

E-019-17

[ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR EXEMPTION - 01/2017 Edition

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

APR 13 2017

Facility/Project Identification

Facility Name: SwedishAmerican Hospital NICU Exemption		
Street Address: 1401 East State Street		
City and Zip Code: Rockford, IL 61104		
County: Winnebago	Health Service Area: 1	Health Planning Area: B-01

HEALTH FACILITIES &
SERVICES REVIEW BOARD

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

Exact Legal Name: SwedishAmerican Hospital
Street Address: 1401 East State Street
City and Zip Code: Rockford, IL 61104
Name of Registered Agent: N/A
Registered Agent Street Address: N/A
Registered Agent City and Zip Code: N/A
Name of Chief Executive Officer: Dr. William Gorski, M.D.
CEO Street Address: 1313 East State Street
CEO City and Zip Code: Rockford, IL 61104
CEO Telephone Number: (815) 489-4003

Type of Ownership of Applicants

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

- Corporations and limited liability companies must provide an Illinois certificate of good standing.
- Partnerships must provide the name of the state in which 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: Jedediah L. Cantrell, FACHE, MBA, RHIA
Title: Vice President of Operations
Company Name: SwedishAmerican Health System Corporation
Address: 1401 State Street, Rockford, IL 61104
Telephone Number: (779) 696-4005
E-mail Address: jcantrell@swedishamerican.org
Fax Number: (779) 696-2463

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

Name: Daniel J. Lawler
Title: Partner
Company Name: Barnes & Thornburg LLP
Address: One North Wacker Drive, Chicago, IL 60606
Telephone Number: (312) 214-4861
E-mail Address: dlawler@btlaw.com
Fax Number: (312) 759-5646

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

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City and Zip Code: Rockford, IL 61104		
County: Winnebago	Health Service Area 1	Health Planning Area: B-01

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City and Zip Code: Rockford, IL 61104	
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E-mail Address: dlawler@btlaw.com
Fax Number: (312) 759-5546

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: SwedishAmerican Hospital NICU Exemption			
Street Address: 1401 East State Street			
City and Zip Code: Rockford, IL 61104			
County: Winnebago	Health Service Area	1	Health Planning Area: B-01

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

Exact Legal Name: University of Wisconsin Hospitals and Clinics Authority	
Street Address: 600 Highland Avenue, H4/828	
City and Zip Code: Madison, WI 53792-8360	
Name of Registered Agent: N/A	
Registered Agent Street Address: N/A	
Registered Agent City and Zip Code: N/A	
Name of Chief Executive Officer: Dr. Alan S. Kaplan, M.D.	
CEO Street Address: 600 Highland Avenue, H4/828	
CEO City and Zip Code: Madison, WI 53792-8360	
CEO Telephone Number: (608) 263-8025	

Type of Ownership of Applicants

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

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Telephone Number: (779) 696-4005
E-mail Address: jcantrell@swedishamerican.org
Fax Number: (779) 696-2463

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

Name: Susan M. Ertl, MSN, RN
Title: Vice President, Regional System Integration
Company Name: University of Wisconsin Hospitals and Clinics Authority
Address: 301 South Westfield Road, Suite 320
Telephone Number: (608) 265-5560
E-mail Address: SErtl@UWhealth.org
Fax Number: (608) 263-5393

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: Jedediah L. Cantrell, FACHE, MBA, RHIA
Title: Vice President of Operations
Company Name: SwedishAmerican Health System Corporation
Address: 1401 State Street, Rockford, IL 61104
Telephone Number: (779) 696-4005
E-mail Address: jcantrell@swedishamerican.org
Fax Number: (779) 696-2463

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: SwedishAmerican Hospital
Address of Site Owner: 1401 East State Street, Rockford, IL 61104
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: SwedishAmerican Hospital	
Address: 1401 East State Street, Rockford, IL 61104	
☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship ☐ Other
- 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.

SwedishAmerican Hospital proposes to establish a 10-bed Neonatal Intensive Care Unit (NICU) on its existing facility located at 1401 East State Street, Rockford, Illinois. SwedishAmerican currently operates a nursing unit designated a Level II with Extended Neonatal Capabilities and the establishment of a NICU will allow SwedishAmerican to apply to the Illinois Department of Public Health for Level III status.

The project is non-substantive because it seeks an exemption and is not an "application for permit" under Section 1110.40 of the Review Board's regulations.

Project Costs and Sources of Funds (Neonatal Intensive Care Services only)

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation	250,000		250,000
Off Site Work			
New Construction Contracts			
Modernization Contracts	550,000		550,00
Contingencies	80,000		80,000
Architectural/Engineering Fees	75,000		75,000
Consulting and Other Fees	25,000		25,000
Movable or Other Equipment (not in construction contracts)	1,887,961		1,887,961
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	2,867,961		2,867,961
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	2,867,961		
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	2,867,961		2,867,961
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

Land acquisition is related to project	☐ Yes	☒ No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service		
☒ Yes ☐ No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ _____.		

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings:
☐ None or not applicable ☒ Preliminary
☐ Schematics ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>March 2019</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):
☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ 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
☒ 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:
☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

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 SwedishAmerican Hospital *
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.



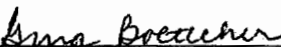
SIGNATURE

William R. Gorski, M.D.
PRINTED NAME

CEO, SwedishAmerican Hospital
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 10th day of April 2017


Signature of Notary

Seal



*Insert the EXACT legal name of the applicant



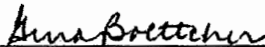
SIGNATURE

Don F. Daniels
PRINTED NAME

COO, SwedishAmerican Hospital
PRINTED TITLE

Notarization:

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this 10th day of April 2017


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

This Application is filed on the behalf of SwedishAmerican Health System Corporation * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application 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

William R. Gorski, M.D.
PRINTED NAME

CEO, SwedishAmerican Health System
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 10th day of April 2017


Signature of Notary

Seal



*Insert the EXACT legal name of the applicant


SIGNATURE

Don F. Daniels
PRINTED NAME

COO, SwedishAmerican Health System
PRINTED TITLE

Notarization:

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Signature of Notary

Seal

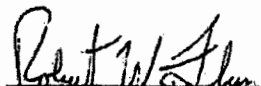


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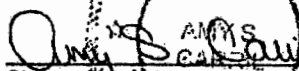
This Application is filed on the behalf of University of Wisconsin Hospitals and Clinics Authority in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf 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

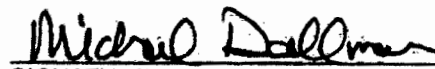
Robert Flannery
PRINTED NAME

SVP/Chief Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 14 day of April, 2017


Signature of Notary
My commission expires on 2-28-2018

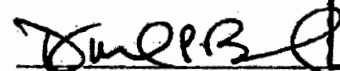
Seal


SIGNATURE

Michael Dallman
PRINTED NAME

SVP/Chief Strategy Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 14 day of April, 2017


Signature of Notary
My commission expires on is permanent

Seal

*Insert the EXACT legal name of the applicant

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 (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

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

Alternative options **must** include:

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

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

SECTION IV. SERVICE SPECIFIC REVIEW CRITERIA (Neonatal Intensive Care Services Only)

Criterion 1130.531 Requirements for Exemptions for the Establishment or Expansion of Neonatal Intensive Care Service and Beds

This Section is applicable to all projects proposing the establishment, or expansion of Neonatal Intensive Care Service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements, as well as charts for the service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). **APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:**

A. Criterion 1130.531 – Neonatal Intensive Care Services

1. Applicants proposing to establish, expand and/or modernize the Neonatal Intensive Care categories of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☒ Neonatal Intensive Care	0	10

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand
1130.531(a) - A description of the project that identifies the location of the neonatal intensive care unit and the number of neonatal intensive care beds proposed;	X	X
1130.531(b) - Verification that a final cost report will be submitted to the Agency no later than 90 days following the anticipated project completion date;	X	X
1130.531(c) - Verification that failure to complete the project within the 24 months after the Board approved the exemption will invalidate the exemption.	X	X

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

VI. 1120.120 – AVAILABILITY OF FUNDS (Neonatal Intensive Care Services only)

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

_____	1) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
	TOTAL FUNDS AVAILABLE
APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

See Attachment 17 regarding Financial Viability Waiver

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.

APPEND DOCUMENTATION AS ATTACHMENT 18, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.140 – ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

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

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

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot Mod.	New Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
		420			1300			546,000	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

APPEND DOCUMENTATION AS ATTACHMENT 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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	21-30
2	Site Ownership	31-34
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	35-36
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	37-38
5	Flood Plain Requirements	39-41
6	Historic Preservation Act Requirements	42-69
7	Project and Sources of Funds Itemization	70
8	Financial Commitment Document if required	
9	Cost Space Requirements	
10	Discontinuation	
11	Background of the Applicant	71-85
12	Purpose of the Project	86-91
13	Alternatives to the Project	92
	Service Specific:	
14	Neonatal Intensive Care Services	93-94
15	Change of Ownership	
	Financial and Economic Feasibility:	
16	Availability of Funds	
17	Financial Waiver	95-103
18	Financial Viability	
19	Economic Feasibility	104
20	Safety Net Impact Statement	
21	Charity Care Information	105

Type of Ownership of Applicants

SwedishAmerican Hospital and SwedishAmerican Health System corporation are Illinois not-for-profit corporations. Their Certificates of Good Standing are attached.

University of Wisconsin Hospitals and Clinics Authority (UWHCA) was originally operated as a unit of the Board of Regents of the University of Wisconsin System, an agency of the State of Wisconsin and the governing body of UW-Madison. In 1995, UWHCA was created as a public body corporate and politic by legislation in the State of Wisconsin, and UWHCA took over the operation of the existing UW Hospital and Clinics on June 29, 1996. UWHCA operates an acute care hospitals with over 640 acute care beds, numerous specialty clinics, and ambulatory facilities, and a home health program for the following purposes: (i) delivering high-quality health care to patients using the hospitals and to those seeking care from its programs, including a commitment to provide such care for the medically indigent; (ii) providing an environment suitable for instructing medical and other health professions students, physicians, nurses and members of other health-related disciplines; (iii) sponsoring and supporting research in the delivery of health care to further the welfare of the patients treated and applying the advances in health knowledge to alleviate human suffering, promote health and prevent disease; and (iv) assisting health programs and personnel throughout the State of Wisconsin and region in the delivery of health care.

The Wisconsin statutes creating UWHCA and describing its powers and duties are included with this Attachment.

File Number

1167-170-5



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

SWEDISHAMERICAN HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 06, 1911, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of FEBRUARY A.D. 2017 .

Jesse White

SECRETARY OF STATE

Authentication #: 1704700670 verifiable until 02/16/2018
Authenticate at: <http://www.cyberdriveillinois.com>

File Number

5269-562-7



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

SWEDISHAMERICAN HEALTH SYSTEM CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 31, 1982, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 24TH day of FEBRUARY A.D. 2017 .

Jesse White

SECRETARY OF STATE

Authentication #: 1705501904 verifiable until 02/24/2018
Authenticate at: <http://www.cyberdriveillinois.com>

233.02. University of Wisconsin Hospitals and Clinics Authority:..., WI ST 233.02

West's Wisconsin Statutes Annotated

Authorities and Public Corporations (Ch. 231 to 235)

Chapter 233. University of Wisconsin Hospitals and Clinics Authority (Refs & Annos)

W.S.A. 233.02

233.02. University of Wisconsin Hospitals and Clinics Authority: creation; organization of board of directors

(1) There is created a public body corporate and politic to be known as the "University of Wisconsin Hospitals and Clinics Authority". The board of directors shall consist of the following members:

- (a) Six members nominated by the governor, and with the advice and consent of the senate appointed, for 5-year terms.
 - (am) Each cochairperson of the joint committee on finance or a member of the legislature designated by that cochairperson.
 - (b) Three members of the board of regents appointed by the president of the board of regents.
 - (c) The chancellor of the University of Wisconsin-Madison or his or her designee.
 - (d) The dean of the University of Wisconsin-Madison Medical School.
 - (e) A chairperson of a department at the University of Wisconsin-Madison Medical School, appointed by the chancellor of the University of Wisconsin-Madison.
 - (f) A faculty member of a University of Wisconsin-Madison health professions school, other than the University of Wisconsin-Madison Medical School, appointed by the chancellor of the University of Wisconsin-Madison.
 - (g) The secretary of administration or his or her designee.
- (2) A vacancy on the board of directors shall be filled in the same manner as the original appointment to the board of directors for the remainder of the unexpired term, if any.
- (3) A member of the board of directors may not be compensated for his or her services but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred in the performance of his or her duties.
- (4) No cause of action of any nature may arise against and no civil liability may be imposed upon a member of the board of directors for any act or omission in the performance of his or her powers and duties under this chapter, unless the person asserting liability proves that the act or omission constitutes willful misconduct.
- (8) The members of the board of directors shall annually elect a chairperson and may elect other officers as they consider appropriate. Eight members of the board of directors constitute a quorum for the purpose of conducting the business and exercising the powers of the authority, notwithstanding the existence of any vacancy. The members of the board of directors specified under sub. (1)(c) and (g) may not be the chairperson of the board of directors for purposes of 1995 Wisconsin Act 27, section 9159(2). The board of directors may take action upon a vote of a majority of the members present, unless the bylaws of the authority require a larger number.
- (9) The board of directors shall appoint a chief executive officer who shall not be a member of the board of directors and who shall serve at the pleasure of the board of directors. The chief executive officer shall receive such compensation as the board of directors fixes. The chief executive officer or other person designated by resolution of the board of directors shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority, the minute book or journal of the authority and its official seal. The chief executive officer or other person may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under the official seal of

233.02. University of Wisconsin Hospitals and Clinics Authority:..., WI ST 233.02

the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

Credits

<<For credits, see Historical Note field.>>

W. S. A. 233.02, WI ST 233.02

Current through 2013 Act 380, published 4/25/2014

End of Document

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233.03. Powers of authority, WI ST 233.03

West's Wisconsin Statutes Annotated

Authorities and Public Corporations (Ch. 231 to 235)

Chapter 233. University of Wisconsin Hospitals and Clinics Authority (Refs & Annos)

W.S.A. 233.03

233.03. Powers of authority

The authority shall have all the powers necessary or convenient to carry out the purposes and provisions of this chapter. In addition to all other powers granted by this chapter, the authority may:

- (1) Adopt bylaws and policies and procedures for the regulation of its affairs and the conduct of its business.
- (2) Sue and be sued; have a seal and alter the seal at pleasure; have perpetual existence; maintain an office; negotiate and enter into leases; accept gifts or grants, but not including research grants in which the grant investigator is an employee of the board of regents; accept bequests or loans; accept and comply with any lawful conditions attached to federal financial assistance; and make and execute other instruments necessary or convenient to the exercise of the powers of the authority.
- (5) Procure insurance on its debt obligations.
- (7) Subject to s. 233.10 and ch. 40 and 1995 Wisconsin Act 27, section 9159(4), employ any agent, employee or special advisor that the authority finds necessary and fix his or her compensation and provide any employee benefits, including an employee pension plan.
- (8) Appoint any technical or professional advisory committee that the authority finds necessary and define the duties, and provide reimbursement for the expenses, of the committee.
- (9)(a) With any other person, establish, govern and participate in the operation and financing of any corporation or partnership that provides health-related services, if the articles of incorporation of any such corporation conform with par. (b) and if the corporation or partnership provides the secretary of administration, the legislative fiscal bureau and the legislative audit bureau access to examine any books, records or other documents maintained by the corporation or partnership and relating to its expenditures, revenues, operations or structure. The authority may provide administrative and financial services to any such corporation or partnership.
- (b) The articles of incorporation of any corporation under par. (a) shall provide that the secretary of administration, the legislative fiscal bureau and the legislative audit bureau have the access required under par. (a).
- (10) Enter into procurement contracts with the board of regents or joint contracts with the board of regents for procurements from 3rd parties and may enter into other contracts, rental agreements and cooperative agreements and other necessary arrangements with the board of regents which may be necessary and convenient for the missions, purposes, objects and uses of the authority authorized by law.
- (11) Issue bonds in accordance with ss. 233.20 to 233.26.
- (12) Seek financing from, and incur indebtedness to, the Wisconsin Health and Educational Facilities Authority.
- (13) Construct or improve facilities that are on state-owned land, if approval requirements under s. 16.85(14) are met and if the state agency having authority to approve construction or improvement projects on the land approves the project.
- (15) Acquire, design, construct or improve any facility that is not located on state-owned land.
- (16) Buy, sell and lease real estate.

233.03. Powers of authority, WI ST 233.03

Credits

<<For credits, see Historical Note field.>>

W. S. A. 233.03, WI ST 233.03

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233.04. Duties of authority, WI ST 233.04

West's Wisconsin Statutes Annotated

Authorities and Public Corporations (Ch. 231 to 235)

Chapter 233. University of Wisconsin Hospitals and Clinics Authority (Refs & Annos)

W.S.A. 233.04

233.04. Duties of authority

The authority shall do all of the following:

(1) By October 1, 1997, and annually thereafter, submit to the chief clerk of each house of the legislature under s. 13.172(2), the president of the board of regents, the secretary of administration and the governor a report on the patient care, education, research and community service activities and accomplishments of the authority and an audited financial statement, certified by an independent auditor, of the authority's operations.

(2) Subject to s. 233.10, develop and implement a personnel structure and other employment policies for employees of the authority.

(3) Contract for any legal services required for the authority.

(3b)(a) Except as provided in par. (b), maintain, control and supervise the use of the University of Wisconsin Hospitals and Clinics, for the purposes of:

1. Delivering high-quality health care to patients using the hospitals and to those seeking care from its programs, including a commitment to provide such care for the medically indigent.

2. Providing an environment suitable for instructing medical and other health professions students, physicians, nurses and members of other health-related disciplines.

3. Sponsoring and supporting research in the delivery of health care to further the welfare of the patients treated and applying the advances in health knowledge to alleviate human suffering, promote health and prevent disease.

4. Assisting health programs and personnel throughout the state and region in the delivery of health care.

(b) Paragraph (a) does not apply unless a lease agreement under sub. (7) or (7g) and an affiliation agreement under sub. (7m) or (7p) are in effect that comply with all applicable requirements of those provisions. In the event either of these agreements are not in effect, the on-campus facilities and any improvements, modifications or other facilities specified in sub. (7)(c) shall transfer to the board of regents.

(5) Establish the authority's annual budget and monitor the fiscal management of the authority.

(6) Procure liability insurance covering its officers, employees and agents and procure insurance against any loss in connection with its property and other assets.

(7) Subject to s. 233.05(1) and 1995 Wisconsin Act 27, section 9159(2)(k), negotiate and enter into a lease agreement with the board of regents to lease the on-campus facilities beginning on June 29, 1996, for an initial period of not more than 30 years. The lease agreement shall include all of the following:

(a) A provision that requires the authority to pay the state an amount determined under this paragraph for the lease of the on-campus facilities that are leased under the agreement. The amount of the rental payment for the on-campus facilities may not be less than the greater of the following:

233.04. Duties of authority, WI ST 233.04

1. An amount equal to the debt service accruing during the term of the lease agreement on all outstanding bonds issued by the state for the purpose of financing the acquisition, construction or improvement of on-campus facilities that are leased under the agreement, regardless of whether these bonds are issued before or after the lease agreement is entered into. The definition of "bond" under s. 233.01(4) does not apply to this subdivision.

2. A nominal amount determined by the parties to be necessary to prevent the lease agreement from being unenforceable because of a lack of consideration.

(b) A provision that requires the authority to conduct its operations in such a way so that it will not adversely affect the exclusion of interest on bonds issued by the state from gross income under 26 USC 103 for federal income tax purposes.

(c) A provision that gives the state ownership of all of the following:

1. Any improvements or modifications made by the authority to on-campus facilities that are leased to the authority under the lease agreement.

2. Any facility that the authority constructs on state-owned land.

(d) A provision that specifies an amount and that exempts any construction or improvement project on state-owned land that costs less than the amount from review and approval under s. 16.85(14).

(e) Any provision necessary to ensure that the general management and operation of the on-campus facilities are consistent with the mission and responsibilities of the University of Wisconsin System specified in ss. 36.01 and 36.09.

(g) A provision that protects the board of regents from all liability associated with the management, operation, use or maintenance of the on-campus facilities. No such provision shall make the authority liable for the acts or omissions of any officer, employee or agent of the board of regents, including any student who is enrolled at an institution within the University of Wisconsin System, unless the officer, employee or agent acts at the direction of the authority.

(h) A provision on a mechanism for the resolution of disputes.

(7g)(a) Submit any modification, extension or renewal of the lease agreement under sub. (7) to the joint committee on finance. No extension or renewal of the lease agreement may be for a period of more than 30 years. Modification, extension or renewal of the agreement may be made as proposed by the authority and the board of regents only upon approval of the committee.

(b) If the committee does not approve an extension or renewal of the agreement, the on-campus facilities and any improvements, modifications or other facilities specified in sub. (7)(c) shall transfer to the board of regents.

(c) This subsection does not apply to an automatic extension of the lease agreement under s. 233.05(1).

(7m) Subject to 1995 Wisconsin Act 27, section 9159(2)(k), negotiate and enter into an affiliation agreement with the board of regents. The affiliation agreement shall take effect on June 29, 1996. The initial period of the affiliation agreement shall run concurrently with the initial period of the lease agreement under sub. (7), and the affiliation agreement shall include all of the following:

(a) A provision that ensures the authority retains cash reserves at a level not lower than the level recommended by the independent auditor specified under sub. (1).

(b) Provisions that ensure support of the educational, research and clinical activities of the University of Wisconsin-Madison by the authority.

(c) A provision that requires the development of standards relating to the selection and financing by the authority of any corporation or partnership that provides health-related services. The standards shall be consistent with the missions of the authority and the board of regents.

233.04. Duties of authority, WI ST 233.04

(d) A provision that requires the board of regents to make reasonable charges for any services provided by the board of regents to the authority.

(e) A provision establishing a mechanism for the resolution of disputes.

(7p)(a) Submit any modification, extension or renewal of the affiliation agreement under sub. (7m) to the joint committee on finance. No extension or renewal of the affiliation agreement may be for a period of more than 30 years. Modification, extension or renewal of the agreement may be made as proposed by the authority and the board of regents only upon approval of the committee.

(b) If the committee does not approve an extension or renewal of the agreement, the on-campus facilities and any improvements, modifications or other facilities specified in sub. (7)(c) shall transfer to the board of regents.

(c) This subsection does not apply to an automatic extension of the affiliation agreement under s. 233.05(2).

(9) Provide, on a monthly basis, the secretary of administration with such financial and statistical information as is required by the secretary of administration.

(10) If Children's Hospital and Health System ceases to operate a poison control center under s. 255.35, administer a statewide poison control program.

Credits

<<For credits, see Historical Note field.>>

W. S. A. 233.04, WI ST 233.04

Current through 2013 Act 380, published 4/25/2014

End of Document

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Site Ownership

The applicant's attestation of site ownership and its Certificate of Liability Insurance for the site are included with this Attachment 2.

Attestation of Site Ownership by SwedishAmerican Health System

The undersigned representative of SwedishAmerican Health System attests that SwedishAmerican Health System owns the real estate located at 1401 State Street, Rockford, Illinois.



Gina Boettcher
Subscribed and sworn to
this 10th day of April, 2017

A handwritten signature in dark ink, appearing to read "W. R. Gorski".

Name: William R. Gorski, M.D.
Title: CEO, SwedishAmerican Health System



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/05/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA Inc. 411 E. Wisconsin Avenue Suite 1300 Milwaukee, WI 53202 Attn: Healthcare.AccountsCSS@marsh.com FAX 212-948-1307	CONTACT NAME: PHONE (A/C, No. Ext): E-MAIL ADDRESS: FAX (A/C, No.): INSURER(S) AFFORDING COVERAGE <table border="1"><tr><td>INSURER A: N/A</td><td>NAIC #</td></tr><tr><td>INSURER B: N/A</td><td>N/A</td></tr><tr><td>INSURER C: N/A</td><td>N/A</td></tr><tr><td>INSURER D: American Home Assurance Company</td><td>19380</td></tr><tr><td>INSURER E: N/A</td><td>N/A</td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER A: N/A	NAIC #	INSURER B: N/A	N/A	INSURER C: N/A	N/A	INSURER D: American Home Assurance Company	19380	INSURER E: N/A	N/A	INSURER F:	
INSURER A: N/A	NAIC #												
INSURER B: N/A	N/A												
INSURER C: N/A	N/A												
INSURER D: American Home Assurance Company	19380												
INSURER E: N/A	N/A												
INSURER F:													
INSURED Swedish American Health System 1401 E. State Street Rockford, IL 61104													

COVERAGES**CERTIFICATE NUMBER:**

CHI-007035117-01

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ HIRED AUTOS ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS						PER STATUTE ☐ OTHER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	UMBRELLA LIAB EXCESS LIAB ☐ OCCUR ☐ CLAIMS-MADE DED RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				
D	Property-Real & Personal Prop. Replacement Cost, Special Form			025030817	07/01/2016	07/01/2017	LIMIT \$10,000,000 DEDUCTIBLE \$25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of coverage

CERTIFICATE HOLDERSwedish American Health System
1401 E. State Street
Rockford, IL 61104**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Manashi Mukherjee

Manashi Mukherjee

© 1988-2014 ACORD CORPORATION. All rights reserved.

AGENCY CUSTOMER ID: 010684

LOC #: Milwaukee



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh USA Inc.		NAMED INSURED Swedish American Health System 1401 E. State Street Rockford, IL 61104
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

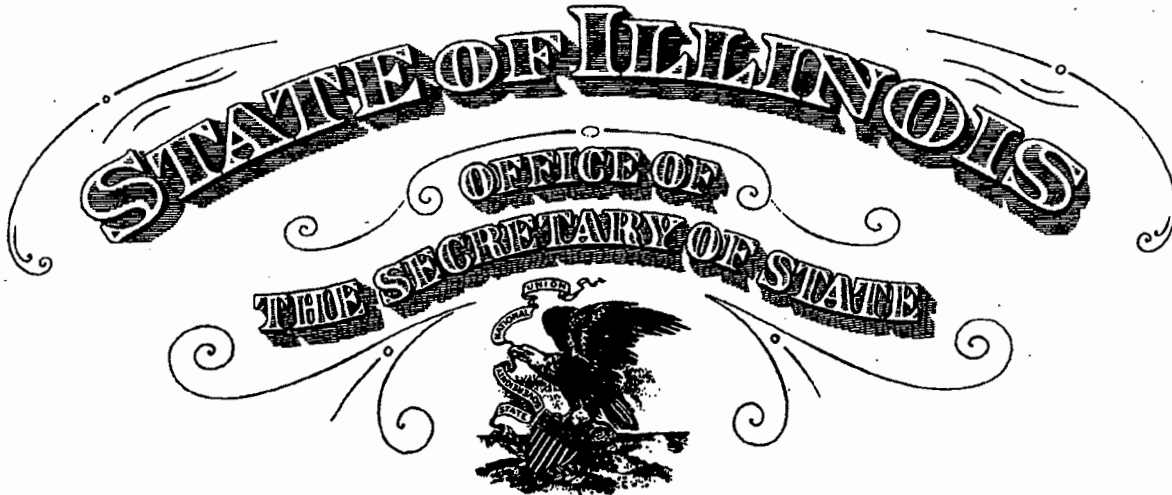
REGARDING PROPERTY: OTHER DEDUCTIBLES MAY APPLY AS PER POLICY TERMS AND CONDITIONS

Operating Licensee

SwedishAmerican Hospital is the licensee of the facility. Its Certificate of Good Standing is included with this Attachment 3.

File Number

1167-170-5



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

SWEDISHAMERICAN HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 06, 1911, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 16TH
day of FEBRUARY A.D. 2017 .***

Jesse White

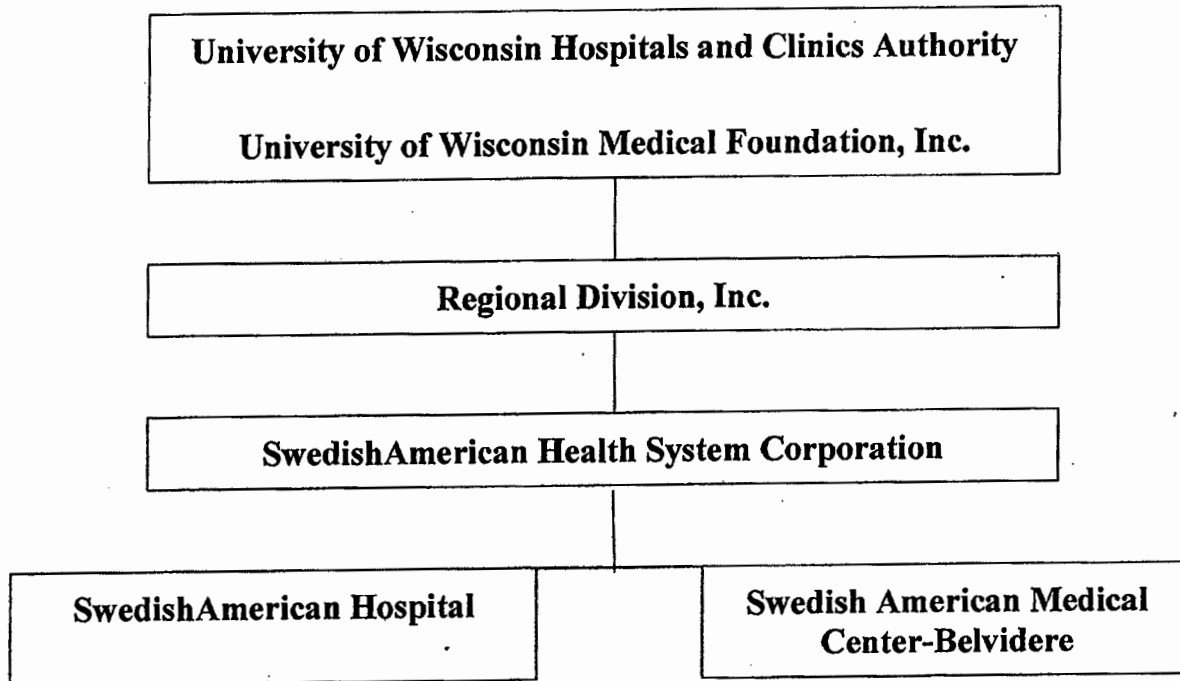
SECRETARY OF STATE

Authentication #: 1704700670 verifiable until 02/16/2018
Authenticate at: <http://www.cyberdriveillinois.com>

Organizational Relationships

The applicants' organizational chart is attached. No entities other than the applicants are participating in the development or funding of the project.

Facility Organizational Chart



Flood Plain Requirements

Attached is an attestation that the project complies with the requirements of Illinois Executive Order #2006-5, and a map showing that the proposed project location is not in any identified flood plain areas.

SWEDISHAMERICAN
A DIVISION OF UW HEALTH

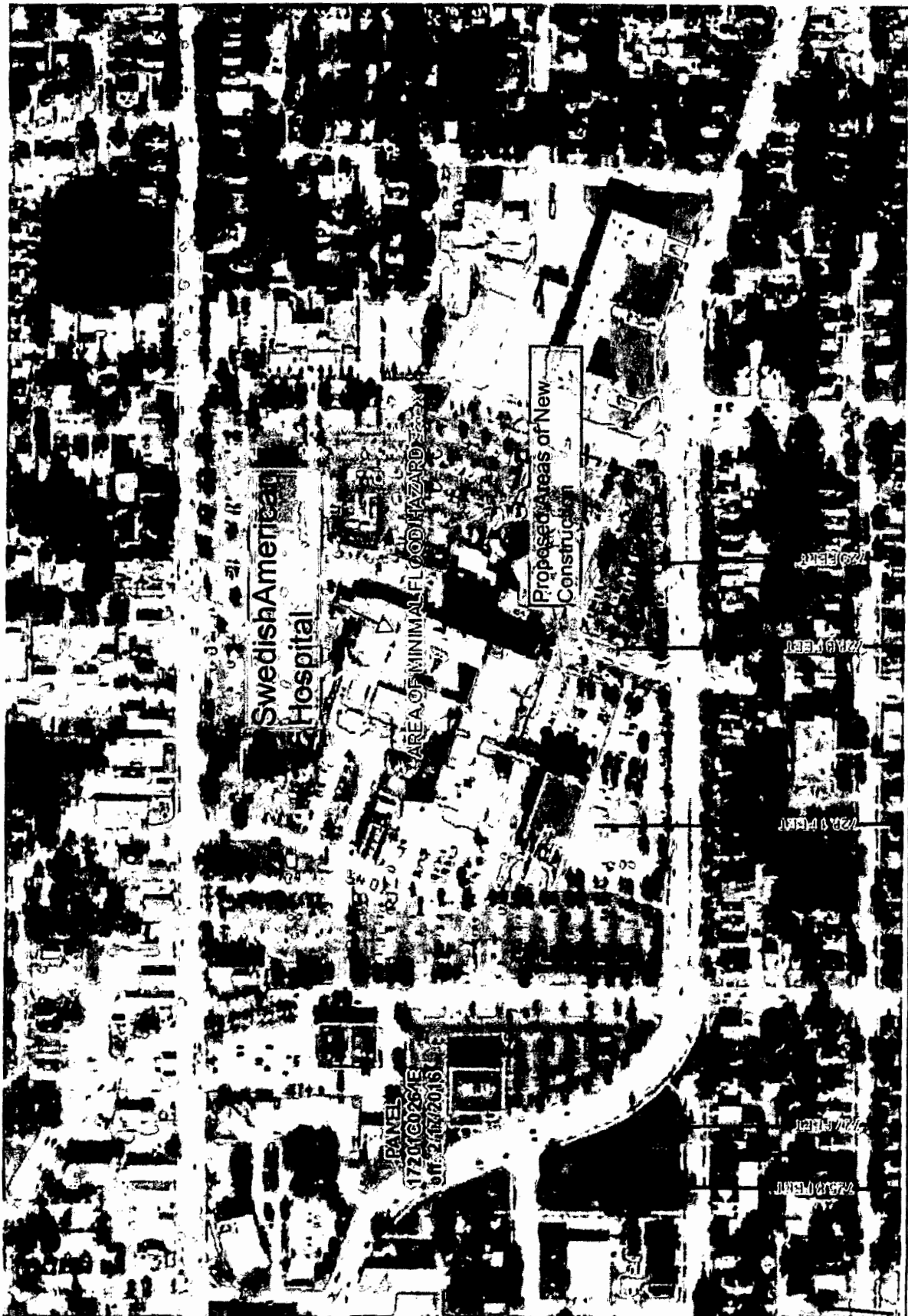


Administration Office
1401 East State Street
Rockford, IL 61104
779.696.4002
779.696.2463 Fax

Flood Plain Attestation

I, William R. Gorski, do hereby attest that the property located at 1401 E. State Street, Rockford, Illinois where SwedishAmerican Hospital is located complies with the requirements of the Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas.

William R. Gorski
President and CEO, SwedishAmerican Health System



Flood Map Information from www.illinoisfloodmaps.org

Historic Preservation Act Requirements

Attached is the letter to Historic Preservation Agency (HPA) on behalf of the applicants regarding impact on historic resources. HPA's response will be submitted upon receipt. Also attached is HPA's prior clearance letter indicating that no historic resources were impacted in connection with SwedishAmerican Hospital's last campus modernization project (Permit No. #04-041) at the same location (the hospital campus at 1401 East State Street, Rockford).

BARNES & THORNBURG LLP

Claire M. Reed
Partner
(312) 214-4813
claire.reed@btlaw.com

One North Wacker Drive, Suite 4400
Chicago, IL 60606-2833 U.S.A.
(312) 357-1313
Fax (312) 759-5646

www.btlaw.com

April 7, 2017

Via Overnight Delivery

Illinois Historic Preservation Agency
Attn: Review and Compliance
1 Old State Capitol Plaza
Springfield, IL 62701-1512

**RE: SwedishAmerican Health System
Historic Preservation Act Determination Request**

Dear Review and Compliance Staff:

In accordance with the Illinois State Agency Historic Resources Preservation Act, 20 ILCS 3420/1 *et seq.*, SwedishAmerican Health System ("SwedishAmerican") seeks a formal determination from the Illinois Historic Preservation Agency (the "Agency") as to whether SwedishAmerican's proposed project to modernize its existing facility and construct new buildings connected to the existing facility (the "Project") affects historic resources. The Project will be located at 1401 East State Street, Rockford, Illinois.

1. Project Description and Location

SwedishAmerican is seeking approval from the Illinois Health Facilities and Services Review Board to modernize its existing facility on its campus at 1401 East State Street, Rockford, Illinois and to construct two new buildings that will be connected to the existing facility at the same location. The project scope is as follows:

- Modernization of the existing space of the existing hospital building in the following areas: Medical/Surgical unit; Acute Mental Illness unit; Emergency Department; Operating Rooms; Pediatric Acute Care unit; Nursery; and, Prep and Recovery.
- Construction of a five story new building that will be physically connected to the existing facility and will include women's and children's services including Labor Delivery and Recovery; C-Section; Post-Partum; Pediatrics Clinic; Nursery. The clinical services will be on the first four floors with the fifth story penthouse for

mechanicals. This new construction will also include outpatient clinics, conference rooms, lobby and common staff and public areas.

- Construction of a one story building that will be physically connected to the existing facility that will include modernized catheterization services.

2. Topographical or Metropolitan Map

Maps showing the location of the proposed Project are attached as Exhibit 1.

3. Buildings/Structures in the Project Area

The Project will include modernization of the existing facility located at 1401 East State Street, Rockford, Illinois, and photographs of the building and its interior spaces are attached as Exhibit 2. Located northwest to the Project and separated by several parking lots, the Lake Peterson House and its carriage house, the only buildings with real architectural presence, are on the National Record of Historic Structures, and they will remain untouched and unaffected by the scope of the Project.

4. Address for Building/Structure

The address of the Project is 1401 East State Street, Rockford, Illinois. For your reference, the Lake Peterson House address is 1313 East State Street.

On January 21, 2004, the Agency issued a clearance letter to SwedishAmerican for its project to expand and renovate the acute care hospital and campus at 1401 East State Street, Rockford. The Agency found that no historic, architectural or archaeological sites existed within the project area. A copy of the determination letter is attached for your reference as Exhibit 3.

Thank you for your consideration of our request for a historic preservation determination. If you have any questions or need any additional information, please feel free to contact me at 312-214-4813.

Very truly yours,



Claire M. Reed

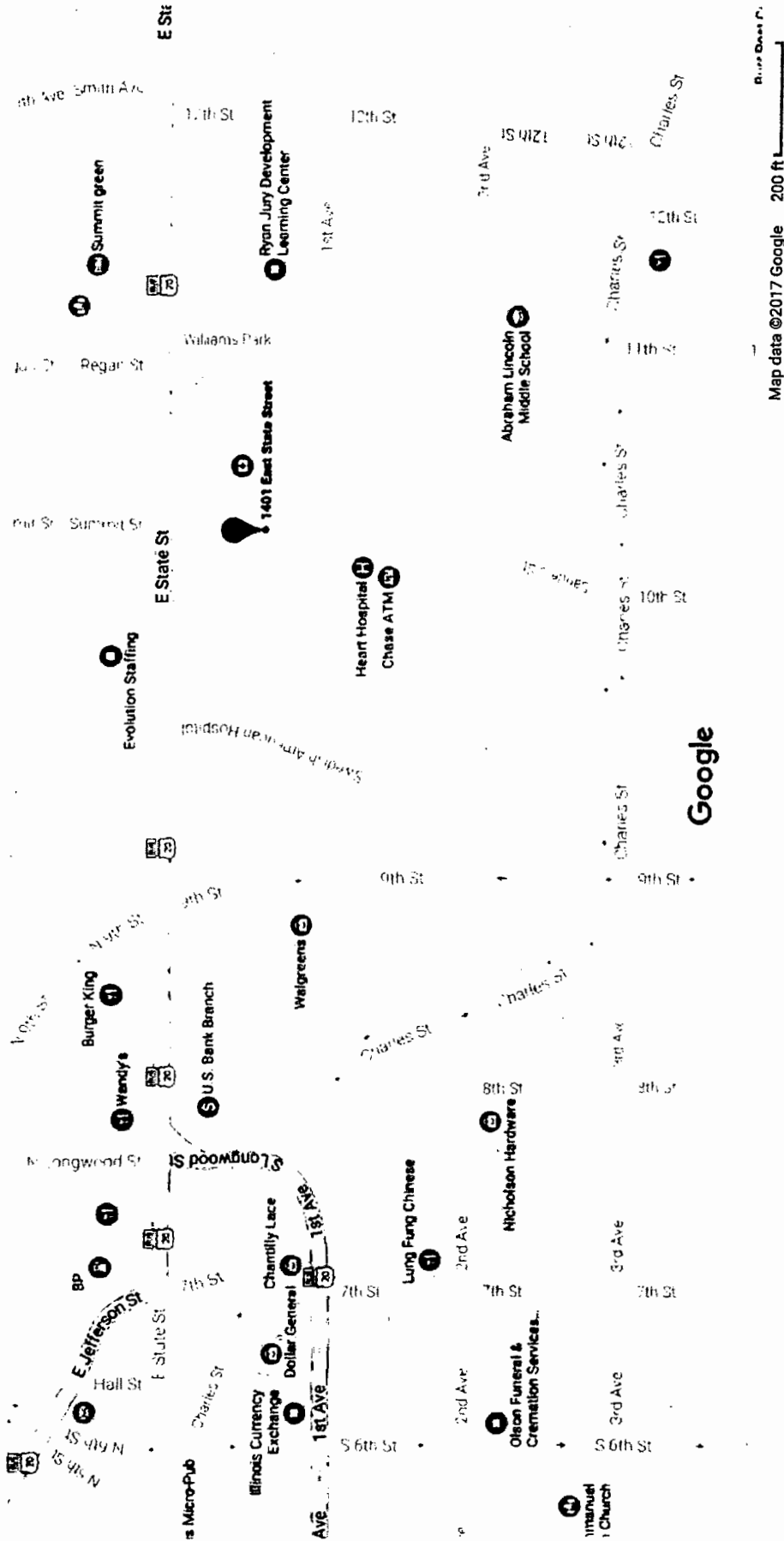
Enclosures

EXHIBIT 1

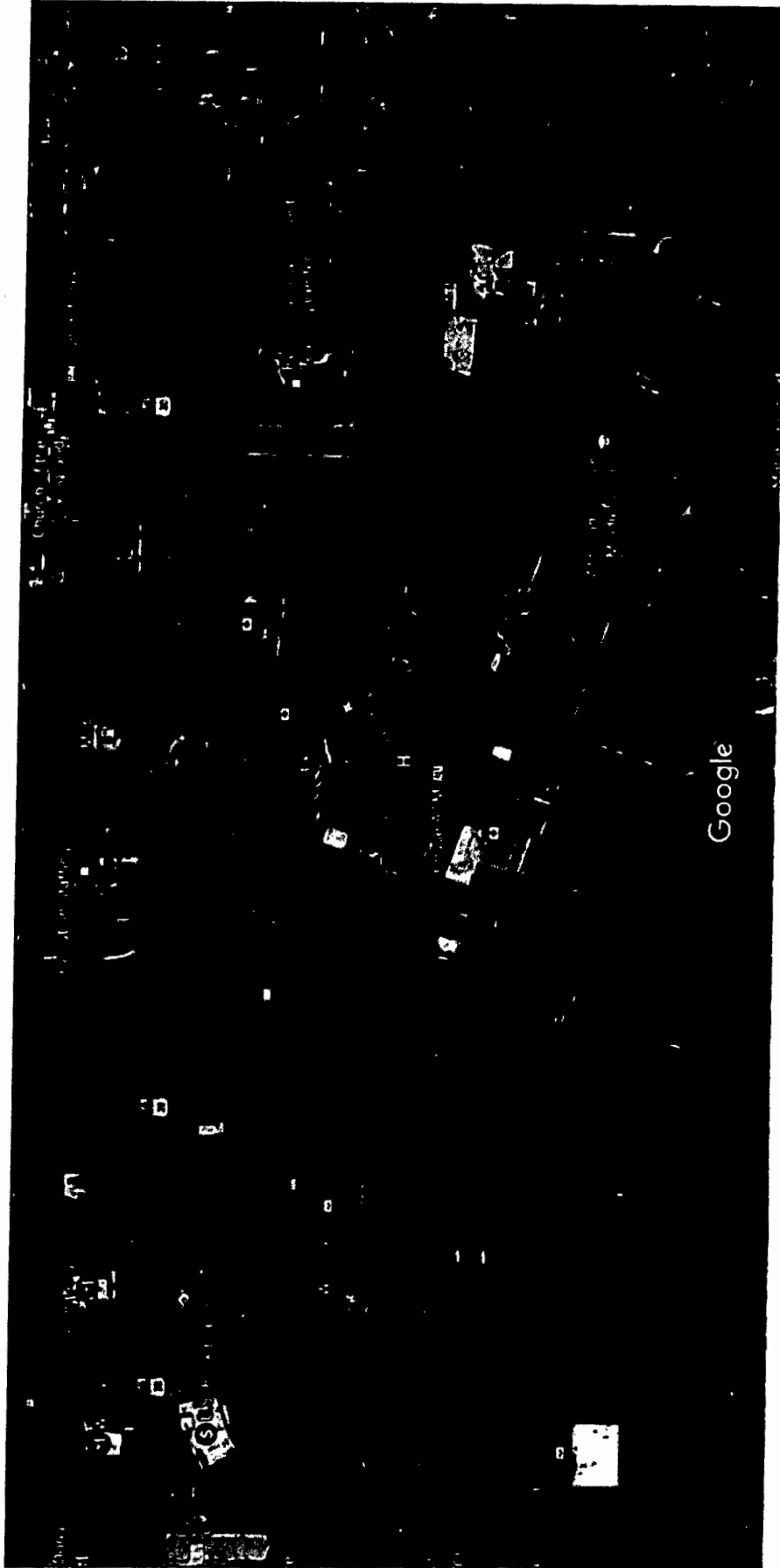


Flood Map Information from www.illinoisfloodmaps.org

Google Maps 1401 E State St



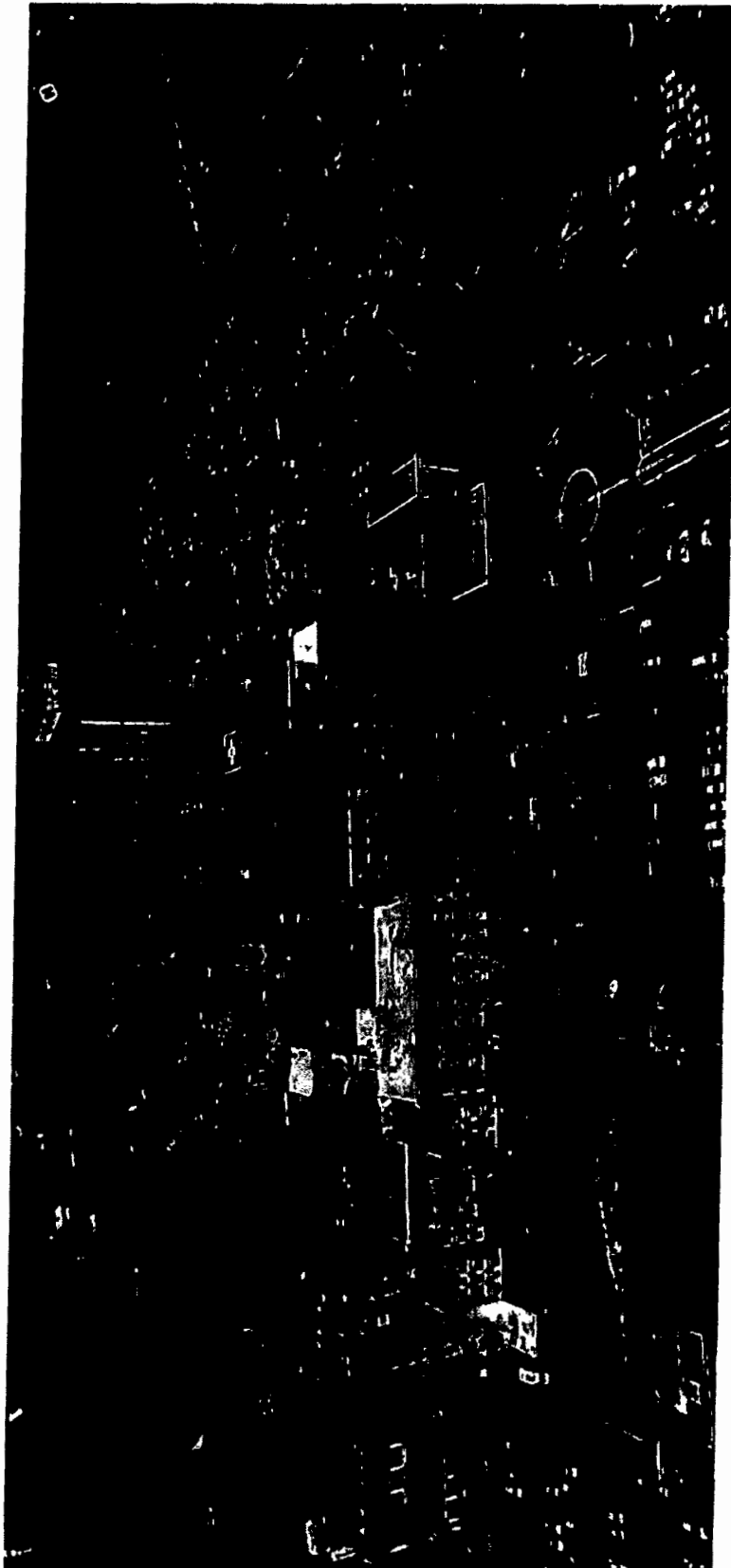
Google Maps



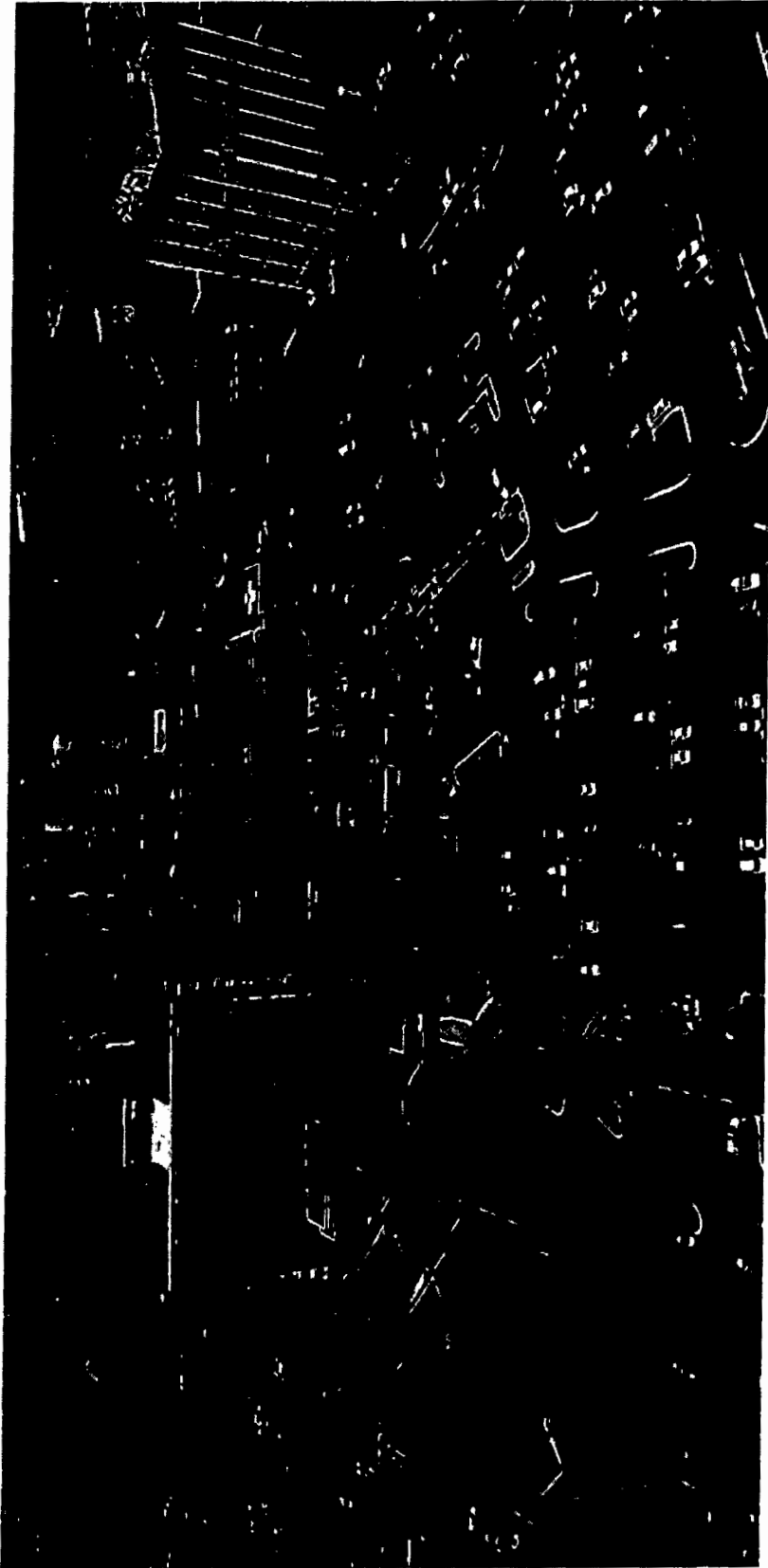
Imagery ©2017 Google, Map data ©2017 Google 200 ft

EXHIBIT 2

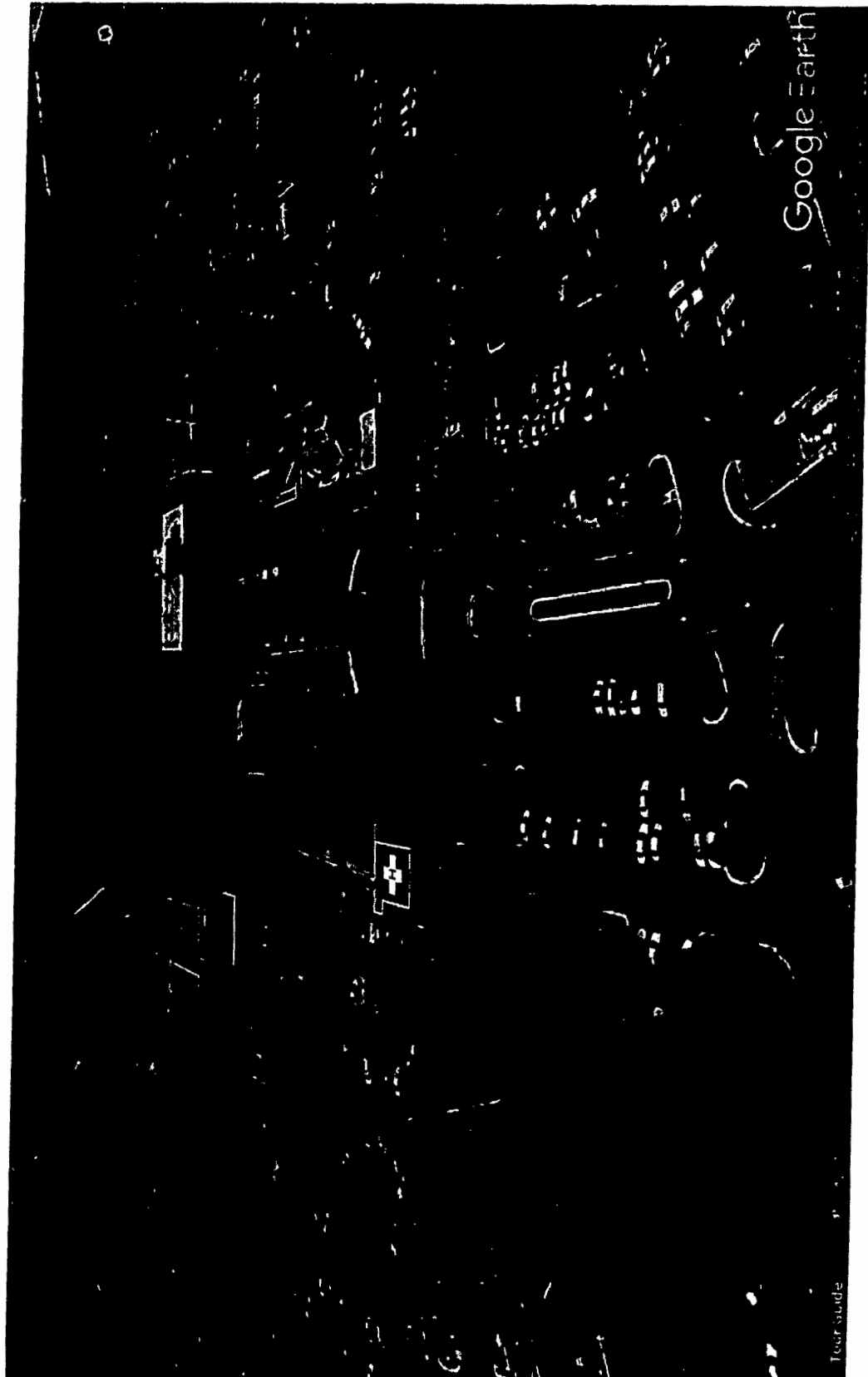
South View of SwedishAmerican Health System



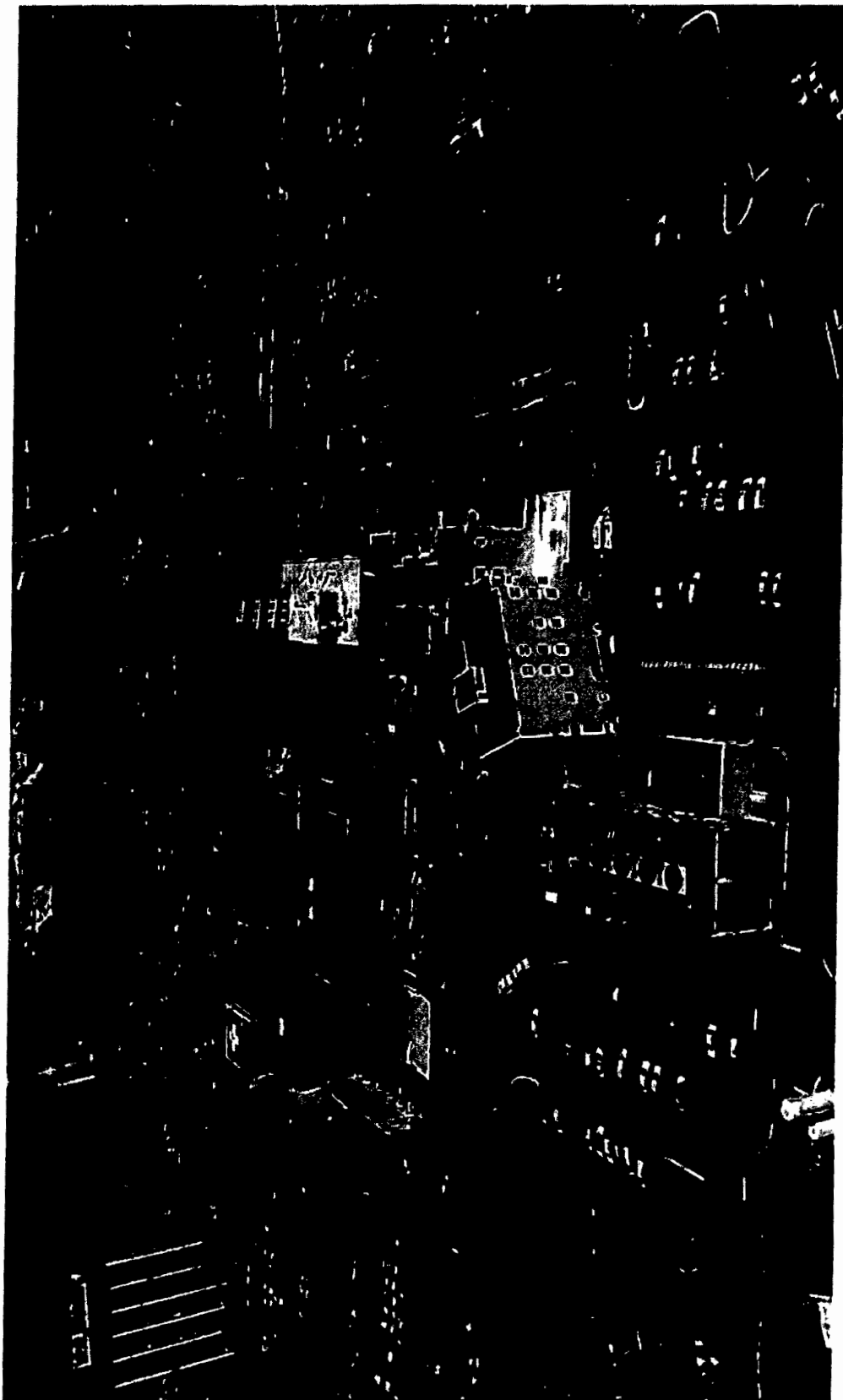
East View of SwedishAmerican Health System

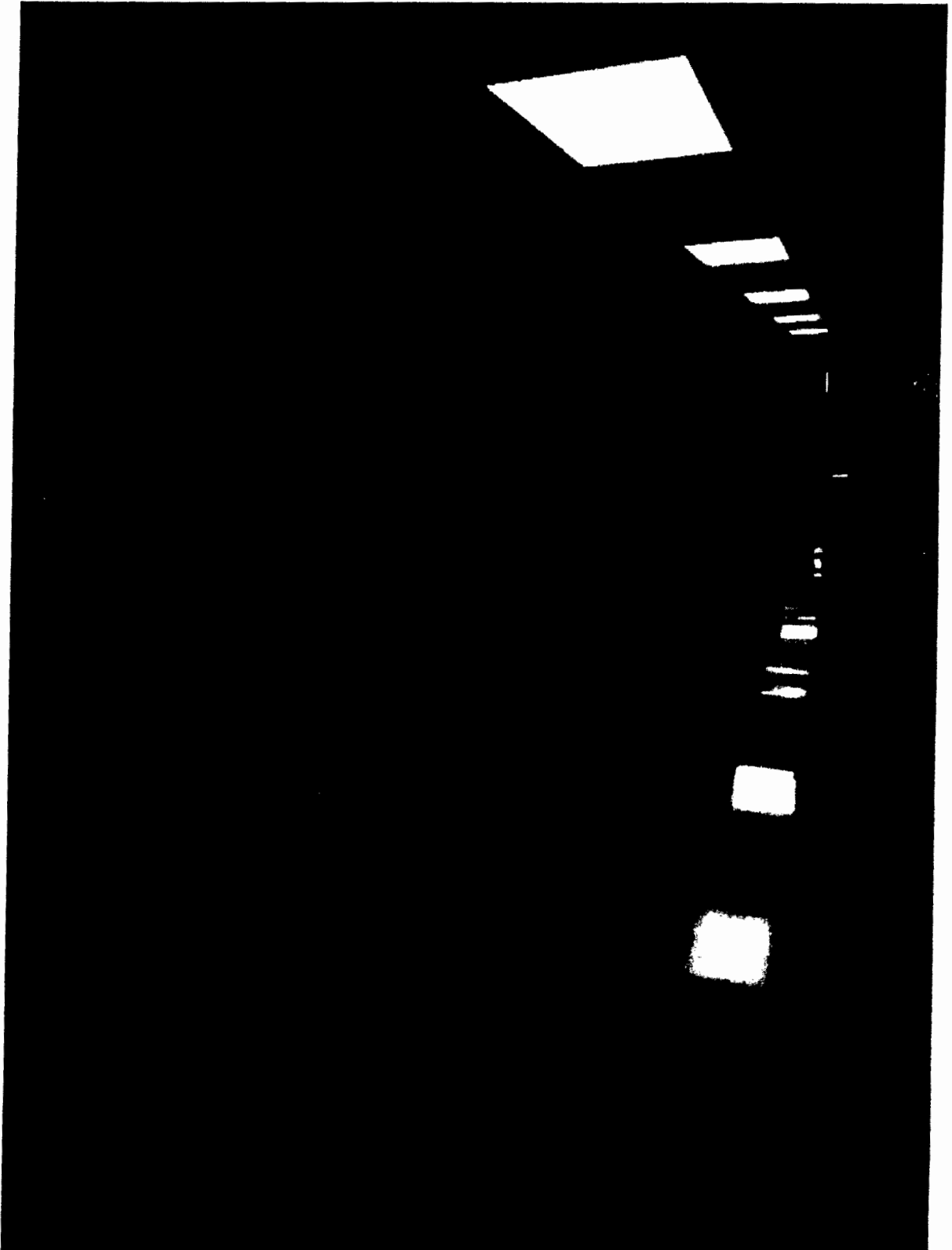


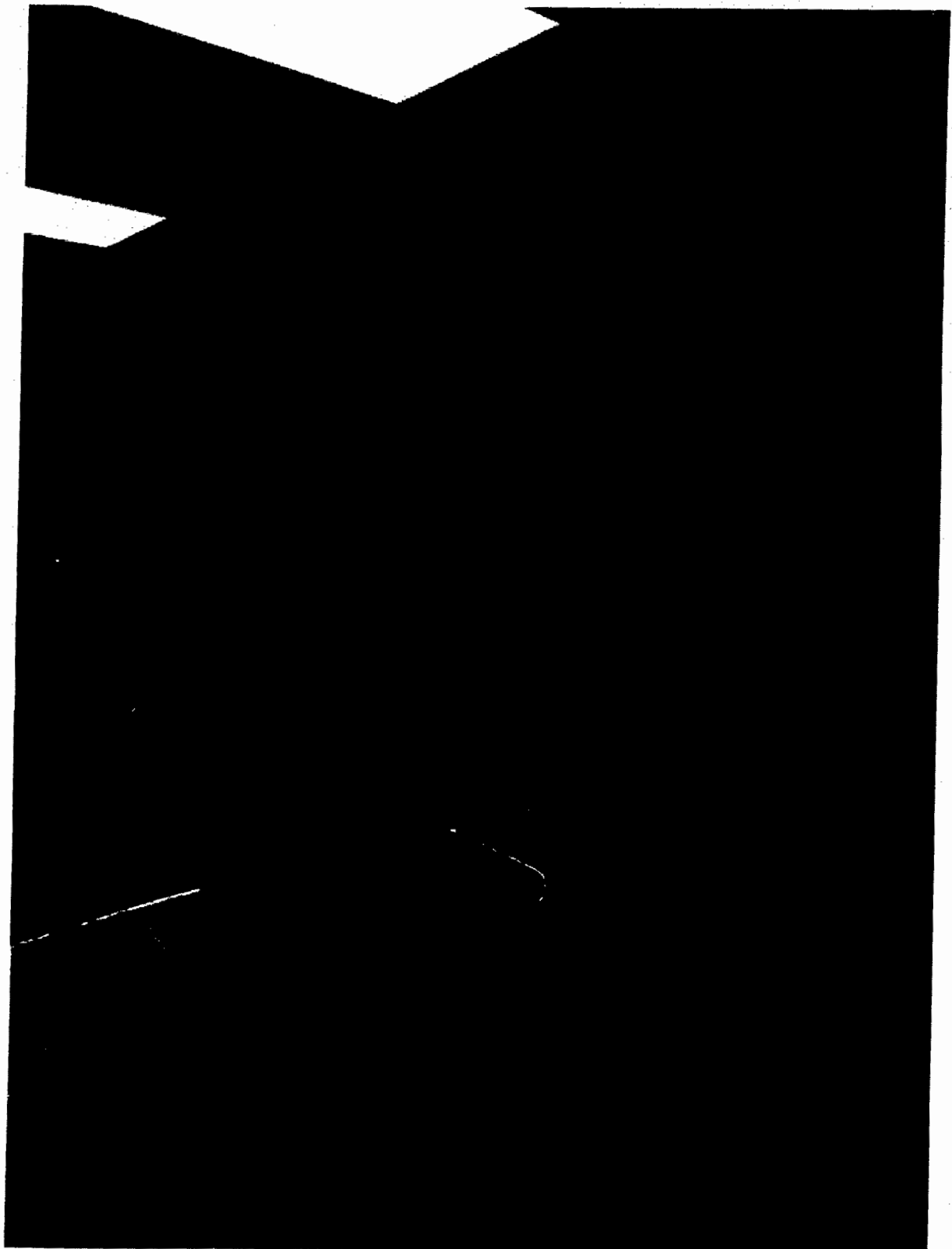
North View of SwedishAmerican Health System

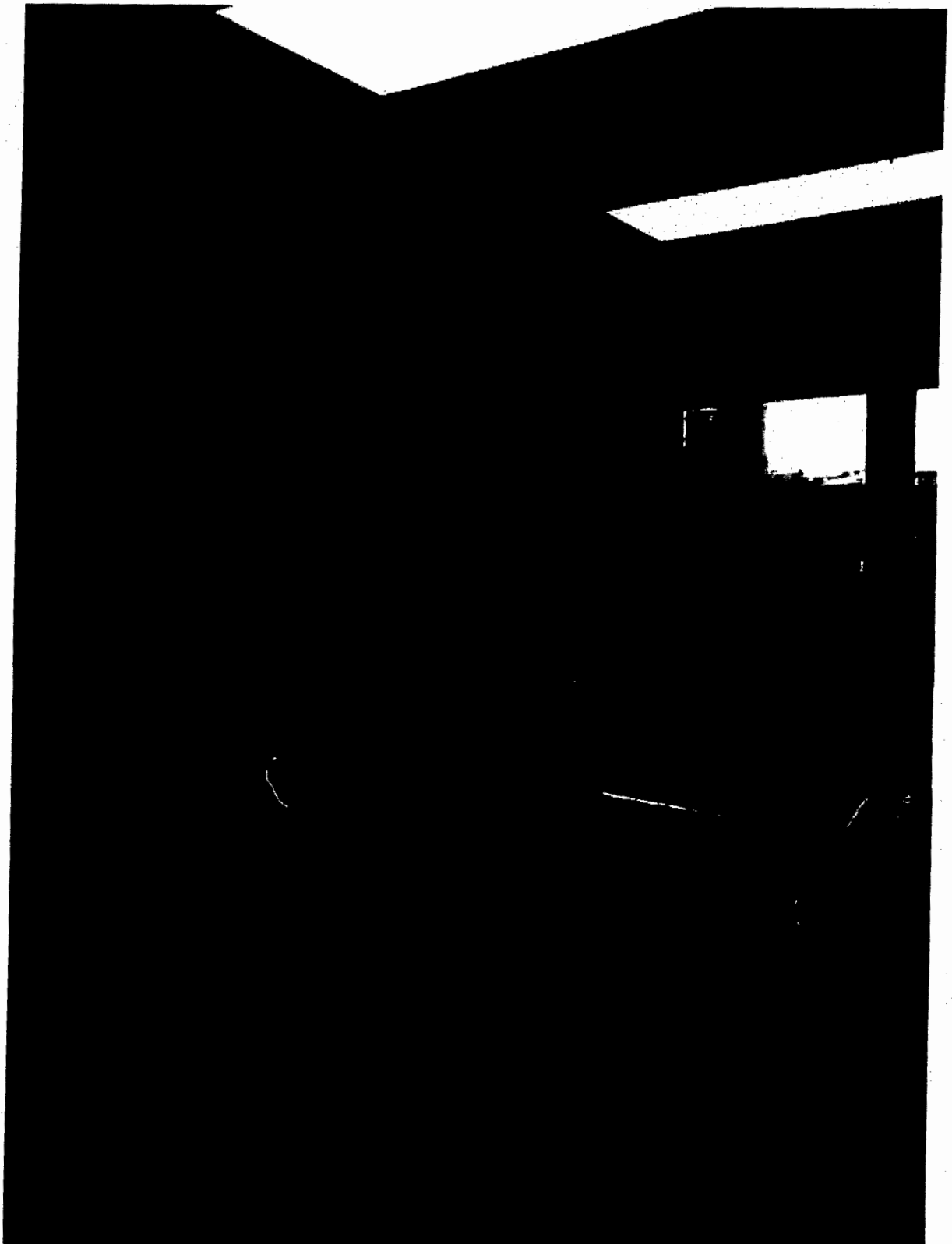


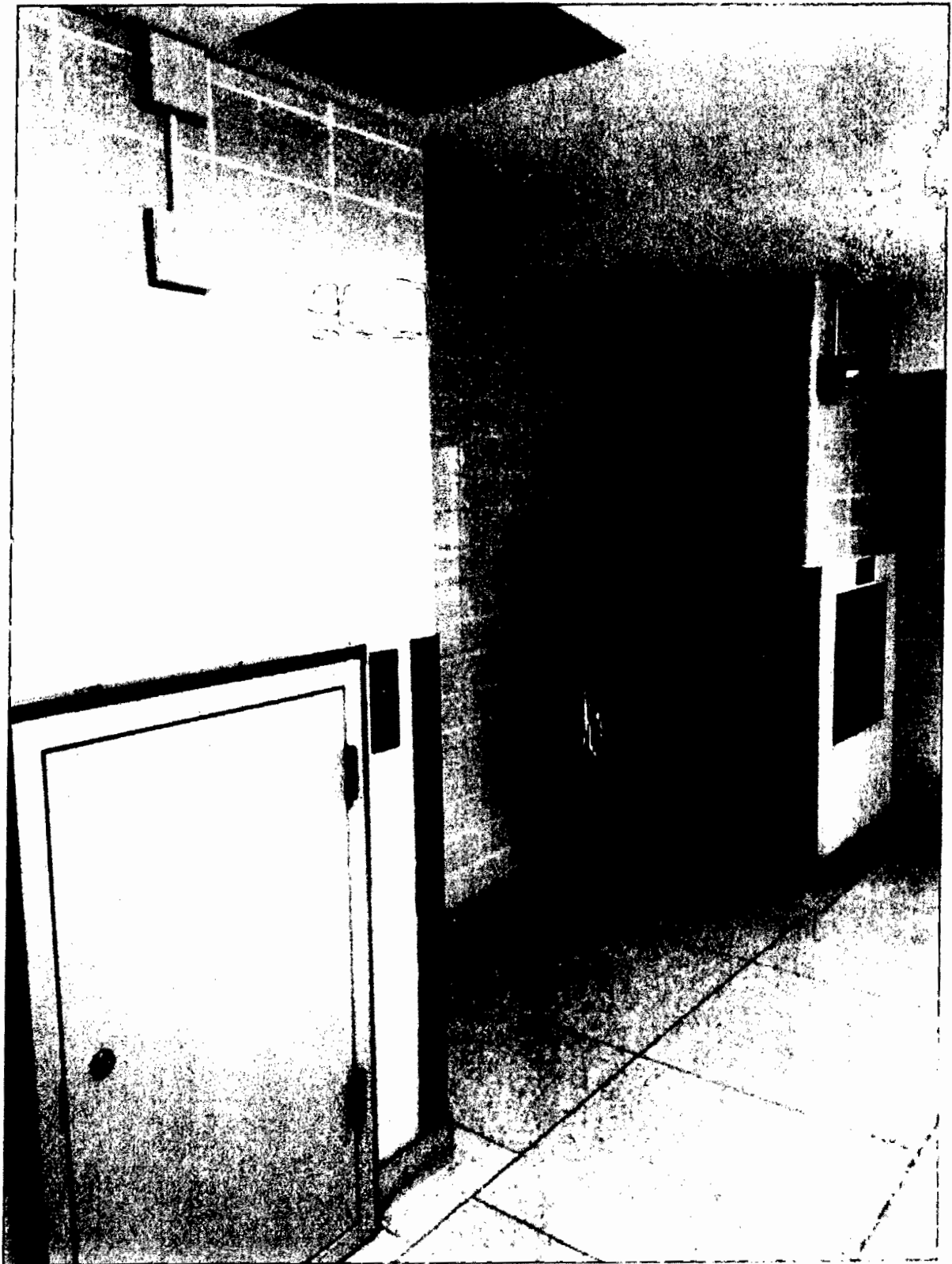
West View of SwedishAmerican Health System

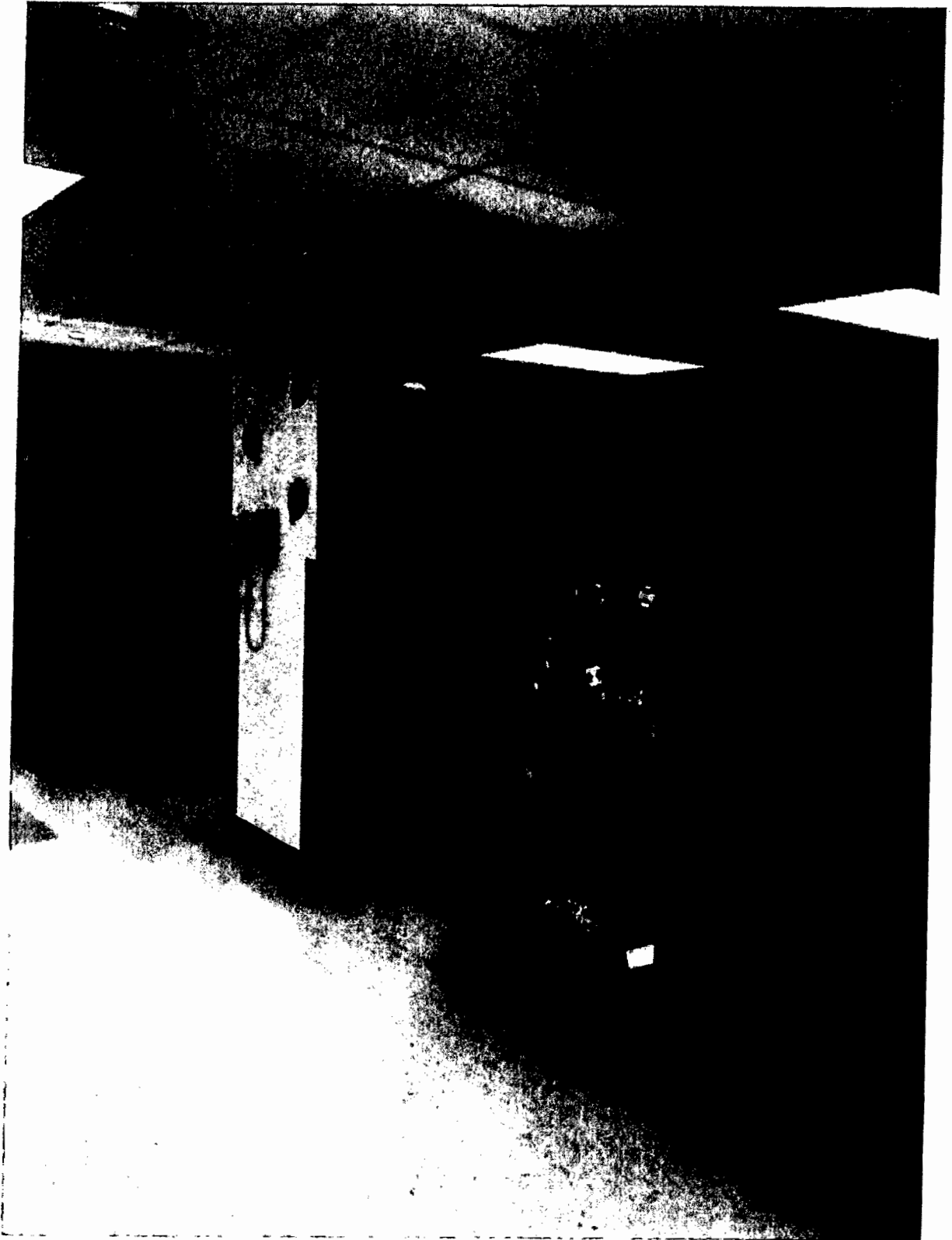


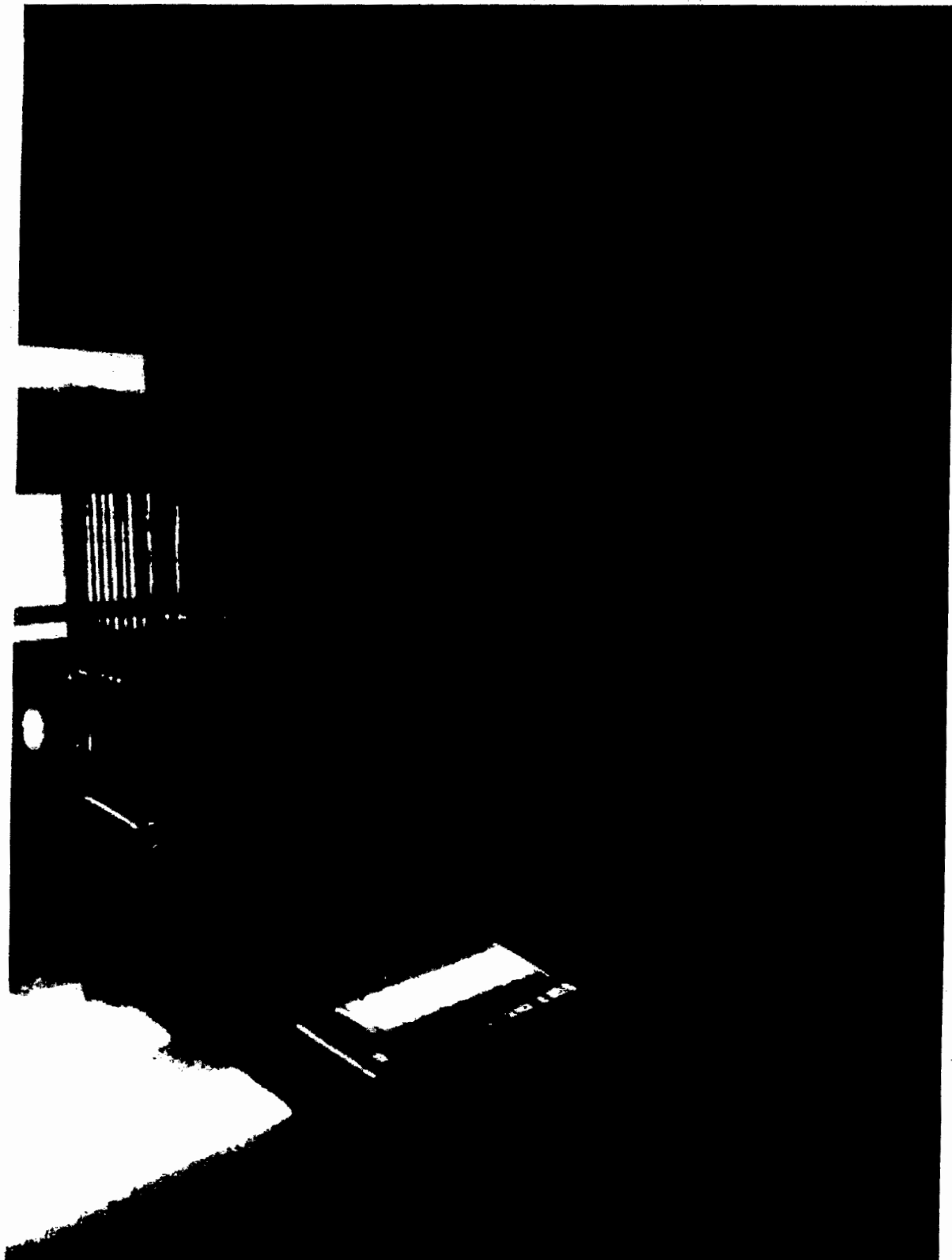


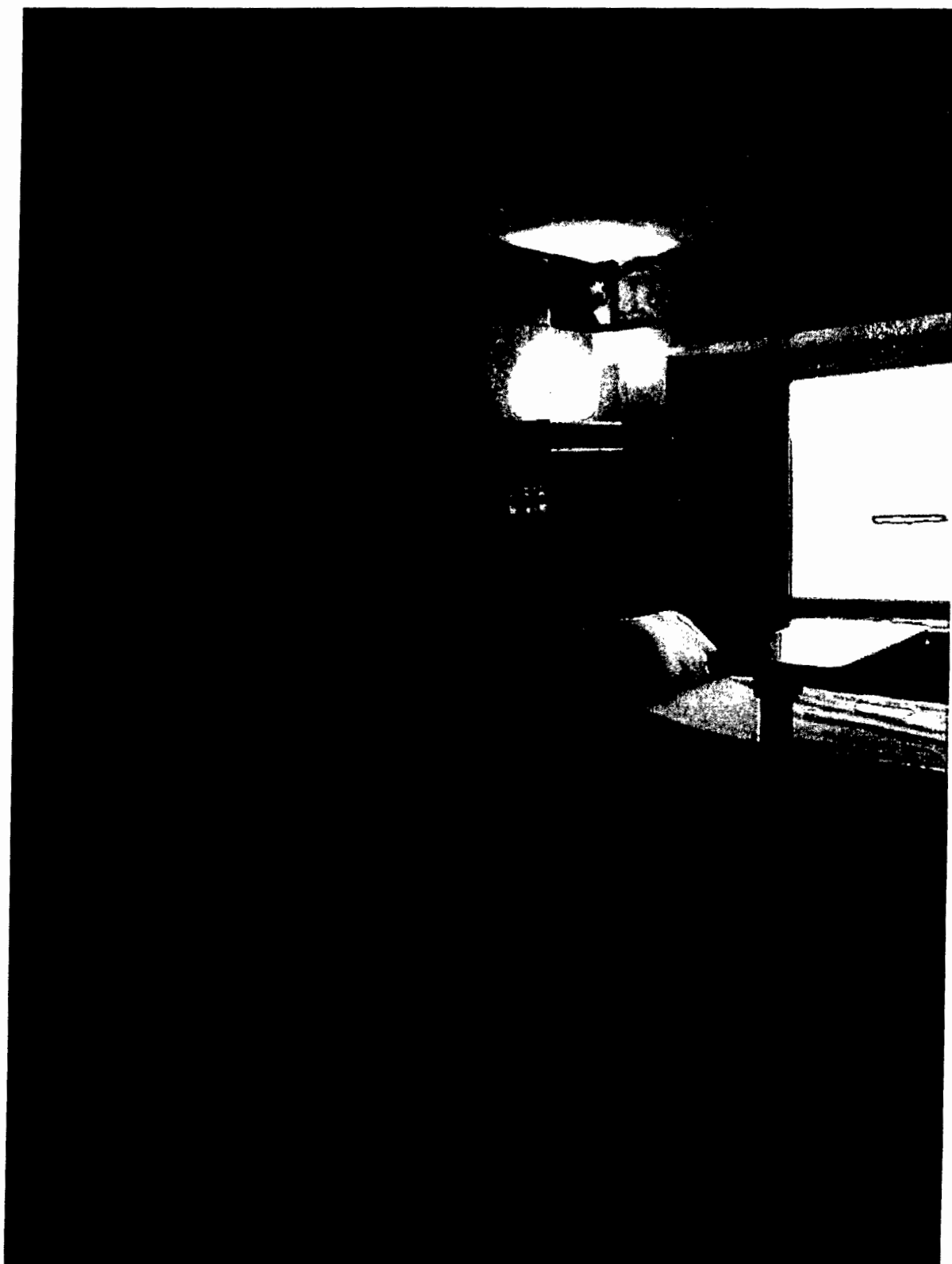


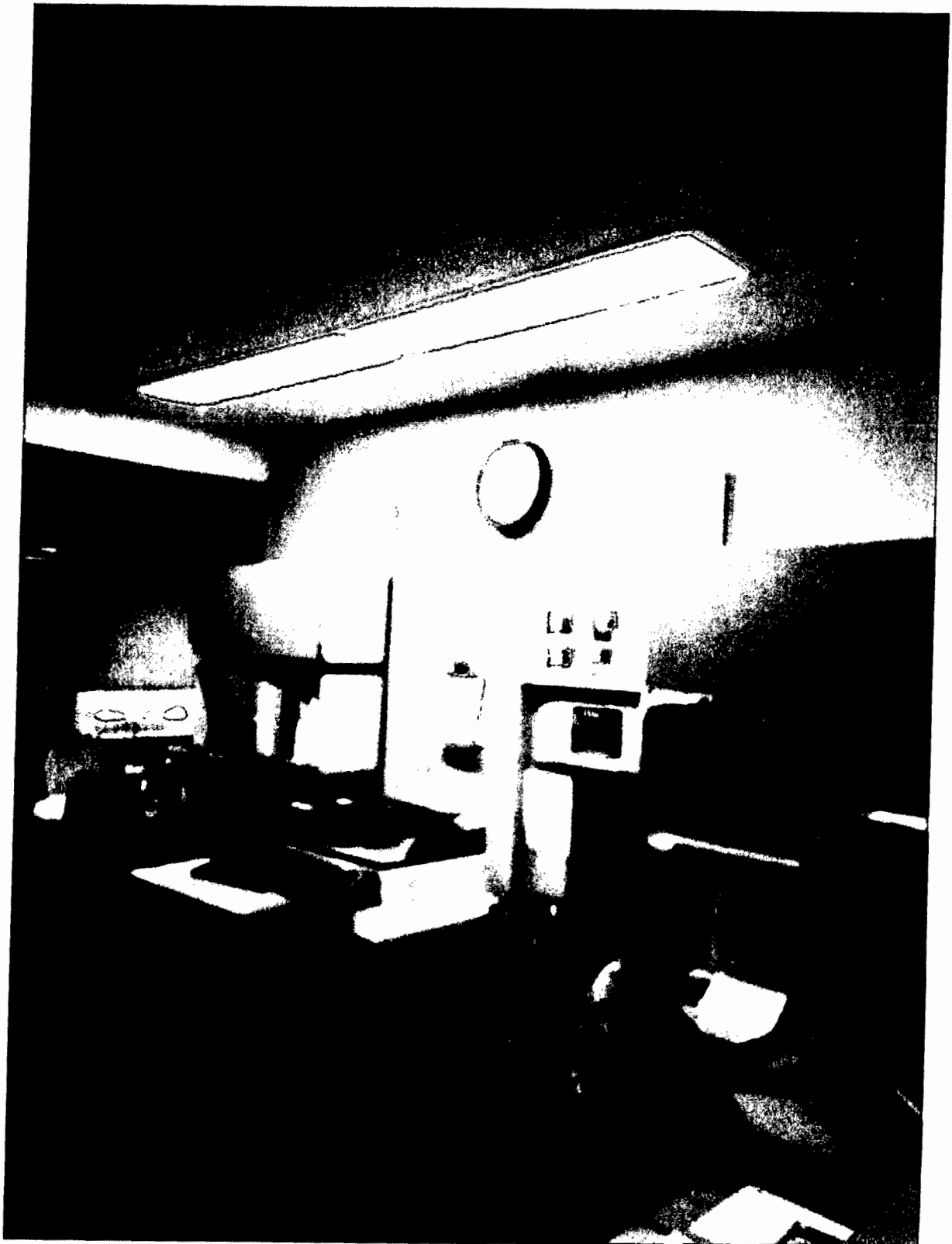


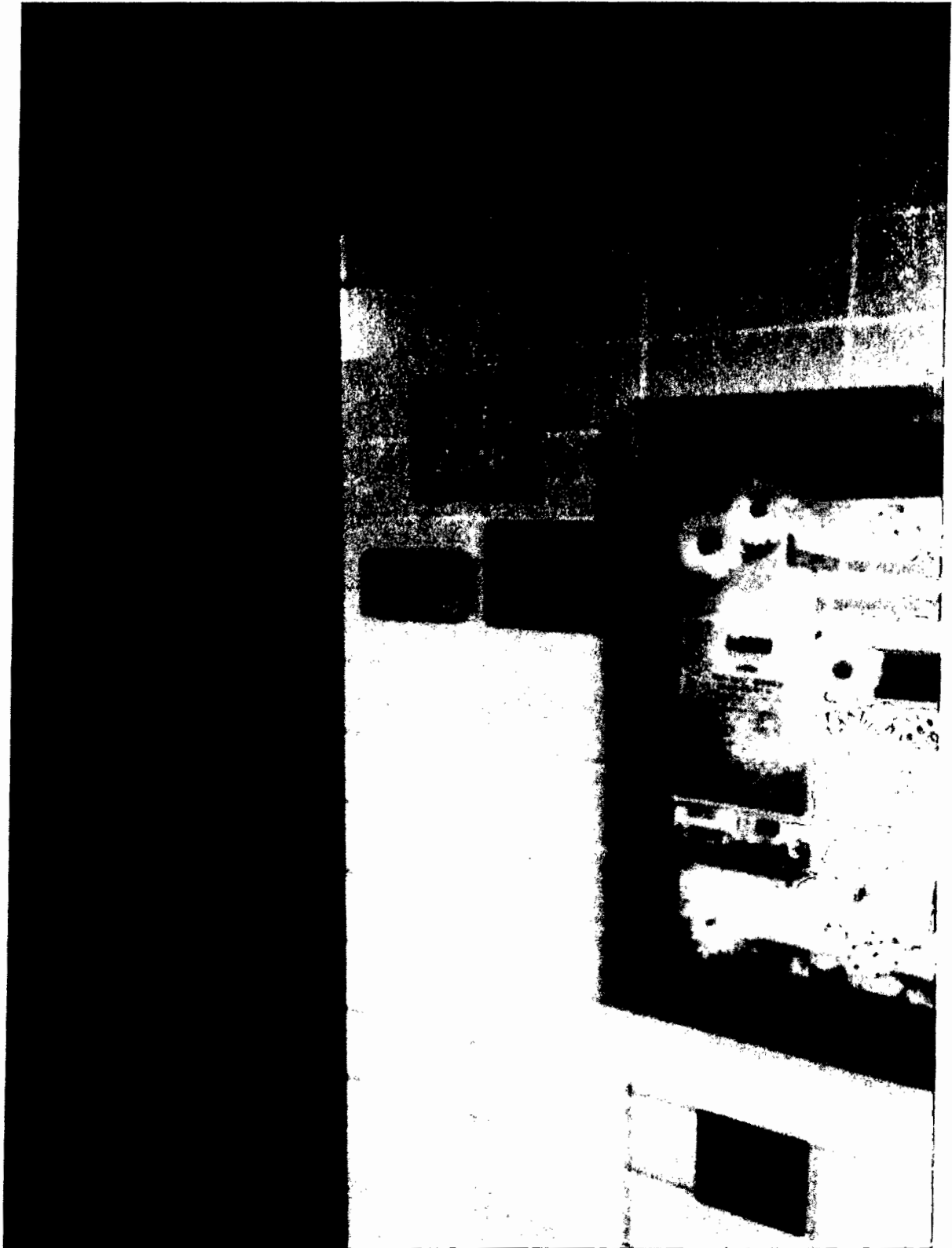


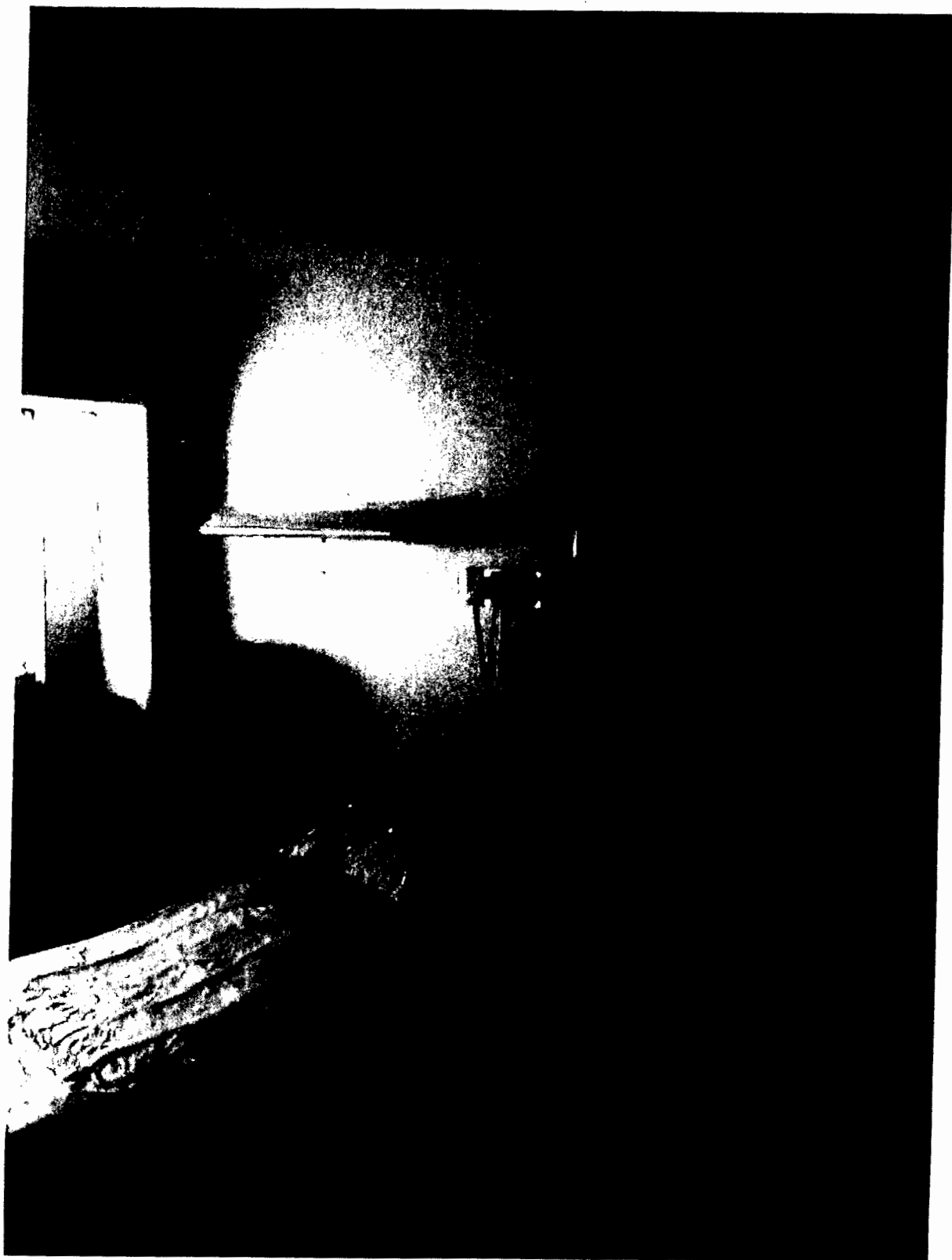


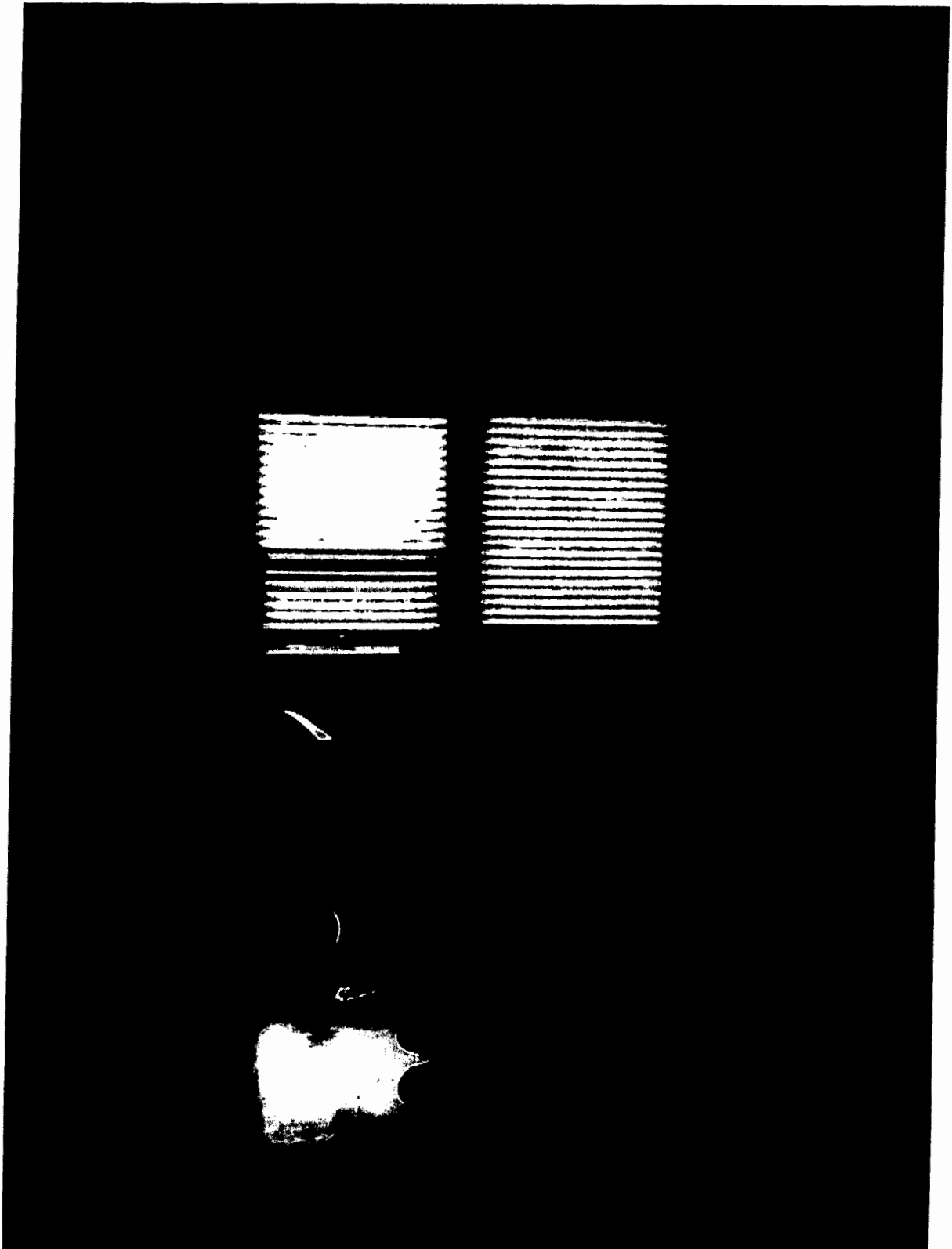


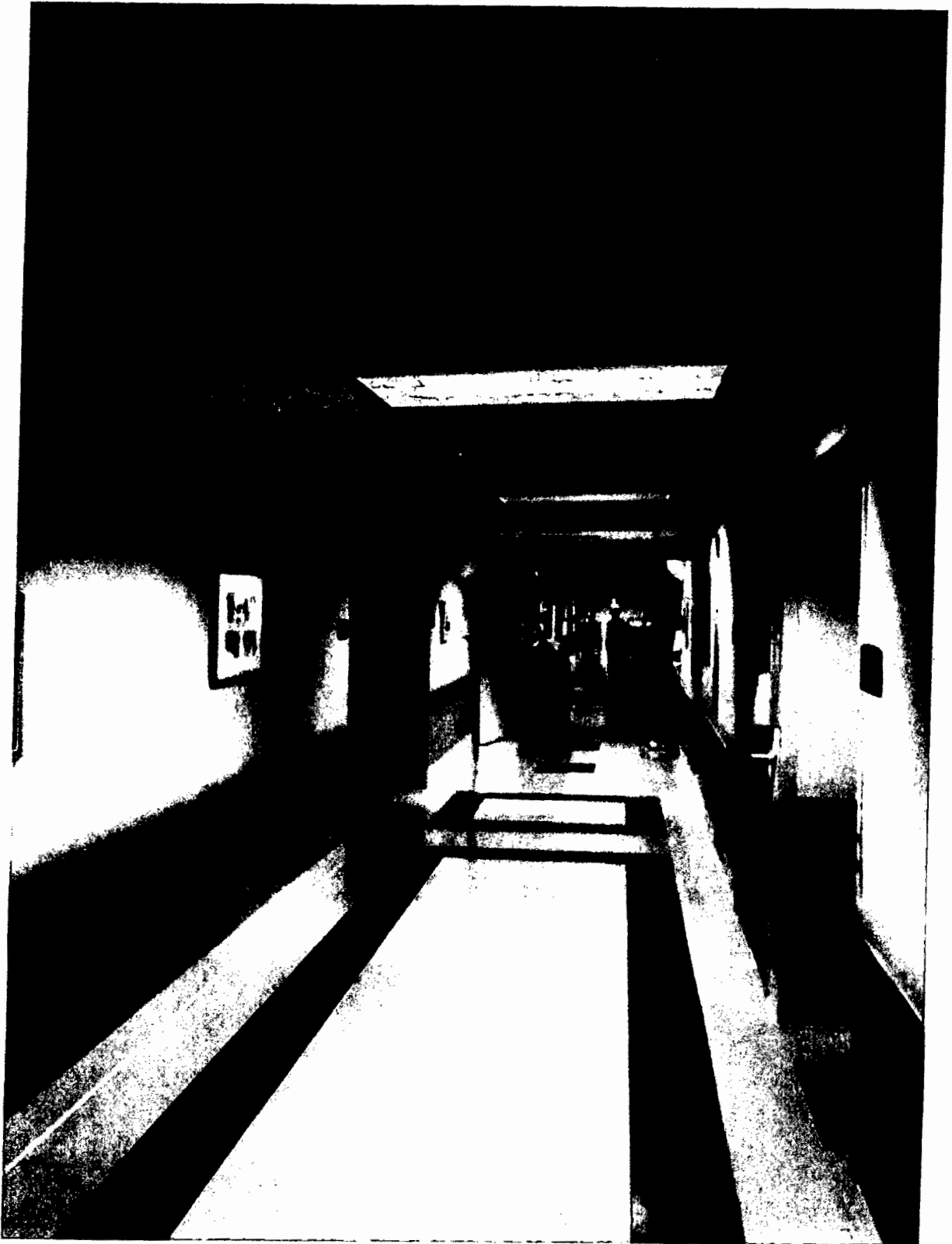












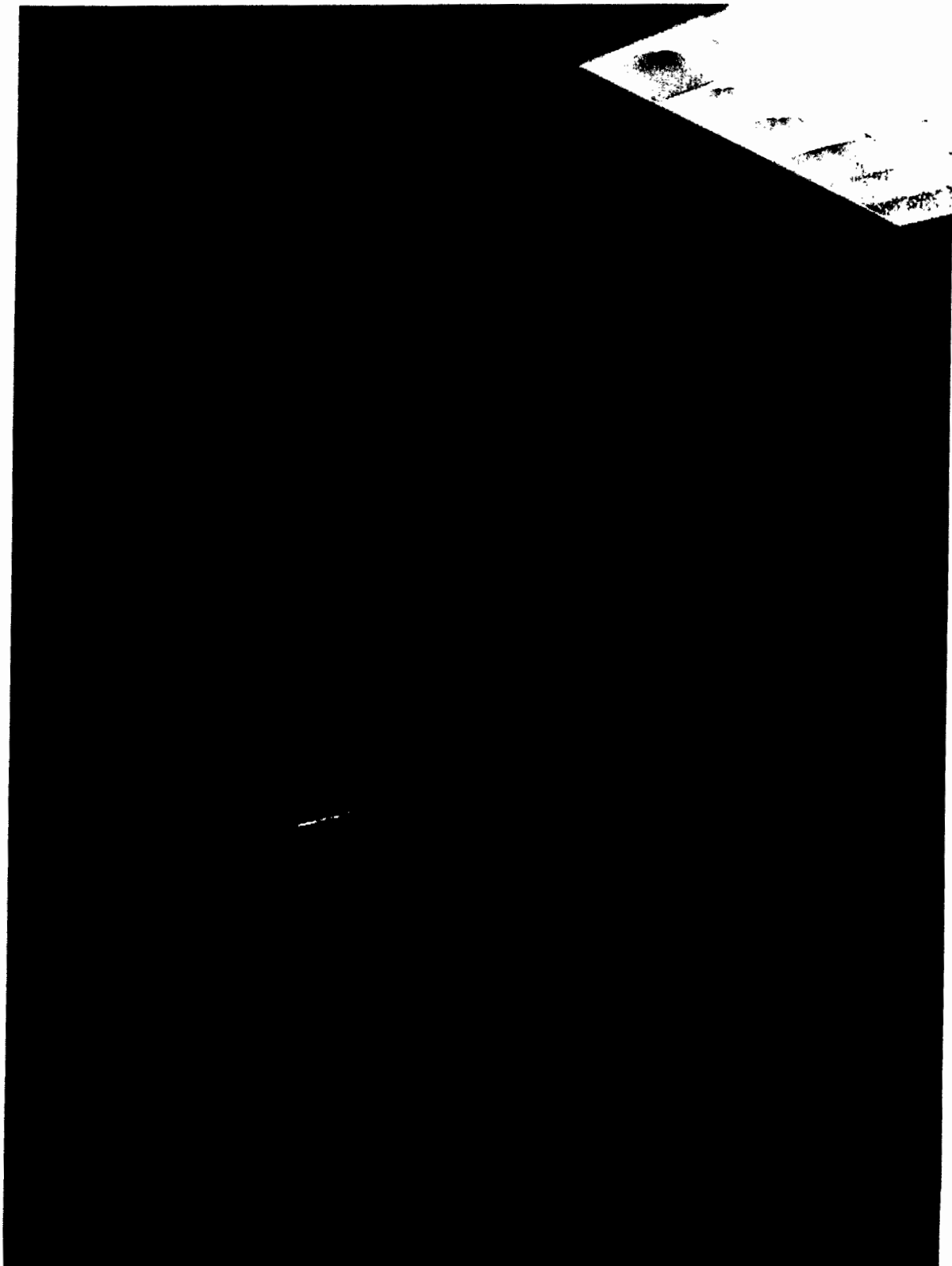


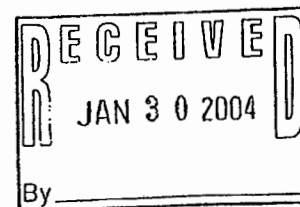


EXHIBIT 3



Illinois Historic
Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1507 • Teletypewriter Only (217) 524-7128



Voice (217) 782-4836

Vinnebago County
Rockford

Campus Expansion -- Phase II, Swedish American Health System
Camelot Towers - 1415 East State Street
Lake Peterson House - 1313 East State Street
LP Johnson Building - 1221 East State Street
Sanders House - 200 Sanders Street
Hospital - 1401 East State Street
Renaissance Pavilion - Charles Street

IHPA Log #009010804

January 21, 2004

Jeffery S. Kent
Swedish American Health System
1400 Charles St.
Rockford, IL 61104-2298

Mr. Kent:

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

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

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

If you have any further questions, please contact Andrew Heckenkamp, Manager, 1 Old State Capitol Plaza, Springfield, IL 62701, 217/782-8168.

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

AET

Itemization of Project Costs

Items	Cost
Pre-Planning	
Site Survey	
Site Preparation	
Site Prep 5th Floor	250,000
Off-Site Work	
New Construction Contracts	
Modernization Contracts	
NICU	550,000
Contingencies	80,000
Architectural/Engineering Fees	
Architect/Engineer Basic Services	75,000
Consulting and Other Fees	
CON Filing, Consulting and Legal Fees	25,000
Movable/Other Equipment	
NICU Lab Equipment	22,155
NICU Pharmacy Equipment	30,000
NICU Staff Equipment	2,400
NICU Unit Equipment	995,465
NICU Unit Furniture	42,000
Surgical Instruments & Equip	750,000
Equipment Contingency	45,941
TOTAL PROJECT COST	2,867,961

Background of the Applicants

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

SwedishAmerican Health System owns the following health care facilities in Illinois:

SwedishAmerican Hospital
1401 East State Street
Rockford, Illinois
IDPH License #0002725

SwedishAmerican Medical Center – Belvidere
1625 South State Street
Belvidere, Illinois
IDPH License #0005504

Copies of SwedishAmerican's licenses and Joint Commission certifications are included with this Attachment 11.

University of Wisconsin Hospitals and Clinics Authority operates the following hospital facilities in Wisconsin licensed by the Wisconsin Department of Health Services (WDHS):

University Hospital
600 Highland Ave.
Madison, WI 53792
WDHS License #125

American Family Children's Hospital
1675 Highland Ave.
Madison, WI 53792
WDHS License #125

UW Health at the American Center
4602 Eastpark Blvd.
Madison, WI 53792
WDHS License #125

UW Health Rehabilitation Hospital
5115 N. Biltmore Lane
Madison, WI 53718
WDHS License #321

Copies of the WDHS licenses for the above facilities are included with this Attachment 11.
(The first three facilities are operated under a single license.)

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.*

Included with this Attachment 11 are the applicants' certifications of no adverse action.

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.*

Included with this Attachment 11 are the applicants' authorizations to access documents.

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 applicants have not submitted any applications for permit within the calendar year

CERTIFICATION AND AUTHORIZATION
of
SWEDISHAMERICAN HEALTH SYSTEM and SWEDISHAMERICAN HOSPITAL

The undersigned representative of SwedishAmerican Health System and SwedishAmerican Hospital in connection with the application submitted herewith hereby states as follows:

I certify that no adverse action has been taken against SwedishAmerican Health System and SwedishAmerican Hospital 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 SwedishAmerican Health System and SwedishAmerican Hospital, directly or indirectly, within three years preceding the filing of this application of change of ownership exemption.

I authorize the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) access to any documents pertaining to University of Wisconsin Hospitals and Clinics Authority necessary to verify the information submitted with this application, including, but not limited to official records of IDPH or other Illinois agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.



Gina Boettcher
Subscribed and sworn to
this 10th day of April, 2017

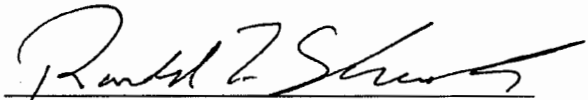
William R. Gorski
Name: William R. Gorski, M.D.
Title: CEO, SwedishAmerican Hospital and
SwedishAmerican Health System

**CERTIFICATION AND AUTHORIZATION
OF
UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY**

The undersigned representative of University of Wisconsin Hospitals and Clinics Authority in connection with application submitted herewith hereby states as follows:

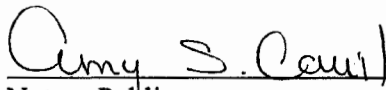
I certify that no adverse action has been taken against University of Wisconsin Hospitals and Clinics Authority by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by University of Wisconsin Hospitals and Clinics Authority, directly or indirectly, within three years preceding the filing of this application of change of ownership exemption.

I authorize the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) access to any documents pertaining to University of Wisconsin Hospitals and Clinics Authority necessary to verify the information submitted with this application, including, but not limited to official records of IDPH or other Illinois agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.



Name: Ronald T. Sliwinski

Title: SVP/Chief of Hospital Division

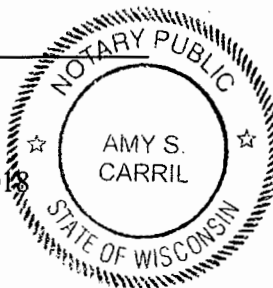


Notary Public

Subscribed and sworn to

this 7th day of April, 2017

My commission expires 2-18-2018





**Illinois Department of
PUBLIC HEALTH**

HF112035

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

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

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LD NUMBER
12/31/2017		0002725
General Hospital		
Effective: 01/01/2017		

SwedishAmerican Hospital
1401 East State Street
Rockford, IL 61104

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

← **DISPLAY THIS PART IN A
CONSPICUOUS PLACE**

Exp. Date 12/31/2017

Lic Number 0002725

Date Printed 10/26/2016

SwedishAmerican Hospital

1401 East State Street
Rockford, IL 61104

FEE RECEIPT NO.

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

HF112319

**Illinois Department of
PUBLIC HEALTH**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

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

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LD NUMBER
1/13/2018	General Hospital	0005504
Effective: 01/14/2017		

SwedishAmerican Medical Center Belvidere
1625 South State Street
Belvidere, IL 61008

The face of this license has a colored background. Printed by Authority of the State of Illinois + P.O. #4612320 10M 3/12

Exp. Date 1/13/2018
Lic Number 0005504

Date Printed 12/16/2016

SwedishAmerican Medical Center Belv
1625 South State Street
Belvidere, IL 61008

FEE RECEIPT NO.



The State of Wisconsin

Department of Health Services Division of Quality Assurance

CERTIFICATE OF APPROVAL

This is to certify that UNIVERSITY OF WI HOSPITALS & CLINICS AUTHORITY
doing business as UNIVERSITY OF WI HOSPITALS & CLINICS AUTHORITY
at the location 600 HIGHLAND AVENUE
MADISON, WI 53792

License Number: 125

Effective Date: 02/03/2016

Initial Date: 01/02/1966

is licensed to operate a GENERAL ACUTE HOSPITAL in DANE COUNTY, WISCONSIN

License Type: REGULAR

This license is granted for a maximum capacity of 648 total beds.

General beds: 628

Alcohol beds: 0

Psychiatric beds: 20

Rehab beds: 0

In further accordance with Wisconsin §50.35 the following locations are listed for reimbursement purposes under Wisconsin §49.25(3)(e) 10m: Research Park, University Station, West Clinic, East Clinic, Waisman Center, Adolescent Intervention, Middleton Clinic, Oakwood Village Clinic, UWHC Renal Clinic, Hand & Upper Extremity Rehab Clinic, The American Center, Digestive Health Center, & Yahara Rehab Clinic.

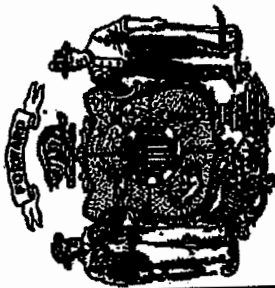
The Facility Profile/Biennial Report is available at this facility for inspection upon request.
This license will remain in effect unless expired, suspended, revoked or voluntarily surrendered. Any and all exceptions, stipulations, or conditions to this license shall be posted next to the license certificate.

M. Rhoades

Kitty Rhoades, Secretary DHS

This license is not transferrable or assignable

Part in a permanent record of the State of Wisconsin



The State of Wisconsin

Department of Health Services
Division of Quality Assurance

CERTIFICATE OF APPROVAL

This is to certify that MADISON REHABILITATION HOSPITAL, LLC
being business as UW HEALTH REHABILITATION HOSPITAL
at the location 5115 N BILTMORE LN
MADISON, WI 53718

License Number: 321
Effective Date: 09/22/2015
Initial Date: 09/22/2015

is licensed to operate a REHABILITATION HOSPITAL in DANE COUNTY, WISCONSIN

License Type: REGULAR

This license is granted for a maximum capacity of 50 total beds.

General beds: 0	Alcohol beds: 0
Psychiatric beds: 0	Rehab beds: 50

The Facility Profile/Biennial Report is available at this facility for inspection upon request.
This license will remain in effect unless expired, suspended, revoked or voluntarily surrendered. Any and all exceptions, stipulations, or conditions to this license shall be posted next to the license certificate.

M. K. Rhoades

Kitty Rhoades, Secretary DHS

This license is not transferable or assignable

SwedishAmerican Health System

Rockford, IL

has been Accredited by



The Joint Commission

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

March 15, 2014

Accreditation is customarily valid for up to 36 months.


Robert J. Patchin, MD
Chair, Board of Commissioners

Organization ID #7420
Print/Reprint Date: 06/03/2014


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

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



SwedishAmerican Health System

Rockford, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Ambulatory Health Care Accreditation Program

March 15, 2014

Accreditation is customarily valid for up to 36 months.


Rebecca J. Patchin, MD
Chair, Board of Commissioners

Organization ID #7420
Print/Reprint Date: 06/03/2014


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

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



SwedishAmerican Health System

Rockford, IL

has been Accredited by

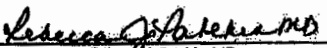


The Joint Commission

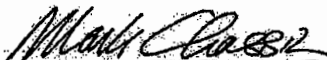
Which has surveyed this organization and found it to meet the requirements for the
Home Care Accreditation Program

March 15, 2014

Accreditation is customarily valid for up to 36 months.


Rebecca J. Patchin, MD
Chair, Board of Commissioners

Organization ID #7420
Print/Reprint Date: 06/03/2014


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

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CERTIFICATE OF DISTINCTION

has been awarded to

SwedishAmerican A Division of UW Health

Rockford, IL

in the management of

Joint Replacement - Hip
by

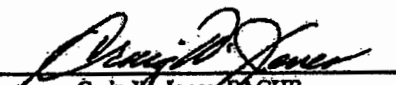


The Joint Commission

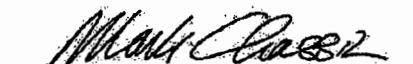
*based on a review of compliance with national standards,
clinical guidelines and outcomes of care.*

August 23, 2016

Certification is customarily valid for up to 24 months.


Craig W. Jones, FACHE
Chair, Board of Commissioners

ID #7420
Print/Reprint Date: 10/06/2016


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

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Attachment 11

CERTIFICATE OF DISTINCTION

has been awarded to

SwedishAmerican Regional Cancer Center

Rockford, IL

in the management of

Lung Cancer
by

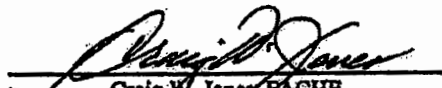


The Joint Commission

*based on a review of compliance with national standards,
clinical guidelines and outcomes of care.*

January 14, 2017

Certification is customarily valid for up to 24 months.


Craig W. Jones, FACHE
Chair, Board of Commissioners

ID #7420
Print/Reprint Date: 01/16/2017


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

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AMA
AMERICAN
MEDICAL
ASSOCIATION



CERTIFICATE OF DISTINCTION

has been awarded to

SwedishAmerican A Division of UW Health

Rockford, IL

for Advanced Certification as a
Primary Stroke Center
by



The Joint Commission

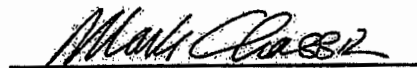
*based on a review of compliance with national standards,
clinical guidelines and outcomes of care.*

October 28, 2016

Certification is customarily valid for up to 24 months.


Craig W. Jones, FACHE
Chair, Board of Commissioners

ID #7420
Print/Reprint Date: 12/29/2016


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

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CENTERS FOR MEDICARE & MEDICAID SERVICES
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS

CERTIFICATE OF ACCREDITATION

LABORATORY NAME AND ADDRESS
SWEDISH AMERICAN HOSPITAL LAB POC TEST
1401 E STATE ST
ROCKFORD, IL 61104

CLIA ID NUMBER
14D0699775

EFFECTIVE DATE

01/03/2017

EXPIRATION DATE

01/02/2019

LABORATORY DIRECTOR

SAMUEL PARK M D

Pursuant to Section 353 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown herein (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.



Karen W. Dyer
Karen W. Dyer, Acting Director
Division of Laboratory Services
Survey and Certification Group
Center for Clinical Standards and Quality

882 Certs2_120616

If you currently hold a Certificate of Compliance or Certificate of Accreditation, below is a list of the laboratory specialties/subspecialties you are certified to perform and their effective date:

<u>LAB CERTIFICATION (CODE)</u>	<u>EFFECTIVE DATE</u>	<u>LAB CERTIFICATION (CODE)</u>	<u>EFFECTIVE DATE</u>
MYCOLOGY (120)	03/02/2011		
PARASITOLOGY (130)	03/02/2011		
ROUTINE CHEMISTRY (310)	03/29/2001		
TOXICOLOGY (340)	01/15/2015		
HEMATOLOGY (400)	03/29/2001		

FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT WWW.CMS.GOV/CLIA
OR CONTACT YOUR LOCAL STATE AGENCY. PLEASE SEE THE REVERSE FOR
YOUR STATE AGENCY'S ADDRESS AND PHONE NUMBER.
PLEASE CONTACT YOUR STATE AGENCY FOR ANY CHANGES TO YOUR CURRENT CERTIFICATE.

Attachment 11

Purpose of the Project

SwedishAmerican Hospital's current nursery service is designated by IDPH as Level II with Extended Neonatal Capabilities, or Level II+. The purpose of this project is to add a NICU service that will allow SwedishAmerican to apply to IDPH for the Level III designation. The Level III designation will let SwedishAmerican keep mothers and their infants together at all times. When transferring an infant from SwedishAmerican to a higher level of care (Level III), the mother almost always has to remain behind to receive postpartum care. This is usually due to high volume at the regional perinatal center at MercyRockford Hospital, where the majority of the Level III infants are sent.

SwedishAmerican's affiliation with UW Health provides SwedishAmerican with access to professional and clinical resources that will enable SwedishAmerican to develop a Level III neonatal program. In order to provide this important service, SwedishAmerican would need a NICU service to obtain Level III status with IDPH.

Also, as a Level II+ facility, SwedishAmerican historically treated maternal patients in the 30-32 week gestation period consistent with IDPH Director Dr. Nirav Shah's letter of September 7, 2016 confirming our hospital's Level II+ status. (Dr. Shah's letter is attached.) In March 2017, IDPH distributed a memorandum to all Level II+ facilities indicating that they should no longer treat these patients absent emergent circumstances. (IDPH's March 2017 Memorandum is also attached.) SwedishAmerican currently has the resources and specialties available to continue to provide these services to the community but, under current IDPH policy, would need to become a Level III facility to do so.

Finally, with MercyRockford's eventual relocation of its own Level III service from the West side of Rockford to its new facility under construction on the far East side of Rockford, SwedishAmerican, which is centrally located in Rockford would be the closest facility available to the West side to treat both maternal patients in the 30-32 week gestation period and babies in need of Level III services. Such services would not be readily accessible to Rockford's West and South sides unless SwedishAmerican becomes a Level III facility.



122 S. Michigan Ave., Suite 700 • Chicago, IL 60603-6119 • www.dph.illinois.gov

September 7, 2016

William R. Gorski, MD
President and CEO
Swedish American Hospital
1401 E. State St.
Rockford, IL 61104

Re: Swedish American Hospital Level II-E Perinatal Facility Re-designation

Dear Dr. Gorski:

This letter is to inform you that Swedish American Hospital's re-designation as a Level II with Extended Neonatal Capabilities (II-E) Perinatal Facility in affiliation with the Illinois Regionalized Perinatal Health Program has been approved, effective immediately.

Based on the assessment of the site visit team and pursuant to the Illinois Regionalized Perinatal Health Care Code ("Code"), 77 Ill. Admin. Code 640, the Illinois Department of Public Health ("IDPH") would like to make the following recommendations:

- Review internal staff education requirements regarding S.T.A.B.L.E. Program course to decide how often staff is to attend this program.
- Chair of anesthesia to consider changing the required anesthesia response time from the current 30 minutes to a 20 minute response time. This may help prevent "decision to incision" times from falling outside of 30 minutes.
- Consider using the actual "decision to incision" times versus an average value; this will help to quantify how the under 30 minute goal is being met more specifically.
- Continue improvement measures regarding APORS reporting. Additionally, consider improved attendance at the Regional Nurse Managers meetings.
- Hospital Quality Initiatives should review collected numbers data to determine if or where problems may exist.
- Update NeoAlert algorithm to align with NRP guidelines or use the NRP guideline algorithm in its place.
- Collaborate with your APC to verify all patients receive a consultation with a Maternal-Fetal Medicine physician and Neonatology physician as outlined in your Letter of Agreement with your APC or the patient diagnoses outlined in the Code.
- Consider adding the following criteria to the list of dietary referral triggers:
 - History of bariatric surgery

PROTECTING HEALTH, IMPROVING LIVES

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- Multiple gestation pregnancies
- Breastfeeding
- Policy/protocol update suggestions:
 - Antihypertensive medication administration
 - Add in contraindications for Labetalol administration.
 - Assisted/Operative Vaginal Delivery
 - Vacuum extraction is not indicated for gestational age XX (add age). Please check insert for vacuum being used and let it reflect the gestational age in your protocol.
 - Under G, add in rupture of membranes.
 - Consider addition of criteria for sequential use, do you allow this practice?
 - Induction of Labor/Cervical Ripening/Augmentation
 - Letter H, make the addition of uterine rupture and greater than 2 cesarean births.
 - Letter V, remove Laminaria.
 - Massive Transfusion Policy
 - Under special considerations, clarify if pregnant mothers under 18 are considered pediatric and are excluded from this treatment. They should not be excluded.
 - Magnesium Sulfate Administration
 - Under IV letter E, remove the need for strict intake and output prior to administration of magnesium sulfate.
 - Consider adopting a standard for magnesium sulfate for neuroprophylaxis.
 - Vaginal Birth After Cesarean (VBAC)
 - Should reflect the new terminology Trial of Labor After Cesarean (TOLAC).
 - Expand protocol to include indications and contraindications.

The site visit team noted that your facility has faced past difficulties in maintaining neonatal consult logs. Section 640.42(f) of the Code requires a consultation occur between a Level II-E attending neonatologist and the attending neonatologist at a Level III or APC for all hospitalized patients < 30 weeks gestation, with a birth weight less than or equal to 1250 grams, or who have any of the conditions listed in 640.42 (c)(3)(C) through (L). Documentation of this consultation should be maintained in the medical record and in a consultation log. Going forward, please maintain a log of this activity and, until the next re-designation, please submit quarterly reports to your Administrative Perinatal Center ("APC"). Please submit the first report by **December 7, 2016** to:

Jodi Hoskins, Perinatal Network Administrator
 2400 North Rockton Ave
 Rockford, IL 61103

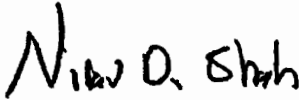
Copies must also be submitted to Trishna.Harris@illinois.gov.

Please note that failure to submit these reports will make it difficult for the Department to determine your compliance with the Code and may result in the loss of your Level II-E designation.

Finally, please note that as a Level II-E facility, Swedish American is permitted under the Code to: (i) deliver infants with a gestation age of 30 or more weeks (so long as all other requirements set forth in Section 640.42 are adhered to); and (ii) provide treatment to maternal patients in the 30-32 week gestation period.

I would like to thank you and your staff for the hospitality shown to the site visit team during the perinatal re-designation site visit on July 27, 2016. The visit provided an opportunity for discussion of your perinatal services and to highlight your commitment to providing quality care for perinatal patients of Illinois. IDPH looks forward to a continued working relationship with your hospital that will greatly benefit perinatal patients. Please be assured that we stand ready to assist you in the effort to reduce perinatal morbidity and mortality in the community. Should you have questions regarding your hospital's role or responsibility in the Regionalized Perinatal Health System, please contact Trishna Harris at 312-814-1093.

Very truly yours,



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

cc: Jodi Hoskins, RNC, MSN
Perinatal Network Administrator
Rockford Perinatal Network

Trishna Harris, DNP, APN, WHNP-BC, CNM
Perinatal Nurse, Office of Women's Health and Family Services



122 S. Michigan Ave., Suite 700 • Chicago, IL 60603-6119 • www.dph.illinois.gov

MEMORANDUM

DATE: March 9, 2017

TO: Chief Executive Officers at Level II-E and Level III Perinatal Hospitals; APC Administrators

FROM: Shannon Lightner, MPA, MSW
Deputy Director, Office of Women's Health and Family Services

RE: Maternal Gestational Age – Appropriateness of Care at a Level II-E Hospital

The Illinois Department of Public Health (IDPH) oversees the Illinois Regionalized Perinatal Health System. Part of this oversight includes periodically reviewing the perinatal designations of all birthing hospitals to ensure continued compliance with the requirements of the Regionalized Perinatal Health Care Code (77 Ill. Admin. Code 640) and the Hospital Licensing Requirements (77 Ill. Admin. Code 250).

Recently there has been confusion about whether, pursuant to the Regionalized Perinatal Health Care Code ("Code"), it is appropriate for Level II-E hospitals to keep maternal patients between 30 and 32 weeks gestation. The clarification provided in this memorandum is pursuant to a formal recommendation from the Perinatal Advisory Committee, which was approved at its February 9, 2017, meeting. This memorandum supersedes any previous IDPH guidance regarding the interpretation of Section 640.42.

Section 640.42 of the Code sets forth the standards of care at Level II and Level II-E hospitals. Standards for Level II address *both* neonatal care and maternal care. Standards for Level II-E, however, address *only* the standards for neonatal care. The Level II-E Standards do not address maternal care. This absence exists because Level II-E hospitals are a subset of Level II facilities more generally. Specifically, Level II-E hospitals are Level II hospitals with extended *neonatal* capabilities. Thus, maternal standards of care for Level II-E hospitals are not addressed because the maternal standards of care are equivalent for Level II and Level II-E hospitals.

Consequently, the standards of maternal care set forth in Section 640.42(b) apply to both Level II and Level II-E hospitals. Specifically, Section 640.42 (b)(D), states that maternal patients with "selected obstetric complications" who present *after* 32 weeks are appropriate for management and delivery at Level II and II-E hospitals. **Stated differently, maternal patients at fewer than 32 weeks' gestation *should not* be held for management and delivery at a Level II or II-E hospital barring an emergent medical situation which would put the patient at risk of harm if she were transferred.** Please work

with your Administrative Perinatal Center to ensure that your hospital is operating accordingly and that your Letters of Agreement align with this guidance.

IDPH looks forward to a continued working relationship with your hospital that will greatly benefit perinatal patients. Please be assured that we stand ready to assist you in the effort to reduce perinatal morbidity and mortality in the communities served by your hospital.

Should you have questions regarding your hospital's role or responsibility in the Illinois Regionalized Perinatal Health System, please contact me at (312) 814-1884 or at Shannon.Lightner@illinois.gov.

NICU Information Requirements

- a. 1130.531(a): A description of the project that identifies the location of the neonatal intensive care unit and the number of neonatal intensive care beds proposed.***

The project is for the addition of 10 NICU beds at SwedishAmerican's existing hospital facility located at 1401 East State Street in Rockford. The beds will be added to the existing Nursery unit that includes 36 Level I Nursery beds and 14 Level II+ beds that are currently located on the fifth floor of the hospital.

Contemporaneous with the filing of this exemption application, SwedishAmerican is filing an application for permit for a modernization that includes a new women's and children's patient tower. Upon completion of that proposed patient tower, all existing nursery beds, including the NICU, would be relocated to the new building.

- b. 1130.531(b) - Verification that a final cost report will be submitted to the Agency no later than 90 days following the anticipated project completion date.***

Included with this Attachment 14 is the applicant's verification that the final cost report will be submitted to the Agency no later than 90 days following the anticipated project completion date.

- c. 1130.531(c) - Verification that failure to complete the project within the 24 months after the Board approved the exemption will invalidate the exemption.***

Included with this Attachment 14 is the applicant's verification that failure to complete the project within the 24 months after the Board approves the exemption will invalidate the exemption, unless the exemption holder obtains an extension in accordance with and as provided by Section 1130.531(b) of the Review Board's regulations (77 Ill. Adm. Code 1130.531(b).)

APPLICANT'S VERIFICATIONS FOR NICU EXEMPTION

The undersigned representative of the applicants verifies the following:

1. That the final cost report will be submitted to the Agency no later than 90 days following the anticipated project completion date.
2. That the failure to complete the project within the 24 months after the Board approves the exemption will invalidate the exemption, unless the exemption holder obtains an extension in accordance with and as provided by Section 1130.531(b) of the Review Board's regulations (77 Ill. Adm. Code 1130.531(b).)



William R. Gorski, M.D.
President & CEO, SwedishAmerican Health System

Financial Viability Waiver
"A" Bond Rating

Financing will be obtained by the applicant University of Wisconsin Hospitals and Clinic authority. This applicant has an AA- Bond Rating from S&P Global Ratings as reflected in the attached letter dated February 28, 2017. SwedishAmerican Hospital has an A+ Bond Rating from S&P Global Ratings (ratings letter also attached).

S&P Global Ratings

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 40391602

February 28, 2017

Swedish American Hospital
1313 East State Street
Rockford, IL 61104

Attention: Mr. Robert Flannery, Senior Vice President and Chief Financial Officer

Re: Illinois Finance Authority (Swedish American Hospital), Illinois, Fixed Rate Bonds

Dear Mr. Flannery:

S&P Global Ratings has reviewed the rating on the above-listed obligations. Based on our review, we have raised our credit rating from "A" to "A+" and changed the outlook to stable from positive. A copy of the rationale supporting the rating and outlook is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above rating to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

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Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street

New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

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S&P Global Ratings

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 40413747

February 28, 2017

University of Wisconsin Hospital and Clinics
600 Highland Avenue, Suite H5/803
Madison, WI 53792
Attention: Mr. Robert Flannery, Senior Vice President and Chief Financial Officer

Re: *University Of Wisconsin Hospital & Clinics Authority, Wisconsin, Hospital Revenue & Refunding Bonds*

Dear Mr. Flannery:

S&P Global Ratings has reviewed the rating on the above-listed obligations. Based on our review, we have raised our credit rating from "A+" to "AA-" and changed the outlook to stable from positive. A copy of the rationale supporting the rating and outlook is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above rating to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

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Page | 2

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Criterion 1120.140: Economic Feasibility
Cost and GSF by Department
Project Operating Costs and
Total Effect of the Project on Capital Costs

Cost and Gross Square Feet by Department or Service

Department	A	B	C	D	E	F	G	H	Total Cost (G+H)
	Cost/sqft		Gross SqFt		Gross SqFt		Construction \$		
	New	Mod	New	% Circ	Mod	% Circ	New (AxC)	Mod (BxE)	
NICU		\$125			4389	15%		\$550,000	\$550,000
Contingency		\$18			4389	15%		\$80,000	\$80,000
Totals		\$144			4389	15%		\$630,000	\$630,000

Projected Operating Costs: The projected direct annual operating costs by the second year following project completion is \$2,758 per equivalent patient day.

Total Effect of the Project on Operating Costs: The total projected annual capital costs for the first full year at target utilization (which is anticipated to be within two years following project completion is \$102.64 per equivalent patient day.

Charity Care Information

SWEDISHAMERICAN HOSPITAL			
	Year 2014	Year 2015	Year 2016
Net Patient Revenue	\$ 384,030,000	\$ 405,907,000	\$ 420,610,000
Amount of Charity Care	\$ 40,891,730	\$ 21,533,725	\$ 14,959,155
Cost of Charity Care	\$ 8,666,418	\$ 4,077,946	\$ 2,486,713

NOTE: 2015 Audit covered 13 monhs due to change in year end, net patient revenue converted to 12 months.

SWEDISHAMERICAN MEDICAL CENTER/BELVIDERE			
	Year 2014	Year 2015	Year 2016
Net Patient Revenue	\$ 13,681,000	\$ 14,435,000	\$ 13,992,000
Amount of Charity Care	\$ 2,420,156	\$ 1,068,069	\$ 850,050
Cost of Charity Care	\$ 424,991	\$ 178,687	\$ 139,898

NOTE: 2015 Audit covered 13 monhs due to change in year end, net patient revenue converted to 12 months.

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY			
	Year 2014	Year 2015	Year 2016
Net Patient Revenue	\$ 1,773,816,238	\$ 1,949,553,501	\$ 2,120,527,956
Amount of Charity Care	\$ 87,252,117	\$ 59,772,212	\$ 56,472,261
Cost of Charity Care	\$ 35,570,620	\$ 23,659,531	\$ 21,222,433