960/2]. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process.”

A) Criterion 1120.120 – Availability of Funds

To demonstrate compliance with this criterion, the applicants must document that funds are available to fund the project.

The Applicants are funding this project with cash of \$16,435,207. Moody’s Investors Service stated:

“Moody's Investors Service affirms Alexian Brothers Health System's (ABHS) A2 rating, affecting approximately \$62 million of debt. The outlook is stable. Ascension (Ascension Health Alliance rated Aa2, stable) is the sole corporate member of ABHS, although not obligated on ABHS' debt ABHS is also part of a Joint Operating Company UOC), AMITA Health, with several hospitals part of Adventist Health System Sunbelt, Inc. (rated Aa2, stable), as discussed below. The A2 affirmation reflects material financial and strategic benefits derived from ABHS' tight integration with Ascension and AMITA, good market position, manageable leverage and adequate margins. The rating also incorporates challenges related to moderate liquidity, a very competitive market, and costs and disruption from upcoming technology conversions.”

TABLE FIFTEEN		
Ascension		
Audited Financial Statements		
As of June 30th		
(000)		
	2016	2015
Cash	\$696,237	\$688,228
Current Assets	\$5,393,180	\$5,027,684
PPE	\$9,020,005	\$8,273,930
Total Assets	\$32,469,177	\$30,844,890
Current Liabilities	\$5,394,205	\$4,739,152
LTD	\$5,427,616	\$5,010,084
Net Assets	\$18,593,040	\$18,932,662
Net Patient Service Revenue	\$21,301,133	\$19,857,725
Total Revenue	\$21,898,334	\$20,538,803
Operating Expenses	\$20,900,965	\$19,693,096
Income From Operations	\$753,203	\$696,548
Revenues in excess of expenses	\$477,749	\$637,773
Source: Application for Permit pages 84-87		

From the documentation submitted it appears that Applicants have sufficient resources to fund the project.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 ILAC1120.120)

B) Criterion 1120.130- Financial Viability

To demonstrate compliance with this criterion, the applicants must document that the applicants is financially viable by providing evidence of an “A” or better bond rating or meeting all of the financial ratio standards published by the State Board at Part 1120 Appendix A.

The Applicants have provided evidence of an “A” or better bond rating from Moody’s Investor Service. With the submittal of the evidence of the “A” or better bond rating, the Applicants have qualified for the financial viability waiver² that allows the Applicants to forgo financial viability ratios. Based upon the information received from the Applicants the Applicants are considered financially viable.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 ILAC1120.130)

-
1. Financial Viability Waiver: The applicant is NOT required to submit financial viability ratios if:
 2. **all** project capital expenditures, including capital expended through a lease, are completely funded through internal resources (cash, securities or received pledges); or HFSRB NOTE: Documentation of internal resources availability shall be available as of the date the application is deemed complete.
 3. **the** applicant's current debt financing or projected debt financing is insured or anticipated to be insured by Municipal Bond Insurance Association Inc. (MBIA) or its equivalent; or HFSRB NOTE: MBIA Inc is a holding company whose subsidiaries provide financial guarantee insurance for municipal bonds and structured financial projects. MBIA coverage is used to promote credit enhancement as MBIA would pay the debt (both principal and interest) in case of the bond issuer's default.
 4. **the** applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor (insurance company, bank or investing firm) guaranteeing project completion within the approved financial and project criteria.

XII. Economic Feasibility

A) Criterion 1120.140(a) - Reasonableness of the Financing

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

To demonstrate compliance with these criteria, the applicants must document that the financing is reasonable.

The Applicants are funding this project with cash in the amount of \$16,435,207. There is no debt associated with this project.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 ILAC1120.140(a) and (b))

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

To demonstrate compliance with this criterion, the applicants must document that the cost for the project are reasonable and are in compliance with the State Board Standards published in Part 1120 Appendix A.

- Preplanning Costs are 1.8% of modernization, contingencies and movable equipment.
- New construction and contingencies is \$427.45 inflated by 3% to the midpoint of construction. Cost per Gross Square Footage taken from RSMeans.
- Modernization and contingencies is seventy percent (70%) of new construction and contingency costs.³

Year	2017	2018	2019
New Construction	\$427.45	\$440.28	\$453.49
Modernization	\$299.22	\$308.20	\$317.44

- Contingency costs for projects (or for components of projects) are based upon a percentage of new construction or modernization costs and are based upon the status of a project's architectural contract documents.

Status of Project	New Construction	Modernization
Contract Documents	Components	Components
Schematics	10%	10-15%
Preliminary	7%	7-10%
Final	3-5%	5-7%
Source: Table taken from Part 1120 Appendix A		

³ RSMeans is the world's leading provider of construction cost data, software, and services for all phases of the construction lifecycle. RSMeans 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. <https://www.rsmeans.com/info/contact/about-us.aspx>

- A&E fees for outpatient clinical service facilities can be found in the Centralized Fee Negotiation Professional Services and Fees Handbook. <https://www.illinois.gov/cdb/business/>

TABLE SIXTEEN					
Reasonableness of Project Costs					
	Project Costs	State Board Standard		Project	Met Standard?
Preplanning	\$187,600	1.80%	\$204,413	1.65%	
Modernization Contracts and Contingencies	\$5,960,850	\$317.44	\$5,985,331	\$316.14	Yes
Contingencies	\$377,100	15.00%	\$837,563	6.75%	Yes
Architectural/Engineering Fees	\$548,400	9.82%	\$585,355	9.20%	Yes
Movable or Other Equipment (not in construction)	\$5,395,435				
Consulting and Other Fees	\$1,007,680		NA		
Other Costs to be Capitalized	\$380,700				

The Applicants are in compliance with this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 ILAC1120.140(c))

D) Criterion 1110.140(d) – Direct Operating Costs

To demonstrate compliance with this criterion, the applicants must document the direct operating cost per equivalent patient day.

The Applicants are estimating direct operating costs (salaries and medical supplies) per equivalent patient day⁴ of \$4,380.79 by the second year after project completion.

E) Criterion 1110.140(e) – Effect of the Project on Capital Costs

To demonstrate compliance with this criterion, the applicants must document the effect the project will have on capital costs per equivalent patient day.

The Applicants are estimating the effect of the project on capital costs (interest, amortization, and depreciation) per equivalent patient day of \$395.54 by the second year after project completion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERIA DIRECT OPERATING COSTS AND EFFECT OF THE PROJECT ON CAPITAL COSTS (77 ILAC1120.140(d) and 77 ILAC1120.140(e))

⁴ The number of equivalent admissions attributed to outpatient services is derived by multiplying admissions by the ratio of outpatient revenue to inpatient revenue.

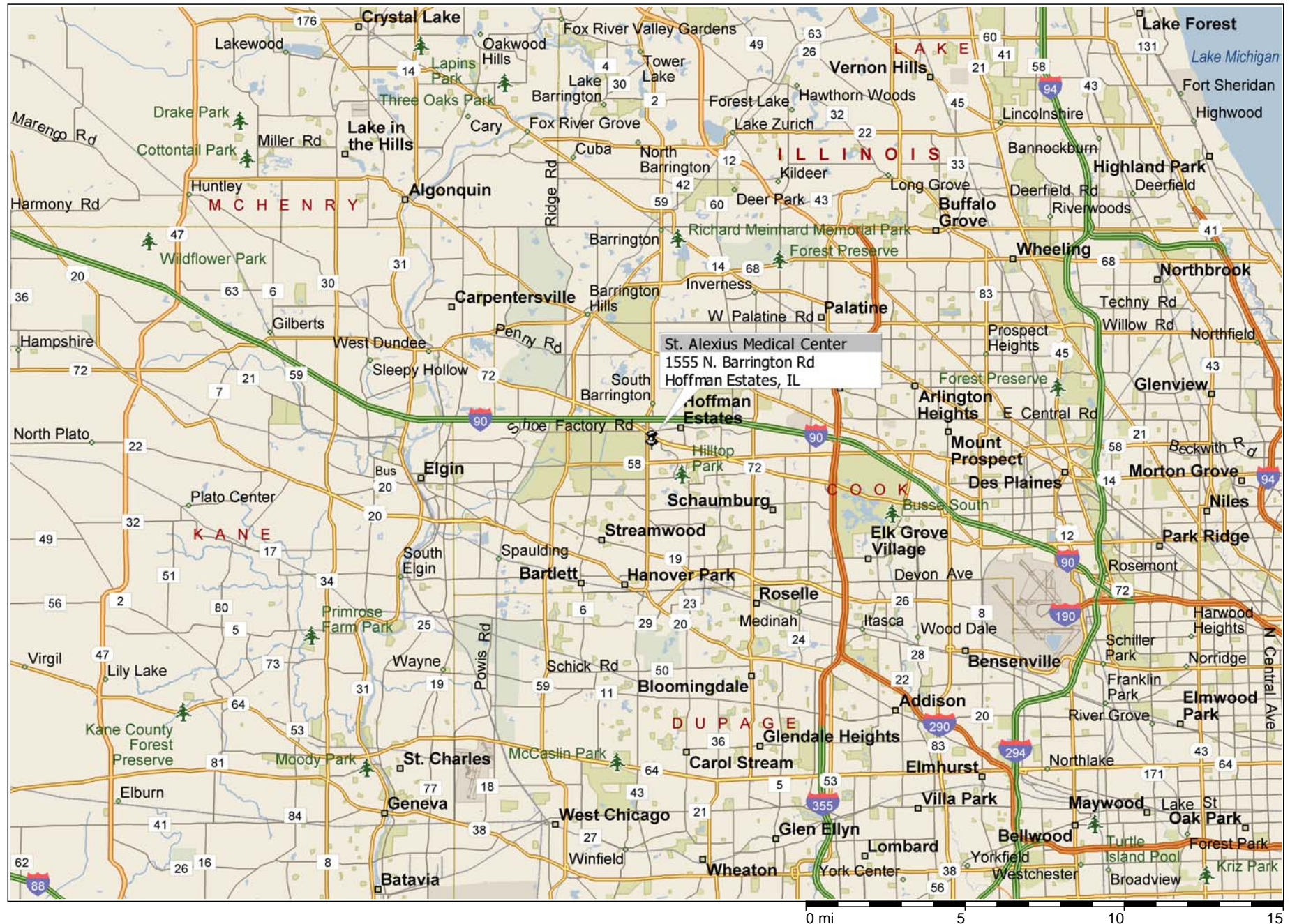
APPENDIX I				
Summary of Referral Cases				
Physician	Specialty	Cases	Surgery Time	Total
Lopez, Eugene	Ortho	299	2.14	640
Odell, Sean	Ortho	208	2.14	445
Alvi, Hasham	Ortho	80	2.14	171
Obermeyer, Thomas	Ortho	43	2.14	92
Berstein, Matthew	Ortho	2	2.14	4
Rotstein, Jason	Ortho	71	2.14	4
Nourbash, Paul	Ortho	100	2.14	214
Chhadia, Ankur	Ortho	100	2.14	214
Bowersox, Keith	Thoracic	90	1.95	176
Bresticker, Michael	Thoracic	10	1.95	176
Komnick, Keith	Ortho	84	2.14	180
Patari, Sanjay	Ortho	120	2.14	257
Suchy, Theodore	Ortho	96	2.14	205
Lipnick, Sheryl	Ortho	58	2.14	124
Yadla, Sanjay	Neuro	13	2.91	38
Total		1,374	2.2 hrs/case	2,940
Mack, Robert	Opthal	108	0.81	87
Majmudar, Parag	Opthal	65	0.81	53
Cabin, Mark	Opthal	56	0.81	45
		229		185

APPENDIX II
Itemization of Physician Referral Letters

Physician	Specialty	Cases to be Referred	Surgery Time	Total Time	Total Cases	St Alexius	Alexian Brothers	Northwest Community Hospital	Hoffman Estates Surgery Center	Hinsdale Hospital	LaGrange Hospital	Glen Oaks	Advocate Sherman Hospital	Ashton Center for Day Surgery
Lopez, Eugene	Ortho	299	2.14	640	321	1	320							
Odell, Sean	Ortho	208	2.14	445	231	2	229							
Alvi, Hasham	Ortho	80	2.14	171	214	103	49	43	19					
Obermeyer, Thomas	Ortho	43	2.14	92	348	204	27	35	82					
Berstein, Matthew	Ortho	2	2.14	4	379	166	13	62	138					
Rotstein, Jason	Ortho	71	2.14	4	377	73	12	220	72					
Nourbash, Paul	Ortho	100	2.14	214	268	133	135							
Chhadia, Ankur	Ortho	100	2.14	214	452	119	28						77	228
Bowersox, Keith	Thoracic	90	1.95	176	257	36	221							
Bresticker, Michael	Thoracic	10	1.95	176	234	226				5	3			
Komnick, Keith	Ortho	84	2.14	180	141	56	6	1	48			29	1	
Patari, Sanjay	Ortho	120	2.14	257	224	50	2		76			94	2	
Suchy, Theodore	Ortho	96	2.14	205	254	158			36			60		
Lipnick, Sheryl	Ortho	58	2.14	124	97	32	6	8	51					
Yadla, Sanjay	Neuro	13	2.91	38	244	77	167							
Mack, Robert	Opthal	108	0.81	87	167	167								
Majmudar, Parag	Opthal	65	0.81	53	470	258			212					
Cabin, Mark	Opthal	56	0.81	45	360	144			216					
		1,603		3,125		2005	1215	369	950	5	3	183	80	228

Appendix III Charity Care Information							
Adventist Bolingbrook Hospital				St. Alexius Medical Center			
Year	2014	2015	2016	Year	2014	2015	2016
Net Patient Revenue	\$122,770,019	\$127,514,483	\$139,118,131	Net Patient Revenue	\$334,206,800	\$319,890,000	\$353,094,000
Charity Care (Charges)	\$10,804,017	\$8,285,425	\$7,158,798	Charity Care (Charges)	\$50,669,454	\$27,143,649	\$30,717,841
Charity Care	\$2,314,070	\$1,666,539	\$1,483,641	Charity Care	\$10,551,000	\$5,444,000	\$5,569,686
% of Charity Care to Net Revenue	1.88%	1.31%	1.07%	% of Charity Care to Net Revenue	3.16%	1.70%	1.58%
Adventist Glen Oaks Hospital				Alexian Brothers Medical Center			
Year	2014	2015	2016	Year	2014	2015	2016
Net Patient Revenue	\$87,030,421	\$86,962,317	\$91,470,724	Net Patient Revenue	\$430,346,881	\$437,427,000	\$457,480,000
Charity Care (Charges)	\$9,382,108	\$6,807,836	\$6,786,953	Charity Care (Charges)	\$45,145,248	\$23,820,931	\$26,603,784
Charity Care	\$2,558,867	\$1,899,807	\$1,854,074	Charity Care	\$9,480,000	\$4,657,000	\$5,166,051
% of Charity Care to Net Revenue	2.94%	2.18%	2.03%	% of Charity Care to Net Revenue	2.20%	1.06%	1.13%
Adventist Hinsdale Hospital				Alexian Brothers Behavioral Health Hospital			
Year	2014	2015	2016	Year	2014	2015	2016
Net Patient Revenue	\$294,213,713	\$289,729,872	\$300,654,866	Net Patient Revenue	\$65,513,515	\$70,510,000	\$76,916,399
Charity Care (Charges)	\$6,544,128	\$6,365,048	\$6,288,869	Charity Care (Charges)	\$1,021,287	\$1,977,048	\$1,804,729
Charity Care	\$1,483,318	\$1,124,380	\$1,042,632	Charity Care	\$363,750	\$716,000	\$646,317
% of Charity Care to Net Revenue	0.50%	0.39%	0.35%	% of Charity Care to Net Revenue	0.56%	1.02%	0.84%
Adventist LaGrange Memorial Hospital							
Year	2014	2015	2016				
Net Patient Revenue	\$159,501,217	\$169,493,466	\$168,305,071				
Charity Care (Charges)	\$9,083,505	\$5,867,986	\$6,375,574				
Charity Care	\$1,773,951	\$1,286,807	\$1,327,600				
% of Charity Care to Net Revenue	1.11%	0.76%	0.79%				

17-046 St. Alexius Medical Center - Hoffman Estates



<u>Ownership, Management and General Information</u>			<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Len Wilk		White	62.1%	Hispanic or Latino:	14.5%
ADMINSTRATOR PHONE:	847-490-6901		Black	6.1%	Not Hispanic or Latino:	77.2%
OWNERSHIP:	Alexian Brothers Health System		American Indian	0.0%	Unknown:	8.3%
OPERATOR:	St. Alexius Medical Center		Asian	13.4%		
MANAGEMENT:	Church-Related		Hawaiian/ Pacific	0.1%	IDPH Number:	4994
CERTIFICATION:	(Not Answered)		Unknown	18.3%	HPA	A-07
FACILITY DESIGNATION:	General Hospital				HSA	7
ADDRESS	1555 N. Barrington Road	CITY: Hoffman Estates	COUNTY:	Suburban Cook County		

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2016	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	212	202	192	9,548	47,912	7,471	5.8	151.3	71.4	74.9
0-14 Years				0	0					
15-44 Years				1,574	6,194					
45-64 Years				2,934	13,928					
65-74 Years				2,045	10,616					
75 Years +				2,995	17,174					
Pediatric	17	17	17	1,052	3,618	1,996	5.3	15.3	90.2	90.2
Intensive Care	35	35	35	2,560	10,042	245	4.0	28.1	80.3	80.3
Direct Admission				2,560	10,042					
Transfers - Not included in Facility Admissions				0	0					
Obstetric/Gynecology	38	38	38	4,038	10,858	270	2.8	30.4	80.0	80.0
Maternity				3,587	9,592					
Clean Gynecology				451	1,266					
Neonatal	16	16	16	323	3,531	0	10.9	9.6	60.3	60.3
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		
Total AMI	0			0	0	0	0.0	0.0	0.0	
Adolescent AMI		0	0	0	0	0	0.0	0.0		0.0
Adult AMI		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	318			17,521	75,961	9,982	4.9	234.8	73.8	

<u>Inpatients and Outpatients Served by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	34.1%	29.9%	0.4%	32.0%	3.1%	0.6%	
	5973	5233	65	5599	540	111	17,521
Outpatients	25.2%	24.1%	0.3%	46.5%	2.8%	1.0%	
	60090	57423	741	110871	6766	2322	238,213

<u>Financial Year Reported:</u>	7/1/2015 to	6/30/2016	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>					<u>Charity Care Expense</u>	<u>Total Charity Care Expense</u>
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Public</u>	<u>Private Insurance</u>	<u>Private Pay</u>	<u>Totals</u>			
Inpatient Revenue (\$)	33.1%	15.1%	0.1%	51.0%	0.7%	100.0%			5,569,687
	53,519,000	24,335,000	202,000	82,339,000	1,152,000	161,547,000	3,113,455		
Outpatient Revenue (\$)	19.6%	9.7%	0.3%	69.4%	1.0%	100.0%			Total Charity Care as % of Net Revenue
	37,601,000	18,494,000	483,000	132,972,000	1,997,000	191,547,000	2,456,232		1.6%

<u>Birthing Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	3,793		Level I	Level II	Level II+	Kidney:	
Number of Live Births:	3,780		Beds	0	18	Heart:	
Birthing Rooms:	0		Patient Days	7,323	1,124	Lung:	
Labor Rooms:	0		Total Newborn Patient Days		8,447	Heart/Lung:	
Delivery Rooms:	0					Pancreas:	
Labor-Delivery-Recovery Rooms:	14		<u>Laboratory Studies</u>			Liver:	
Labor-Delivery-Recovery-Postpartum Rooms:	0		Inpatient Studies		644,041	Total:	
C-Section Rooms:	3		Outpatient Studies		509,100		
CSections Performed:	1,363		Studies Performed Under Contract		16,937		

Surgery and Operating Room Utilization

<u>Surgical Specialty</u>	<u>Operating Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	2	0	5	0	5	2.5	0.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	11	11	1522	1931	2166	2316	4482	1.4	1.2
Gastroenterology	0	0	0	0	6	10	10	9	19	1.7	0.9
Neurology	0	0	0	0	251	88	812	175	987	3.2	2.0
OB/Gynecology	0	0	0	0	358	1648	851	1963	2814	2.4	1.2
Oral/Maxillofacial	0	0	0	0	12	1101	20	961	981	1.7	0.9
Ophthalmology	0	0	0	0	0	0	0	0	0	0.0	0.0
Orthopedic	0	0	0	0	1131	1352	2837	2479	5316	2.5	1.8
Otolaryngology	0	0	0	0	40	284	91	427	518	2.3	1.5
Plastic Surgery	0	0	0	0	18	272	57	655	712	3.2	2.4
Podiatry	0	0	0	0	84	296	239	553	792	2.8	1.9
Thoracic	0	0	0	0	56	0	109	0	109	1.9	0.0
Urology	0	0	0	0	193	362	314	369	683	1.6	1.0
Totals	0	0	11	11	3673	7344	7511	9907	17418	2.0	1.3

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

29

Stage 2 Recovery Stations

27

Dedicated and Non-Dedicated Procedure Room Utilization

<u>Procedure Type</u>	<u>Procedure Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	5	5	1537	5870	1767	6907	8674	1.1	1.2
Laser Eye Procedures	0	0	2	2	2	1116	1	1114	1115	0.5	1.0
Pain Management	0	0	1	1	56	1860	29	930	959	0.5	0.5
Cystoscopy	0	0	1	1	4	140	3	71	74	0.8	0.5

Multipurpose Non-Dedicated Rooms

Minor Proc	0	0	1	1	20	354	10	177	187	0.5	0.5
	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	Yes
Level of Trauma Service	Level 1
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	8,323
Patients Admitted from Trauma	702
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	34
Persons Treated by Emergency Services:	54,463
Patients Admitted from Emergency:	12,644
Total ED Visits (Emergency+Trauma):	62,786

Free-Standing Emergency Center

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

Outpatient Service Data

Total Outpatient Visits	238,213
Outpatient Visits at the Hospital/ Campus:	223,777
Outpatient Visits Offsite/off campus	14,436

Cardiac Catheterization Labs

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

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	1,177
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	728
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	291
EP Catheterizations (15+)	158

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/
Treatments**

	<u>Owned Contract</u>		<u>Inpatient</u>	<u>Outpt</u>	<u>Contract</u>		<u>Owned Contract</u>		
General Radiography/Fluoroscopy	26	0	22,631	47,576	0	Lithotripsy	0	0	0
Nuclear Medicine	2	0	1,289	2,571	0	Linear Accelerator	1	0	5,225
Mammography	5	0	3	19,039	0	Image Guided Rad Therapy			1,460
Ultrasound	10	0	6,185	22,004	0	Intensity Modulated Rad Thrpy			1,554
Angiography	1	0				High Dose Brachytherapy	0	0	0
Diagnostic Angiography			0	0	0	Proton Beam Therapy	0	0	0
Interventional Angiography			1,085	1,330	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	0	0	0	0	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	3	0	8,583	22,294	0				
Magnetic Resonance Imaging	3	0	2,754	8,534	0				