

E-015-17

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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- 01/2017 FEB 23 2017

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT

HEALTH FACILITIES &
SERVICES REVIEW BOARD**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

This Section must be completed for all projects.

Facility/Project Identification

| | | | |
|--------------------|-------------------------------------------------|---------------------|------------------------------|
| Facility Name: | Advocate Sherman Ambulatory Surgery Center, LLC | | |
| Street Address: | 1445 North Randall Road | | |
| City and Zip Code: | Elgin, Illinois 60123-2300 | | |
| County: | Kane | Health Service Area | 8 Health Planning Area: A-11 |

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| | |
|-------------------------------------|-------------------------------------------------|
| Exact Legal Name: | Advocate Sherman Ambulatory Surgery Center, LLC |
| Street Address: | 1445 North Randall Road |
| City and Zip Code: | Elgin, Illinois 60123-2300 |
| Name of Registered Agent: | CT Corporation |
| Registered Agent Street Address: | 208 S. LaSalle Street, Suite 814 |
| Registered Agent City and Zip Code: | Chicago, Illinois 60604 |
| Name of Chief Executive Officer: | Drew Bell |
| CEO Street Address: | 510 Lake Cook Road, Suite 402 |
| CEO City and Zip Code: | Deerfield, Illinois 60015 |
| CEO Telephone Number: | 847-267-3537 |

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

| | |
|-------------------|-------------------------------------------------------------|
| Name: | Joe Ourth |
| Title: | Partner |
| Company Name: | Arnstein & Lehr, LLP |
| Address: | 120 S. Riverside Plaza, Suite 1200, Chicago, Illinois 60606 |
| Telephone Number: | 312-876-7815 |
| E-mail Address: | jourth@arnstein.com |
| Fax Number: | 312-876-6215 |

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

| | |
|-------|-----------|
| Name: | Drew Bell |
|-------|-----------|

| | |
|-------------------|----------------------------------------------------------|
| Title: | Director, Operations |
| Company Name: | Surgical Care Affiliates |
| Address: | 510 Lake Cook Road, Suite 400, Deerfield, Illinois 60015 |
| Telephone Number: | 847-267-3537 |
| E-mail Address: | drew.bell@scasurgery.com |
| Fax Number: | N/A |

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| Facility Name: | | |
| Street Address: | | |
| City and Zip Code: | | |
| County: | Health Service Area | Health Planning Area: |

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| | |
|-------------------------------------|----------------------------------|
| Exact Legal Name: | Surgical Care Affiliates, Inc. |
| Street Address: | 510 Lake Cook Road, Suite 402 |
| City and Zip Code: | Deerfield, Illinois 60015 |
| Name of Registered Agent: | CT Corporation |
| Registered Agent Street Address: | 208 S. LaSalle Street, Suite 814 |
| Registered Agent City and Zip Code: | Chicago, Illinois 60604 |
| Name of Chief Executive Officer: | Andrew P. Hayek |
| CEO Street Address: | 510 S Cook Road, Suite 400 |
| CEO City and Zip Code: | Deerfield, IL 60615 |
| CEO Telephone Number: | 847-236-0921 |

Type of Ownership of Applicants

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership | |
| <input checked="" type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental | |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Other |
| <ul style="list-style-type: none">Corporations and limited liability companies must provide an Illinois certificate of good standing.Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner. | | |
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| Fax Number: | N/A |

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| Street Address: | | |
| City and Zip Code: | | |
| County: | Health Service Area | Health Planning Area: |

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| | |
|-------------------------------------|----------------------------------|
| Exact Legal Name: | Advocate-SCA Partners, LLC |
| Street Address: | 569 Brookwood Village, Suite 901 |
| City and Zip Code: | Birmingham, Alabama 35209 |
| Name of Registered Agent: | CT Corporation |
| Registered Agent Street Address: | 208 S. LaSalle Street, Suite 814 |
| Registered Agent City and Zip Code: | Chicago, Illinois 60604 |
| Name of Chief Executive Officer: | Bill Drehkoff |
| CEO Street Address: | 510 Lake Cook Road, Suite 400 |
| CEO City and Zip Code: | Deerfield, Illinois 60015 |
| CEO Telephone Number: | 847-236-0921 |

Type of Ownership of Applicants

- | | | |
|---------------------------------------------------------------|----------------------------------------------|--------------------------------|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership | |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental | |
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- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
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| E-mail Address: | drew.bell@scasurgery.com |
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|--------------------|---------------------|-----------------------|
| Facility Name: | | |
| Street Address: | | |
| City and Zip Code: | | |
| County: | Health Service Area | Health Planning Area: |

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| | |
|-------------------------------------|----------------------------------|
| Exact Legal Name: | UnitedHealth Group Incorporated |
| Street Address: | 9900 Bren Road |
| City and Zip Code: | East Minnetonka, Minnesota 55343 |
| Name of Registered Agent: | CT Corporation |
| Registered Agent Street Address: | 1010 Dale St N |
| Registered Agent City and Zip Code: | St. Paul, MN 55117-5603 |
| Name of Chief Executive Officer: | Stephen J. Hemsley |
| CEO Street Address: | 9900 Bren Road |
| CEO City and Zip Code: | East Minnetonka, MN 55343 |
| CEO Telephone Number: | 952-936-1300 |

Type of Ownership of Applicants

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

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| Telephone Number: | 312-876-7815 |
| E-mail Address: | jourth@amstein.com |
| Fax Number: | 312-876-6215 |

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

| | |
|-------|--------------|
| Name: | John Liethen |
|-------|--------------|

| | |
|-------------------|---------------------------------------------------------------|
| Title: | Deputy General Counsel |
| Company Name: | OptumCare |
| Address: | 11000 Optum Circle, MN101-W013, Eden Prairie, Minnesota 55344 |
| Telephone Number: | 952-205-6262 |
| E-mail Address: | john.liethen@optum.org |
| Fax Number: | N/A |

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APPLICATION FOR EXEMPTION PERMIT****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION****This Section must be completed for all projects.****Facility/Project Identification**

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| County: | Health Service Area | Health Planning Area: |

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| | |
|-------------------------------------|----------------------------------|
| Exact Legal Name: | Spartan Merger Sub 2, LLC |
| Street Address: | 9900 Bren Road |
| City and Zip Code: | East Minnetonka, Minnesota 55343 |
| Name of Registered Agent: | CT Corporation |
| Registered Agent Street Address: | 1209 Orange Street |
| Registered Agent City and Zip Code: | Wilmington, Delaware 19801 |
| Name of Chief Executive Officer: | David S. Wichmann |
| CEO Street Address: | 9900 Bren Road |
| CEO City and Zip Code: | East Minnetonka, MN 55343 |
| CEO Telephone Number: | 952-936-1300 |

Type of Ownership of Applicants

| | |
|---------------------------------------------------------------|-----------------------------------------------------------------------------|
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| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
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| Title: | Deputy General Counsel |
| Company Name: | OptumCare |
| Address: | 11000 Optum Circle, MN101-W013, Eden Prairie, Minnesota 55344 |
| Telephone Number: | 952-205-6262 |
| E-mail Address: | john.liethen@optum.org |
| Fax Number: | N/A |

Post Exemption Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

| |
|-------------------|
| Name: |
| Title: |
| Company Name: |
| Address: |
| Telephone Number: |
| E-mail Address: |
| Fax Number: |

Site Ownership

[Provide this information for each applicable site]

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Exact Legal Name of Site Owner: | Advocate Sherman Hospital |
| Address of Site Owner: | 1425 North Randall Road, Elgin, Illinois 60123-2300 |
| Street Address or Legal Description of the Site: | |
| Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease. | |
| APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. | |

Operating Identity/Licensee

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

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------|---------------------|
| Exact Legal Name: | Advocate Sherman Ambulatory Surgery Center, LLC | | |
| Address: | 1445 N. Randall Road, Elgin, IL 60123-2300 | | |
| <input type="checkbox"/> | Non-profit Corporation | <input type="checkbox"/> | Partnership - |
| <input type="checkbox"/> | For-profit Corporation | <input type="checkbox"/> | Governmental |
| <input checked="" type="checkbox"/> | Limited Liability Company | <input type="checkbox"/> | Sole Proprietorship |
| | | <input type="checkbox"/> | Other |
| <ul style="list-style-type: none">o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | | | |
| APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. | | | |

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 ([http:// www.illinois.gov/sites/hfsrb](http://www.illinois.gov/sites/hfsrb)).

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

- ☒ Change of Ownership
- ☐ Discontinuation of an Existing Health Care Facility or of a category of service
- ☐ Establishment or expansion of a neonatal intensive care or beds

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Advocate Sherman Ambulatory Surgery Center, LLC owns and is constructing Advocate Sherman Surgery Center in Elgin, Illinois (the "Facility"). Advocate-SCA Partners, LLC, which is a partially-owned subsidiary of Surgical Care Affiliates, Inc. ("SCA"), presently holds 51% of the ownership interests in the Facility. The remaining interests in the Facility are held by physicians. This exemption application for a change of ownership is a companion to exemption applications E-001-17 and E-003-17 through E-011-17. SCA is party to a proposed transaction that is the impetus for the exemption application, described below.

SCA is a publicly-traded corporation that, by and through its subsidiaries, operates one of the largest networks of surgical facilities in the United States, which as of December 31, 2016, included 198 ambulatory surgery centers and seven surgical hospitals, among which is the Facility. UHG is a publicly-traded corporation that, by and through its subsidiaries, operates a diversified family of businesses dedicated to helping people live healthier lives. SCA and UHG are parties to an agreement that will, subject to the satisfaction or waiver of certain conditions, result in the merger of SCA with a wholly-owned subsidiary of UHG (the "Proposed Transaction"). As a result, following the closing of the Proposed Transaction, SCA will cease to be a publicly-traded corporation and will become a wholly-owned subsidiary of UHG. The Proposed Transaction is expected to close during the first half of 2017, subject to the tender of a majority of SCA's shares, regulatory approvals and other customary closing conditions.

Please refer to Attachment 4 for an ownership chart showing the ownership structure of the Facility before and after the closing of the Proposed Transaction.* As you can see, the Proposed Transaction will not result in any change in the direct ownership of the legal entity that owns and operates the Facility. Instead, the Proposed Transaction will result in a change in the ownership structure several levels up the ownership chain from the legal entity that owns and operates the Facility. The legal entity that owns and operates the Facility will retain its assets, and there will be no change in the direct ownership of its membership interests. The legal entity that owns and operates the Facility will also retain its legal business name and federal tax identification number. Accordingly, the Proposed Transaction will not result in a change of ownership of the Facility for Medicare or state licensure purposes. In addition, no change in the local governing body or day-to-day operations of the Facility is anticipated as a result of the Proposed Transaction.

For additional detail regarding the Proposed Transaction, please see the joint press release issued by UHG and SCA dated January 9, 2017 and included in Attachment 15.

* Immediately following the closing of the Proposed Transaction, UHG will complete an internal reorganization through which the former SCA system will be incorporated into UHG's OptumCare business line. The attached chart depicts the ownership structure after the completion of both the Proposed Transaction and this internal reorganization

Related Project Costs

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

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|
| Land acquisition is related to project | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Purchase Price: \$ | N/A | |
| Fair Market Value: \$ | N/A | |
| The project involves the establishment of a new facility or a new category of service | | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. | | |
| Estimated start-up costs and operating deficit cost is \$ <u>N/A</u> . | | |

Project Status and Completion Schedules

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

State Agency Submittals [Section 1130.620(c)]

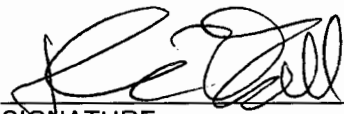
| |
|-------------------------------------------------------------------------------------------------------------------------|
| Are the following submittals up to date as applicable: |
| <input type="checkbox"/> Cancer Registry |
| <input type="checkbox"/> APORS |
| <input type="checkbox"/> All formal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

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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

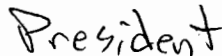
This Application is filed on the behalf of Advocate Sherman Ambulatory Surgery Center, LLC *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act.
The undersigned certifies that he or she has the authority to execute and file this Application on behalf of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



SIGNATURE



PRINTED NAME



PRINTED TITLE

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 16th day of February 2017

Notarization:

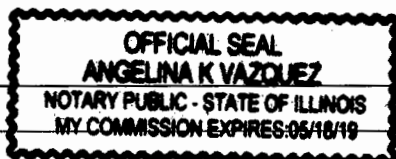
Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

Signature of Notary

Seal

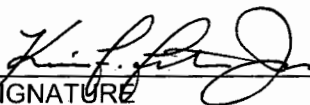


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- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner,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

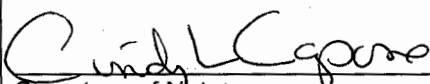
This Application is filed on the behalf of Advocate Sherman Ambulatory Surgery Center, LLC * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of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


SIGNATURE

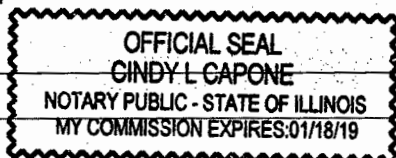
KEVIN F. FITCH, JR
PRINTED NAME

VICE PRESIDENT FINANCE
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 20th day of February


Signature of Notary

Seal



SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

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

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



SIGNATURE

Richard L. Sharff, Jr.

PRINTED NAME

EVP + General Counsel

PRINTED TITLE



SIGNATURE

Tom W.F. DeWeerd

PRINTED NAME

EVP + CFO

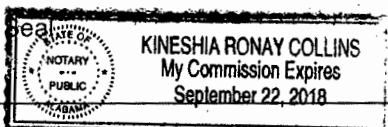
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 16th day of February, 2017



Signature of Notary



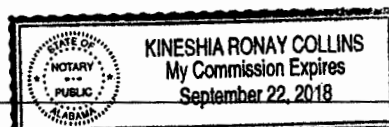
Notarization:

Subscribed and sworn to before me
this 16th day of February, 2017



Signature of Notary

Seal



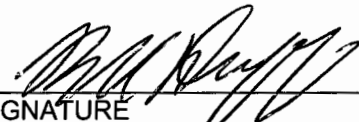
CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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

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

SIGNATURE



PRINTED NAME

Bill Drechkoff

PRINTED TITLE

President

SIGNATURE

PRINTED NAME

PRINTED TITLE

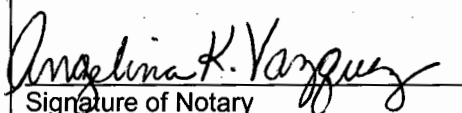
Notarization:

Subscribed and sworn to before me
this 16th day of February 2017

Notarization:

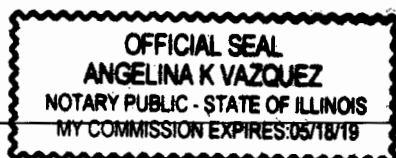
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary



Signature of Notary

Seal



Seal

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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

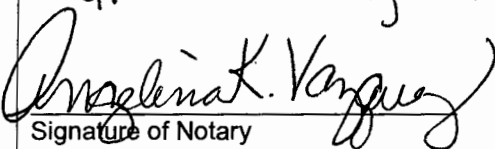
This Application is filed on the behalf of Advocate-SCA Partners, LLC *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity.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


SIGNATURE

MICHAEL A. RUCKER
PRINTED NAME

BOARD MEMBER
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21st day of February 2017


Signature of Notary

Seal

SIGNATURE

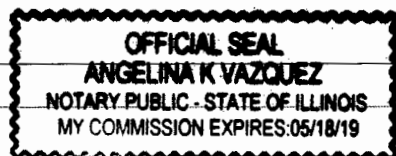
PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal



CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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

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

Richard J. Mattera
SIGNATURE

Richard J. Mattera
PRINTED NAME

Assistant Secretary
PRINTED TITLE

Amy L. Schneider
SIGNATURE

Amy L. Schneider
PRINTED NAME

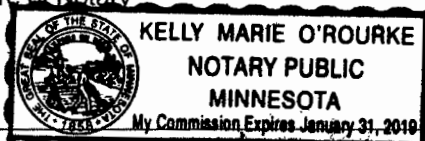
Assistant Secretary
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 17th day of February, 2017

Notarization:
Subscribed and sworn to before me
this 17th day of February, 2017

Kelly O'Rourke
Signature of Notary

Seal



Kelly O'Rourke
Signature of Notary

Seal

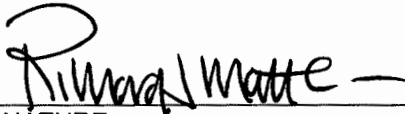


CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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

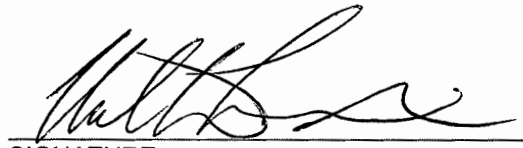
This Application is filed on the behalf of Spartan Merger Sub 2, LLC *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.



SIGNATURE

Richard J. Mattera
PRINTED NAME

Assistant Secretary
PRINTED TITLE



SIGNATURE

Heather A. Lang Jacobsen
PRINTED NAME

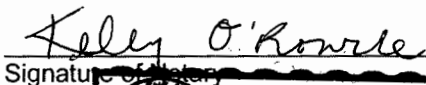
Assistant Secretary
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 17th day of February, 2017

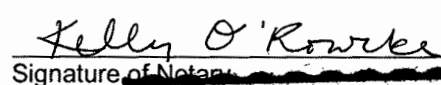
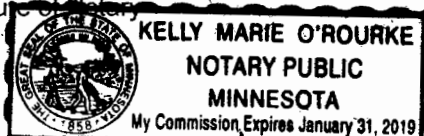
Notarization:

Subscribed and sworn to before me
this 17th day of February, 2017



Signature of Notary

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Signature of Notary

Seal



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

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

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

Criterion 1110.230 – Purpose of the Project, and Alternatives (Not applicable to Change of Ownership)**PURPOSE OF PROJECT**

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

achieving the stated goals as appropriate.

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

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

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-5) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

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

Alternative options must include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

SECTION V. CHANGE OF OWNERSHIP (CHOW)**1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility**

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

| APPLICABLE REVIEW CRITERIA | CHOW |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 1130.520(b)(1)(A) - Names of the parties | X |
| 1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application. | X |
| 1130.520(b)(1)(C) - Structure of the transaction | X |
| 1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction | |
| 1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons. | X |
| 1130.520(b)(1)(F) - Fair market value of assets to be transferred. | X |
| 1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)] | X |
| 1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section | X |
| 1130.520(b)(2) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction | X |
| 1130.520(b)(2) - A statement as to the anticipated benefits of | X |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| the proposed changes in ownership to the community | |
| 1130.520(b)(2) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership; | X |
| 1130.520(b)(2) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control; | X |
| 1130.520(b)(2) - A description of the selection process that the acquiring entity will use to select the facility's governing body; | X |
| 1130.520(b)(2) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility | X |
| 1130.520(b)(2)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition. | X |

Application for Change of Ownership Among Related Persons

When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

| | Historical 3 Years | | | Projected |
|------------------------------------------|-----------------------|--|--|-----------|
| Enter Historical and/or Projected Years: | | | | |
| Current Ratio | | | | |
| Net Margin Percentage | | | | |
| Percent Debt to Total Capitalization | | | | |
| Projected Debt Service Coverage | | | | |
| Days Cash on Hand | | | | |
| Cushion Ratio | | | | |

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

2. Variance

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

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

A table in the following format must be provided for all facilities as part of Attachment 41.

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

APPEND DOCUMENTATION AS **ATTACHMENT 21**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

| INDEX OF ATTACHMENTS | | |
|----------------------|--------------------------------------------------------------------------------------------------------|-------|
| ATTACHMENT NO. | | PAGES |
| 1 | Applicant Identification including Certificate of Good Standing | 29-35 |
| 2 | Site Ownership | 36 |
| 3 | Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | 37 |
| 4 | Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc. | 38-39 |
| 5 | Flood Plain Requirements | 40 |
| 6 | Historic Preservation Act Requirements | 41 |
| 7 | Project and Sources of Funds Itemization | 42-44 |
| 8 | Financial Commitment Document if required | |
| 9 | Cost Space Requirements | |
| 10 | Discontinuation | |
| 11 | Background of the Applicant | 45-48 |
| 12 | Purpose of the Project | |
| 13 | Alternatives to the Project | |
| | Service Specific: | |
| 14 | Neonatal Intensive Care Services | |
| 15 | Change of Ownership | |
| | Financial and Economic Feasibility: | |
| 16 | Availability of Funds | |
| 17 | Financial Waiver | 49 |
| 18 | Financial Viability | |
| 19 | Economic Feasibility | |
| 20 | Safety Net Impact Statement | |
| 21 | Charity Care Information | 50-54 |

Section I, Identification, General Information and Certification

Attachment 1, Type of Ownership of Applicants

An organizational chart showing the current ownership structure of Advocate Sherman Ambulatory Surgery Center, LLC ("Advocate Sherman"), along with the post-closing ownership structure of Advocate Sherman is included in Attachment 4. Good standing certificates for the following entities are also attached:

1. Advocate Sherman Ambulatory Surgery Center, LLC: Advocate Sherman is an Illinois limited liability company to be owned by Advocate-SCA Partners, LLC (51%) and thirteen physicians (49%), none of whom individually will own than a 5% interest. All of the physician investors in Advocate-SCA meet the criteria of an accredited investor as defined in the Securities Act of 1933, Part 230, §230.501. A copy of Advocate Sherman's Illinois Good Standing Certificate is attached.
2. Surgical Care Affiliates, Inc. ("SCA, Inc."): SCA, Inc. is a Delaware corporation registered to do business in Illinois. SCA, Inc. is the parent entity of Surgical Care Affiliates, LLC. Copies of SCA, Inc.'s Delaware Good Standing Certificate and Illinois Good Standing Certificate for a foreign corporation are attached.
3. Advocate-SCA Partners, LLC ("Advocate-SCA"): Advocate-SCA is an Illinois limited liability company whose members are Evangelical Services Corp. (49%) and SCA-Illinois, LLC, a subsidiary of SCA (51%). A copy of Advocate-SCA's Illinois Good Standing Certificate is attached.
4. UnitedHealth Group Incorporated ("UnitedHealth"): UnitedHealth is a publically-traded Delaware corporation. A copy of UnitedHealth's Delaware Good Standing Certificate is attached. Because UnitedHealth only holds assets and performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois and, therefore, an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable.
5. Spartan Merger Sub 2, LLC ("Spartan"): Spartan is a Delaware limited liability company and its sole member is UnitedHealth. A copy of Spartan's Delaware Good Standing Certificate is attached. Because Spartan only holds assets and performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois and, therefore, an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable.

File Number

0585512-8



To all to whom these Presents Shall Come, Greeting:
I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ADVOCATE SHERMAN AMBULATORY SURGERY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON AUGUST 23, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1623700041 verifiable until 08/24/2017.
Authentication url: <http://www.rytdrdrivellinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 24TH
day of AUGUST A.D. 2016

Jesse White

SECRETARY OF STATE

ATTACHMENT 1

000030

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SURGICAL CARE AFFILIATES, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-THIRD DAY OF AUGUST, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

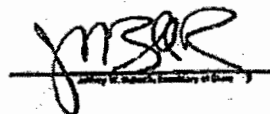
AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



4322814 8300

SR# 20165478590

You may verify this certificate online at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State

Authentication: 202570943

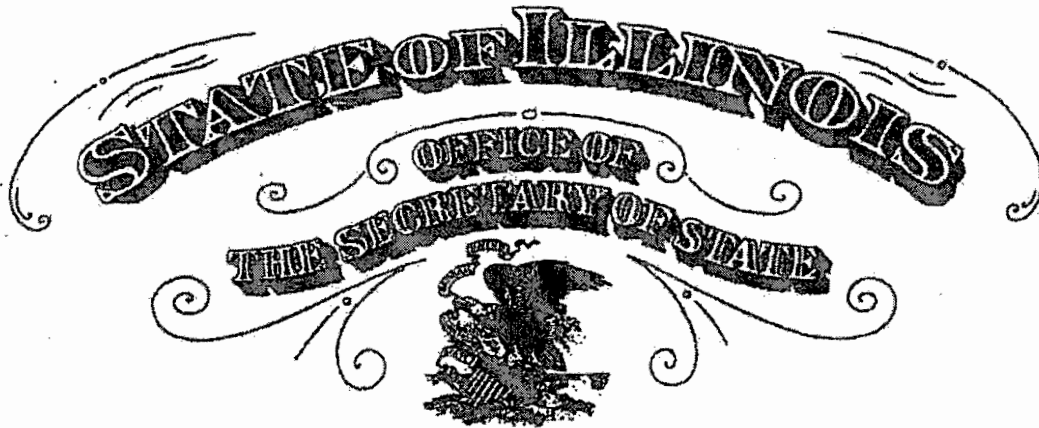
Date: 08-23-16

ATTACHMENT 1

000031

File Number

6955-963-8



To all to whom these Presents Shall Come, Greeting:

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

SURGICAL CARE AFFILIATES, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON JUNE 05, 2014, AND MUST CONDUCT ALL BUSINESS IN THIS STATE UNDER THE ASSUMED NAME OF ILLINOIS SURGICAL CARE AFFILIATES, INC., APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



**In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 17TH
day of JANUARY A.D. 2017 .**

Jesse White

SECRETARY OF STATE

Authentication #: 1701702912 verifiable until 01/17/2018
Authenticate at: <http://www.cyberdriveillinois.com>

ATTACHMENT 1

000032

File Number

0509172-1



To all to whom these Presents Shall Come, Greeting:

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

ADVOCATE SCA PARTNERS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON FEBRUARY 25, 2013, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication ID: 1022601520 verifiable until 05/24/2017
Authenticate at: <http://www.cybertrustillinois.com>

**In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 23RD
day of AUGUST A.D. 2016 .**

Jesse White

SECRETARY OF STATE

ATTACHMENT 1

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNITEDHEALTH GROUP INCORPORATED" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF JANUARY, A.D. 2017.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

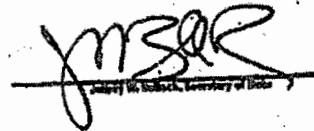
AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



5777355 8300

SR# 20170261295

You may verify this certificate online at corp.delaware.gov/withuar.shtml


Jeffrey W. Bullock, Secretary of State

Authentication: 201879007

Date: 01-17-17

ATTACHMENT 1

000034

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SPARTAN MERGER SUB 2, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF JANUARY, A.D. 2017.


AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL FRANCHISE TAXES HAVE BEEN ASSESSED TO DATE.



6272260 8300

SR# 20170275502

You may verify this certificate online at corp.delaware.gov/authrec.shtml


Jeffrey W. Bullock, Secretary of State

Authentication: 201882245

Date: 01-17-17

ATTACHMENT 1

000035

Section I, Identification, General Information and Certification

Attachment 2, Site Ownership

There will be no change in site ownership as a result of the proposed change in ownership. Information on site ownership is included in permit application #16-038, which is incorporated by reference and remains unchanged.

Section I, Identification, General Information and Certification

Attachment 3, Operating Identity/Licensee

Advocate Sherman Ambulatory Surgery Center, LLC ("Advocate Sherman") will be the licensed entity operating the facility.

Advocate Sherman is an Illinois limited liability company. A copy of Advocate Sherman's Illinois Good Standing Certificate is attached.

Advocate Sherman is to be owned by Advocate-SCA Partners, LLC ("Advocate SCA") (51%) and thirteen physicians (49%), none of whom individually will own more than a 5% interest. All of the physician investors in Advocate-SCA meet the criteria of an accredited investor as defined in the Securities Act of 1933, Part 230, §230.501. Advocate SCA is owned by SCA-Illinois, LLC ("SCA-Illinois") (51%) and Advocate Health Care Network related entities (49%). Consequently, SCA-Illinois only has an indirect ownership interest in Advocate Sherman of 26%.

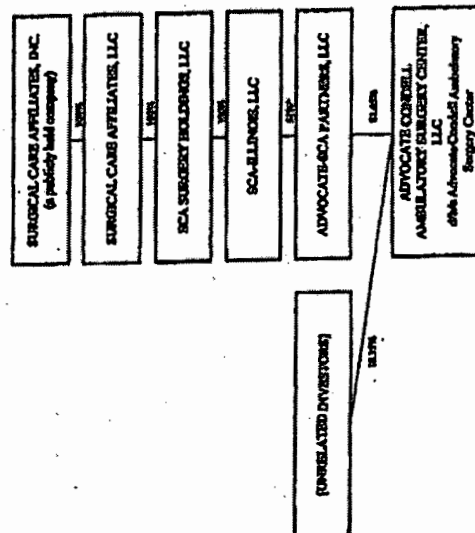
An organizational chart showing the current ownership structure of Advocate Sherman, along with the post-closing ownership structure of Advocate Sherman is included in Attachment 4.

Section I, Identification, General Information and Certification

Attachment 4, Organizational Relationships

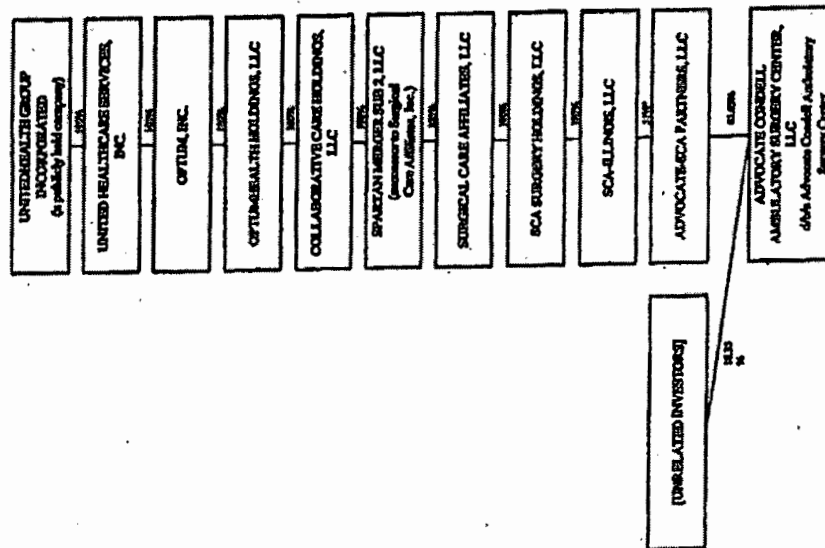
An organizational chart showing the current ownership structure of Advocate Sherman Ambulatory Surgery Center, LLC ("Advocate Sherman"), along with the post-closing ownership structure of Advocate Sherman is attached.

BEFORE PROPOSED TRANSACTION



NOTE
• Blended Surface Coatings adds a 4% interest in Administrative Fees, LLC

AFTER PROPOSED TRANSACTION



Section I, Identification, General Information and Certification

Attachment 5, Flood Plain Requirement

This section appears not to be applicable to a change of ownership COE application. To the extent this section is relevant, this information is included in permit application #16-038, which is incorporated by reference and remains unchanged.

Section I, Identification, General Information and Certification

Attachment 6, Historic Resources Preservation Act Requirements

This section appears not to be applicable to a change of ownership COE application. To the extent this section is relevant, a letter from the Illinois Historic Preservation Agency is included in permit application #16-038, which is incorporated by reference and remains unchanged.

Section III, Background, Purpose of the Project, and Alternatives

Attachment 11, Background

1. A listing of all health care facilities owned or operated by the Applicant, including licensing, and certificate if applicable.

A list of all the Illinois ambulatory surgery treatment centers controlled by Surgical Care Affiliates, Inc., including licensing and certification information, is included.

2. A certified listing of any adverse action taken against any facility owned and/or operated by the Applicant during the three years prior to the filing of the application.

By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by them during the three (3) years prior to the filing of this application.

3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

By their signatures to the Certification pages to this application, each of the Applicants authorize HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: (i) official records of DPH or other State agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.

SURGICAL CARE AFFILIATES FACILITIES IN ILLINOIS

| FACILITY | LOCATION | LICENSE NO. | JOINT COMMISSION ACCREDITATION NO. | OTHER ACCREDITATION NO. |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------|----------------------------------|
| Hawthorne Surgery Center | 240 Center Dr. Vernon Hills, IL 60061 | 7003188 | 452470 | N/A |
| Loyola Ambulatory Surgery Center at Oakbrook Terrace | One South 224 Summit Ave., #201 Oakbrook Terrace, IL 60181 | 2138771 | 452472 | N/A |
| Amsurg Surgery Center | 998 129 th Infantry Dr. Joliet, IL 60435 | 7003160 | 452473 | N/A |
| Northwest Surgicare | 1100 W. Central Road, Lower Basement L4 Arlington Heights, IL 60005 | 7000920 | N/A | AAAHC #1007 |
| Belleville Surgical Center, Ltd., an Illinois Limited Partnership | 28 North 64 th St., Belleville, IL 62223 | 7001175 | N/A | AAAHC #74 |
| Belleville Surgical Center, Ltd., Physicians' Surgical Center | 311 West Lincoln St., Suite #300 Belleville, IL 62220 | 7003191 | N/A | AAAHC #74 |
| Center for Minimally Invasive Surgery Center | 19110 Darwin Dr. Mokena, IL 60448 | 7003291 | N/A | AAAHC #24142 |
| Advocate Condell Ambulatory Surgery Center | 825 S. Milwaukee Ave. Libertyville, IL 60048 | Facility will open in Q1 2017 | Facility will open in Q1 2017 | Facility will open in Q1 2017 |
| Winchester | 1870 W | 7003202 | N/A | AAACH #113063 |

ATTACHMENT 11

| | | | | |
|--------------------------------------|----------------------------------------------------------|---------|-------|-----|
| Endoscopy | Winchester Rd., #146 Libertyville, IL 60048 | | | |
| Naperville Surgical Centre* | 1263 Rickert Dr. Naperville, IL 60540 | 7003205 | 61274 | N/A |
| Midwest Center for Day Surgery | 311 Highland Avenue, Downers Grove, IL 60515 | 7001075 | 409 | N/A |

*SCA has a non-controlling only.

Section IV, Change of Ownership

Attachment 15, Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Section 1130.520, Information Requirements for Change of Ownership of a Health Care Facility

1. **1130.520(b)(1)(A), Names of Parties:** The Applicants are: (i) Advocate Sherman Ambulatory Surgery Center, LLC; (ii) Surgical Care Affiliates, Inc.; (iii) Advocate-SCA Partners, LLC; (iv) UnitedHealth Group Incorporated; and (v) Spartan Merger Sub 2, LLC.

An organizational chart showing the current ownership structure of Advocate Sherman Ambulatory Surgery Center, LLC ("Advocate Sherman"), along with the post-closing ownership structure of Advocate Sherman is included in Attachment 4. Good standing certificates for each of the Applicants are included in Attachment 1.

2. **1130.520(b)(1)(B), Background of Parties:** Each of the Applicants, by their signatures to the Certification pages of this application, attest that they are fit, willing, able and have the qualifications, background and character to adequately provide a proper standard of health service for the community.

By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by each of them during the three (3) years prior to the filing of this application.

3. **1130.520(b)(1)(C), Structure of the Transaction:**

Advocate Sherman Ambulatory Surgery Center, LLC owns and is constructing Advocate Sherman Surgery Center in Elgin, Illinois (the "Facility"). Advocate-SCA Partners, LLC, which is a partially-owned subsidiary of Surgical Care Affiliates, Inc. ("SCA"), will hold 51% of the ownership interests in the Facility. The remaining interests in the Facility will be held by physicians.

This exemption application for a change of ownership is a companion to exemption applications E-001-17 and E-003-17 through E-011-17.

SCA is party to a proposed transaction that is the impetus for the exemption application. Details regarding the proposed transaction, including the proposed transactional

documents, are included in the companion exemption application E-001-17 and is incorporated by reference herein.

4. **1130.520(b)(1)(D), Name of Licensed Entity after Transaction:** Advocate Sherman Ambulatory Surgery Center, LLC will be the licensed entity after the Proposed Transaction. There is no change in the licensed entity as a consequence of the Proposed Transaction.
5. **1130.520(b)(1)(E), List of Ownership/Membership Interests in Licensed Entity Prior to and After Transaction:** An organizational chart showing the current ownership structure of Advocate Sherman, along with the post-closing ownership structure of Advocate Sherman is included in Attachment 4. Good standing certificates for each of the Applicants are included in Attachment 1.
6. **1130.520(b)(1)(F), Fair Market Value of Assets to be Transferred:**

The merger agreement calls for the acquisition of SCA's outstanding common stock for a fixed price of \$57.00 per share, to be funded between 51% and 80% with UnitedHealth Group ("UHG") common stock, with the final percentage to be determined at UHG's option and the remainder in cash. Due to the structure of the Proposed Transaction, no specific consideration is designated as being for the Facility.
7. **1130.520(b)(1)(G), Purchase Price or Other Forms of Consideration to be Provided:**

The merger agreement calls for the acquisition of SCA's outstanding common stock for a fixed price of \$57.00 per share, to be funded between 51% and 80% with UnitedHealth Group ("UHG") common stock, with the final percentage to be determined at UHG's option and the remainder in cash. Due to the structure of the Proposed Transaction, no specific consideration is designated as being for the Facility.
8. **1130.520(b)(2), Affirmations:** In accordance with 77 Ill. Adm. Code §1130.520, each of the Applicants affirm the following:
 - a. The transaction documents contain a provision that closing is subject to CON and COE approvals.
 - b. No adverse action has been taken against any of the Applicants by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by any of the Applicants, directly or indirectly, within the past three years.

- c. Any projects for which permits have been issued by the Review Board have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Adm. Code §1130.520. The facility received a permit from the Review Board on January 24, 2017 for Project No. 16-038. The Project has been obligated and notice of Financial Commitment has been provided to the Review Board in compliance with §1130.520.
- d. The Applicants understand that failure to complete the Affiliation in accordance with the applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

9. **1130.520(b)(2), Statement as to the Anticipated Benefits of the Proposed Changes in Ownership to the Community.**

There will be no change in the operation of the Applicant facility.

10. **1130.520(b)(2), Statement as to the Anticipated or Potential Cost Savings, if any, That Will Result for the Community and the Facility as a Result of the Change in Ownership.**

There will be no change in the operation of the Applicant facility.

11. **1130.520(b)(2), Description of the Facility's Quality Improvement Program Mechanism that will be Utilized to Assure Quality Control.**

There will be no change in the operation of the Applicant facility.

12. **1130.520(b)(2), Description of the applicants' organizational structure, including a listing of controlling or subsidiary persons.**

Diagrams illustrating the ownership structure, both current and post transaction, are provided in Attachment 4.

13. **1130.520(b)(2), Description of the selection process that the acquiring entity will use to select the facility's governing body.**

There will be no change in the process for selecting the governing board of the facility except that the UnitedHealth related entity will have the right to select the same number of Board positions previously selected by SCA.

UnitedHealth will become the parent corporation with ultimate control of the Applicant facility as defined by Review Board regulations.

14. **1130.520(b)(2), Statement that the applicants have prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility.**

The Applicants have or will prepare a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 that will be available for public review at Advocate Sherman Ambulatory Surgery Center, LLC.

15. **1130.520(b)(2), Description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months after acquisition.**

There are no proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months as a result of the transaction.

Section VII, Financial Viability

Attachment 17, Financial Viability Waiver

To the extent §1120.130 applies to change of ownership transactions, this project meets the financial viability waiver in that, as a stock transaction, all capital expenditures are completely funded through internal sources.

Section X, Charity Care Information**Attachment 21, Charity Care Information****Advocate Sherman Ambulatory Surgery Center**

It is anticipated that Advocate Sherman Ambulatory Surgery Center, LLC ("Advocate Sherman") will follow the Charity Care practices of Advocate Sherman Hospital including seeing Medicare, Medicaid and charity care patients. (NOTE: Advocate Sherman Hospital sees a higher volume of charity cases as a result of the patients that present in the Emergency Department and Obstetrics.) The projected use is as follows:

| Payer Sources | Payer Mix (%) |
|--------------------------------|----------------------|
| Private Insurance/Managed Care | 56.6% |
| Medicaid | 8.1% |
| Medicare | 31.2% |
| Charity | 2.9% |
| Other | 1.2% |
| TOTAL | 100.0% |

| ANTICIPATED CHARITY CARE | |
|----------------------------------|-------------|
| Expected Year 2 Patient Revenue | \$5,638,800 |
| Amount of Charity Care (Charges) | \$147,173 |
| Cost of Charity Care | \$125,097 |

Other SCA related ambulatory surgery centers provide charity care as follows:

Hawthorn Place Outpatient Surgery Center LP*

| CHARITY CARE | | | |
|----------------------------------|------|------|------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | N/A | N/A |
| Cost of Charity Care | \$0 | N/A | N/A |

*As a relatively new facility, there are no annual profile reports available for this facility prior to 2015.

Belleville Surgical Center, Ltd., d/b/a Physicians' Surgical Center, LLC

| CHARITY CARE | | | |
|----------------------------------|------|------|------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | \$0 | \$0 |
| Cost of Charity Care | \$0 | \$0 | \$0 |

Northwest Surgicare

| CHARITY CARE | | | |
|----------------------------------|------|------|------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | \$0 | \$0 |
| Cost of Charity Care | \$0 | \$0 | \$0 |

Center for Minimally Invasive Surgery

| CHARITY CARE | | | |
|----------------------------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | \$10,683 | \$24,020 |
| Cost of Charity Care | \$0 | \$10,683 | \$24,020 |

Winchester Endoscopy Center, LLC*

| CHARITY CARE | | | |
|----------------------------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | N/A | N/A | N/A |
| Cost of Charity Care | N/A | N/A | N/A |

*As a relatively new facility which only became operational in 2016, there are no annual profile reports available for this facility.

Loyola Ambulatory Surgery Center at Oakbrook Terrace

| CHARITY CARE | | | |
|----------------------------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | \$0 | \$211,300 |
| Cost of Charity Care | \$0 | \$0 | \$211,300 |

Belleville Surgical Center, Ltd., an Illinois Limited Partnership

| CHARITY CARE | | | |
|----------------------------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | \$0 | \$325 |
| Cost of Charity Care | \$0 | \$0 | \$325 |

Amsurg Surgery Center

| CHARITY CARE | | | |
|----------------------------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$16,061 | \$3,010 | \$2,628 |
| Cost of Charity Care | \$16,061 | \$3,010 | \$2,628 |

Midwest Center for Day Surgery

| CHARITY CARE | | | |
|----------------------------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | \$0 | \$0 |
| Cost of Charity Care | \$0 | \$0 | \$0 |

Naperville Surgical Centre*

| CHARITY CARE | | | |
|----------------------------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2013 |
| Net Patient Revenue | | | |
| Amount of Charity Care (charges) | \$0 | \$0 | \$0 |
| Cost of Charity Care | \$0 | \$0 | \$0 |

*SCA has a non-controlling only.

Advocate Condell Surgery Center

Advocate Condell Surgery Center, LLC ("Advocate Condell") is not yet operational. It is anticipated that Advocate Condell will follow the Charity Care practices of Advocate Condell Medical Center including seeing Medicare, Medicaid and charity care patients. (NOTE: Advocate Condell Medical Center sees a higher volume of charity cases as a result of the patients that present in the Emergency Department and Urgent Care.) The projected use is as follows:

| Payer Sources | Payer Mix (%) |
|--------------------------------|---------------|
| Private Insurance/Managed Care | 59.2% |
| Medicaid | 8.6% |
| Medicare | 23.7% |
| Charity | 2.6% |
| Other | 5.9% |
| TOTAL | 100.0% |

| ANTICIPATED CHARITY CARE | |
|----------------------------------|-------------|
| Expected Year 2 Patient Revenue | \$4,626,260 |
| Amount of Charity Care (Charges) | \$116,732 |
| Cost of Charity Care | \$96,445 |